



**FLORIDA POLYTECHNIC
UNIVERSITY**

Board of Trustees Workshop

Tuesday, May 21, 2019

12:30 p.m. – 5:00 p.m.

SUN 'n FUN Fly-In, 4175 Medulla Road, Lakeland, FL

Dial In Number: 240-454-0887 | Access Code: 648 856 176#

**Don Wilson, Chair
Dr. Victoria Astley
Ryan Perez
Dr. Adrienne Perry
Gary C. Wendt**

**Cliff Otto, Vice Chair
Rear Admiral Philip Dur
Frank Martin
Dr. Louis Saco**

**Mark Bostick
Dr. Richard Hallion
Henry McCance
Bob Stork**

- | | |
|--|--|
| I. Call to Order | Don Wilson, Chair |
| II. Roll Call | Michele Rush |
| III. Public Comment | Don Wilson, Chair |
| IV. Fiduciary Responsibility (The Color of Money) | Tim Jones, Vice Chancellor
Finance/Administration and
Chief Financial Officer,
Board of Governors |
| V. Compliance and Ethics Training | David Blanton |
| VI. Balanced Scorecard: Strategic Plan Accountability Tracking | President Randy Avent |
| VII. Closing Remarks and Adjournment | Don Wilson, Chair |



BOARD *of* GOVERNORS

State University System of Florida

Florida Polytechnic University
Colors of Money

May 21, 2019

www.flbog.edu



Colors of Money

The following slide presentation hits the high points on the delegation of authority to Boards of Trustees, fiscal responsibilities of the Trustees, parameters surrounding the expenditure of funds, and key statutes and regulations that provide dos and don'ts on the use of funds.

The first set of slides will focus on operating funds and the final set on fixed capital outlay funds.



Article IX, Section 7 – Florida Constitution

There shall be a single state university system comprised of all public universities. A Board of Trustees shall administer each public university and a Board of Governors shall govern the state university system.

The Board of Governors shall operate, regulate, control, and be fully responsible for the management of the whole university system.

The Board of Governors shall establish the powers and duties of the Boards of Trustees.



Board of Governors Regulation 1.001 – University Board of Trustees Powers and Duties

(1) Pursuant to Article IX, section 7(c), Florida Constitution, the Board of Governors shall establish the powers and duties of the board of trustees as set forth herein and as may be established in Board of Governors' regulations. This regulation supersedes the delegation of authority to the boards of trustees contained in the Board of Governors' Resolution dated January 7, 2003. The intent of this regulation is to **delegate powers and duties to the university boards of trustees so that the university boards have all of the powers and duties necessary and appropriate for the direction, operation, management, and accountability of each state university.**

(6) **Each board of trustees shall be responsible for the financial management of its university** and shall submit an institutional budget request, including a request for fixed capital outlay, and an operating budget to the Board of Governors for approval in accordance with the guidelines established by the Board of Governors.



Board of Governors Regulation 9.007 – State University Operating Budgets

- (1) Each university president shall prepare an operating budget for approval by the university board of trustees, in accordance with instructions, guidelines, and standard formats provided by the Board of Governors.

- (2) The university board of trustees-ratified operating budget is presented to the Board of Governors for approval. Each university president shall implement the operating budget of the university as prescribed by regulations of the Board of Governors, policies of the university board of trustees, provisions of the General Appropriations Act, and data reflected within the SUS Allocation Summary and Workpapers publication.



Florida Statutes

1011.45 End of year balance of funds

Unexpended amounts in any fund in a university current year operating budget shall be carried forward and included at the balance forward for that fund in the approved operating budget for the following year.

