USF Board of Trustees
Finance Committee
NOTES
November 16, 2023
Microsoft Teams Virtual Meeting

I. Call to Order and Comments

The meeting of the Finance Committee was called to order by Chair Michael Griffin at 9:50am. Chair Griffin asked Kiara Gayle to call roll. Ms. Gayle called roll with the following committee members present: Michael Griffin, Sandra Callahan, Mike Carrere, and Will Weatherford. A quorum was established. Shilen Patel and Melissa Seixas joined the meeting after roll call.

II. Public Comments Subject to USF Procedure

No requests for public comments were received.

III. New Business – Action Items

a. Approval of August 8, 2023 Meeting Notes

Upon request and receiving no changes to the draft meeting notes, Chair Griffin requested a motion for approval, it was seconded and the August 8th meeting notes were unanimously approved as submitted by all committee members present**.**

b. T-Mobile EBS Licences Sale

Fell Stubbs, University Treasurer, presented the T-Mobile EBS Licenses Sale. This agenda item is a resolution to authorize the sale of 8 educational broadband service (EBS) licenses to T-Mobile. USF is the licensee of 8 EBS licenses issued by the Federal Communication Commission (FCC). USF currently leases the eight 2.5 gigahertz EBS licenses to T-Mobile under a 30-year lease agreement that matures in 2041. The FY23 lease payment is $1.736M. T-Mobile is the only major operator building a nationwide 5G network in 2.5 gigahertz licenses and utilizes the USF EBS licenses currently in the Tampa Bay market. USF received EBS license valuation analyses from KPMG Consulting and RBC Capital Markets under various discounted cash flow and auction value assumptions. T-Mobile has offered to acquire the university's eight 2.5 gigahertz EBS licenses for $30M. The university has pledged the contingent EBS licenses sale to the USF Stadium project as a component of the $140M of equity funds, approved by the BOT on June 13, 2023. The sale of the EBS licenses is contingent on the FCC approval of the transfer of the licenses. The anticipated timeframe for this approval is 3 to 6 months. A description of the licenses is provided in the meeting materials.

Chair Griffin stated that he is very pleased with where this sale landed. A lot of individuals put a lot of energy into this – Rich Sobieray, Hilary Black, and the legal team. While this still has to go to the FCC, it has exceeded his expectations. He thought we approached this the right way with the right data and he thanked the team.

A motion was made to authorize the sale of eight EBS licenses to T-Mobile. The motion was seconded and approved by all committee members present.

c. 2024-25 USF Parking System Budget

Mr. Stubbs presented the 2024-25 USF Parking System Operating Budget and requested approval at this time to meet a February filing requirement by the Board of Governors (BOG). This is the University's annual approval of the Parking System Operating Budget for FY25. The Parking System supports the Series 2016A parking system bonds. The bonds were issued by the Florida Division of Bond Finance, who requires the approval and submission of a detailed operating budget to the BOG at least ninety (90) days before the beginning of the fiscal year which means a filing deadline in February of the coming year. The parking bonds are the only bonds issued by the Division of Bond Finance subject to this requirement.

The FY25 Operating Budget for the USF Parking Facilities Revenue Bonds reflects a modest increase in both operating revenues and operating expenses. FY25 Operating Cash Carried Forward decreased $12.6M from the prior year due to two critical components: 1) $3M dedicated to the installation of the garage fall protection equipment across 5 parking garages on the Tampa and St. Petersburg campuses; and 2) $8M pledged to the development of the on-campus stadium project. The cost of the fall protection equipment ($3M) is reflected in the FY24 Operating Capital Outlay together with ongoing deferred maintenance for various projects at $1M. The contribution to the on-campus stadium of $8M is reflected in the FY24 Other Outflows & Transfers Out, together with an overhead assessment of $1M. The reduction of debt service in FY24 and FY25 is due to the final amortization of the 2016 revenue bonds that mature on July 1, 2026. Unrestricted operating cash funds of $5.4M in FY24 and $5.1M in FY25 provide strong support for the "AA" credit ratings on these bonds issued by Moody's, S&P and Fitch. Debt service coverage ratio for FY23 was 1.61x coverage; for FY24 is 2.15x coverage; and for FY25 is 3.53x coverage.

Mr. Stubbs noted that Carole Post and her staff prepared the FY25 operating budget for parking.

