



MEMORANDUM

TO: BOT Finance, Business, and Audit Committee Members
FROM: Kyle Clark *GC for KCC*
DATE: August 23, 2013
SUBJECT: Finance, Business, and Audit Committee Meeting

The Board of Trustees Finance, Business, and Audit Committee is scheduled to meet from 10:00 am to 12:00 noon on September 13, 2013 in room 214 of the Augustus B. Turnbull, III Florida State Conference Center. Items to be discussed at the meeting include:

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| 1. Request for Approval of June 7, 2013 Minutes | Kyle Clark | Action Item for Committee Only |
| 2. Request for Approval of 2013-2014 Inspector General Services Work Plan | Kyle Clark/
Sam McCall | Consent Agenda at Full Board |
| 3. Request for Approval of Status Report on Purchase Orders over \$1.0 Million and 5 Year+ Service Contracts for Fiscal Year 2012-2013 | Kyle Clark | Consent Agenda at Full Board |
| 4. Request for Approval of Status Report on Construction Projects over \$2.0 Million and Change Orders for Fiscal Year 2012-2013 | Kyle Clark | Consent Agenda at Full Board |
| 5. Request for Final Approval of 2013-2014 Budgets
a. Approval of 2013-2014 Operating Budget and Confirmation of prior Administrative Approvals
b. Approval of 2013-2014 Direct Support Organization (DSO) Budgets and the Florida Medical Practice Plan Budget | Kyle Clark | Action Item at Full Board |
| 6. Request for Approval of FY 2014-15 Fixed Capital Outlay Budget Request | Kyle Clark | Action Item at Full Board |
| 7. Request for Approval of FY 2014-15 Legislative Budget Request | Kyle Clark | Action Item at Full Board |
| 8. Discussion of SACS Impact on Finance & Administration Policies | Kyle Clark | Information at Committee Only* |

We look forward to seeing you on the 13th.

KCC/gg

* no materials

**THE FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES
Finance, Business, and Audit Committee Meeting Minutes**

**Thursday, June 7, 2013
10:30 am**

Room 214 Augustus B. Turnbull, III
Florida State Conference Center
555 West Tennessee Street
Tallahassee FL

Members Present: Allan Bense, Joe Gruters, Mark Hillis, Les Pantin, Brent Sembler

I. CALL TO ORDER AND WELCOME

Mark Hillis called the meeting to order. All members are present, as well as Chairman Bense. Ed Burr was listed on the committee membership, but is now chairing Academic Affairs.

David Coburn introduced Sam McCall, the University's new chief audit officer.

II. CONSENT ITEMS FOR GENERAL BOARD MEETING

1. DELEGATION OF AUTHORITY TO PRESIDENT TO APPROVE 2013 FLORIDA EDUCATIONAL EQUITY ACT (FEEA) REPORT

Joyce Ingram presented the consent item, which requests authority for the President to approve the University's FEEA Report on behalf of the Board of Trustees. The annual report is due on June 30 to the Board of Governors. An executive summary of the report will be provided at the September 13 Trustees meeting.

MOTION to approve: Sembler, Gruters; unanimously approved.

2. REVISION TO UNIVERSITY ELECTRONIC FUNDS TRANSFER (EFT) POLICY

Michael Williams presented the consent item, which requested that the University's operating procedures are incorporated into the existing EFT policy. Trustee Sembler inquired as to the specifics on monetary limits and authorized signers.

MOTION to approve, subject to receiving written procedures: Sembler, Pantin; unanimously approved.

3. NEW REGULATION FSU 2.026, LOST, ABANDONED, OR SEIZED PROPERTY

Michael Williams presented the item, which requests formalization of existing procedures for disposition of lost, abandoned, or seized property. Abandoned property is given to Surplus Property, and the funds from sales are given to student organizations. The Chuck-It-For-Charity program works with students at the end of the semester to donate their unwanted goods to local charities, relieving the University from the burden of disposition. The process has been in place for a long time, but is now being formalized.

MOTION to approve: Pantin, Sembler; unanimously approved.

4. ISSUANCE OF SERIES 2013A AND SERIES 2013B REFUNDING BONDS

FSU Financial Assistance Inc. is the issuing entity for these bonds. Refunding of bonds was first brought to the Board in January 2012 for a larger bond refunding. The rates are currently locked in at 3% and 5%, and the new rate would be 2.64%, for a savings of \$137,500.

MOTION to approve: Sembler, Gruters; unanimously approved.

III. ACTION ITEMS FOR GENERAL BOARD MEETING

5. REQUEST FOR APPROVAL OF REVISION TO REGULATION FSU 2.009, PARKING AND TRAFFIC REGULATIONS

Eric Algoe presented the material and explained that there would be some changes. Trustee Sembler protested against the late addition of materials to the Board books. Of the two components in the memorandum distributed, the student per credit hour fee is being struck from the item. There will be no change in the Transportation Access Fee. Within the regulation, the request is being made to remove the fee table from the regulation, as is the general practice for all other institutions across the State University System, and to delegate authority to the President or designee to regulate costs for credential permits.

MOTION to approve as amended: Gruters, Sembler; unanimously approved.

Chairman Bense requested that the record show that the University has chosen to not increase a fee for which an increase was previously contemplated.