1011.90(4) State university funding

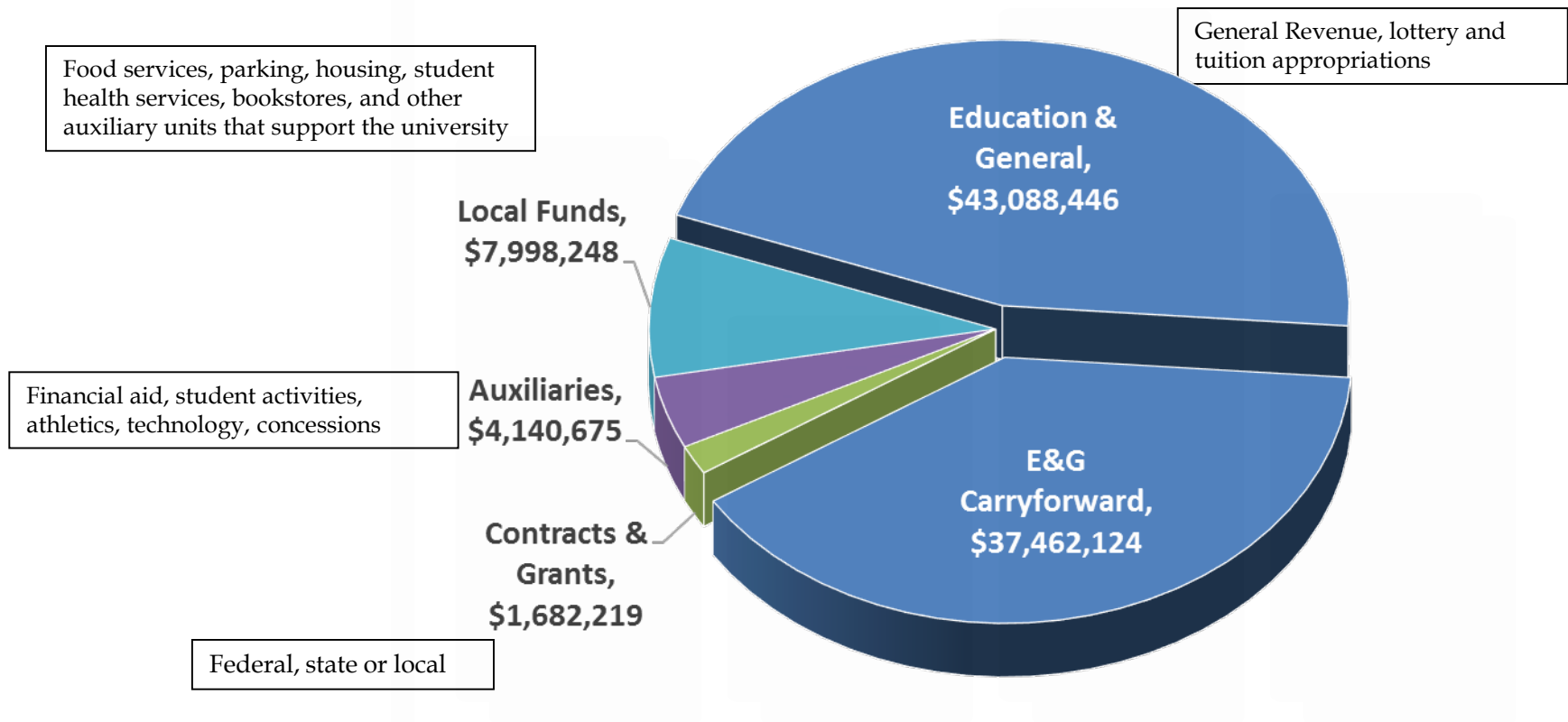
Expenditure analysis, operating budgets, and annual financial statements of each university must be prepared using the standard financial reporting procedures and formats prescribed by the Board of Governors. These formats shall be the same as used for the 2000-2001 fiscal year reports.

1011.91 (1) Additional appropriations

Except as otherwise provided in the General Appropriations Act, all money that comes from federal grants, student fees, private sources, and from vending machine collections is discretionary; however, the budget must be approved and these funds may not be expended for construction, except as provided by S. 1013.74. F.S.