A motion was made to approve the 2024-25 Operating Budget for USF Parking Facilities Revenue Bonds, Series 2016A. The motion was seconded and approved by all committee members present.

d. Institutes & Centers (I&C) Report

Masha Galchenko, Associate Vice President for Business & Financial Analysis, presented the Institutes & Centers (I&C) Report. Ms. Galchenko explained that BOG regulation 10.015 defines Institutes and Centers that are expected to enhance existing university activities. Our Office of Decision Support oversees the processes for establishing, evaluating and disbanding these institutes or centers. Deans and Vice Presidents are responsible for operating them. And Business & Finance oversees annual collection of financial reports.

The same regulation also has been updated last fiscal year now for the BOT to approve annual financial reporting which is what we are asking today. BOT ACE committee reviews individual institutes and centers on a 7-year review cycle.

Since annual reporting is done for the prior fiscal year, once the year has been closed, Budget & Financial Analysis reviews submissions from individual institutes and centers to assure accuracy of reporting and compiles a summary report that is included in the meeting materials and that upon BOT approval will be submitted to the State.

Ms. Galchenko presented a graph summarizing the report (page 30 of the meeting materials). Overall, USF has 100 of these institutes or centers. The distribution of these across various academic areas is on the right and the overall funding sources distribution for expenses is on the left. Since the majority of these are research in nature, contracts and grants funding represents 76% of expenditures. The biggest research institute at USF is Health Informatics Institute (HII) and the largest State funded center is Florida Cyber. Again, the full report of these 100 institutes and centers with details for each is included in the meeting materials.

A motion was made to: 1) approve the Institutes & Centers Annual Report for 2023; and 2) authorize the President or her designee to make necessary nonmaterial adjustments to the Institute and Centers Annual report of 2023, with the requirement that any material changes be approved by the University Board of Trustees Executive Committee. The motion was seconded and approved by all Committee members present.

e. Expenditure Authorization

Jennifer Condon, Vice President and Acting CFO, presented six expenditure authorization requests, all construction-related, for approval by the Finance Committee. USF's expenditure policy requires Finance Committee approval for all expenditures in excess of $3M.

The first two are actually not a change in scope or a request for authorization to expend, but rather a change in funding source.

- Taneja College of Pharmacy at MDD

  This is a request for a change in funding source. Requesting to reduce the funding provided by Dean's Academic Support fund and replace it with carry forward funding. This is directly related to the to the relief of restriction for use of carry forward on construction projects that was recently passed by the BOG. There is no change in scope. As of now, the project is on scope and on budget.

  A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

- MDD Floors 6, 7, 8

  This is another request for change in funding source. This was originally approved as a $14.6M project for using solely Dean's Academic Support funds. The College of Medicine is requesting approval to change the funding sources to use $1M of foundation funds (philanthropy), and then to transition some of the Deans Academic Support funding into a foundation loan that will be repaid by Dean's Academic Support funding. This project is on time and on budget.

  A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

The next two requests are University expenditures.

- MDF Research Functional Magnetic Resonance Imaging (fMRI) Core Facility

  This is a $4.5M request to buildout an fMRI facility, which will support the research endeavors of the Morsani College of Medicine (MCOM). MCOM has received $4M of external funding and will contribute another $500K from carry forward. This facility will be used for clinical, translational and fundamental research in the MDF building.

  A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

- MDF Hyperbaric Oxygen Therapy (HBOT) Clinical Research Center

  This is a $4.5M request to build out the Hyperbaric Oxygen Therapy (HBOT) Clinical Research Center. The university received a $14M allocation from the state of Florida to lead a thorough clinical trial aimed at evaluating the medical efficacy of hyperbaric oxygen therapy in the treatment of PTSD and traumatic brain injuries, specifically for veterans and active-duty military service members. This is a request to use $4.5M of E&G carryforward funds to build out the center so that we can get the clinical trial started.

  Trustee Weatherford stated that for years, people have been going to HBOT facilities to get relief from PTSD, and a lot of them are veterans. USF will be the first university, and really the first research organization, to be able to position and then to be in a posture to prove out whether or not these HBOTs are providing the value that people anecdotally feel like they are getting. This could have a huge impact on our veteran community, on people in our society that are suffering from different challenges as it relates to PTSD. He is very excited that USF was chosen and entrusted with this research. This is a unique opportunity for us to do something and not just on behalf of the state, but on behalf of the veterans across the country. He fully supports this.

  A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

The last two requests are DSO expenditures.

