

DRAFT Minutes

Finance, Facilities & Operations Committee Meeting
UWF Board of Trustees
February 21, 2017

Committee Chair, Mort O'Sullivan called the meeting to order at 10:17 a.m. with the following committee members present: Mort O'Sullivan, Dave Cleveland and Suzanne Lewis.

Other trustees in attendance: Lewis Bear, Jr., Dick Baker, Bob Jones, Greg Britton, Jay Patel, Ted Fox, Jake Hebert and LuTimothy May.

Trustee Bob Sires joined by conference call.

Others in attendance:

Others in attendance: Dr. Martha Saunders, President; Dr. George Ellenberg, Interim Provost; Dr. Kevin Bailey, VP Student Affairs; Dr. Steven Cunningham, VP Finance & Administration; Dr. Meredith Brunen, Interim VP University Advancement; James Felder, Interim General Counsel; Ms. Betsy Bowers, AVP Internal Auditing; Ms. Cynthia Talbert, Internal Auditor III, Internal Auditing; Mr. Dan Bevil, Internal Auditor II, Internal Auditing; Mr. Matt Packard, Compliance Officer, Compliance; Ms. Ellen Till, Director, Business Affairs & Auxiliary Services; Dr. Michael Huggins, Dean, CSE; Dr. Ed Ranelli Senior Advisor and Consultant, COB; Dr. Steve Brown, Dean, CASSH; Dr. William Crawley, Dean, CEPS; Dr. Ermalynn Kiehl, Dean, COH; Dr. Jay Clune, Vice Provost; Dr. Kim LeDuff, AVP, Dean, University College; Dr. Joffery Gaymon, AVP Enrollment Affairs; Chief John Warren, University Police; Dr. Tim O'Keefe, Dean, COB; Dr. Vanee Cao-Nguyen, Director SDRC; Dr. Bob Dugan, Dean of Libraries ; Dr. Brandon Frye, AVP, Dean of Students; Ms. Megan Gonzalez, Executive Director, University Marketing and Communications; Dr. Vanee Cao Nguyen, Executive Director, Office for Equal Opportunity and Accessibility; Ms. Kelley Brundage, University Registrar; Dr. Brice Harris, AVP, Haas Center; Dr. Rebecca Kennedy, Director, Health, Counseling and Wellness Center; Mr. Chip Chism, Director, Parking & Transportation Services; Ms. Karen Rentz, Director, Title IX and Equal Opportunity Programs; Ms. Robin Zimmern, Associate Dean, Student Affairs; Ms. Sandra Thompson, Director, ITS; Dr. Jenae Burkart, Faculty Technology Support Specialist,ITS; Mr. William Coleman, Lead Classroom Technology Engineer, ITS; Mr. Pat Crawford, Executive Director, WUWF Public Media; Mr. David Scott, Athletic Director; Mr. Tony Nguyen, Associate Athletic Director; Ms. Lisa Berneau, Assistant General Counsel; Ms. Lauren Loeffler, Director Career Services; Ms. Jamie Sprague, Assoc. Director, Human Resources; Ms. Angela Jones, Director, Procurement and Contracts; Dr. Claudia Stanny, Director, CUTLA; Mr. Daniel Lucas, Assistant Vice President, University Advancement; Eric Ingerman, Production and Tech. Services Coordinator, University Commons; and Becky Luntsford, Assistant Corporate Secretary to the Board of Trustees.

CHAIR'S GREETING

Chair O'Sullivan welcomed everyone in attendance and explained the Committee has two action items and two information items on the agenda.

ACTION ITEMS

1. Approval of New Fees and Changes to Material and Supplies Fees for Academic Year

2017-18. Dr. George Ellenberg, Interim Provost made this presentation to the Committee.

Dr. Ellenberg explained that the new fees and fee changes will go into effect Fall 2017 if the Committee approves to move this item forward for approval by the Board.

Dr. Ellenberg explained that textbooks and fees in general, are important topics and the university is very conscious of the costs to students and a report will be presented later in the Committee during on textbook affordability.

