

# FLORIDA INTERNATIONAL UNIVERSITY **BOARD OF TRUSTEES** FINANCE AND AUDIT COMMITTEE

Wednesday September 5, 2012 10:30 am approximate start time Florida International University Modesto A. Maidique Campus MARC International Pavilion

# Committee Membership:

Sukrit Agrawal, Chair; Cesar L. Alvarez; Robert T. Barlick, Jr.; Gerald C. Grant, Jr.; C. Delano Gray

# Liaison:

Richard Brilliant, Foundation Board of Directors

**Business Services Update** 

4.6

**Emergency Management Update** 

Safety and Environmental Compliance Report

		AGENDA					
1.	Call to C	Sukrit Agrawal					
2.	Approva	Sukrit Agrawal					
3. Discussion Items (No Action Required)							
	3.1	Office of Internal Audit Status Report	Allen Vann				
	3.2	Fiscal Year 2011-12 Financial Performance Review	Kenneth A. Jessell				
	3.3	Strategic Discussion on Student Debt	Kenneth A. Jessell				
	3.4	Foundation Report	Richard Brilliant				
4.	Reports	(For Information Only)					
	4.1	Treasury Report	Phong Vu				
	4.2	Athletics Update	Pete Garcia				
	4.3	University Compliance Report	Leyda Benitez				
	4.4	Construction Status Update	John Cal				

Aime Martinez

Amy B. Aiken

Roger Riddlemoser

The Florida International University Board of Trustees Finance and Audit Committee Agenda September 5, 2012 Page 2

# 5. New Business

FA1. Tuition for Market Rate Programs, 2013-14 Academic Year

Kenneth A. Jessell

- 5.1 Office of Internal Audit Discussion of Audit Processes
- 6. Concluding Remarks and Adjournment

Sukrit Agrawal

Next Finance and Audit Committee Meeting is scheduled for Thursday, November 29, 2012

# THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

# Finance and Audit Committee

September 5, 2012

Subject: Approval of Minutes of the Meeting held June 6, 2012

# **Proposed Committee Action:**

Approval of Minutes of the Finance and Audit Committee meeting held on Wednesday, June 6, 2012 at the Modesto A. Maidique Campus, MARC International Pavilion.

# **Background Information:**

Committee members will review and approve the Minutes of the Finance and Audit meeting held on Wednesday, June 6, 2012 at the Modesto A. Maidique Campus, MARC International Pavilion.

**Supporting Documentation:** Finance and Audit Committee Meeting Minutes:

June 6, 2012

Facilitator/Presenter: Committee Chair Sukrit Agrawal



# FLORIDA INTERNATIONAL UNIVERSITY **BOARD OF TRUSTEES** FINANCE AND AUDIT COMMITTEE **MINUTES** JUNE 6, 2012

## 1. Call to Order and Chair's Remarks

The Florida International University Board of Trustees' Finance and Audit Committee meeting was called to order by Committee Chair Sukrit Agrawal at 9:03 am on Wednesday, June 6, 2012, at the Modesto A. Maidique Campus, MARC International Pavilion.

The following attendance was recorded:

Excused Present

Sukrit Agrawal, Chair Robert T. Barlick, Jr.

Thomas A. Breslin

Gerald C. Grant, Jr.

Cesar L. Alvarez

Trustees Jorge L. Arrizurieta and Laura Fariñas, and President Mark B. Rosenberg were also in attendance.

Committee Chair Agrawal welcomed all Trustees, faculty and staff. He also welcomed Trustee Robert T. Barlick, Ir. and thanked him for agreeing to serve as a member of the Committee, noting that his expertise will prove to be invaluable to the Committee.

### 2. Approval of Minutes

Committee Chair Agrawal asked that the Committee approve the Minutes of the meeting held on March 14, 2012. A motion was made and passed to approve the Minutes of the Finance and Audit Committee Meeting held on Wednesday, March 14, 2012.

### 3. Action Items

## FA1. Proposed 2012-2013 Operating Budget

Committee Chair Agrawal introduced the proposed 2012-2013 Operating Budget, noting that Senior Vice President of Administration and Chief Financial Officer Kenneth A. Jessell would provide a comprehensive review of all of the components, including the proposed fee increases. He noted that in accordance with Florida Board of Governors' Regulation, the proposed increases for the Activity and Service, Athletics, and the Capital Improvement Trust Fund fees were recommended by a fee

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committee. He added that one half of the University Fee Committee was comprised of students appointed by the student body president while the other half of the Committee members were appointed by the university president. He further noted that the chairperson was appointed jointly by the university president and the student body president and only voted in the instance of a tie. He stated that the Fee Committee held public hearings to hear comments and address concerns from the University community. Committee Chair Agrawal recommended that all of the action items included within the 2012-13 Operating Budget be voted on in one (1) motion. There were no objections.

**A.** University and Direct Support Organizations (DSO) Operating Budgets Sr. VP and CFO Jessell presented the University and DSO Operating Budgets for Committee review, providing a detailed summary of key aspects of each budget. He reported that the University incurred \$24.3 million in State revenue reductions. He noted that key components of the operating budget included tuition increases for Graduate, Law and Medicine students, a 15% increase to the differential tuition for undergraduate students in addition to increases in the Financial Aid fee (except for undergraduates), the Technology fee (except for undergraduates), the Activity and Service fee, the Capital Improvement Trust Fund fee, and the Athletic fee.

# B. University Tuition Fee

Sr. VP and CFO Jessell presented the proposed amendments to the University Tuition Fees Regulation FIU-1101 for Committee review, noting that the Regulation was being amended to reflect the changes in tuition and fees for the 2012-13 academic year as authorized by the Florida State Legislature and the Florida Board of Governors. He noted that the proposed 15% increase to the differential tuition for undergraduate students applies to new undergraduate students as of Fall 2007 except those with active Florida Prepaid contracts purchased before July 2007. He added that the increase represented a \$20.29 per credit hour increase and further noted that seventy (70) percent of the proposed tuition differential increase would be applied towards enhancing and maintaining quality undergraduate education, while thirty (30) percent would be directed toward needbased financial aid assistance. He also reviewed the estimated 2012-13 national university tuition average, noting that even after the inclusion of the proposed increase, FIU's tuition was still significantly lower than the average for public four-year and doctoral-granting institutions.

# C. Activity and Service Fee

Sr. VP and CFO Jessell presented the proposed increase in the Student Activity and Service fee for Committee review, noting that the University Fee Committee recommends an increase of the Activity and Service fee in the amount of \$1.27 per student credit hour effective with the Fall term 2012. He stated that the fee increase will fund and sustain current initiatives for student clubs and organizations, fund renovations and improvements to the Wolfe University Center and the Graham Center and also provide for the hiring of additional staff positions that will directly serve students. He further noted that the proposed increase was one of the amendments to the University Tuition Fees Regulation FIU-1101.

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### D. Athletic Fee

Sr. VP and CFO Jessell presented the proposed increase in the Student Athletic fee for Committee review, noting that the University Fee Committee recommends an increase in the FIU Athletic fee from the current \$15.56 per student credit hour to \$16.10 per student credit hour effective the Fall term of 2012. He stated that the fee increase will fund the costs associated with the transition from the Sun Belt Conference to Conference USA. He also presented a fee comparison, which reflected that FIU's proposed Athletics fee was comparable when contrasted to the State University System institutions.

## E. Amendment of University Traffic and Parking Regulation

Sr. VP and CFO Jessell presented the proposed amendments to the University Traffic and Parking Regulation FIU-1105 for Committee review, noting that the amendments reflect various changes that include: increases to the decal fees; allowing vendors and contractors to purchase staff decals; adding the "head in parking only" restriction and corresponding fine; provision for the towing of vehicles whose owners engage in decal fraud; revising the provisions concerning golf carts; deletion of the applicability of Chapter 316 to campus; and to update the handling of visitor parking for departmental events. He stated that increases to the decal fees will help fund improved services that will include additional shuttle buses, expanded staffing at the beginning of each semester, Biscayne Bay Campus road markings and resurfacing, camera replacement for Blue and Gold garages, LED lighting upgrades and temporary parking for the beginning of each semester. Sr. VP and CFO Jessell noted that the University's parking decal fees represented a fair value when compared to the other State University System institutions where the average decal fees were in most cases higher than FIU.

### F. Capital Improvement Trust Fund Fee

Sr. VP and CFO Jessell presented the proposed increase in the Capital Improvement Trust Fund fee for Committee review, noting that as required by Florida Statutes, the University Fee Committee approved an increase in the Capital Improvement Trust Fund fee from the current \$4.76 per student credit hour to \$6.76 per student credit hour effective the Fall term of 2012 for academic year 2012-13.

# G. Tuition for Market Rate Programs, 2013-14 Academic Year

Sr. VP and CFO Jessell presented the request to establish Market Rate Tuition for the Master of Science in Management Information Systems, Executive Master of Science in Public Administration and Master of Science in Hospitality and Tourism Management programs for Committee review, noting that the programs would be offered through the University's continuing education program beginning academic year 2013-14. He further noted that market rate tuition programs receive no state funding and must cover all costs associated with program delivery.

Trustee Jorge L. Arrizurieta requested an update on the Florida Board of Governors Task Force on Facilities Funding. Sr. VP and CFO Jessell reported that Public Education Capital Outlay (PECO) dollars are the primary source of both university construction and building maintenance funding in the State University System and are now at the lowest rate in history. He noted that the Task Force

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will continue to meet and final recommendations are expected to include a determination on the possibility of public private partnership alternatives not currently utilized.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees' approval the proposed 2012-13 University and DSO Operating Budgets, request to establish market rate tuition rates and proposed amendments to existing regulations concerning tuition and other fees:

- A. University and DSO Operating Budgets
- B. University Tuition Fee
- C. Activity and Service Fee
- D. Athletic Fee
- E. Amendment of University Traffic and Parking Regulation
- F. Capital Improvement Trust Fund Fee
- G. Tuition for Market Rate Programs, 2013-14 Academic Year

# FA2. Proposed Regulation - FIU-115 Skateboarding, Skates, Scooters, Ripsticks, and Other Similar Devices and High Risk Activities on University Property

University General Counsel M. Kristina Raattama presented the Proposed Regulation - FIU-115 Skateboarding, Skates, Scooters, Ripsticks, and Other Similar Devices and High Risk Activities on University Property for Committee review, noting that the primary scope of this regulation is to designate the areas and purpose for which skateboards, longboards, skates of any type, scooters, ripsticks, and other similar devices may be used and/or operated by person(s) on University Property.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees' approval the Proposed Regulation of the Skateboarding, Skates, Scooters, Ripsticks, and Other Similar Devices and High Risk Activities on University Property FIU-115 and delegate authority to the University President to approve any subsequent amendments that are based on comments to the Regulation received from the Florida Board of Governors and as a result of the regulation-making process.

### FA3. Proposed 2012-2013 Fixed Capital Outlay Budget

Sr. VP and CFO Jessell presented the University's 2012-13 Capital Outlay Budget for Committee review, noting that the Capital Outlay Budget governs the University's capital expenditures during the year. He further noted that FIU's 2012-13 Capital Outlay Budget totaled \$563,500 for minor building repair and maintenance and that there was no funding for utilities/infrastructure/capital renewal roofs (State University System [SUS] total was \$0) or for fixed capital projects (SUS total was \$24 million).

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees' approval Florida International University's 2012-2013 Fixed Capital Outlay Budget and authorize the University President to amend the budget as necessary, consistent with Florida Board of Governors and BOT directives and guidelines.

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FA4. Request for Approval of Florida International University's 2013-2014 Fixed Capital Outlay Legislative Budget Request, Consisting of the five-year Capital Improvement Plan Sr. VP and CFO Jessell presented the Request for Approval of Florida International University's 2013-14 Fixed Capital Outlay Legislative Budget Request, consisting of the five-year CIP for Committee review, noting that the Fixed Capital Outlay Budget Request sets forth the University's proposed capital expenditures during the next five years. He noted that the Legislative Budget Request included the total Public Education Capital Outlay (PECO) and Challenge Grant requests. He added that PECO funds are exclusively used for construction.

University President Mark B. Rosenberg noted that appropriate PECO funding levels are critical as the University's infrastructure must continue to grow in order to provide services, and activities that not only support teaching and learning but also are essential to student life and meeting the needs of the South Florida community. He stated that declining and limited state appropriations over the past years have led to unaddressed needs for routine maintenance and repairs on infrastructure such as air-conditioning systems and roofs and further noted that these projects rarely benefit from donor gifts and therefore must rely solely on State funding.

President Rosenberg recognized Provost and Executive Vice President Douglas Wartzok's gift to the Faculty and Staff Ignite Campaign, noting that each philanthropic gift ensures and protects the future of the University. He noted that the Ignite Campaign fulfills a critical need in years of declining State revenues. He added that each contribution will strengthen the financial foundation needed for FIU to be *Worlds Ahead* and ascend to the next level of excellence.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees' approval FIU's 2013-2014 Fixed Capital Outlay Legislative Budget Request, consisting of the five-year Capital Improvement Plan and authorize the University President to amend the Legislative Budget Request as necessary, consistent with Florida Board of Governors and BOT directives and guidelines.

### FA5. Internal Audit Plan, 2012-13

Internal Audit Director Allen Vann presented the Internal Audit Plan for fiscal year 2012-13 for Committee review and approval, noting that the plan was developed using a systematic approach that aids in the determination of the audits that need to be performed, while also considering the most appropriate allocation of available resources to maximize productivity.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee approve the University Internal Audit Plan for Fiscal Year 2012-13.

At this point, to ensure that the record reflected a vote of approval of all Action Items under consideration, Committee Chair Agrawal requested and obtained votes of approval for all Action Items.

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### 4. Discussion Items

# 4.1 Office of Internal Audit Status Report

Office of Internal Audit Director, Allen Vann, presented the Internal Audit Report, providing updates on recently completed investigations, work in progress and consulting activities aimed at supporting University initiatives.

# 4.2. Budget Variance Analysis – Third Quarter 2012

Sr. VP and CFO Jessell presented the Budget Variance Analysis for the third quarter of the 2011-12 fiscal year and provided a summary of University revenues and expenditures. He reported that the University and direct support organizations' operating revenues were above estimates by \$24.8 million (or four percent), which can be attributed to State match receivables on gifts and other contributions in addition to higher than anticipated demand for market rate and continuing education programs. He also reported that University and direct support organizations' operating expenses were below estimates by \$15.3 million (or two percent) due to factors such as vacant positions and delays in spending on base operations and critical investments.