- Innovative Education Location in Research Park

  USF Research Foundation is requesting permission to spend $3.275M to buildout space for our Innovative Education department. They are planning to take over space that is currently occupied by USF Research and Innovation and by transferring this to Innovative Education, it will reduce the Research and Innovation lease commitment and ensure that the building is productively occupied. Innovative Education is expanding, and they are proposing to build an "Innovative Co-Lab," which will operate as a dynamic hub where the intersections of learning, creativity and collaboration converge. The buildout will be done by USF Research Foundation and it will be tied to a lease with Innovative Education.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

- MCOM Infectious Disease Research

This is a request from the USF Research Foundation to build out approximately 21,000 usable square feet for virology and infectious disease research in the new Research Park building. This is a request not to exceed $16.7M. The request is to build out space that will be used to recruit faculty that will be doing virology and infectious disease research. This is tied to a long-term lease, which is our next action item and will be covered next.

Trustee Weatherford stated that this is an exciting opportunity for the University and our research efforts. Chair Griffin agreed that this is very important to MCOM as their needs are expanding. However, this building's original intent was to attract third party, non USF-affiliated agencies or departments, etc. It is important to get this building filled and active, and it is in a lot of ways the front door to the Tampa campus. But as we think about building more, we need to give some real thought around what are some of the clusters that we want to be known for on all of our campuses, but particularly within research in Tampa. The demand for lab space nationally is significant. He is spending more time with the team on some of this because he believes that being part of our University is really special. He is thankful for MCOM stepping up and injecting a lot of really important work into this incredible asset. He looks forward to really exploring how we can define our ecosystem a bit better so we can attract local and national players.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

f. Approve Sublease and Real Property Policy Exception

Vice President Condon presented the agenda item. This is tied to the last expenditure approval. Our real property policy calls for BOT approval when a lease exceeds 10 years or $5M and the lease for the space that was just approved (MCOM Infectious Disease Research Space in USF Research Park) is set to be a 20-year life and it will exceed $5M. Therefore, we are requesting BOT authority to enter into a 20-year sublease for MCOM Infectious Disease Research based in USF Research Park, which will exceed $5M and approval of exception to the real property policy for a lease term exceeding 10 years. The 20-year life was requested by MCOM because they are amortizing the cost of construction over the term of the lease.

A motion was made to authorize USF to enter into a 20-year sublease for MCOM Infectious Disease Research Space in USF Research Park RSB/3814 Spectrum Blvd exceeding $5M and approve exception to Real Property Policy for lease term exceeding 10 years. The motion was seconded and approved by all Committee members present.

IV. New Business – Information Items

a. Annual DSO Investment Reports

1. USF Foundation

2. **University Medical Services Assoc., Inc.**
3. **USF Research Foundation, Inc.**

Mr. Stubbs presented the Annual DSO Investment Reports. This is an annual request from the BOT Finance Committee for the three DSOs with significant investment portfolio balances (USF Foundation, UMSA, and USF Research Foundation). The University's investment report was provided at the August BOT Finance Committee meeting. Mr. Stubbs provided the following FY23 highlights of the three DSO investment reports:

- USF Foundation
  - $674M endowment
  - $156M operating portfolio
  - 9.1% return
- University Medical Services Association, Inc. (UMSA)
  - $49M operating portfolio
  - 10.15% return
- USF Research Foundation, Inc.
  - $40.9M operating portfolio
  - 8.7% return

These returns for FY23 reflect a good recovery from FY22 levels. All portfolios are governed by investment committees and are all compliant with the BOT Investment Policy,

b. Draft 2023 Financial Statements

Ms. Condon provided highlights of the draft FY23 financial statements. Ms. Condon reviewed significant items on the income statement and the balance sheet. Net operating results this year improved $53M to where we are back in the black at $35M. This is good news. Primary drivers for that increase are an increase of $90M in state appropriations; net investment income recovered (primarily unrealized activity, but it is still a recovery); contracts and grants activity increased $52M. Those were offset by increases of $108M in compensation and employee benefits and $51M for services and supplies. While the $108M increase for compensation and benefits seems high, we worked very hard last year to improve our compensation including increasing our minimum wage to $15/hour in advance of the Florida requirements. Our unrestricted net position at the end of the year improved $28M. This is also good news. Trustee Weatherford commented that it has been a long time since USF has been in the black to this degree as an institution. USF is a multi-billion dollar organization, with almost 50,000 students and 16,000 employees. It is expensive to run an operation of this scale. He is happy to see our financial house being in a much better posture going forward. USF is a much healthier place than it was just a few years ago. This allows us to make strategic investments in the things that will continue to carry us forward and add more value to the students. He thanked the whole team for this and also is thankful to the state as they are a large reason why we are in better posture financially. He is grateful to the legislature and the governor for putting us in this great spot.