Dr. Ellenberg stated one key point is the state has given the university the authority to charge these fees. Material and Supplies (M&S) Fees are used to purchase consumables that are used by students during the semester. This is a way to save costs to students because students are not required to go out and purchase supplies at retail. The University has the ability to purchase items at bulk, whether those supplies are chemicals for chemistry classes, resistors for engineering projects or other items. Dr. Ellenberg stressed that the university tracks these fees very carefully. For existing Material and Supplies (M&S) Fees, UWF has developed new procedures in order to tighten internal management and accounting controls. The new procedures require all departments that have an existing M&S fee undergo a periodic review process to ensure that their fees are being assessed at the correct amounts based on the actual cost of supplies consumed in the course. Based on this review, the changes to existing M&S Fees is proposed in the departments listed in a detailed list provided to the Committee.

Dr. Ellenberg directed the Committee to see there are fees being adjusted downward as well as new fees proposed, in part, because of the invoice requirement and the College Business Managers' oversight, but also because of changing curricula across the colleges. He went on to explain that sometimes courses are added, sometimes courses are deleted. He stated the Provost office works closely with each College Dean's Office and the Business Managers are key to this process. He added that when the Provost Office reviews the process and finds that a department has exceeded 15% of the revenue not being used during the year, the fees are held until we find out why that is occurring. Dr. Ellenberg explained there are reasons why chemistry might have an overrun semester to semester and we watch that very carefully. We do not allow fees to build up over the course of time. He reiterated decreases as well as increases and new fees are being proposed.

Dr. Ellenberg answered extensive questions from the Committee and other Board members.

Trustee Suzanne Lewis asked for explanation on the new fees around Communications. Dr. Ellenberg explained he did not have detailed information on that specifically but he did have

information on other programs listed. He explained the reasons for those fee adjustments, such as personal liability insurance in Social Work.

Trustee Dave Cleveland stated concern over how many increases there are this year. Dr. Ellenberg explained that fee changes and increases are not submitted every year, but every two years. He offered to provide as much information as the Committee needs. Trustee Cleveland said he appreciated that the university is carefully monitoring this.

Chair O'Sullivan asked if UWF is monitoring fees throughout the SUS system. Dr. Ellenberg stated that has not been done so in the past but it would be easy to do going forward.

Chair O'Sullivan asked if the university is profiting from the fees. Dr. Ellenberg explained that the university does not profit from the fees at all. He reiterated this is a cost saving measure for students.

Trustee Lewis Bear asked how often the university looks at the fees. Dr. Ellenberg stated that the university has a rolling audit conducted by Internal Auditing & Compliance.

Trustee Bear asked if the university refunds students any overpayment of fees or left over fees. Dr. Ellenberg explained the intent of the fees is to ensure exactly what is charged is consumed by the student over the course of the semester. We do not give refunds. Trustee Ted Fox stated that one strategy used by departments is to stretch the money and find deals on items that can be cycled through and make the dollars go further. He went on to explain that because of the way the supply fees are set and monitored, puts a lot of creativity on the part of the faculty to make coursework and lab work relevant and more meaningful to students.

Trustee Bear asked if the university charges a student for more than one semester's worth of supplies. Dr. Ellenberg replied, absolutely not.

Trustee Bob Jones stated that on the list he noted 48 increases and 20 decreases. He asked what the cost to the university would be if the Board does not raise these fees. Dr. Ellenberg replied that he did not know exactly, but could certainly calculate that.

Trustee Jones said he was very concerned about any fee increases that would impact students at this time.

Trustee Lewis asked Dr. Ellenberg to please restate for the Board that there is no practice for any carry over in these fees. Dr. Ellenberg said that is correct. If the carry over exceeds 15% of the cost, that fee is held until further research is done and the fees are immediately rectified.

Trustee Lewis asked for clarification that the fees collected may not be used for any other purpose other than consumable products to be used by the student only. There is nothing going to professors other than for instruction in the course or the lab. Dr. Ellenberg stated that is correct. That is the university's policy.