# 4.3 Foundation Report

Sr. Vice President, University Advancement/President & CEO of the FIU Foundation, Inc. Howard R. Lipman noted that Foundation Treasurer and Liaison to the Board of Trustees Finance and Audit Committee Richard Brilliant sent his regrets as he was not able to attend. Sr. VP Lipman provided the Foundation Report, noting that to date \$58.34 million has been raised which surpasses the University's 2011-12 fundraising goal. Sr. VP Lipman reported that the Foundation Board elected new officers for the 2012-13 year. He added that the Foundation Board also approved new members in January and May. He also noted that fiscal year-to-date losses on the Foundation's investment portfolio total approximately (4.86)%, or -\$8.3 million. He added that the Foundation's governing policies focus on the long-term perspective and that market performance will continue to be monitored closely.

## 5. Reports

Committee Chair Agrawal requested that the Treasury Report, Business Services Report, Athletics Update, Emergency Management Status Report, University Compliance Report, Division of Research Report and the Construction Status Update be accepted as written. There were no objections.

### 6. New Business

### FA6. Mixed-Use Auxiliary Building—Amendment to Prior Approval

Sr. VP and CFO Jessell presented the Mixed-Use Auxiliary Building—Amendment to Prior Approval for Committee review, noting that on March 30, 2011, the Board of Trustees approved the construction of the mixed-use building on the west side of the Modesto A. Maidique campus, between the Ryder Business Building and the College of Law. He further noted that as a result of expanded programs, including space for additional College of Business departments, faculty offices, the Pino Entrepreneurship Center and space for the Center for Leadership, Board of Trustees

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approval is requested to expand the building from 84,000 square feet to 107,000 square feet. He added that the total cost is projected to increase from \$22,280,000 to \$35,703,000.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees' approval the request to expand the size and budget of the mixed-use "Management and New Growth Opportunities" building on the west side of the FIU Modesto A. Maidique Campus.

# 6.1 Office of Internal Audit Discussion of Audit Processes

Committee Chair Agrawal noted that as is stipulated in the Finance and Audit Committee Charter, the Committee must meet with the Office of Internal Audit without the presence of senior management. He further noted that as a meeting conducted in the Sunshine, no one present was required to leave during the discussion with the Office of Internal Audit, adding that this was strictly voluntary. He requested to postpone this discussion until the next regularly scheduled Committee meeting. There were no objections.

## 7. Concluding Remarks and Adjournment

With no other business, Committee Chair Sukrit Agrawal adjourned the meeting of the Florida International University Board of Trustees Finance and Audit Committee on Wednesday, June 6, 2012 at 10:55 am.

*MB 6.27.12* 

# THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

# Finance and Audit Committee

September 5, 2012

Subject:	Office of	of Internal	Audit	Status	Report
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# **Proposed Committee Action:**

None. Discussion Item.

# **Background Information:**

The Office of Internal Audit Report provides the status of audits and work in progress since the Finance and Audit Committee last met on June 6, 2012.

**Supporting Documentation:** Office of Internal Audit Status Report

Facilitator/Presenter: Allen Vann



# Office of Internal Audit Status Report

**BOARD OF TRUSTEES** 

September 5, 2012



OFFICE OF INTERNAL AUDIT

Date: September 5, 2012

To: Board of Trustees and Finance and Audit Committee

From: Allen Vann, Audit Director

Subject: OFFICE OF INTERNAL AUDIT STATUS REPORT

I am pleased to provide you with our quarterly update on the status of our office's work activities. Our last update to you was on June 6, 2012.

We completed an Audit of the Children's Creative Learning Center. The program is operated as an auxiliary department within the Division of Student Affairs. The Center enrolled 55 to 57 children during the fall 2011 and spring 2012 semesters. The primary objectives of our audit were to ensure compliance with laws, rules and regulations particularly as it relates to health and safety issues and evaluate financial controls.

Overall, our audit disclosed that the Center's established controls and procedures were adequate and its revenue and expenditure streams were properly accounted for. We were pleased to note that the Center complied with University policies and procedures, and was in full compliance as it relates to health and safety issues. The audit resulted in only two financial control related recommendations, which management agreed to implement immediately.

### Work in Process:

Draft reports have been issued and responses to our recommendations are forthcoming from management for the following audits:

- 1. Food Network South Beach Wine and Food Festival
- 2. University Library System
- 3. Herbert Wertheim College of Medicine (HWCOM) Information Technology Controls

# Fieldwork is ongoing for the following projects:

- 1. Healthcare Network's Information Technology Controls (HWCOM)
- 2. Follow-up University Credit Card Solutions Program (Controller's Office)
- 3. Contracts and Grants (HWCOM)
- 4. University College Continuing Education and Online Programs (University College)

Office of Internal Audit Status Report September 5, 2012 Page 2 of 2 As of August 8, 2012

- 5. NCAA Student Athlete Eligibility (Athletics)
- 6. Wolfsonian-FIU Museum

# **Investigations**

There were no active investigations during the current reporting period.

# **Other Matters**

We are in the process of recruiting an internal auditor who will be dedicated to auditing the activities of the (HWCOM) and related health care issue areas of the University.

# THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

# Finance and Audit Committee

September 5, 2012

Subj	ect:	<b>Fiscal</b>	Year	2011-12	Financial	Performance	Review
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# **Proposed Committee Action:**

None. Discussion Item.

# **Background Information:**

The Financial Performance Review provides a summary overview of fiscal year 2011-12.

**Supporting Documentation:** Financial Summary Overview, FY 2011-12

Facilitator/Presenter: Kenneth A. Jessell

# Florida International University Financial Summary Overview <sup>1</sup> FY 2011-12

	Year To Date June 2012								
(¢ in millions)	Budget	Current Year Actual	Variance						
(\$ in millions)  Revenue / Receipts			\$	%					
University									
Educational and General (net) <sup>2</sup>	373.8	374.5	0.7	0%					
University	342.2	342.8	0.6	0%					
College of Medicine	31.6	31.7	0.1	0%					
FIU Self-Insurance Program	0.3	0.2	(0.1)	-25%					
Auxiliary Enterprises	149.3	171.5	22.2	15%					
Intercollegiate Athletics	21.1	22.9	1.8	8%					
Activities and Service Technology Fee	13.4 8.3	15.4 7.7	2.0 (0.6)	15% -7%					
Board Approved Fees	0.5	0.7	0.1	29%					
Contracts and Grants	89.1	91.4	2.3	3%					
Student Financial Aid	139.8	146.7	7.0	5%					
Concessions	0.6	0.7	0.1	22%					
Direct Support Organizations									
FIU Athletic Finance Corp	3.6	3.5	(0.1)	-3%					
FIU Foundation Inc * FIU Health Care Network	28.7	33.7	5.0	18%					
FIU Health Care Network FIU Research Foundation	1.1 0.3	0.3 0.1	(0.7) (0.2)	-70% -73%					
110 Nesearch Foundation	0.3	0.1	(0.2)	-/3%					
Interfund Adjustments <sup>3</sup>	(10.4)	(11.9)	(1.5)	15%					
Total Operating Revenues	819.3	857.4	38.0	5%					
University Treasury (net)	12.2	6.6	(5.5)	-45%					
FIU Foundation Inc *	10.7	(2.4)		-123%					
Total Investment Revenues	22.9	4.2	(18.7)	-82%					
Total Revenues / Receipts	842.2	861.6	19.3	2%					
<u>Expenses</u>									
University Educational and General (net)	384.0	363.6	20.4	5%					
University	384.0 353.0	363.6 335.0	20.4 17.9	5% 5%					
College of Medicine	31.0	28.6	2.4	8%					
FIU Self-Insurance Program	0.3	0.1	0.2	79%					
Auxiliary Enterprises	132.1	148.5	(16.4)	-12%					
Intercollegiate Athletics	21.1	22.1	(1.0)	-5%					
Activities and Service	13.5	14.2	(0.7)	-5%					
Technology Fee	8.5	8.0	0.5	6% 16%					
Board Approved Fees Contracts and Grants	0.5 82.8	0.4 83.7	0.1 (0.9)	16% -1%					
Student Financial Aid	143.0	143.9	(0.9)	-1%					
Concessions	0.6	0.6	0.0	-1%					
Direct Support Organizations									
FIU Athletic Finance Corp	2.4	2.1	0.2	9%					
FIU Foundation Inc *	13.9	15.1	(1.2)	-8%					
FIU Health Care Network	1.2	0.6	0.6	48%					
FIU Research Foundation	0.0	0.0	(0.0)	-33%					
Interfund Adjustments <sup>3</sup>	(10.4)	(11.9)		-15%					
Total Expenses	793.5	791.2	2.4	0%					
Principal Payment of Debt <sup>4</sup>	7.6	7.6	0.0	0%					
Change in Net Assets (incl. Investments)	41.1	62.8	21.7	53%					
Change in Net Assets (excl. Investments)	18.2	58.6	40.4	222%					
* FIU Foundation Inc. results are preliminary									

st FIU Foundation Inc. results are preliminary

### Notes:

- The financials presented above reflects the state budgeting methodology which differs from full accrual Financial Statements. The following have the most significant impact:
  - Depreciation of Assets: For budgeting purposes equipment purchases are fully expensed in their acquisition year, therefore depreciation is not included in the budget.
  - Payables: At fiscal year-end, E&G expenses will include year end commitments (encumbrances) which have not yet been invoiced.
  - Unrealized gains and losses: The investment results are recognized as revenues in the budget however GASB accounting principles require that it be recorded as a non-operating revenue / expense.
- <sup>2</sup> E&G revenues include State Funding and Tuition and are net of waivers, uncollectible amounts and 30% Financial Aid need-based amounts per BOG regulation. The difference between E&G Revenues and Expenses will be funded from prior years carry forward.
- Interfund transfers have been included resulting in higher revenue and expenses by fund allowing for an individual fund performance analysis. The interfund adjustments above eliminate this double counting. However, interfund transactions such as tuition funded by scholarships and auxiliary services provided to other units have not been eliminated. Since revenues and expenses are equal, the interfund adjustments are the same for both.
- Principal payment of debt reflected above per BOG requirement that debt service payments be shown on a cash basis.

# THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

# Finance and Audit Committee

September 5, 2012

Subject: Strategic Discussion on Student Debt

# **Proposed Committee Action:**

None. Discussion only.

# **Background Information:**

Sr. Vice President of Administration and Chief Financial Officer Kenneth A. Jessell will lead the discussion on student debt.

Supporting Documentation: N/A

Facilitator/Presenter: Kenneth A. Jessell

# THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

# Finance and Audit Committee

September 5, 2012

Subject: Foundation Report

# **Proposed Committee Action:**

None. Discussion Item.

# **Background information:**

The FIU Foundation, Inc. Report contains the Preliminary Financial Statements Recaps and Investment Summaries as of June 30, 2012.

**Supporting Documentation:** FIU FOUNDATION, INC. – Preliminary Financial

Statements Recaps and Investment Summaries,

June 30, 2012

Facilitator/Presenter: Richard Brilliant

# FIU FOUNDATION, INC.

# PRELIMINARY FINANCIAL STATEMENTS RECAPS & INVESTMENT SUMMARIES

June 30, 2012

# FIU FOUNDATION, INC. Recap of Statement of Activities For the Period Ended June 30, 2012

# (In Thousands of Dollars)

(iii mousulus of soliurs)		2011-12 12-Month <u>Budget</u>		2011-12 12-Month <u>Actuals</u>		<u>Variance</u>			1	2010-11 2-Month <u>Actuals</u>
REVENUES:	_		_					1	ı	
Contributions:	١.					(				
Endowments	\$	14,661	\$	2,318	\$	(12,343)	[1]		\$	27,438
Non-Endowed Funds:	١.									
Scholarship & Programs	\$	8,496	\$	8,662	\$	166			\$	7,985
Building Funds	\$	775	\$	1,123	\$	348	[2]		\$	2,672
Unrestricted Annual Revenues	\$	716	\$	485	\$	(231)	[3]		\$	439
Pledged Revenue	\$	-	\$	18,987	\$	18,987	[4]		\$	(13,078)
TOTAL CONTRIBUTIONS	\$	24,648	\$	31,575	\$	6,927			\$	25,457
Other Revenues:										
MARC Building	\$	1,711	\$	1,815	\$	104	[5]		\$	1,750
Foundation Enterprise Holdings	\$	244	\$	311	\$	66	[6]		\$	-
Estimated Investment Returns	\$	10,746	\$	(2,408)	\$	(13,154)	[7]		\$	26,177
Administrative Reserve	\$	2,055	\$	-	\$	(2,055)	[8]		\$	3,845
TOTAL OTHER REVENUES	\$	14,756	\$	(282)	\$	(15,039)			\$	31,772
	_									
TOTAL REVENUES	\$	39,404	\$	31,292	\$	(8,112)			\$	57,228
EXPENSES:										
University Programs:										
Scholarships & Programs	\$	8,108	\$	9,703	\$	(1,595)	[9]		\$	6,453
Building Funds	\$	-	\$	2,212	\$	(2,212)	[10]		\$	7
Unrestricted Annual Expenses	\$	802	\$	801	\$	1			\$	576
TOTAL UNIVERSITY PROGRAMS EXPENSES	\$	8,910	\$	12,716	\$	(3,806)			\$	7,036
Operational:		•		,		, , ,				ŕ
MARC Building	\$	997	\$	655	\$	342	[11]		\$	1,017
Foundation Enterprise Holdings	\$	151	\$	132	\$	19	[12]		\$	, -
Administrative Reserve	\$	1,575	\$	1,435	\$	140	[13]		\$	1,389
General Reserve	\$	185	\$	115	\$	70	[14]		\$	1,346
Administrative Fee	\$	2,055	\$	-	\$	2,055	[8]		\$	2,743
TOTAL OPERATIONAL EXPENSES	\$	4,962	\$	2,336	\$	2,626	[0]		\$	6,495
TO THE OTERN CHOICE EXILENSES		1,302	7	2,330	7	2,020			Υ	0,133
TOTAL EXPENSES	\$	13,873	\$	15,052	\$	(1,179)			\$	13,532
EXCESS REVENUES OVER EXPENSES	\$	25,532	\$	16,241	\$	(9,291)			\$	43,697

<sup>\*</sup>These financial statements recaps reflect revenues and expenses on a modified accrual basis.