Next Ms. Condon looked at our unrestricted net position adjusted for pension, OPEB and related deferrals activity. We look at this because that is what our rating agencies do. Standard & Poor's and Moody's look at our unadjusted net operating results and then they adjust off all of the pension, OPEB and related deferrals activity. It is not as important in FY23 as the net operating results in the black; we had positive results this year. And after adjusting for the pension, OPEB and related deferrals activity, we are still in the black and that is good news. Perhaps more importantly, our unrestricted net position, which shows us at negative $300M, and when you adjust for all of the pension, OPEB and deferral accumulation over the last several years (almost $1B), we get to be positive by $546M. So it is an important look because these really are not exclusively USF liabilities and that is why we present this picture for the Trustees and we present the same picture for our rating agencies. This is happening to state universities all over the country. The pension, other post employment benefit and related deferrals are being pushed down to the agencies from the states and so the unrestricted positions look negative, but they are not.

USF had a cash and investments balance of almost $1B at year end, consisting of a $73.7M increase in unrealized gains in FY23 and a $4.5M increase in investment income. This is real investment income, not unrealized. Ms. Condon cautioned that this $1B is not available to go out and spend; there are operational restrictions on these funds as indicated in the materials by the breakdown of the balance by fund source. 37% of that balance is in state appropriations and fees; the second most significant balances are in auxiliaries and then a combined agency, contract & grant, financial aid, loan and DSO funds. More importantly, we have 226 days cash on hand. This is a measure we look at and we ask our DSOs to look at that measure as well. We are three years positive in cash and investments. Even coming through COVID, we continue to add funds to our cash and investment balances. This means that we are certainly in a strong financial position for it to continue.

Ms. Condon then explained variances year to year that are in excess of $10M or 10% change or $20M regardless of the percentage. That is the variance analysis that we do in our management discussion and analysis for our financial statements. There is a tremendous amount of construction activity happening on campus and a lot of variances are around capital asset activity. On the balance sheet, assets due from state increased $94M due to the infusion of capital from that state of Florida. That was booked as a receivable and as we make those construction commitments, we bring down the funds. Nondepreciable capital assets (construction in process) increased $20M. Once we move that into our buildings we will start to depreciate that. For net position, investment in capital assets increased $60M and funds restricted for expendable capital projects increased $114M. On the income statement, as previously discussed, capital appropriations increased $100M and capital grants, contracts, donations and fees increased $18M (that is where we account for some of the activity that comes in from foundation). The remaining significant variances are as follows:

- Our higher education emergency relief funds sunset in FY23 so we had some variances that resulted in the sunset of those funds.
- We have some timing that was accounted for with our payments to the Agency for Healthcare Administration (Medicare upper limit payments); UMSA provides the funding to us we send the money to the state, the state sends it back to us. This is just timing and there was some activity with accounts payable and due from component units in FY22 that resulted in variances FY23.
- A combination of HEERF and AHCA activity that affected our nonoperating expenses.
- An increase in unearned revenue due to the infusion of funding for cybersecurity and Florida Flood Hub that was made from the state of Florida. We actually account for those activities as grants and contracts. We received the funds in advance of expanding them, so we have to book them as unearned revenue.
- Accounting changes for self-insurance and technology.

We had a lot of variances, but most of it was due to accounting and accrual activity.

c. USF Student Housing Update

Ana Hernandez, Associate Vice President, gave an update on USF student housing. The purpose of the update is to validate the earlier decision of the board for our five-year strategic rate increase for housing. Housing is aligned with the strategic plan for the university in supporting both our student success initiatives as well as responsible fiscal stewardship. The value of living on campus is more than just a bed. That value is certainly recognized by the students and families as demonstrated by the strong demand to be part of the on campus residential experience. Currently, our spring standby list for the Tampa campus is up to 250 students. We just opened the fall 2024 application for our returning students yesterday and on the Tampa campus we had over 2,000 students apply on the first day to come back next year and St. Petersburg had the same level of success with just about 300 applications submitted for the St. Pete campus. This is really high demand and we are expecting that will continue. The first-year students will have the opportunity to apply for housing as soon as the admissions decisions are released on December 8th.