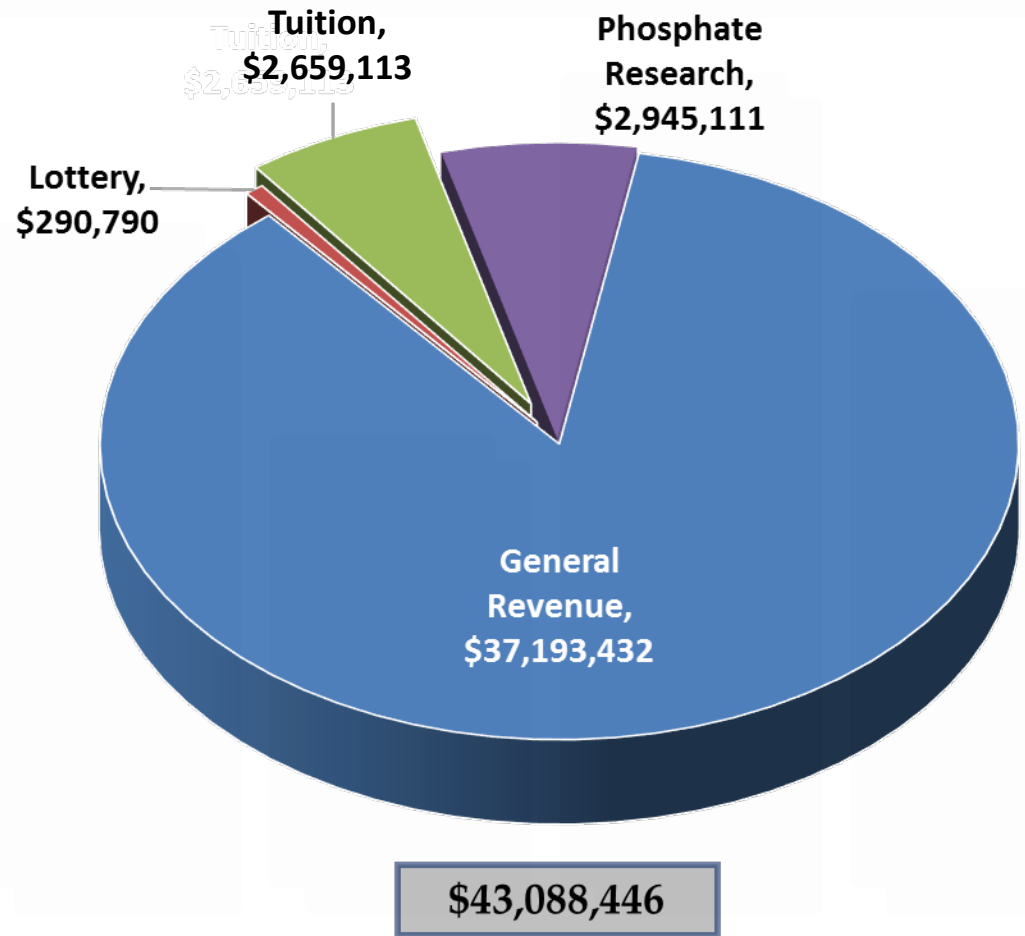
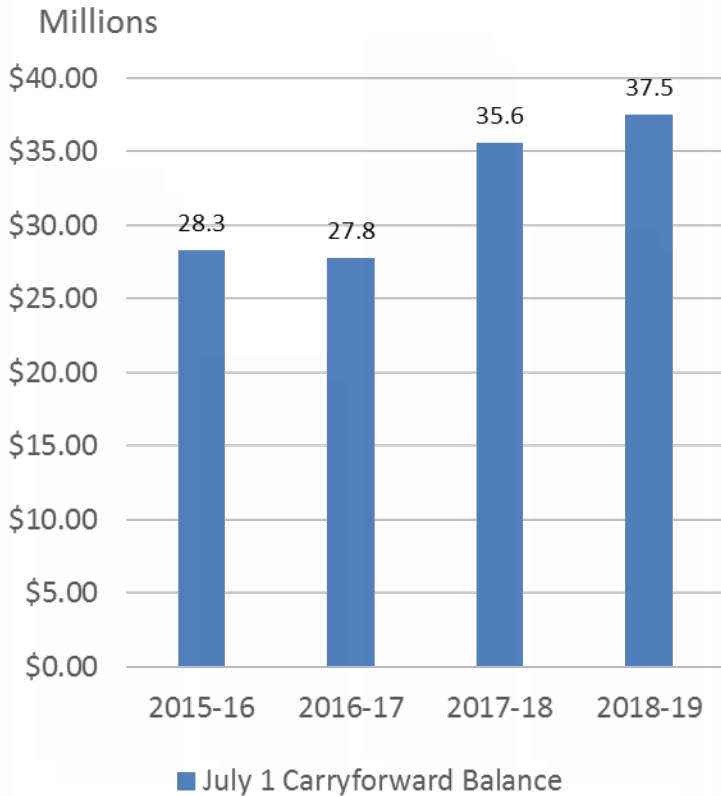