<sup>\*\*</sup>Please refer to Appendix A for detailed variance notes.

# Florida International University Foundation, Inc. Performance Summary Ending June 30, 2012

Fund/Manager/Inception Date
Total Fund (6/30/00) Total Fund Composite
Total Equity Accounts (6/30/00) Total Equity Composite
Total Fixed Income Accounts (6/30/00) Total Fixed Income Composite
Total Alternative Investments (3/1/02) Total Alternative Composite
Total Cash & Equivalents Investments (6/30/10) 90 Day Treasury Bills

Market <u>Value</u>	Current Allocation	Tactical Target Allocation	Strategic Target <u>Allocation</u>
\$172,659,050	100.0%	100.0%	100.0%
\$82,386,879	47.7%	45.6%	55.0%
\$40,531,674	23.5%	22.7%	22.0%
\$47,916,284	27.8%	31.2%	23.0%
\$1,824,213	1.1%	0.8%	0.0%

Current	Trailing 3	Calendar	Fiscal	Trailing	Trailing	Trailing	
Month	Months	YTD 2012	YTD	1 Year	3 Year	5 Year	Since
5/31/2012	3/31/2012	12/31/2011	6/30/2011	6/30/2011	6/30/2009	6/30/2007	Investment
6/30/2012	6/30/2012	6/30/2012	6/30/2012	6/30/2012	6/30/2012	6/30/2012	Inception
2.0%	-2.0%	6.0%	-1.5%	-1.5%	9.7%	0.1%	2.9%
2.4%	-1.5%	5.5%	0.5%	0.5%	10.2%	0.4%	2.3%
2.9%	-4.8%	7.4%	-7.1%	-7.1%	10.1%	-2.9%	1.5%
4.2%	-3.2%	8.2%	-1.4%	-1.4%	13.0%	-2.1%	0.3%
1.4%	1.7%	4.8%	9.0%	9.0%	10.3%	8.4%	6.9%
0.4%	0.7%	2.8%	7.2%	7.2%	7.8%	6.7%	6.0%
1.3%	-0.2%	4.3%	2.4%	2.4%	9.2%	-0.1%	4.6%
1.1%	-0.3%	3.3%	0.6%	0.6%	6.0%	-1.3%	2.8%
0.1%	0.3%	1.9%	3.3%	3.3%	N/A	N/A	2.7%
0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.7%	0.1%

# Florida International University Foundation, Inc. Preliminary Performance Summary Ending June 30, 2012

		0	Tactical	Strategic	Current Month	Trailing 3 Months	Calendar YTD 2012	Fiscal YTD	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Since
Fund/Manager/Inception Date	Market <u>Value</u>	Current Alloc.	Target Alloc.	Target Alloc.	5/31/2012 6/30/2012	3/31/2012 6/30/2012	12/31/2011 6/30/2012	6/30/2011 6/30/2012	6/30/2011 6/30/2012	6/30/2009 6/30/2012	6/30/2007 6/30/2012	Investment Inception
INTECH Broad LCG (11/22/11) Russell 1000 Growth Index	\$11,214,511	6.5%	7.5%	N/A	2.0% 2.7%	-1.9% -4.0%	12.8% 10.1%	N/A 5.8%	N/A 5.8%	N/A 17.5%	N/A 2.9%	12.2% 9.7%
Wells Fundamental Select LCG (11/9/11) Russell 1000 Growth Index	\$10,781,757	6.2%	7.5%	N/A	1.6% 2.7%	-5.1% -4.0%	12.1% 10.1%	N/A 5.8%	N/A 5.8%	N/A 17.5%	N/A 2.9%	9.8% 9.7%
Wedge Capital Large Cap Value QVM (12/29/06) Russell 1000 Value Index	\$21,625,390	12.5%	10.0%	N/A	3.3% 5.0%	-5.8% -2.2%	7.5% 8.7%	-1.8% 3.0%	-1.8% 3.0%	15.8% 15.8%	-1.9% -2.2%	0.0% -0.9%
Advisory Research Small Cap Value (6/1/01) Russell 2000 Value Index	\$9,466,896	5.5%	5.0%	N/A	4.3% 4.8%	-5.4% -3.0%	2.9% 8.2%	-6.5% -1.4%	-6.5% -1.4%	12.0% 17.4%	-1.7% -1.0%	8.5% 7.0%
IronBridge Small Cap Core Equity (12/2/03) Russell 2000 Small Cap Index	\$8,381,998	4.9%	5.0%	N/A	2.6% 5.0%	-5.1% -3.5%	7.7% 8.5%	-3.5% -2.1%	-3.5% -2.1%	15.2% 17.8%	1.3% 0.5%	6.4% 5.7%
Student Investment Management Fund (3/31/09)	\$209,414	0.1%	0.1%	N/A	0.0%	-3.7%	1.4%	-1.5%	-1.5%	1.4%	N/A	1.4%
iShares Russell 1000 Growth Fund (07/31/11) Russell 1000 Growth Index	\$5,520,279	3.2%	N/A	N/A	2.8% 2.7%	-3.9% -4.0%	10.0% 10.1%	N/A 5.8%	N/A 5.8%	N/A 17.5%	N/A 2.9%	7.0% 6.8%
Morgan Stanley Buy Write (12/06/11) CBOE Buy Write Index S&P 500 Index	\$11,525,780	6.7%	6.5%	N/A	3.7% 3.7% 4.1%	-0.9% -0.2% -2.8%	6.0% 4.8% 9.5%	N/A 8.2% 5.4%	N/A 8.2% 5.4%	N/A 11.1% 16.4%	N/A 1.6% 0.2%	9.0% 8.1% 10.6%
Subtotal: Domestic Equity	\$78,726,025	45.6%	41.6%	35.0%								
Wentworth Hauser & Violich (3/31/10) MSCI EAFE Index	\$1,878,604	1.1%	2.0%	N/A	4.8% 7.0%	-8.6% -7.1%	1.1% 3.0%	-16.4% -13.8%	-16.4% -13.8%	N/A 6.0%	N/A -6.1%	-2.2% -1.5%
Thornburg International Equity (1/31/11) MSCI EAFE Index	\$1,782,250	1.0%	2.0%	N/A	3.7% 7.0%	-7.1% -7.1%	3.4% 3.0%	-15.1% -13.8%	-15.1% -13.8%	N/A 6.0%	N/A -6.1%	-8.3% -8.4%
Subtotal: International Equity	\$3,660,854	2.1%	4.0%	20.0%								
TOTAL EQUITY INVESTMENTS	\$82,386,879	47.7%	45.6%	55.0%								
Core Fixed Income Managed Accounts Newfleet Asset Management (5/31/2001) Barclays Custom Index	\$12,580,336	7.3%	7.5%	N/A	0.7% 0.4%	2.6% 2.5%	6.5% 4.6%	8.8% 9.7%	8.8% 9.7%	11.2% 10.6%	9.4% 9.0%	7.1% 6.9%
Hillswick Asset Management (6/1/01) Barclays Aggregate Index	\$9,708,531	5.6%	5.0%	N/A	0.2% 0.0%	3.5% 2.1%	2.5% 2.4%	11.8% 7.5%	11.8% 7.5%	8.1% 6.9%	9.4% 6.8%	7.2% 5.9%
Shenkman Convertible Bond Fund (12/23/11) BofA ML All US Convertibles Index	\$8,640,783	5.0%	5.0%	N/A	1.9% 2.1%	-1.7% -3.3%	4.5% 6.6%	N/A -3.2%	N/A -3.2%	N/A 13.3%	N/A 2.0%	4.1% 6.8%
Brandywine Global Opp Bond (1/1/08) Citigroup World Gov't Bond Index	\$9,285,050	5.4%	5.0%	N/A	3.2% 0.1%	1.8% 0.9%	5.0% 0.4%	8.0% 2.7%	8.0% 2.7%	12.0% 5.4%	N/A 7.3%	7.9% 5.6%
SunTrust Balanced Annuity Account (10/22/03) 70% Barclays Aggregate / 30% S&P 500	\$316,974	0.2%	0.2%	N/A	0.0% 0.0%	-3.7% 2.1%	3.8% 2.4%	3.0% 7.5%	3.0% 7.5%	11.4% 6.9%	4.8% 6.8%	5.7% 5.4%
TOTAL FIXED INCOME INVESTMENTS	\$40,531,674	23.5%	22.7%	22.0%								

# Page

# Florida International University Foundation, Inc. Preliminary Performance Summary Ending June 30, 2012

			Tactical	Strategic	Current Month	Trailing 3 Months	Calendar YTD 2012	Fiscal YTD	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Since
Fund/Manager/Inception Date	Market <u>Value</u>	Current Alloc.	Target Alloc.	Target Alloc.	5/31/2012 6/30/2012	3/31/2012 6/30/2012	12/31/2011 6/30/2012	6/30/2011 6/30/2012	6/30/2011 6/30/2012	6/30/2009 6/30/2012	6/30/2007 6/30/2012	Investment Inception
Alternative Investments												
Ironwood Partners (3/1/04) HFR FOF: Conservative	\$7,502,678	4.3%	4.5%	N/A	-0.6% -0.7%	-0.8% -1.7%	3.0% 0.8%	0.8% -3.1%	0.8% -3.1%	7.4% 2.3%	-0.9% -1.9%	3.4% 1.7%
Ironwood Partners (NDM Gift) (8/1/05) HFR FOF: Conservative	\$2,161,682	1.3%	1.3%	N/A	-0.6% -0.7%	-0.8% -1.7%	3.0% 0.8%	0.4% -3.1%	0.4% -3.1%	7.6% 2.3%	-0.8% -1.9%	2.7% 1.2%
Titan Advisors (3/1/07) HFR FOF: Diversified	\$8,641,703	5.0%	5.0%	N/A	-0.8% -0.4%	-1.5% -1.7%	3.2% 1.3%	2.4% -3.7%	2.4% -3.7%	6.2% 2.5%	2.9% -1.8%	4.2% -0.7%
Archstone Offshore (5/1/10) HFR FOF: Diversified	\$7,816,195	4.5%	4.5%	N/A	-0.2% -0.4%	-3.2% -1.7%	2.3% 1.3%	-4.0% -3.7%	-4.0% -3.7%	N/A 2.5%	N/A -1.8%	0.3% -0.4%
Cohen and Steers Realty (12/16/08) NAREIT US REIT Index	\$9,071,490	5.3%	5.0%	N/A	5.0% 6.0%	2.6% 4.0%	13.2% 14.9%	8.5% 12.5%	8.5% 12.5%	31.5% 32.4%	N/A 2.6%	22.6% 22.6%
Deutsche Bank Liquid Comm. Fund (1/1/08)	\$3,391,170	2.0%	2.0%	N/A	2.0%	-10.5%	-4.0%	-11.3%	-11.3%	3.5%	N/A	-5.7%
PIMCO All Assets All Authority 50% MSCI World/50% Barclays Global Aggregate	\$77,973	N/A	N/A	N/A	3.1% 2.8%	N/A	N/A 3.8%	N/A -0.8%	N/A -0.8%	N/A 8.8%	N/A 2.2%	3.1% 2.8%
PIMCO Real Return Liquid Comm. Fund (2/28/12)	\$1,377,607	0.8%	1.0%	N/A	4.8%	-3.4%	N/A	N/A	N/A	N/A	N/A	-8.2%
DTC Private Equity II (\$5 Million) <sup>1</sup> (12/15/05)	\$3,856,532	2.2%	3.0%	N/A				11.7%				7.0%
DTC Private Equity III (\$2.5 Million) <sup>1</sup> (07/10/08)	\$1,076,013	0.6%	1.5%	N/A				39.5%				14.1%
Greenspring Global Partners IV (\$2.5 Million) <sup>1</sup> (8/8/08)	\$1,962,382	1.1%	1.5%	N/A				22.8%				12.4%
Greenspring Global Partners V (\$2.5 Million) <sup>1</sup> (1/19/12)	\$406,859	0.2%	1.5%	N/A				0.0%				8.6%
Foundation Enterprise Holdings I (3/31/11) <sup>1</sup>	\$574,000	0.3%	0.4%	N/A				0.0%				5.4%
TOTAL ALTERNATIVE INVESTMENTS	\$47,916,284	27.7%	31.2%	23.0%								
Cash & Cash Equivalents State of Florida Treasury Fund (7/01/10) 90 Day Treasury Bills	\$1,824,213	1.1%	0.5%	N/A	0.1% 0.0%	0.3% 0.0%	1.9% 0.0%	3.3% 0.0%	3.3% 0.0%	N/A 0.1%	N/A 0.7%	2.6% 0.1%
TOTAL CASH & EQUIVALENTS INVESTMENTS	\$1,824,213	1.1%	0.5%	0.0%								
TOTAL FUND	\$172,659,050	100.0%	100.0%	100.0%								

<sup>\*</sup>These are short-term liquid funds

For these investments, the returns displayed represent the internal rate of return.

# THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

# Finance and Audit Committee

September 5, 2012

Su	bject:	Treasury	Report
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# **Proposed Committee Action:**

None. For information only.

# **Background Information:**

The Treasury Report provides a comparison of fiscal YTD performance vs. benchmarks by investment style, operating funds portfolio and treasury summary for the quarter ending June 30, 2012.

**Supporting Documentation:** Treasury Report

Facilitator/Presenter: Phong Vu

For quarter ending June 30, 2012

**Treasury Report** 

#### LIQUIDITY

#### Real Days Payable<sup>1</sup>

Overall, the university ended the quarter with \$303.6 million in available cash and investment balances. \$234.5 million, or 77 percent, of these balances were accessible within 5 business days. Average daily cash outflow rate was \$4.1 million and \$3.7 million based on monthly and FYTD activity, respectively. At quarter end, the university had 57 real days payable based on monthly outflows and 64 real days payable based on FYTD outflows.

#### Stress Tests

The university analyzes the possible effect of negative market performance on its liquidity position. At quarter end, difficult investment conditions that generate a 10 percent portfolio loss scenario would equate to \$31.5 million in unrealized losses. Liquidity, as measured by 5 day accessibility, would drop to \$213.0 million, still 70 percent of the total available cash and investment balances. Real days payable would drop to 58 days based on FYTD outflows.

Extreme market conditions represented by a 21 percent loss or \$62.8 million in unrealized losses to the portfolio would result in a drop in liquid balances to \$114.1 million, or 38 percent of the total current available balances. This balance translates into 31 real days payable based on FYTD outflows.