We remain competitive with our peers throughout the SUS and the local market. Following the board's approval of the multi-year strategic housing rate increase, several other SUS institutions followed suit with a similar multi-year plan. This could become the standard and hopefully the other institutions will have the same success that we have with regard to our planning that is allowed or is supported by the multi-year plans. Our off-campus market continues to raise rental rates aggressively. This past year, we saw an 11.6% increase overall on some of the student focused properties that we keep an eye on, where we are looking at our 4.5% increase.

We continue to strategically invest in our facilities to deliver the best in class experience commensurate with our AAU membership. The predictable revenue resulting from the five-year rate plan has supported effective project planning looking out for several years. St. Petersburg has just completed their comprehensive facilities audit to inform their strategic facilities reinvestment plan. The new Sarasota-Manatee Student Center and Residence Hall will be opening in August of 2024. The Tampa campus continues to advance plans for the new Argos redevelopment project to replace aging inventory and expand our capacity. We hope to bring back some information to the board in the spring related to that project.

Housing & Residential Education is fully funded by student rental revenue. We do not receive any E&G, A&S, or carryforward funding. We continue to meet or exceed debt service coverage ratio targets and receive positive ratings from Moody's and S&P. We continue to experience financial pressures in this high inflation environment and tight labor market and make our adjustments accordingly. Fall 2024 is year two of the five-year plan. The housing rates continue to be covered by the Florida prepaid dorm plan.

Chair Griffin stated that this is a great report and he thanked Ms. Hernandez for her good work and her leadership. The occupancy rates are incredible and it's great to see St. Pete is over capacity and Tampa continues to really overperform. The capital markets right now are a little bumpy, but student housing around our campuses are still trading at high values. The expectation for excellence on on-campus housing is going to continue to increase as competition continues to grow around us. He is very pleased that this board made some commitments around investing further in housing around that entire program, not just the brick and mortar, but security, resident living, etc. It all goes back to really driving student success, and it is good to see these numbers so strongly and well positioned for the university.

d. DSO Financial Updates

Ms. Condon introduced the agenda item. The FY24 DSO Annual Financial Plans were presented in May 2023. Two DSOs actually presented planned deficits for FY24, and this board is monitoring them more closely. The two DSOs, University Medical Services Association (UMSA) and the Institute for Applied Engineering (IAE) will provide information on their first quarter operating results.

1. UMSA Update

Steve Omli, USF Health CFO, gave the update on UMSA. In the spring, UMSA presented a negative $7.2M budget for FY24. The reason for this is that for the past 4 1/2 years or so, healthcare costs have skyrocketed. At the onset of the COVID pandemic and for the first three years, UMSA was able to mitigate that with some Cares Act funding and other federal funding that went away in FY23. But the costs did not go away and in the business of healthcare, even though our costs have skyrocketed, we are not able to change our prices. Prices are contractually set (many by the government) and so we are in a situation where we are facing some operating losses.

Mr. Omli then gave an update on some of the major action items that were also presented in the spring.

- QGENDA - Operationally, UMSA implemented QGENDA (a physician and space scheduling platform) in July. It is very popular in medicine. This will help UMSA better utilize clinic space and provider time. So as physician schedules change, we are able to be flexible and put other providers into that space, see our patients and significantly improve our utilization.
- TGH contracts – Currently have hundreds of individual contracts with TGH and new ones every year (probably two or three handfuls of new ones worth millions of dollars). TGH is on a slightly different fiscal year; their fiscal year begins October 1st. A lot of these contracts are still in the process of being closed and signed, and we are working very hard on making sure that happens, which will provide some additional revenue into UMSA.
- USF-TGH funds flow initiative - This is our long term plan to derisk UMSA from the financial risk it is now experiencing. If we look forward, nothing is really going to change significantly on the revenue and expense side and it is important for us to come up with a new financial model to make sure that we can stay in business, serve our mission, see our patients, and educate our medical students and residents. This is something that other progressive academic medical centers have already begun doing, probably for at least the last few years. We are working with TGH on a funds flow model that will pay our physicians a more competitive market rate. This is extremely crucial, something that we cannot do on our own and it also puts more of the clinical expense risk onto TGH. This is still good for both parties and we are working through the modeling now. This process is proceeding at a very good

pace at this point in time. This will be very helpful for UMSA going forward into FY25 and beyond. It will help our physicians immensely and will also align our clinical strategies with our primary hospital partner.