Trustee Jake Hebert asked Dr. Ellenberg if the university has considered offering "an opt in" for students. Offering the student to purchase themselves or have the university purchase in bulk and the student can purchase supplies from the university. Dr. Ellenberg replied that no, for consistency in the materials used and safety reasons.

Trustee Hebert asked what are the majority of materials. Dr. Ellenberg explains it depends on the course and it is a broad spectrum. For Social Work, it is insurance, for an Art course, it may be paint and other media supplies, Science materials used in a science lab.

Trustee Hebert explained that as a student, he paid these fees in a circuitry class and he would never have known how to purchase those on his own. He went on to explain that it feels the same as the cost of a textbook. He prefers his professor to provide the physical items needed for a course. He does not like paying the fee, but he would not want to pay for a course, and then be told that he has to purchase additional supplies. In the end, Trustee Hebert stated if the students are saving money, then they are saving money.

Trustee Dave Cleveland remarked a number of the fees listed are maxed out at \$48.00. He asked if that means the department or professor is spending exactly to the maximum or is the university providing the student exactly what he or she needs and the department is subsidizing the cost. Dr. Ellenberg replied that in some cases, the university is absorbing the costs.

Trustee Cleveland asked where is the Board on reaction time for this decision. Dr. Ellenberg explained that this goes into the catalogue that is finished by late Spring. He went on to explain that he could bring additional information to the full Board at the March meeting if that is the wish of the Committee. He added, if the Board does not approve this item, UWF would not stop offering these courses.

Trustee Lewis said he felt it would be beneficial to move this item to an action item to go to the full Board in March. She asked that Dr. Ellenberg bring back a full picture showing if \$48.00 is the cap, show what the percentages are related to the cap. She asked that Trustee Jones' issue be addressed, if UWF does not collect the fees, what would the financial implication for the university be. She went on to ask for information on where UWF would try to find that money and what would the downstream impact be of that. She asked that

Dr. Ellenberg work with Trustee Hebert to receive more student input on these fees and be prepared to give the Board a broad picture in March.

Chair O'Sullivan asked Trustee Hebert to ask SGA to provide input at the March meeting if possible.

Trustee LuTimothy May asked if fees collected from students were not all utilized and students were not refunded, are future students charged the same. Dr. Ellenberg clarified that fees are tied to a specific semester for a specific course. He added that a department may buy in bulk and there may be more material at the end of the semester, but in the end, the student only pays for the materials he or she uses. That is part of our audit process to ensure these procedures are followed. If there is a fee in place, a purchase is made and the student uses those materials over the course of that semester.

Trustee Jones asked for clarification that if the Board chose not to increase these fees, would the existing fee structure remain in place. Dr. Ellenberg answered yes.

Trustee Jones went on to ask, "If existing funds from the fee structure would be available to cover these supplies, and if the minimum essential materials or insurance were required for students, then would that result in a cost to the university that would not be covered by the fees? Dr. Ellenberg said, "That is correct."

Chair O'Sullivan restated, "A portion of which."

Trustee Jones reiterated, a portion of which would not be covered. He said that related to why he would like to know what kind of dollars are being discussed if the Board did not approve these fees. He added that he agreed with Trustee Lewis' comment that this item should not be a consent agenda item, but rather a discussion item at the full Board meeting. If the Board chooses to not increase fees, the Board will know what it is costing the university and members can relate that to what other things are costing the university allowing the Board the opportunity to determine whether that would be a wise use of university money.

Dr. Ellenberg said he appreciated the Board's diligence on this item.

Trustee Jay Patel asked the trustees to take great caution on this issue. He asked Chair O'Sullivan to contact the BOG Chair on this issue before moving forward.

Chair O'Sullivan asked Dr. Ellenberg to come prepared at the March meeting with information showing the fee increases, created total dollar revenue; the decreases, total dollars given back; and dollar revenue.

Trustee Lewis Bear reminded the trustees that the fee issue brought before the Board last year was a new fee initiated for a new program that was needed because of the specialization of that program. The course required a kit to be purchased by students and that fee exceeded the normal student fee.