#### **CASH FLOWS**

#### **Outflows**

The velocity of cash outflows was \$4.1 million per day in the month of June versus the FYTD velocity of \$3.7 million per day. Total cash outflows totaled \$87.1 million in June and \$954.0 million FYTD.

#### Inflows<sup>2</sup>

The velocity of cash inflows was \$2.7 million per day in the month of June versus the FYTD velocity of \$3.6 million. Total cash inflows totaled \$56.3 million in June and \$944.5 million FYTD.

#### **INVESTMENTS**

#### **Performance**

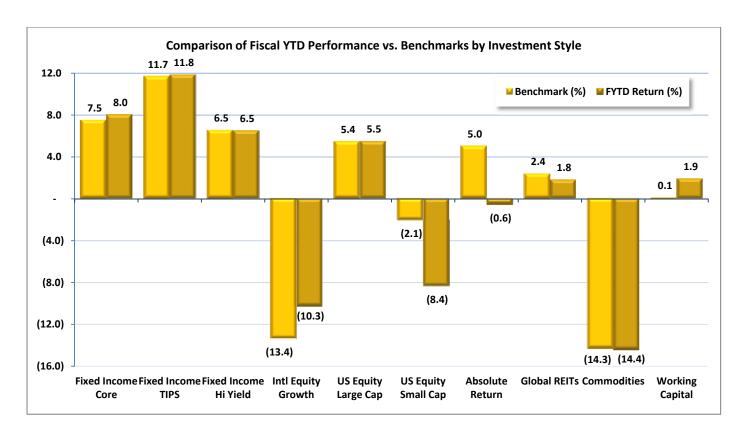
Overall, FIU's operating portfolio continues to **outperform the State Treasury investment pool**, returning 4.5 percent since inception versus the State Treasury's 3.3 percent for the same time period.

Overall for FYTD 2012, the portfolio experienced positive returns of 2.8 percent. The Strategic/Reserve Pools gained 3.3 percent while the Working Capital Pool gained 1.9 percent. The following chart details the returns by asset class. Returns from the State Treasury's Special Purpose Investment Account (SPIA) totaled 2.7 percent during the same period.

As shown below, four investment managers underperformed compared to their benchmarks for the period. The US Small Cap Manager (-8.4 percent vs -2.1 percent), Absolute Return Manager (-0.6 percent versus 5.0 percent benchmark), Global REITS Manager (1.8 percent vs 2.4 percent) and Commodities Manager (-14.4 percent versus -14.3 percent benchmark) each lagged against their benchmark.

<sup>&</sup>lt;sup>1</sup> Real days payable represents the available balance of liquid funds divided by the average cash outflows of the university. The calculation uses the available balance in the university's bank accounts plus the market value of investments that are accessible within 5 business days as its balance of liquid funds.

<sup>&</sup>lt;sup>2</sup> Cash inflows reported here include direct transfers from the state. The Treasury Summary, available at finance.fiu.edu/treasury includes transfers from the state in the W/C (Working Capital Pool) Transfers.

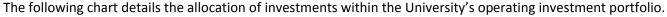


#### Composition

Asset allocations at the end of 4Q 2012 remained within policy guidelines. The University finalized a subscription agreement with Portfolio Advisors to manage the portfolio's private equity position. The first capital call of \$ 3.3 million was funded in July.

The quarter-end market value of the University's operating investment portfolio totaled \$ 292.8 million. This balance reflects a decrease of \$ 45.4 million or 13.4 percent from the ending balance of the previous quarter. The quarterly decrease was mostly due to seasonal decreases within the Working Capital Pool as part of normal University operations.

University's quarter-end market value of the total operating investment portfolio increased \$15.8 million (5.7 percent) over the ending balance of fiscal 4Q 2012. The year over year increase resulted from additions to the operating investment pool and the overall 2.8 percent trailing 1-year portfolio return.





#### Meetings

The Investment Committee met on August 16, 2012 to review investment performance. The investment committee consists of:

#### Membership

Sukrit Agrawal, Member, Finance and Audit Committee, FIU Board of Trustees
Chun-Hao Chang, Ph.D. Department Chair, Finance and Real Estate, College of Business Administration
Kenneth Jessell, Ph.D., CFO & SVP, Finance & Administration
Tony Vu (Chair), University Treasurer, Office of the Treasurer
William Welch, Ph.D., Retired, College of Business Administration

#### **Consultant**

Bill Bensur, Vice President, Wilshire & Associates

#### DEBT

#### **Outstanding**

The University and Direct Support Organizations ended fiscal 4Q 2012 with \$210.7 million in outstanding debt. The University outstanding debt of \$169.2 million consists of revenue bonds totaling \$ 116.4 million for housing and \$52.8 million for parking auxiliaries. The housing bonds are rated A+ (Fitch), A (S&P) and Aa3 (Moody's). The parking bonds are rated A+ (Fitch), AA- (S&P) and Aa3 (Moody's). Direct Support Organization outstanding debt of \$41.5 million includes stadium bonds with \$ 33.4 million outstanding and a Foundation loan with \$8.1 million outstanding.

OPERATING FUNDS PORTFOLIO										
Manager Work Capital Pool	Š	Amount 58,336	Allocation 20%	<u>June</u> 0.2%	<u>QTD</u> 0.4%	Fiscal YTD	Trail 1 Year 1.9%	Trail 3 Year 2.0%	Trail 5 Year 2.3%	Inception 2.9%
91-day T-bill	•	,	30%	0.0%	0.0%	0.1%	0.1%	0.1%	1.0%	1.8%
Strategic/Reserve Pools Weighted Avg Benchmark		234,502	<b>80</b> % 70%	<b>2.4</b> % 2.0%	<b>0.1</b> % <i>0.2</i> %	<b>3.3</b> % 4.1%	<b>3.3</b> % <i>4.1</i> %	<b>10.6%</b> 10.2%	<b>4.8</b> % 5.4%	<b>5.5%</b> 5.8%
PORTFOLIO TOTAL Weighted Avg Benchmark	\$	292,838	<b>100</b> %	<b>1.9</b> % 1.4%	<b>0.3</b> %	<b>2.8</b> % 2.9%	<b>2.8%</b> 2.9%	<b>6.9</b> % 7.1%	<b>4.0</b> % 4.1%	<b>4.5%</b> 4.6%

<u>Manager</u>	<u>Amount</u>	<u>Allocation</u>	<u>June</u>	QTD	Fiscal YTD	Trail 1 Year	Trail 3 Year	<u>Trail 5 Year</u>	Inceptio
SPIA	\$ 23,214	40%	0.3%	0.7%	2.7%	2.7%	2.7%	2.8%	3.3%
91-day T-bill			0.0%	0.0%	0.1%	0.1%	0.1%	1.0%	1.8%
SBA-LGIP	9	0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.6%	1.3%
91-day T-bill			0.0%	0.0%	0.1%	0.1%	0.1%	1.0%	1.6%
MS Institutional	30,093	52%	0.0%	0.0%	0.1%	0.1%			0.2%
91-day T-bill			0.0%	0.0%	0.1%	0.1%			0.1%
Regions	5,020	9%	0.0%	0.0%	0.1%	0.1%			0.2%
91-day T-bill			0.0%	0.0%	0.1%	0.1%			0.1%
WORKING CAPITAL POOL TOTAL	\$ 58,336	100%	0.2%	0.4%	1.9%	1.9%	2.0%	2.3%	2.9%
91-day T-bill			0.0%	0.0%	0.1%	0.1%	0.1%	1.0%	1.8%

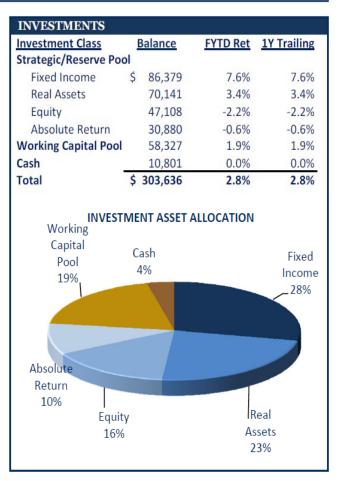
<u>Manager</u>	<u>Amount</u>	Allocation	<u>June</u>	QTD	Fiscal YTD	<u>Trail 1 Year</u>	Trail 3 Year	Trail 5 Year	Inception
Prudential Core	\$ 64,191	27%	0.3%	2.2%	8.0%	8.0%	8.7%		7.1%
Barclays Aggregate		28%	0.0%	2.1%	7.5%	7.5%	6.9%		6.2%
BlackRock HY Bond	22,188	9%	1.9%	1.3%	6.5%	6.5%	18.0%	7.5%	8.1%
ML High Yield Master II		10%	2.0%	1.8%	6.5%	6.5%	16.2%	8.2%	8.4%
FIXED INCOME COMPOSITE	86,379	37%	0.7%	2.0%	7.6%	7.6%	10.0%	7.6%	7.1%
Fixed Income Benchmark		38%	0.5%	2.0%	7.3%	7.3%	8.7%	7.5%	7.1%
Northern Trust S&P 500	27,698	12%	4.1%	-2.8%	5.5%	5.5%	16.5%	0.3%	3.4%
S&P 500		8%	4.1%	-2.8%	5.4%	5.4%	16.4%	0.2%	3.4%
CS McKee Small Cap	6,351	3%	6.1%	<b>-7.0</b> %	-8.4%	-8.4%	14.5%		4.6%
Russell 2000		2%	5.0%	-3.5%	-2.1%	-2.1%	17.8%		4.4%
Thomas White International	13,057	6%	5.8%	-5.1%	-10.3%				-10.3%
MSCI ACWI x US (N)		8%	5.9%	-7.6%	-13.4%				-13.4%
TOTAL EQUITY COMPOSITE	47,106	20%	4.9%	-4.0%	-2.2%	-2.2%	11.9%	-3.4%	2.1%
Policy Index (w/ Wilshire 5000)		18%	4.5%	-4.3%	-3.6%	-3.6%	12.2%	-2.2%	1.6%
Policy Index (w/ Wilshire 5000 + 3% Lagged)			4.2%	3.5%	4.3%	4.3%	15.2%	-0.6%	2.8%
Urdang Global REIT	25,145	11%	6.4%	1.8%	1.8%	1.8%	31.5%	4.2%	5.5%
Policy Index		8%	6.5%	2.1%	2.4%	2.4%	28.5%	0.8%	2.6%
Northern Trust TIPS	20,818	9%	-0.6%	3.1%	11.8%	11.8%	10.1%	8.6%	7.8%
Barclays U.S. TIPS		18%	-0.6%	3.2%	11.7%	11.7%	9.6%	8.4%	7.7%
SSGA Commodities	24,178	10%	5.6%	-4.5%	-14.4%	-14.4%			-20.0%
DJ UBS Commodities Index		5%	5.5%	-4.5%	-14.3%	-14.3%			-19.9%
REAL ASSETS COMPOSITE	70,141	30%	4.0%	0.7%	3.4%	3.4%	12.6%	7.2%	7.5%
Policy Index		30%	2.8%	0.5%	3.9%	3.9%	12.4%	7.0%	7.6%
Aetos Alternative Mgmt.	30,875	13%	0.3%	-0.2%	-0.6%	-0.6%	5.3%	0.8%	2.6%
CPI +3.25%		15%	0.1%	0.9%	5.0%	5.0%	5.4%	5.3%	5.5%
ABSOLUTE RETURN COMPOSITE	30,875	13%	0.3%	-0.2%	-0.6%	-0.6%	5.3%	0.8%	2.6%
CPI +3.25%		15%	0.1%	0.9%	5.0%	5.0%	5.4%	5.3%	5.5%
STRATEGIC AND RESERVE POOL TOTAL	\$ 234,502	100%	2.4%	0.1%	3.3%	3.3%	10.6%	4.8%	5.5%
Weighted Average Benchmark		8%	2.0%	0.2%	4.1%	4.1%	10.2%	5.4%	5.8%



(000's) Period Ending June 30, 2012

	0	6/29/12	Availabilit	y of	<u>Funds</u>		LIQU	IDITY ALLOCATION	V
Cash	\$	10,801	Same Day	\$	60,687				
Working Capital Pool		58,327	1-2 Days		85,922	31-120		120+ Days	Same Day
Strategic/Reserve Pool		234,508	3-5 Days		87,934	Days		1%	20%
<b>Liquidity Position</b>	\$	303,636	6-30 Days		-	22%_			
			31-120 Days		65,995		The same of the sa		
University Debt		169,225	120+ Days		3,097	C 20 D			
DSO Debt		41,521	Total	\$	303,636	6-30 Days			
<b>Debt Position</b>	\$	210,746				0%			
			Real Days Pays	able	(<5 Days)	3-5 Days			
Liquidity/University Debt		1.79	MTD Outflow	•	20	29%			1-2 Day
Liquidity/Total Debt		1.44	YTD Outflow		64	2370			28%

CASH FLOWS							
Cash Account		MTD		QTD		YTD	
Opening Balance	\$	The state of the s	\$	1,870	\$	13,365	
From/(To) W/C		48,800	- 12	121,300		231,800	
Cash Inflows		31,918		129,866		719,628	
Cash Outflows		(87,053)		(242,235)		(953,992)	
Ending Balance	\$	10,801	\$	10,801	\$		
Working Capital Pool							
Opening Balance		82,784		109,523		65,216	
From State		24,343		70,099		224,882	
From/(To) Cash Account		(48,800)		(121,300)		(231,800)	
Closing Balance		58,327		58,322		58,298	
\$400M \$300M	Actu	+Investme	nt F	Buda 12M		iling	
\$200M D J F M	A	A M J		J A S		O N D	



DEBT											
University	0/	s Balance	Avg. Rate		PRO	JECTED ANNU	AL DEBT SEF	VICE FOR	OUTSTAND	ING DEBT	
Housing (Aa3/A/A+)*	\$	116,410	4.1%	\$20M ¬							_
Parking (Aa3/AA-/A+)*		52,815	4.6%	, Zo							
<b>Direct Support Organization</b>	ons			\$15M -	$\neq$						
AFC (Stadium)		33,386	4.4%		7						
Foundation (MARC)		8,135	3.4%	\$10M -	Г						_
<b>Total Outstanding Debt</b>	\$	210,746	4.2%	ČENA.	_		$\overline{}$	7—			
* (Moody's/S&P/Fitch)				\$5M -							
				\$0M							
Fixed Rate Debt		194,588	92.3%	FY:	12	FY17	FY22	FY27	FY32	FY37	
Variable Rate Debt		16,158	7.7%			■Housing	■ Parking	g ■St	tadium	<b>■</b> MARC	

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# THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

#### Finance and Audit Committee

September 5, 2012

Subject:	Athletics	Update	
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#### **Proposed Committee Action:**

None. For information only.