Mr. Omli then reviewed the first quarter financials which show the following:

- Negative variance on revenue
- Positive variance on expenses
- Positive variance on net operating profit though still negative

Mr. Omli presented and explained three forecasts – actual plus budget forecast, actual plus trend forecast, and predicted forecast. All three are still forecasting negative at year end, but not as large. Taking all this into consideration and being conservative, Mr. Omli expects UMSA will end the year 3% below budget in revenue and also 3% below in expenses. If UMSA does that, UMSA's performance for the year will be a little bit better than budget but still close to -$7M. The good thing is that for this fiscal year, UMSA has a strong balance sheet. They do have cash in the bank, but this is not sustainable. Mr. Omli would like to bring a similar report back to the committee at each meeting and update it as we have more months and quarters of actual performance.

Chair Griffin thanked Mr. Omli for the update.

2. Institute of Applied Engineering (IAE) Update

Scott Dalziel, IAE CFO, presented for IAE. He gave an update on the financial plan statement that was presented with the budget back in May.

- IAE executed a restructuring or reorganization in the fourth quarter of last year prior to the budget being presented. There are operational efficiencies identified in doing so and the actual performance to date shows that some of those improvements have occurred already.
- Implementation of an ERP system, to fully integrate into operations, has been completed at the end of the first quarter and seeing efficiencies further there.
- Rapid Experimentation Lab - expansion of the services we provide to our customers. Adding 8,000 square feet to our facility. Construction started in June and is expected to come online and be able to be occupied by our customers at the turn of the year, opening up in January.
- Business Development Team – focused on building out this team to drive some strategic growth in revenue and strategic partnerships with our customers. A new business development director started this week to lead that part of the organization for further results.

Mr. Dalziel then discussed actual performance to date by looking at the annual financial plan and how we are progressing toward that. Presented in the annual plan was to have a positive operating profit of $276K and then after depreciation of many of the assets including construction/expansion of the Rapid Experimentation Lab funded by an economic development grant by Hillsborough County, a negative net income of -$114K. Actual performance to date shows revenues are down 4% from budget predominantly due to one contract that also corresponds to the major subcontractor direct project expense. For that particular project, our customer just decided it was better to go a different route. We have already made up some of that negative variance that will come to fruition over the next three quarters. Optimistic that we can recover the full amount of that variance throughout the year. In the general administrative expenses, the operational efficiencies have taken place. So operating profit is up with a positive 17% variance predominantly due to those efficiencies. Professional services did include a one-time expense for ERP implementation. It was expected to occur in the fourth quarter of last year, but the expenses for that hit in the first quarter of this year. Overall, we made up $94K of that negative variance that was projected in the annual budget in the first quarter. Optimistic that will continue throughout the fiscal year to be in the black by the end of the year.

Chair Griffin stated that this is good news and he hopes to not have to have a special discussion about IAE for much longer. This is great work and this board has high aspirations and high expectations for the future of IAE.

e. Budget Model Update

Special Advisor Darren Schumacher gave an update on the budget model. Over the last month, Dr. Schumacher has been digging into the RCM budgeting process, reviewing what has been done with the consulting group that was previously hired. He thanked the Provost for his active work in benchmarking and talking to colleagues at other universities so that we can learn from their experiences without repeating their mistakes. We have been reviewing other universities' online activities, including within the State University System of Florida. There was a very good presentation by the Faculty Senate where they had raised some concerns about various aspects of the model and sensitivities, etc. So we are digging through those and working with the Faculty Senate to make sure that their concerns are addressed. While a model is important, it is only part of the process. It is important to have governance around the model, so we have been spending a lot of time working on creating a governance process around the model-based budgeting process. That is going well. We have gone through two drafts with one more that will be done later this week. Part of that governance is making sure that the budget aligns with our strategic centers of gravity and the metrics that drive Preeminence, AAU membership, and of course other things like medical success and athletics. We are making very good progress and will have more to report in the near future.

V. Adjournment

Trustee Weatherford thanked everyone for their time. He appreciates and encourages engagement by the Trustees.

President Law stated that we are working very hard, but we are having tremendous successes. She thanked the Trustees for their guidance and support.

Having no further business, Chair Griffin adjourned the Finance Committee meeting at 10:55am.