Chair O'Sullivan asked if there were any further comments or discussion.

There was none.

Chair O'Sullivan made a motion to approve the new fees and changes to existing fees for Academic Year 2017-18 as presented.

Trustee Dave Cleveland asked if the Committee should send this item to the full Board for consideration unapproved or should the Committee approve the item and ask the Full Board to reverse that.

Trustee Suzanne Lewis asked if the Committee could entertain a motion to table the item and have it brought back to the Board in March for consideration by the full Board.

Chair O'Sullivan explained that at the Committee level, the Committee conducts the business of the committee and sends up agenda items with the Committee's approval for Board approval. He went on to explain that this would not be a final decision by our Committee. He added that the Committee is simply moving the item along to be discussed by the full Board at the Board meeting.

Motion by: Trustee Suzanne Lewis

Seconded by: Trustee Dave Cleveland with one addendum to the motion "Committee Approving for Further Discussion"

Chair O'Sullivan made an addendum to the motion to state: at the Committee Level, approve moving this item to the full Board for further discussion at the full Board level.

All Committee members in favor.

Motion carried.

2. Approval of Proposed Amendment to UWF/REG 5.010 Educational Research Center for Child Development. Dr. Jim Hurd, Senior Associate Vice President for Student Affairs presented this item.

BOG Regulation 10.004 provides that the Board of Trustees may establish or change childcare and service fees for Educational Research Center for Child Development (ERCCD).

ERCCD child care fees were last increased in Fall 2015. These rates have been presented and approved by the ERCCD Board of Directors as required by BOG Regulation 10.004.

This fee increase is being driven by multiple factors: decreased funding from the Activity and Service (A&S) Fee, decreased CITF annual operating allocation, and increased staffing costs, particularly for lead teachers, linked to market competition. Recently we have experienced staff turnover in our lead teacher staff including two resignations and one declined employment offer. Each of these folks cited salary as a major reason. Every measure of quality for a childcare center includes the quality of the staff and FSU's Center for Prevention and Early Intervention Policy specifically cites Continuity of Care as a component of quality childcare. Based on these circumstances, ERCCD management has committed to improving compensation for the four lead teachers (Senior Classroom Teacher, Sr. Child Care Group Leader) in two stages with the first being effective August 2016. Prior to that adjustment, these folks average just over \$22K each. The first phase increased that average to \$25K for FY17. Phase two (for FY18 beginning August 2017) is intended to increase that average to \$30K, which should compare well to average salaries for these positions in our local region.

It is important to note that student rates are not increasing and are well below market rates, ranging from 25.6% lower for the infant group to 10.1% for the toddler 2 group. Additionally, students currently benefit from a federal grant that pays a significant share (50% - 95% depending upon qualifications) of the childcare costs for Pell-eligible and military affiliated students. For example, in FY16 we served 37 student families (63% of total student families) who qualified for the grant. To date, the grant has covered over \$350,000 for student childcare at the Center.

Motion by: Trustee Dave Cleveland

Seconded by: Trustee Suzanne Lewis

Motion carried.

INFORMATION ITEMS

- 1. Dr. Steve Cunningham, Vice President and CFO, provided the committee with a **Major Facilities Construction Projects Update** on the new construction at the Laboratory Sciences Annex and University Park Center.**
- 2. FY 2016-17 Operating Budget Summary. Dr. Cunningham** presented the budget summary.

Chair O'Sullivan asked that going forward, Dr. Cunningham indicate all significant changes to the budget by highlighted and notated for the Board. He explained that the Board needs to be aware of all significant changes and the notations need to be highlighted in a way that the Board can easily recognize and understand them. Dr. Cunningham agreed.

OTHER COMMITTEE BUSINESS

None

ADJOURNMENT

With no further Finance, Facilities & Operations items to discuss, the meeting was adjourned at 11:15 a.m.

Respectfully submitted,

Becky Luntsford, Assistant Corporate Secretary

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