#### **Background Information:**

The Athletics Update provides a fundraising report and financial highlights since the Finance and Audit Committee last met on June 6, 2012

**Supporting Documentation:** Athletics Update

Facilitator/Presenter: Pete Garcia

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#### ATHLETICS UPDATE

As of August 1, 2012

**Reports** (For Information Only – no action required)

Pete Garcia, Executive Director of Sports and Entertainment

#### **Fundraising Report**

# FIU Foundation, Inc. Preliminary Recap of Statement of Activities Through the Period Ended June 30, 2012 (in thousands)

	Actual	Budget	Variance
Revenues	\$868	\$855	\$13

#### Financial Highlights

Based on Athletics Finance Corporation, Unaudited Preliminary Recap through the period ended June 30, 2012

- June year-to-date Net Income excluding debt service was \$2.79 million and favorable \$120 thousand vs. budget
  - o Primary drivers include:
    - Favorable Operating Revenues of \$125,644 or 4% driven by football game ticket sales and stadium rental income
    - Operating Expenses flat, \$5,314 or less than 1% to Budget
- The debt coverage covenant requirement has been met for the period ended June 30, 2012.

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# THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

#### Finance and Audit Committee

September 5, 2012

**Subject: University Compliance Report** 

#### **Proposed Committee Action:**

None. For information only.

#### **Background Information:**

The University Compliance Program Report provides a summary of the University Compliance Program's major achievements for the fiscal year ending June 30, 2012 and current initiatives.

**Supporting Documentation:** University Compliance Report

Facilitator/Presenter: Leyda Benitez

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# University Compliance Program FY 2011-12 Major Achievements And Current Initiatives

University Compliance Office Report to the Finance and Audit Committee of The Florida International University Board of Trustees

August 17, 2012

Prepared by: Leyda Benitez University Compliance Officer and Interim Privacy Officer

# University Compliance Program FY 2011-12 Major Achievements and Current Initiatives

#### **Introduction**

This document provides a summary of the University Compliance Program's major achievements for the fiscal year ending June 30, 2012 and current initiatives. The initiatives are designed to support the University's mission and values by effectively managing the compliance risks that the University and its faculty, staff and students face every day in light of their diverse academic, creative, research and community outreach activities.

This document is divided into two major sections, as follows:

#### **SECTION I:**

FY 2011-12 University Compliance Program Major Achievements and Current Initiatives

#### **SECTION II:**

Reports from University Specific Subject-Matter Risk Areas:

- A. Athletics Compliance
- B. Safety and Environmental Compliance

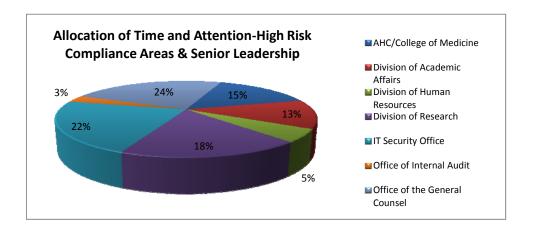
#### **SECTION I**:

### FY 2011-12 University Compliance Program Major Achievements and Current Initiatives

- A. University Compliance Program Infrastructure
- B. University Compliance Program Major Initiatives
- C. University Policies and Procedures
- D. Compliance Education and Training
- E. Privacy

#### A. University Compliance Program Infrastructure:

- i. University Compliance Program Advisory Committee has been created. Its membership is diverse and includes faculty representation. The Committee will meet for the first time during the 2012 fall term.
- ii. University Compliance Program and Advisory Committee Charter has been developed and presented to senior leadership.
- iii. University Compliance Office added one staff position, an Assistant Compliance Officer, as of January, 2012.
- iv. Monitoring and/or reporting mechanisms have been developed as they relate to new compliance programs or functions and high risk compliance areas. In keeping with the "matrix" model for compliance oversight, the University Compliance Officer met regularly with University senior leaders and representatives from high risk compliance areas. These meetings served to facilitate on-going compliance initiatives and to prioritize and anticipate areas to focus on in light of either new regulations or heightened risks. The chart below depicts time allocation to meetings between the University Compliance Officer and representatives from designated areas:



Areas	# of Meetings	Percentage
AHC/College of Medicine	26	15%
Division of Academic Affairs	21	13%
Division of Human Resources	9	5%
Division of Research	40	18%
IT Security Office	38	22%
Office of Internal Audit	5	3%
Office of the General Counsel	41	24%
Total	180	100%

- v. Move toward Consolidated Reporting: The University Compliance Officer (UCO) met with representatives from Athletics Compliance, Academic Health Center/College of Medicine, Environmental Health and Safety, IT Security and Research regarding metrics for consolidated reporting to the Finance and Audit Committee of The Florida International University Board of Trustees. At present, reports from Environmental Health and Safety and Athletics Compliance are included in this report. It is expected that during fiscal year 2012-13, the University Compliance Program report will also include information submitted by offices from other University specific subject-matter risk areas.
- vi. The metrics that the various areas will initially focus on are described in the chart below:

	BOT Finance & Audit Committee							
	Reporting Metrics							
1.	Education and Training							
	Per Subject Matter, Intended Audience, Date, and Number of							
	Attendees							
2.	Inquiries							
	Internal							
	External							
3.	Policies and Procedures							
4.	Reports							
	To create a comprehensive Compliance Calendar							
5.	Monitoring Activities							
	Tracking/Reporting							

#### vii. With respect to the compliance and ethics hotline,

- 1. Led the EthicsPoint Reports Review Committee in determining need and frequency of meetings, developing mechanisms to track status and efforts to resolve reports, and bringing reports to closure.
- 2. Conducted benchmarking and determined that level and frequency of use of the hotline is in keeping with comparable and aspirational institutions.
- 3. Experienced a higher number of internal inquiries and external reports (filed through EthicsPoint). The higher number of inquiries and reports is indicative of an institutional compliance and ethics program that has reached a greater level of maturity and trust. Please see charts below.

#### **INQUIRIES/REPORTS**

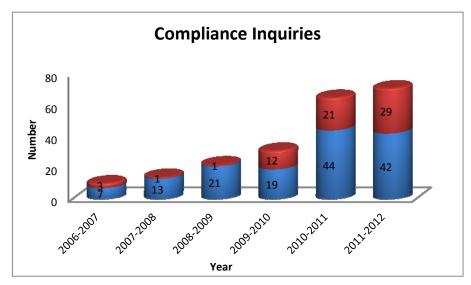
FY	INTERNAL	EXTERNAL	TOTAL
2011-12	42	29 <sup>1</sup>	71

FY	INTERNAL	EXTERNAL	TOTAL
2006-07	7	3	10
2007-08	13	1	14
2008-09	21	1	22
2009-10	19	12	31
2010-11	44	21	65
2011-12	42	29	71

Growth of inquiries/reports over past 6 years



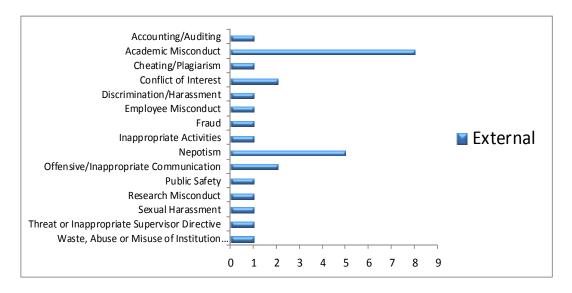
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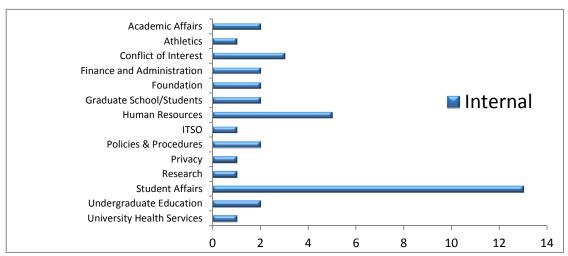


Please note that the EthicsPoint hotline was made available to the University community as of December, 2009.

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 $<sup>^{\</sup>mathrm{1}}$  28 External inquiries through EthicsPoint hotline; 1 to University Compliance Office.





#### B. University Compliance Program Major Initiatives:

i. New Florida Law/Penn State Child Abuse Case/Mandatory
Reporting of Known or Suspected Child Abuse for Universities:
The University Compliance Office has tracked the Penn State case involving the former University football coach Gerald A. Sandusky since November of 2011. The Florida Legislature has taken a proactive approach to ensure the safety and security of minors visiting our campuses. On April 27, 2012, Governor Scott signed into law Chapter 2012-155 which significantly strengthened mandatory reporting obligations in the case of known or suspected child abuse. The law goes into effect on October 1, 2012. Any public or private college or university whose administrators "knowingly and wilfully," upon receiving information from

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faculty, staff, or other institution employees, fail to report known or suspected child abuse, abandonment, or neglect committed on the property of the university, college, or school, or during an event or function sponsored by the university, college, or school, or who knowingly and wilfully prevent another person from doing so, shall be subject to fines of \$1 million for each such failure. Chapter 2012-155, Section 39.205 (3), Florida Statutes.

The University Compliance Office is assisting in the implementation of an action plan that has been developed by the University General Counsel in order to implement this new law and in order to assess the recommendations of the Freeh Sporkin & Sullivan, LLP Report of the Special Investigative Counsel regarding the Actions of The Pennsylvania State University Related to the Child Sexual Abuse Committee by Gerald A. Sandusky, dated July 12, 2012. As part of this action plan, the University Compliance Office will also, among other things, seek to increase the visibility of the hotline as a mechanism that allows the University community to report instances of known or suspected wrongdoing including any known or suspected child abuse or neglect.

More detailed information regarding the status of implementation will be provided in subsequent reports.

- ii. Creation of Webpage to Include Required Disclosures under the Higher Education Act of 1965, as Amended: The University Compliance Office has created a dedicated webpage to link to the information the University is required to make readily available under the Higher Education Act of 1965, as amended by the Higher Education Opportunity Act of 2008. This information must be made available to current and prospective students and their families, current and prospective employees, and the general public. The webpage will be available under the "About Us" section of the FIU website.
- iii. State Authorization Registration Requirements: Under the U.S. Department of Education Program Integrity Rules, a university must ensure that it is legally authorized to provide postsecondary educational programs within the State in which it is providing those programs. Through the leadership of University College, the University has followed a systematic approach to determine whether the level of educational activity, including online activity, in any given state triggers registration requirements. The University Compliance Officer and Deputy General Counsel have worked closely with University College on these efforts. At present, the University has received indication that it is exempt from

registration requirements without restrictions from 20 states, and is expecting confirmation of exemption from 4 additional states. All other states are also at varying stages of analysis by that state's oversight educational agency.

iv. <u>FERPA</u>: The U.S. Department of Education introduced new revisions to its regulations governing the Family Educational Rights and Privacy Act (FERPA), effective January 3, 2012. These revised FERPA regulations were reviewed, researched, and analyzed. A training PowerPoint presentation was presented to key University representatives who need to know this information in order to ensure the University is compliant with its FERPA obligations. These individuals are also in the process of reviewing the University's current FERPA regulation and recommending necessary revisions to bring it up to date.

#### C. University Policies and Procedures:

i. Conflict of Interest in Research Policy: The U.S. Department of Health and Human Services, through the Public Health Service, has enacted more stringent regulations regarding financial conflicts of interest in research that may have an impact on the design, conduct or reporting of research. Beginning on August 24, 2012, researchers will have broader disclosure and training requirements. For example, the "significant financial interests," as defined by the regulation (SFIs), which must be disclosed have been expanded and broadened and now include interests held by the investigator, his/her spouse and dependent children. SFIs now include any equity interest held in a non-publicly traded company as well as certain reimbursed travel or sponsored travel related to the investigator's institutional responsibilities. The University Compliance Officer has been working closely with the Division of Research and the Office of the General Counsel on revising the University's Conflict of Interest in Research policy.

This project has also involved updating the electronic portal on Outside Activities/Conflicts of Interest to capture the new regulatory disclosures. In addition, work is on-going to create an education and training program that is tailored to the University's specific policy and that will meet the training requirements of the new regulations.

ii. <u>Drug-Free Campus/Workplace and Drug and Alcohol Abuse</u> <u>Prevention Policy</u>: The University Compliance Officer worked closely with the Vice President for Student Affairs, Vice President for Human Resources and the University General Counsel in updating this important University policy.

iii. <u>University Compliance Office Website Redesign to Increase</u> <u>Communications Regarding Policies:</u>

The redesigned University Compliance Office website will "showcase" policies and procedures in two different ways:

- 1. <u>Policy of the Month</u>. This will be one policy of significance to the University that will be showcased—its history, significance, context together with a discussion piece addressing implementation opportunities and difficulties, availability of training, etc.
- 2. <u>New or Revised Policies</u>. Each month, the website will list those new or revised policies for the immediately preceding month.
- iv. The Assistant Director, University Compliance, worked with the following areas in order to transition their policies and procedures to the University Policies and Procedures Library:
  - 1. Academic Affairs
  - 2. Graham Center
  - 3. University Graduate School

This work is on-going. For example, as of July 19, 2012, the University Compliance Office received 33 policies from the University Graduate School that will be transitioned.