IV. REQUEST FOR APPROVAL OF FY 2013-14 TUITION AND FEES ADMINISTRATIVE ACTION

Eric Algoe presented the latest information for the request for approval of tuition and fees for the 2013-14 academic year. There are no requested changes to undergraduate tuition rates other than the automatic statutory increase. At the graduate and undergraduate levels, the Student Financial Aid fee and the Technology fee continue to be assessed at the rate of 5% of tuition, for which Board of Governors approval is not required. The College of Medicine (CoM) is proposing a 6% increase to tuition, with which FSU-CoM will remain the most affordable College of Medicine in the state of Florida. The CoM Student Financial Aid fee and Technology fee would increase relative to tuition. No change is proposed to the CoM out-of-state fee. The College of Law is proposing a 5% increase to tuition. With the increase, Law will remain below the national average cost for a Law degree, and lower than the cost of a Law degree at the University of Florida. Chairman Bense noted that the cost at FSU is less than half the cost of a Law degree at the University of Miami. College of Law Student Financial Aid fee and Technology fee would increase relative to tuition.

Dean Don Wiedner and Dr. Alma Littles, from the College of Law and College of Medicine, respectively, were in attendance to answer any questions from the Trustees.

Trustee Sembler remarked that he had received a call from the Governor urging against any increases to tuition. The tuition increase is statutory and would go on the consent agenda. General Counsel Carolyn Egan explained that the statute dictates that in the absence of a legislative increase, tuition shall increase by the rate of inflation as determined by the cost-of-living index. The statute has been in place since 2008 and has not been utilized since its inception, due to the presence of legislatively set tuition rates.

Trustee Gruters stated that it is the Governor's desire that universities decrease tuition differential by 1.7% to compensate for the statutory increase. Trustee Gruters then asked if, during the Preeminence Bills talks, the University ever made the statement to the Governor's Office that we

would not propose a tuition increase this year. The universities stated that if they were granted the legislative tuition increase, they would not request an increase in differential tuition.

Gruters argued that, given the \$15 million given by the Governor for preeminence, it would be best to stand united with the Governor in the desire to hold tuition levels static so that we can expect another \$15 million next year. By going forward with the 1.7%, we may be alienating an ally in the Governor.

Chairman Bense argued that the Legislature had been very good to the University and higher education in the most recent session, restoring our cuts from 2012 and voting to increase tuition by 3%, a bold step for them. If we choose not to at least follow the law, we may fare very poorly in the Legislature next year. Perhaps we take the 1.7% and apply it to financial aid programs.

Trustee Sembler agrees with Trustee Gruters in standing united with the Governor.

Eric Algoe notified the Committee that we will also be presenting a proposal to rescind the CITF and Orientation fees formerly proposed to go to the Board of Governors for approval in June.

MOTION to approve proposed tuition rates for the College of Medicine and College of Law, and to approve proposed increases to the Student Financial Aid Fee and the Technology Fee for all student levels: Pantin, Sembler. Roll call vote: Gruters – No, Hillis – Yes, Pantin – Yes, Sembler – No, Chairman Bense – Yes. Motion passes 3 to 2.

ADDITIONAL MOTION to withdraw requests for Capital Improvement Trust Fund fee and Orientation Fee increases from the Board of Governors agenda: Gruters, Sembler; unanimously approved.

V. REQUEST FOR APPROVAL OF TENTATIVE 2013-2014 OPERATING BUDGET AND RELEASES

Eric Algoe presented the continuation of last year's budget amounts in order to have a budget in effect for July 1, as required by the State Comptroller for releases of operating funds for the fiscal year. The actual University budget is due to the Board of Governors on August 19. Following BOG approval, the budget will be brought back to the Trustees for affirmation.

MOTION to approve: Pantin, Gruters; unanimously approved.

VI. REQUEST FOR APPROVAL OF PROPOSED FY2014-15 FIXED CAPITAL OUTLAY BUDGET REQUEST

Dennis Bailey presented the changes to the Fixed Capital Outlay Budget Request to be provided to the Board of Governors. Those modifications include the removal of two projects from the Plan; the FSU Ringling/New College Central Plant Improvements and the Clinical Training Center (Non-Medical). The need for these projects has been addressed by other means. References to second phases of the EOAS Building and the Library System Improvements projects have also been removed since both projects would likely commence beyond the five year time horizon featured on this list. The request to seek approval for the sale of bonds for the New Residence Hall project has also been removed since that approval was granted recently.

Although no funds are currently available, this list establishes campus priorities for construction, and will be submitted to the Board of Governors as information.

MOTION to approve: Hillis, Pantin; unanimously approved.

VII. REQUEST FOR APPROVAL FOR TIITF LAND SWAP BETWEEN UNIVERSITY AND SEMINOLE BOOSTERS

Dennis Bailey presented information for a request for proposal for a land swap with the Seminole Boosters. The two university properties are library storage on the east end of the College Town project, and a parking lot located adjacent to a Boosters property on Pensacola Street to be

developed for a store and parking space. The Boosters would in turn give the University two parcels, one parking lot on Pensacola Street, and a small office building on Varsity Drive. The combined property values are virtually identical between the two parties. The deal will be brokered by the FSU Real Estate Foundation, and the Division of State Lands has been informed and sees no issues.

MOTION to approve: Pantin, Sembler; unanimously approved.

MEETING ADJOURNED AT 11:26 A.M.

gfg 7/18/13