Florida Poly 2018-2019 Operating Budget





Florida Poly 2018-2019 Education & General Operating Budget





Education & General (E&G)

- ✓ Appropriated by the Legislature/Governor each fiscal year (July 1 to June 30).
- ✓ Includes General Revenue, Lottery, Student Tuition and Phosphate Research.
- ✓ Board of Governors Regulation 9.007.
 - ✓ E&G funds are used for operating activities only, such as, but not limited to, general instruction, public service, plant operations and maintenance, student services, libraries, administrative support, and other enrollment-related and stand-alone operations of the universities.
 - ✓ Ending fund balances (carryforward) shall be used for operating activities only except where expressly allowed by law. Operating activities included, but are not limited to, unfunded enrollment growth, potential budget reductions, anticipated increases in university operations, and prior year encumbrances.

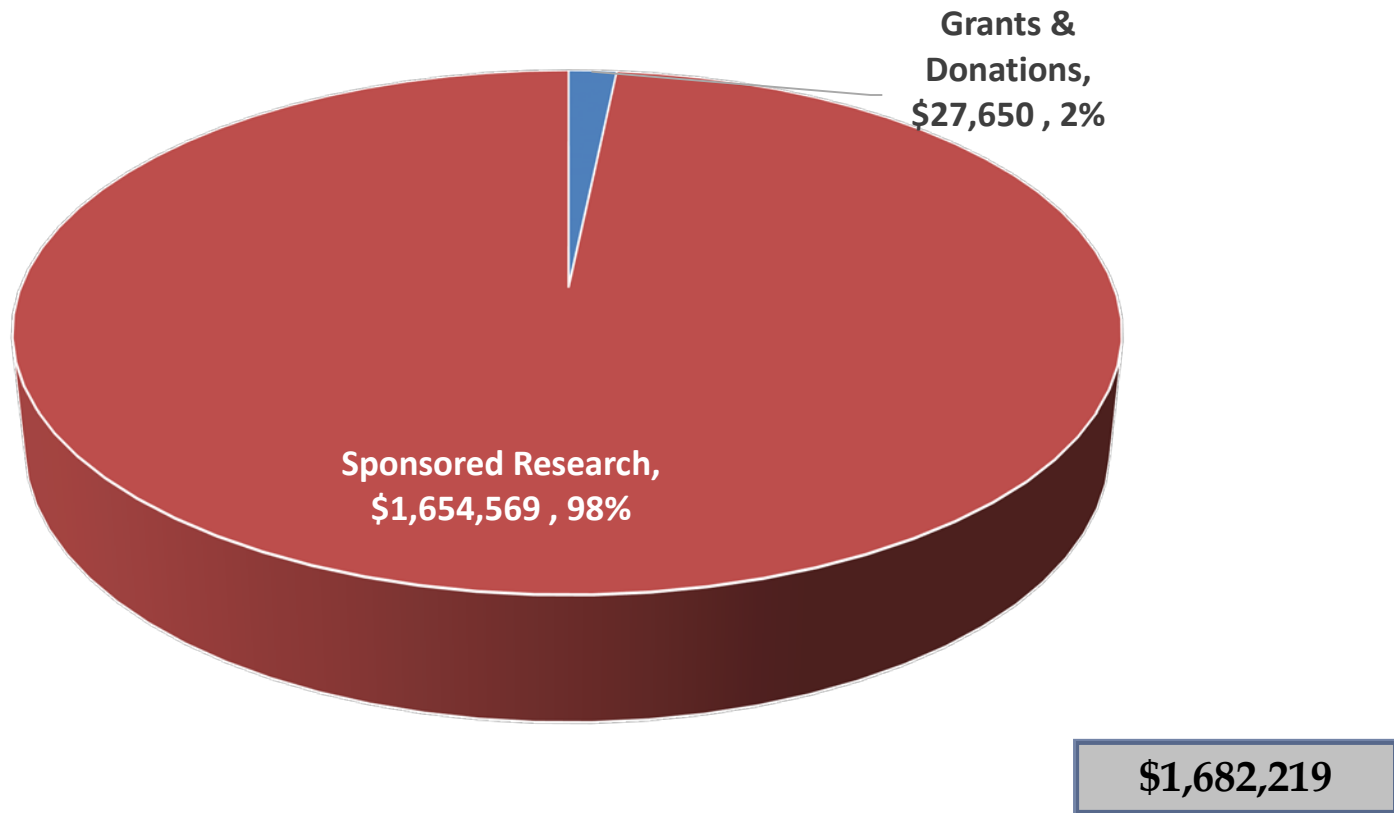


Education & General (E&G) (continued)

- ✓ At any time the unencumbered available balance in the E&G fund of the university board of trustees approved operating budget falls below five (5) percent of the approved total, the president shall provide a written notification and explanation to the Board of Governors.
- ✓ Interest earnings resulting from the investment of current-year E&G appropriations are considered to be of the same nature as the original appropriations, and are subject to the same expenditure regulations as the original appropriations. E&G interest earnings are not to be utilized for non-E&G related activities or for fixed capital outlay activities except where expressly allowed by law. Interest earnings resulting from invested carryforward funds are considered to be additions to the university's carryforward balance.