#### D. Compliance Education and Training:

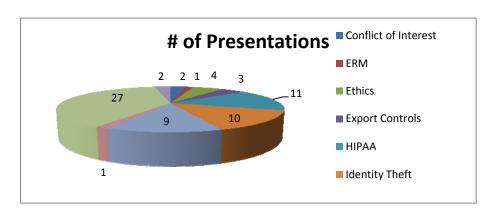
- i. Redesigned the University Compliance Office brochure and distributed throughout campus.
- ii. Redesigned the University Compliance Office website, with an expected "go live" date within the next 30 days.
- iii. Created, jointly with the IT Security Office, the <u>Preventing Identity</u> <u>Theft 101</u> brochure. This brochure is being prominently displayed and distributed to faculty, staff and students at the FIU One Card Office.
- iv. In celebration of National Corporate Compliance Week (May 6 through 12, 2012), the University Compliance Office posted flyers on the University email (Univmail) thanking employees for their commitment to compliance and ethics in the workplace, raising

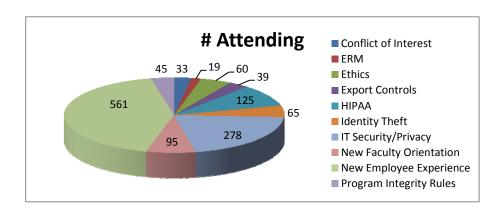
- awareness regarding FIU's Compliance and Ethics Program, and reminding employees of the existence of the hotline.
- v. For the second year in a row, the University Compliance Officer presented at the Annual IT Administrators Security meeting on the intersection between IT security and privacy. This presentation generated much discussion, activity and follow through regarding these important issues.
- vi. In collaboration with the University IT Security Officer, provided IT security awareness and privacy education and training to several schools and divisions. In addition, worked with the IT Security Officer to tailor an online learning software solution to provide IT security awareness education and training to the entire University community.
- vii. Working with Human Resources, Division of Talent Management and Development, assessed the institution's current capability to identify training requirements per employee job or function, track registration and completion of training. This work will continue through the current fiscal year and will result in one or more recommendations on how to strengthen the learning capability system available for employee training.
- viii. Provided three presentations as part of the newly designed Research Administrators Certificate Course which was put together under the leadership of the Associate Director of the Division of Research. This course has already been offered to two separate groups in late spring 2012 and the third such course is forthcoming in the early 2012 fall term. The presentations provided by the University Compliance Officer consisted of:
  - 1. Introduction to FIU's Compliance and Ethics Program
  - 2. <u>Understanding Our Obligations Under the Florida Code of</u> Ethics and University Policies
  - 3. <u>IT Security Awareness and Privacy Considerations in</u>
    <u>Research</u> (presented jointly with the Director of the Office of
    Research Integrity, Division of Research and the University
    IT Security Officer)
  - ix. As part of the implementation of the U.S. Program Integrity Rules, provided education regarding the prohibition on misrepresentation to the individuals on campus with responsibility for issuing official publications describing the University's academic offerings, student life and other vital aspects of the institution through their

writings, newsletters, magazines and online media outlets. At the invitation of the Vice President of External Relations, this opportunity was used to introduce the new University publication guidelines issued by the Division of External Relations and to discuss how best to ensure the accuracy and timeliness of information that is published about the University, its academic programs and offerings.

x. Specific compliance-related education and training provided during FY 2011-12 consisted of:

#### **University Compliance Education and Training 2011-2012**





FY 2011-2012			
Training	# of		
	Presentations	# Attending	
Conflict of Interest	2	33	
Enterprise Risk Management	1	19	
Ethics	4	60	
Export Controls <sup>2</sup>	3	39	
HIPAA	11	125	
Identity Theft	10	65	
Information Technology Security - Privacy	9	278	
New Faculty Orientation	1	95	
New Employee Experience	27	561	
Program Integrity Rules	2	45	
TOTAL	70	1320	

#### E. Privacy:

- i. The University Compliance Officer worked to address IT security and privacy breaches during the 2011-2012 fiscal year stemming from the College of Medicine (3), Undergraduate Education (1) and College of Nursing and Health Sciences (1). As a result of these breaches, corrective action plans were put into place which included:
  - 1. Meetings with senior leadership from the various areas in order to discuss the breaches and, most importantly, the corrective action plans necessary in order to address same.
  - 2. Education and training of senior leadership and employees from each of these schools.
  - 3. Developing stricter policies and procedures as it pertains to research activities within the College of Medicine.
  - 4. Creating a platform to have regular meetings between the University IT Security Officer, the College of Medicine Director of IT and the University Compliance Officer.
- ii. To comply with HIPAA, the University Compliance Officer worked on the process to identify business associates requiring business associate agreements. A form business associate agreement was created. At present, work will need to continue in order to put in place an automated process to assist in the identification of these relationships as the feasibility of flagging these relationships in the PantherSoft system is being explored.

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<sup>&</sup>lt;sup>2</sup> This number is exclusive of Export Controls education and training offered online through the Division of Research.

iii. The University Compliance Officer worked closely with the Division of Research to finalize policies and procedures for HIPAA compliance in the area of human subject research. The policies have undergone several levels of review, and should be finalized soon.

As always, the University Compliance Officer welcomes your comments and questions regarding any of the matters raised in this Report. Thank you for your kind attention.

#### **SECTION II:**

#### Reports from University Specific Subject-Matter Risk Areas:

- A. Athletics Compliance: Please see the Report submitted by Valerie Sheley, Director, University Athletics Compliance which is attached.
- B. Safety and Environmental Compliance: Please see the Report submitted by Roger Riddlemoser, Director, Environmental Health & Safety which is attached.

#### **SECTION II**

#### A. ATHLETICS COMPLIANCE

Prepared by: Valerie Sheley Director, University Athletics Compliance

#### Introduction

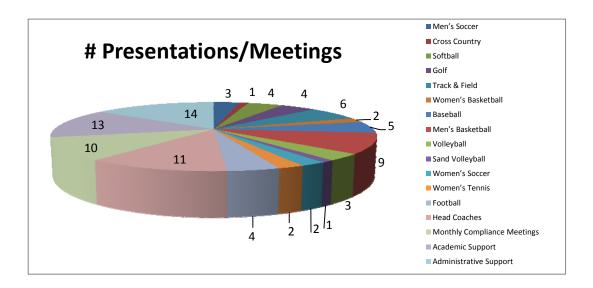
The following report summarizes major accomplishments of the Athletics Compliance Office during FY 2011-2012. The metrics set forth in the report are for the following:

- the number of Athletics Compliance Office education and training presentations and meetings that took place during fiscal year 2011-2012;
- the number of inquiries/reports handled by the Athletics Compliance Office;
- the number and type of NCAA secondary violations handled by the Athletics Compliance Office;
- the status of the 2011-2012 Athletics Compliance Office Manual of Policies and Procedures and Athletics Compliance Office Calendar.

#### 1) Education and Training Efforts

The Athletics Compliance Office (ACO) conducted 98 educational sessions during the 2011-12 fiscal year. Please see the chart below.

Athletics Compliance Office - Education/Training - FY 2011-2012

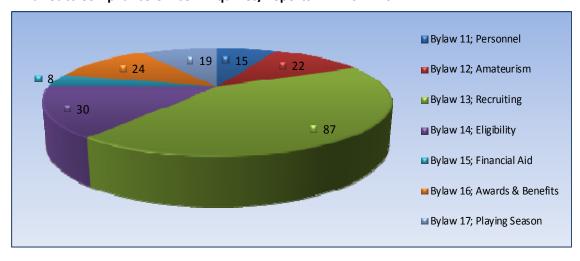


ATHLETICS COMPLIANCE — FY 2011-2012  Sports, Academic & Administrative Support Meetings  Education & Training		
Men's Soccer	3	
Cross Country	1	
Softball	4	
Golf	4	
Track & Field	6	
Women's Basketball	2	
Baseball	5	
Men's Basketball	9	
Volleyball	3	
Sand Volleyball	1	
Women's Soccer	2	
Women's Tennis	2	
Football	4	
Swimming & Diving	4	
Head Coaches	11	
Monthly Compliance Meetings	10	
Academic Support (Financial Aid, SAAC, Athletes Certification; Provost's Office)	13	
Administrative Support	14	
TOTAL 98		

#### 2) Monitoring and Reporting

a) <u>Inquiries/Reports</u>: The Athletics Compliance Office (ACO) documented 205 responses to rules interpretations during the 2011-2012 fiscal year. This does not include questions and answers during educational sessions. The 205 responses were divided by NCAA Operating Bylaws. Please see below for specific subject areas.

Athletics Compliance Office – Inquiries/Reports – FY 2011-2012

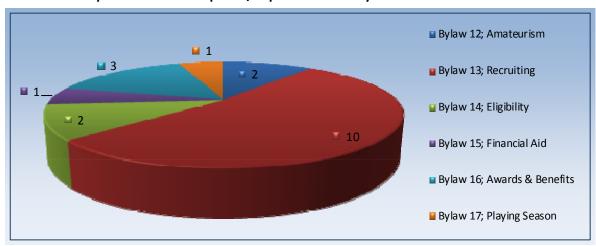


INQUIRIES	TOTAL	
Bylaw 11	15	
Bylaw 12	22	
Bylaw 13	87	
Bylaw 14	30	
Bylaw 15	8	
Bylaw 16	24	
Bylaw 17	19	
TOTAL	205	

b) <u>Inquiries/Reports</u>: There were 19 NCAA Secondary Violations during 2011-2012. Of the 19 secondary violation reports, nine were Level I and therefore reported directly to the NCAA. Ten were Level II and therefore reported directly to the Sun Belt Conference Office.

The number and type of NCAA Secondary Violations handled by the Athletics Compliance Office are described below.

Athletics Compliance Office - Inquiries/Reports: Secondary Violations - FY 2011-2012



REPORTS	TOTAL	
Bylaw 12	2	
Bylaw 13	10	
Bylaw 14	2	
Bylaw 15	1	
Bylaw 16	3	
Bylaw 17	1	
TOTAL	19	

REPORTS	TOTAL
Level I	9
Level II	10
TOTAL	19

#### 3) Policies and Procedures and Compliance Calendar

The 2011-2012 Athletics Compliance Manual of Policies and Procedures was completely updated. Additionally, the Athletics Compliance Office maintains a calendar which captures all athletics compliance-related education and training, meetings, and important reporting dates. Copies of the 2011-2012 Athletics Compliance Manual of Policies and Procedures and the Athletics Compliance Calendar are available upon request.

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#### **SECTION II**

#### B. SAFETY AND ENVIRONMENTAL COMPLIANCE STATUS REPORT

Prepared by: Roger Riddlemoser Director, Environmental Health & Safety

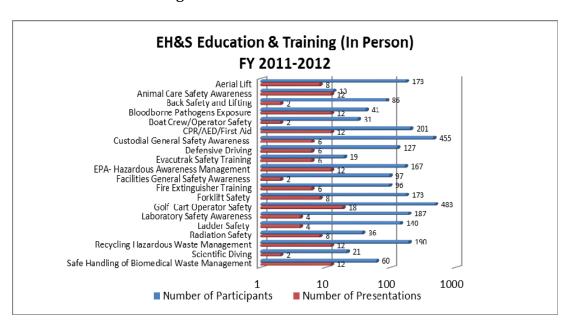
#### Introduction

A significant component of safety and environmental compliance comprises raising awareness and providing education and training regarding the regulations the University faculty, staff and students must follow in order to work, perform research and pursue academic endeavors in a safe environment. Trainings offered by the Department are both in person and online.

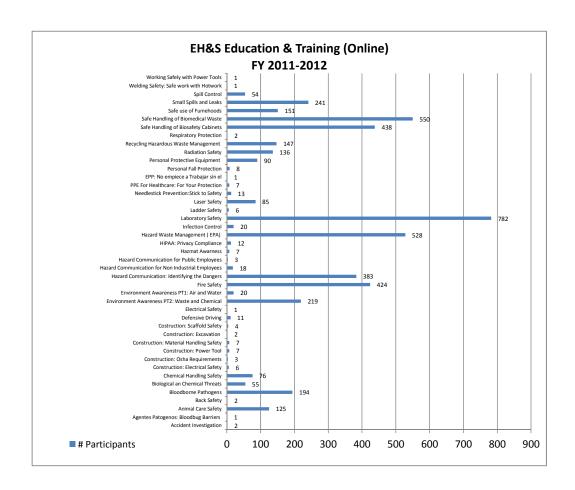
The Department of Environmental Health & Safety conducted 154 in person educational and training sessions and offered 43 online training sessions during the 2011-12 fiscal year. In total, 7,639 participants attended one or more of these trainings.

The following charts illustrate the number of online and in person trainings offered during fiscal year 2011-2012, their subject matter and the number of participants.

#### **Education and Training**



Environmental Health & Safety Education/Training FY 2011-2012 (In Person)		
Training	# Participants	# Presentations
Aerial Lift	173	8
Animal Care Safety Awareness	13	12
Back Safety and Lifting	86	2
Bloodborne Pathogens Exposure	41	12
Boat Crew/Operator Safety	31	2
CPR/AED/First Aid	201	12
Custodial General Safety Awareness	455	6
Defensive Driving	127	6
Evacutrak Safety Training	19	6
EPA- Hazardous Awareness Management	167	12
Facilities General Safety Awareness	97	2
Fire Extinguisher Training	96	6
Forklift Safety	173	8
Golf Cart Operator Safety	483	18
Laboratory Safety Awareness	187	4
Ladder Safety	140	4
Radiation Safety	36	8
Recycling Hazardous Waste Management	190	12
Scientific Diving	21	2
Safe Handling of Biomedical Waste Management	60	12
TOTAL	2796	154



## Environmental Health & Safety Education/Training FY 2011-2012 (Online)

	#
Training	Participants
Accident Investigation	2
Agentes Patogenos: Bloodbug Barriers	1
Animal Care Safety	125
Back Safety	2
Bloodborne Pathogens	194
Biological and Chemical Threats	55
Chemical Handling Safety	76
Construction: Electrical Safety	6
Construction: Osha Requirements	3
Construction: Power Tool	7
Construction: Material Handling Safety	7
Construction: Excavation	2
Construction: Scaffold Safety	4
Defensive Driving	11
Electrical Safety	1
Environment Awareness PT2: Waste and Chemical	219
Environment Awareness PT1: Air and Water	20
Fire Safety	424
Hazard Communication: Identifying the Dangers	383
Hazard Communication for Non Industrial Employees	18
Hazard Communication for Public Employees	3
Hazmat Awareness	7
HIPAA: Privacy Compliance	12
Hazard Waste Management ( EPA)	528
Infection Control	20
Laboratory Safety	782
Ladder Safety	6
Laser Safety	85
Needlestick Prevention:Stick to Safety	13
PPE For Healthcare: For Your Protection	7
EPP: No empiece a Trabajar sin el	1
Personal Fall Protection	8
Personal Protective Equipment	90
Radiation Safety	136
Recycling Hazardous Waste Management	147
Respiratory Protection	2
Safe Handling of Biosafety Cabinets	438
Safe Handling of Biomedical Waste	550
Safe use of Fumehoods	151
Small Spills and Leaks	241
Spill Control	54
Welding Safety: Safe work with Hotwork	1
Working Safely with Power Tools	1
TOTAL	4843
	-10-13

# THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

#### Finance and Audit Committee

September 5, 2012

Subject:	Construction	Status	Report	
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#### **Proposed Committee Action:**

None. For information only.

#### **Background Information:**

The Facilities and Construction Update provides an overview and the status of University projects.

**Supporting Documentation:** Facilities and Construction Status Report

Facilitator/Presenter: John Cal

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## **Facilities and Construction Status Report**

As of August 9, 2012

## **Projects Completed**

• U.S. Century Bank Arena Expansion (USCBA) (BT-837) - \$7.6M (multiple sources) project budget. A/E - Gould Evans; CM - Arellano; first FIU project for both firms. Warranty and punch list items are being addressed; project close-out will follow. The Student Government Association (SGA) commissioned a panther sculpture to be set in the arena plaza. The plinth has been completed. SGA is working with the sculptor to determine delivery date and installation. The arena plaza hardscape design has been approved; design has been integrated with Parkview Housing hardscape plan. Gould Evans is finalizing construction drawings for pricing.

## **Projects Under Construction**

- Science Classroom Complex (SCC)/Academic Health Center 4 (AHC-4) (BT-876) \$57.8M Public Education Capital Outlay (PECO) project budget. A/E Perkins + Will; CM DPR; first FIU construction project for both firms. Construction progress is now at 60%. Extensive use of Building Information Management software continues to facilitate construction by coordinating interior build-out. Building will have its own power by the end of August. With the building shell complete, including pre-cast panel installation, exterior fenestration will be finished by mid-September. Scientific research equipment is installed as it arrives. Occupancy meetings have begun and will continue until FIU occupies the facility in March 2013. Interior furniture selection and coordination in process. Target delivery date: February 2013.
- **Parkview Housing 2013 (BT-889)** \$52.9M (bond and auxiliary) project budget. A/E: HADP/HKS Joint Venture; CM Moss. Phase 2 contract amendment based on 50% construction documents has been executed. Owner Direct Purchase goal is \$400k with \$290k currently in process. Chiller lines have been connected to the central utilities plant. Foundations for both east and west buildings are complete. Structure has been poured up to the 2<sup>nd</sup> floor. CM is using a tunnel form method to expedite forming, pouring and reusing forms. Target delivery date: July 2013.

Facilities Management Construction Update Board of Trustees Finance and Audit Committee Meeting September 5, 2012 As of August 9, 2012 Page | 2

- Satellite Chiller Plant (BT-834) \$14.1M (PECO) project budget/\$7.6M funded to date. E/A SGM Engineering; CM Poole & Kent. FIU will proceed using the available \$7.6M to construct the full building and outfit it with two chillers and two cooling towers; additional equipment to follow as funding is available. Building walls will be fully erected by end of August. Equipment installation will begin November 2012. Exterior utilities are complete except for domestic water. Target delivery date: March 2013.
- Football Stadium Expansion and Master Plan (BT-842) \$4.99M project cost. A/E Baker Barrios Architects/RDG JV. CM MCM Construction; first FIU construction project for both firms. Project will complete the lower bowl and bring seating capacity to 18,114. The lower bowl is now complete: the northwest ramp, central seating structure, upper concourse (19,500 gsf) and lower concourse (25,000 gsf) have all been installed. Final seat relocation and installation is now in progress; final electrical work is also ongoing. The northeast ramp is the final major element still under construction. Fire Marshall inspection is scheduled for August 22. Opening game: September 8; target delivery date: August 27, 2012.
- Academic Health Center 5 (BT-877/895) \$44.9 M (multiple sources) project budget. A/E Perkins + Will; CM Skanska. The Robert Stempel College of Public Health and Social Work (\$23.3M) and the International Hurricane Center project (\$15.00 M) have been combined into one project along with additional research elements. Guaranteed Maximum Price (GMP) has been negotiated; contract execution in progress. Skanska will mobilize site in August 2012 before the start of Fall semester. Target delivery date: November 2013.
- Hospitality Management Dining and Kitchen Expansion Improvements (BT-855) \$2.0M (Auxiliary/SoBe proceeds). A/E MC Harry w/Echeverria as specialty consultant; CM Pirtle. Phase I (Dining Room Expansion) shell is 90% complete: windows overlooking bay are 95% complete; and Mechanical, Electrical and Plumbing rough-in is 95% complete. Air Conditioning will be turned on by the end of August. Phase 2 (Dining Room Finishes) will address millwork, wine tower, and kitchen expansion. Site visit to millwork shop was conducted. Millwork is progressing well and will start delivery at the end of September. The wine tower structural steel has been installed. Unforeseen existing floor slab conditions required reinforcement of the floor slab before installation of equipment and flooring. All kitchen extraction hoods have been installed; the new exhaust system is 90% complete. Upgraded sprinkler system for the kitchen and wine and spirits has also been completed. New air conditioning units have been installed. Target delivery date: February 2013.

Facilities Management Construction Update Board of Trustees Finance and Audit Committee Meeting September 5, 2012 As of August 9, 2012 Page | **3** 

## **Projects in Design**

- Stocker AstroScience Center (BT-814) \$2.4M (multiple sources) project budget. A/E Siddiq Khan & Associates (SKA); CM TBD. Building infrastructure and site work is 50% complete. Phase 1 GMP based on 100% construction documents has been submitted and has been negotiated. Meeting with FIU leadership and the project team is scheduled for September 6th for design and color board approvals. Target delivery date: May 2013.
- Mixed-Use College of Business Building-MANGO (BT-886) \$29.6M (multiple sources) project budget. A/E HOK; CM- Arellano. CM confirmed that the addition of a sixth additional floor will not impact delivery schedule due to early release delivery method of GMP packages. The first early release GMP for foundations, structure and utilities is on target for the end of August. Fifty percent 50% of the construction documents will also be completed by the end of August 2012. The final GMP based on 100% Construction Documents will be delivered by mid November. Outside food vendors have begun reviewing special layouts for location of equipment and required infrastructure. Target delivery date: November 2013.

## **Projects in Planning Stage**

- Student Academic Support Center (SASC) (BT-882) \$30.9M (PECO) project budget/\$20.1M funded to date. A/E Gould Evans; CM Balfour Beatty. The Program Committee is attempting to identify the full scope and funding commitments of the project. Once the scope and available budget are identified, the design and construction strategy can be developed. The critical program decision hinges on the inclusion of a consolidated university data center. The Office of Business and Finance and the Division of Information Technology are evaluating the viability of the data center. Target delivery date is contingent on final program and funding.
- **Ambulatory Care Center (ACC) (BT-870)** \$10.0M (County bond) project budget. A/E AECOM; CM Klewin. The ACC draft building program is being revised as a separate stand-alone facility. Program needs to address the existing agreement with Miami-Dade County, and whether additional partners will participate. Funding is in place only for design and construction of the ACC element. Design will also consider alternatives to accommodate future vertical growth and expansion. Once design begins, options to accelerate delivery can be explored. Target delivery date is contingent on the program, the business plan, and finalization of funding.

Facilities Management Construction Update Board of Trustees Finance and Audit Committee Meeting September 5, 2012 As of August 9, 2012 Page | 4

• **Parking Garage 6 (BT-868)** – \$37M (bond) project budget. Site options are still under review. The decision on the final site will determine whether a reuse of an existing design is viable, or whether a new design is required. Potential locations are west of PG4 (Red Garage) or west of the Wertheim Performing Arts Center. Target delivery date can only be set after the location is identified.

## THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

## Finance and Audit Committee

September 5, 2012

Subject: Business Service	ces Update	
	Proposed Committee Action: None. For information only.	

## **Background Information:**

The Office of Business Services Update provides information on services, sales and venues.

**Supporting Documentation:** Business Services Update

Facilitator/Presenter: Aime Martinez

## Office of Business Services Fact Sheet

UPDATES Fall 2012

- The MANGO (Management and New Growth Opportunity) building will feature a Panda Express, Starbucks and a Taco Bell with over 6,000 sq. ft. of seating space designed to foster collaboration and community engagement. The price points, product offerings and brand recognition of these venues will allow us to create a new destination hub for the North West quadrant of MMC that will attract the entire FIU community. Design is underway for the new building which is expected to open Spring of 2014.
- The Fresh Food Company, FIU's all-you-care-to-eat restaurant located in GC, is undergoing an extensive multi-phase remodeling to expand variety, increase seating and contemporize the look and feel. Phase I, the new entrance and façade, has been completed for fall 2012. Phase II of the project for fall 2013 includes new food stations, a full interior renovation and expanded seating.
- **Einstein Bros. Bagel** is being relocated to the annex to create a full-service, traditional breakfast venue providing a unique bakery/coffee house experience not currently available on campus. Opening fall 2012, there will be 54 indoor and 40 outdoor seats and a menu including hot and cold breakfast, bagels, sandwiches, pastries and a full line of hot and cold espresso beverages.
- Sushi Maki will relocate to Einstein's current location and expand its menu offerings; the opening is planned for spring 2013.
- A Mediterranean venue will be placed within the Sushi space to further expand variety; the opening is planned for spring 2013.

## **QUICK FACTS**

### **Services Under Management**

 46 Food and Retail Venues, Beverage & Snack Vending, FIU One Card Program, Office Supplies, Printing and Copying, Multi-use Facilities, Property Management and University-Wide Advertising.

#### Investments

 In FY 2012-13 Business Services plans to invest \$7.2M to build out new facilities, expand services and increase indoor and outdoor seating to help foster affinity and retention at FIU. In addition, Business Services contributes over \$1.8M annually to fund university initiatives, provide scholarships, underwrite student services and support FIU facilities.

### **Food and Convenience Venues**

- Overall sales from our 28 food venues ended the year up 6% over prior year. In its second year, PG5 Market Station continues its success with a 9% increase in sales over prior year.
- Newly renovated venues at BBC, which include the new Bay Café and Bistro Subs, were very successful. Sales results ended at 19% over prior year with a 16% customer count increase.

### **Beverage and Snack Vending**

 Credit card readers will be added to an additional 83 machines through fall 2012. In total, we have over 280 vending machines offering fresh foods, snacks, ice cream, beverages and convenience items.

#### **Barnes & Noble at FIU**

- Sales ended the year 3% over prior year with textbook rentals at \$900k, Recharge-U at \$163K, and the café at \$81K over prior year.
- The Barnes and Noble textbook rental program continues its impressive growth. The store currently has over 1,400 titles available for rental for fall 2012 which is a 40% increase over fall 2011 and continues to be ranked as one of the top stores in the country for titles rented. Students who rented saved an estimated \$1.4M.
- Over 1100 digital titles are available which is a 30% increase over fall 2011; all titles are now compatible with the apple IPAD.

### FIU One Card/Wells Fargo

At the end of the fiscal year, over 35,000 new *One* Cards have been issued to students, faculty and staff and over 7,250 *One* Cards have been linked to a Wells Fargo account.
 This represents a 16% penetration rate, which exceeds our budgeted goal, allowing us to move into the third tier of royalty payments to the University.

#### ShopFIU

Targeted on and offline marketing campaigns to build awareness of the brand are slated for the fall semester. Among these is the launch of the "Places" app within FIU mobile, a service that will allow users to access information from their mobile devices regarding retail and dining hours of operations. ShopFIU and a select portfolio of its brands will also be featured as a co-sponsor for the Worlds Ahead campaign with signage spanning both MMC and BBC campuses.

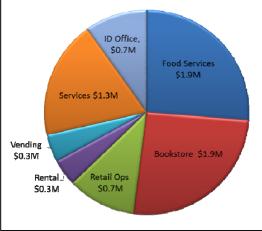
### **Fresh Food Company Renovation**



New Einstein Bros. Bagels Fall 2012



FY 2011-12 Revenue from operations increased 28% over prior year



## THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

## Finance and Audit Committee

September 5, 2012

Subject: Emergency Management Report

## **Proposed Committee Action:**

None. For information only.

## **Background Information:**

The Emergency Management Status Report provides updates on training and exercises, the preparedness campaign for the 2012 hurricane season and the emergency notification system.

**Supporting Documentation:** Emergency Management Status Report

Facilitator/Presenter: Amy B. Aiken



**DATE:** August 8, 2012

TO: Kenneth A. Jessell, Ph.D.

Senior Vice President and Chief Financial Officer

**FROM:** Amy B. Aiken, Director

Department of Emergency Management

**SUBJECT:** Emergency Management Status Report

## **Training and Exercises**

On June 22, 2012, the Department of Emergency Management (DEM) conducted its fifth table top exercise with the University President and his Executive staff. The exercise was held in the Emergency Operations Center (EOC) and focused on the impacts of a hurricane to the University. This exercise was more complex than previous exercises as the University continues to further strengthen its emergency management program.

The DEM Director participated in a day long Department of Homeland Security (DHS) Active Shooter Workshop on August 7, 2012.

DEM staff continues to conduct training and informational sessions on our web based continuity of operations planning tool known as FIU Ready, emergency preparedness, FIU's emergency notification system and hurricane preparedness to various units throughout the University.

## **Preparedness**

DEM worked with Division of External Relations to develop a preparedness campaign that was launched the first week of June to mark the beginning of the 2012 hurricane season. In August, when the majority of students and faculty are back on campus, another launch will occur as the busiest months of the hurricane season get underway.

## **Emergency Notification System**

The test of the entire emergency notification system for the fall semester will occur on August 27, 2012 at 10:00 am.

## THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

## Finance and Audit Committee

September 5, 2012

Subject: Safety and Environmental Compliance Report

## **Proposed Committee Action:**

None. For information only.

## **Background Information:**

The Safety and Environmental Compliance Report provides the status of compliance issues.

**Supporting Documentation:** Safety and Environmental Compliance Status Report

Facilitator/Presenter: Roger Riddlemoser



## THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES FINANCE AND AUDIT COMMITTEE SEPTEMBER, 5 2012 UPDATE

### SAFETY & ENVIRONMENTAL COMPLIANCE STATUS REPORT

*As of August 10, 2012* 

Issue: Hazardous Waste Compliance Inspection

**Agency:** Florida Department of Environmental Protection (FDEP) & Environmental Protection Agency (EPA)

**Status:** *No change:* On December 15, 2011, the FDEP and EPA conducted a laboratories, hazardous waste storage and Facilities Management shop inspection on the Modesto A. Maidique Campus. Environmental Health & Safety (EH&S) received the FDEP inspection report on April 24, 2012 with four minor violations and one area of concern (with a 30 day due date). EH&S responded back to FDEP on May 9, 2012 demonstrating full compliance. Official inspection report from the EPA is still pending.

Issue: Bureau of Radiation Control Inspection

**Agency:** Florida Department of Health (FDOH)

**Status**: *No change*: FIU Athletic Department received an X-ray fluoroscopic unit from Doctor's Hospital in Coral Gables as donation. The machine was installed in room number 1160 D of the football stadium. It was tested and certified by technicians from The Kreuz Group Corp. The machine has been registered with the Bureau of Radiation Control. Formal inspection by the Bureau of Control is still pending.

*Update:* Biomedical Engineering Department received an X-ray machine from Dr. Gary Yanowitz's office in Pembroke Pines as donation. The machine was tested and certified to be in good working condition. The necessary forms for registration have been submitted to the Bureau of Radiation Control for registration. This X-ray machine is operational and in use with animals only.

*New:* The next Radiation Control Committee meeting will be held in the September, 2012 timeframe. The committee has approved Dr. Leonard Scinto as authorized user of radioactive material for SERC. Dr. Joseph Boyer, the current authorized user for SERC, is separating from FIU.

## Issue: Annual Life Safety Code Compliance Inspections & Other Life Safety Code Activities

**Agency:** State Fire Marshal

**Status:** *New:* State Fire Marshal completed final inspections for Law School 2<sup>nd</sup> Floor NW Demo, GL 2<sup>nd</sup> Floor #295 North Demo, GC #2252 Remodel, PC #120 Remodel, University Towers, HLS-2 #567A, and HM Bathroom Remodel 3<sup>rd</sup> Floor. State Fire Marshal conducted inspections for PC #519 Remodel (50%), VH #133 Remodel (50%), EC #3863 Remodel (75%) & PC #515 Remodel (50%).

*New:* Football Stadium and New Parkview Housing on-site inspections completed. Summer Fire Drills for Housing completed. Fall Fire Drills for Housing will begin September, 2012.

*New:* Coordinated community collaboration with National Hurricane Center on fire drills (25-30 people) and fire extinguisher training (54 people). FIU Fire Prevention Officer received a "Certificate of Appreciation" from the NOAA/NWS for the continued support by FIU.

## Issue: FIU Emergency Generators Registration and Above-Ground Storage Tank (AST) Air Permitting

**Agency:** Miami Dade County Department of Environmental Resources Management (DERM)

**Status:** *Update:* EH&S met with DERM staff on May 10, 2012 for coordination of AST building plan submittal by Facilities. Afterwards, DERM accompanied by EH&S staff completed inspection of University Towers Housing AST and future planning for MMC ASTs including building plan submittals and emergency generator's mass balance/air permitting. EH&S received official DERM inspection report on May 11, 2012 with 5 minor violations and 1 significant violation (no due date). EH&S responded back to DERM on June 11, 2012 demonstrating full compliance.

## Issue: FIU Laboratory Safety Awareness – Making Safety a Priority Training Status

Agency: Florida International University (FIU) Faculty & Staff Management

**Status:** *Update:* The "UCLA Criminal Charges Focus Universities' Attention on Laboratory Safety" article recently published in <u>The Chronicle of Higher Education</u> brought renewed attention and awareness to the importance of laboratory safety, on-the-job training and lab supervisor's responsibilities for safety. EH&S conducts regular safety inspections and training. The new "Laboratory Safety Awareness – Making Safety a Priority!" training reiterates the importance of safety awareness, safety training and supervisory enforcement of safe work practices. EH&S recommends all FIU Laboratory Managers & their laboratory personnel attend this required course. Of the 184 FIU Laboratory Managers contacted via the FIU Lab Managers' Listsery, only 1 Manager has completed the training since the May, 2012 timeframe (54 Managers total (~30%) have completed the training released mid-March, 2012). In total, 410 FIU campus laboratory personnel have completed this training to date. New class dates are scheduled for the month of August 2012. Notification of this class schedule will be distributed via the FIU Lab Manager' Listsery.

New Business FA1

## THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

## Finance and Audit Committee

September 5, 2012

Subject: Tuition for Market Rate Programs, 2013-14 Academic Year

## **Proposed Committee Action:**

Recommend to the Florida International University Board of Trustees approval of market tuition rates for the Professional Masters of Science in Counseling Psychology and the Master of Science in International Real Estate offered through continuing education beginning academic year 2013-14.

## **Background Information:**

According to Florida Statutes \((15)(a):

The Board of Governors may approve:

- 3. A proposal from a university board of trustees to implement flexible tuition policies, such as ... market tuition rates for graduate-level online courses or graduate-level courses offered through a university's continuing education program...
- (b) A proposal developed pursuant to paragraph (a) shall be submitted in accordance with guidelines established by the Board of Governors. Approval by the Board of Governors of such proposal must be made in accordance with the provisions of this subsection.

Pursuant to Florida Board of Governors (BOG) Regulation 7.001(15) university boards of trustees may submit proposals for market tuition rates for graduate-level courses offered online or through the university's continuing education unit. The proposals must be submitted to the BOG for consideration by the budget committee during the November meeting.

**Supporting Documentation:** Request to Establish Market Tuition Rate - Professional

Masters of Science in Counseling Psychology

Request to Establish Market Tuition Rate - Master of

Science in International Real Estate

FIU Market Rate Tuition Proposals 2013-14,

Summary Table

Facilitator/Presenter: Kenneth A. Jessell

**University: Florida International University** 

Date					
University Board of Trustees approval date:	September 11, 2012				
Proposed Implementation Date (month/year):	Fall 2013				
Market Tuition Rate Process					

Explain the process used to determine market tuition.

The market tuition for the Professional Masters of Science in Counseling Psychology (PMSCP) was determined by benchmarking against other professional counseling psychology programs nationally and throughout the State of Florida and incorporating all associated costs of managing this program.

The PMSCP consists of 60 credit hours of graduate study, and its successful completion leads students to become eligible for a license to practice as a Mental Health Counselor (LMHC) in Florida. This license is provided by the Florida Board of Social Work, Marriage & Family Therapy, and Mental Health Counseling.

Currently, there are 25 students enrolled in the program which is offered at MMC in a classroom setting. Future plans are to offer an online version. The proposal is for all delivery modes in this degree program to be offered at market tuition rates.

For 2013-14, the resident market tuition rate for the PMSCP degree program offered in a regular classroom setting for residents and non-residents will be \$32,000 for completion of the 60 credit program. All of these may be adjusted by up to 15% for 2013-14 and each year thereafter.

## **Mission Alignment**

Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:

The market rate tuition will enable the PMSCP program to provide the students with better support such as career services, additional graduate teaching assistants, and professional development for faculty to enhance FIU's commitment to providing quality learning, state-of-the-art research and creative activity, and problem-solving engagement.

## **Declaratory Statement**

Provide a declaratory statement that the policy will not increase the state's fiscal liability or obligation:

The policy will not increase the state's fiscal liability or obligation for this program.

## **Restrictions / Limitations**

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:

There are not any proposed restrictions, limitations or conditions on the policy.

## **Accountability Measures**

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

The university will monitor success of the policy using two metrics: 1) Increase in the number of students enrolled and 2) Increase student satisfaction levels. Retention and graduation rates are currently accountability measures for all programs. At the end of the program, a survey will be used to measure student satisfaction.

## **Course Availability**

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration.

The program will be managed in a lock-step cohort format which will ensure that sufficient courses are available to meet student demand and facilitate completion of the program. All instruction and program administration will be performed by University faculty and staff.

## **Economic Impact**

Provide the economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

This proposal will allow the University to offer the program and provide a needed service to the community. It is expected that the program will generate total revenue of approximately \$800,000 per cohort. The revenue will be spent to cover the direct and indirect instructional costs, program administration, enhance student career and academic services, marketing, professional development, facility rental, and university and college initiatives. A vendor will not be used. The funds will be budgeted in the auxiliary enterprise.

## Other Information

See Attached Supplemental Form

**University: Florida International University** 

Date					
University Board of Trustees approval date:	September 12, 2012				
Proposed Implementation Date (month/year):	Fall 2013				
Market Tuition Rate Process					

Explain the process used to determine market tuition.

The market tuition for the Master of Science in International Real Estate was determined by benchmarking against other national and State of Florida programs. Hence, revenues are based on comparable market tuition rates of competing schools. All associated costs of managing this program are included in the cost projections.

The Master of Science in International Real Estate is a one-year (10-month) program that provides a strong foundation of knowledge and skills required by the real estate industry with a focus on analysis and decision-making. Graduates pursue many career paths in real estate including commercial brokerage, direct and securitized real estate investments, investment management, commercial underwriting, development, property management, residential sales and management and other areas. The program differentiates itself from existing programs by embedding international aspects of the profession into a well-focused skills and knowledge based program.

For Fall 2012, we anticipate 59 students to be enrolled in the program in both traditional face to face classroom settings and on-line. FIU is the only AACSB accredited school to provide formal graduate level education in real estate in the on-line format. The proposal is for all delivery modes in this degree program to be offered at market tuition rates.

For 2013-14, the resident market tuition rate for the Master of Science in International Real Estate degree program offered in a classroom setting for residents will be \$27,500 and for non-residents will be \$30,000. The on-line tuition will be \$30,000 for residents and non-residents. All of these may be adjusted by up to 15% for 2013-14 and each year thereafter.

## **Mission Alignment**

Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:

The market rate tuition will enable the Master of Science in International Real Estate program to provide students with better support such as career services, additional graduate teaching assistants, and professional development for faculty to enhance FIU's commitment to providing quality learning, state-of-the-art research and creative activity, and problem-

solving engagement.

## **Declaratory Statement**

Provide a declaratory statement that the policy will not increase the state's fiscal liability or obligation:

The policy will not increase the state's fiscal liability or obligation for this program.

## **Restrictions / Limitations**

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:

There are not any proposed restrictions, limitations or conditions on the policy.

## **Accountability Measures**

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

The university will monitor success of the policy using two metrics: 1) the number of students enrolled and 2) student satisfaction levels. Retention and graduation rates are currently accountability measures for all programs. At the end of the program, a survey will be used to measure student satisfaction. The goal is to enhance a globally recognized graduate program in real estate.

## **Course Availability**

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration.

The program will be managed in a lock-step cohort format which will ensure that sufficient courses are available to meet student demand and facilitate completion of the program. All instruction and program administration will be performed by University faculty and staff.

## **Economic Impact**

Provide the economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

This proposal will allow the University to offer the program and provide a needed service to the community. It is expected that the program will generate total revenue of approximately \$1.7 million during the one year program. The revenue will be spent to cover direct and

indirect instructional costs, program administration, enhanced student career and academic services, marketing, professional development, facility rental, and university and college initiatives. A vendor will not be used. The funds will be budgeted in the auxiliary enterprise.

## **Other Information**

See Attached Supplemental Form

### State University System Market Tuition Proposals

## Florida International University - Market Rate Proposals - Summary Table - FY 13-14

	Approved	Approved	Approved	Proposal 4	Proposal 5
Degree Program	Master of Science in Management Information Systems	Executive Master in Public Administration	Master of Science in Hospitality and Tourism Management	Professional Master of Counseling Psychology	Master of Science in International Real Estate
Has the program been approved pursuant to Regulation 8.011?	Yes	Yes	Yes	Yes	Yes
Does the program lead to initial licensing or certification?	No	No	No	Yes	No
Is the program identified as a state critical workforce need?	No	No	No	No	No
Are the program's admission & graduation requirements the same as other programs?	Yes	Yes	Yes	Yes	Yes
Current Tuition Rate	\$25,798 R/ \$29,398 NR	\$0	\$20,000 (30 credits)/ \$32,000 (48 credits)	\$32,000 for R and NR	Face-to-face is \$25,000 R and \$29,00 NR with On- line at \$29,000 R an NR
Proposed Market Tuition Rate	up to \$30,000 R and \$33,000 plus up to 15% increase each year thereafter	up to \$32,000 with up to 15% increase each year thereafter	\$30,000 (30 credit hour program) to \$48,000 (48 credit hour program) with up to 15% increase each year thereafter	\$32,000 for R and NR	Face-to-face at \$27,500 R and \$30,000 NR with on line at \$30,000 for F and NR with up to 15% increase each year thereafter for either offering
5 Other Public/Private Rates for Similar Program:					
University name and rate	Drexel -\$45,000	FAU - \$21,123R/\$48,381NR	University of Nevada, Las Vegas - \$25,850R/ \$28,518 NR	NOVA SE U, \$33,000	NOVA SE U, \$29,32
University name and rate	USF - \$14,000R/\$28,000 NR	UM - \$59,100R/\$60,100NR	Kansas State University - \$17,460	U Of Miami, \$92,000	UCF (MSRE), \$29,500 R and \$34,000 NR
University name and rate	UF \$36,000	NOVA SE U - \$28,500	Drexel University - \$45,000	St. Thomas U, \$96,000	U of Miami (MSRED \$53,120 R/NR
University name and rate	UIS - \$15,100 R/ \$30,300 NR	Barry U - \$35,080	Auburn University - \$10,828	Barry U, \$54,000	University of San Diego \$46,080 R/NI
University name and rate  University name and rate	OKS - \$9,500 R/ \$26,000 NR	University of Washington \$40,750	University of North Texas -	U of Central Florida, \$22,000	Depaul University \$44,800 R/NR
Length of Program (SCH) Student Enrollment (Headcount):	36	42	30-48	60	30
Student Enrollment (Headcount):					
Resident	71	0	11	25	34
Non-Resident	0 71	0	42 53	0 25	23 57
Total Similar Program at other SUS Institutions (if yes, provide	Yes	Yes	No No	Yes	Yes
university and program name)  University and program name	UF - Master of Science in Information Systems & Operations Management	FAU - Master of Science in Public Administration	n/a	U of Central Florida - MS in Psychology	UF-MS in Real Esta
University and program name	USF - Master of Science in Information Systems	n/a	n/a	n/a	UCF-MS in Real Estate
University and program name	n/a	n/a	n/a	n/a	USF-MS in Real
University and program name  Different Rate for Resident vs. Non-Resident (NR)?	n/a \$25,798 R plus up to 15% increase; \$29,398 NR plus up to 15% increase; and up to 15% each year thereafter	n/a No	n/a No	n/a No	n/a Face-to-face at \$27,500 R and \$30,000 NR with on line at \$30,000 for F and NR with up to 15% increase each year thereafter for either offering

Date: 8-30-2012