Florida Poly 2018-2019 Operating Budget Contract & Grants





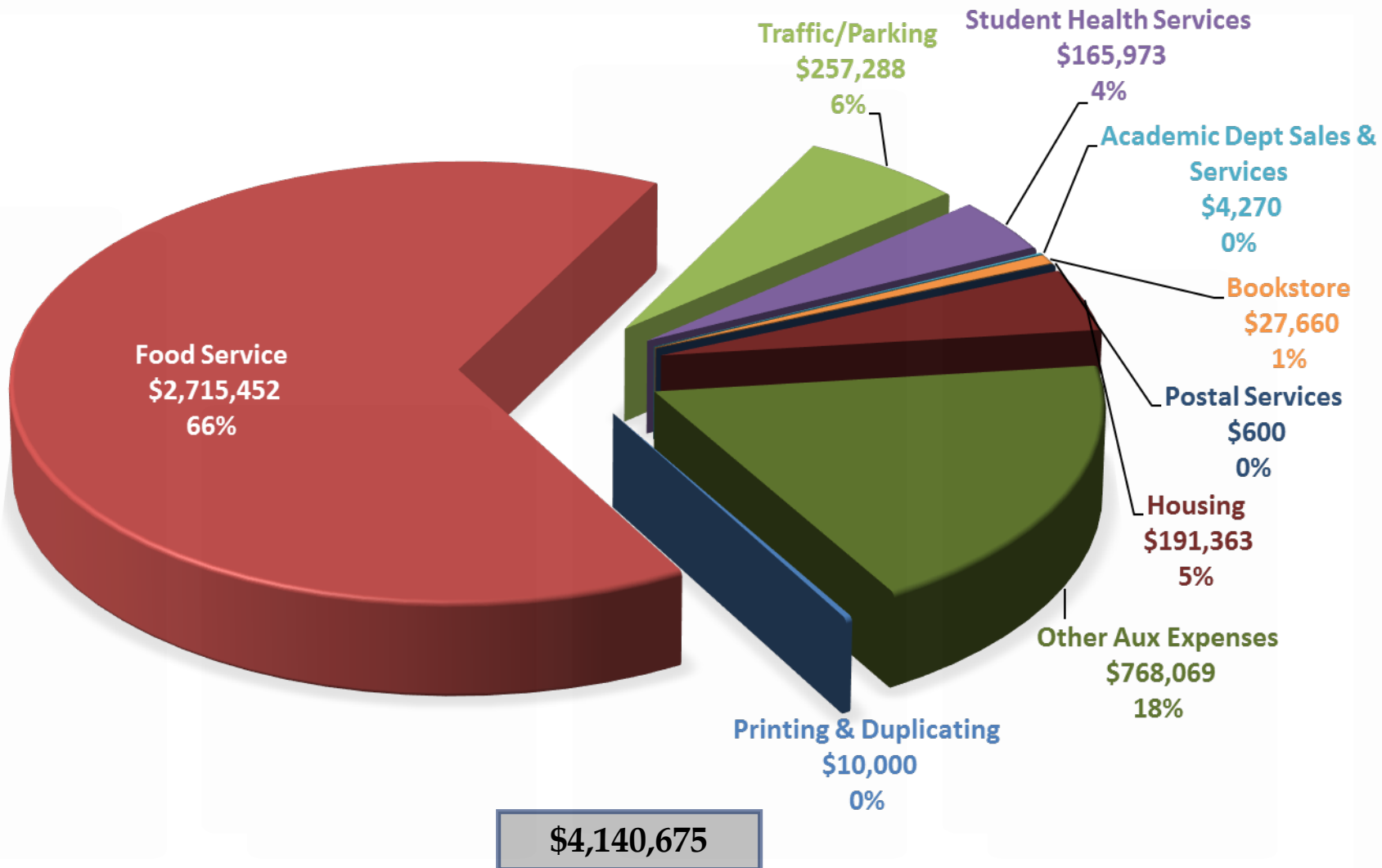
Contract and Grants

- ✓ Sponsored Research – Board Regulation 9.007
 - ✓ Funding from federal agencies, state agencies, foundations, and private sources that enables the University to conduct specific research projects or to provide specific services or deliverables.

- ✓ Grants/Donations – Board Regulation 9.007
 - ✓ Funding includes university and research foundations, state and local awards, and other various donations and grants.
 - ✓ Transfers from university medical Faculty Practice Plans to support physicians compensation also included in this entity.



Florida Poly 2018-2019 Operating Budget Auxiliary Enterprises





Auxiliary Enterprises – Board Regulation 9.013 – Auxiliary Operations

Auxiliary services are integral activities of a university that furnish to its faculty, staff and students goods and/or services that are necessary or desirable but not readily available elsewhere in terms of costs, quality, quantity, timeliness, convenience, or other similar considerations. These activities shall support the educational endeavor of the institution and enhance its functioning; therefore, they shall not detract or distract from this basic endeavor in any way, financially or otherwise.

The Auxiliary Enterprises Budget consists of university business operations that are self-supporting through user fees, payments and charges.

Each institution may determine whether its auxiliary services will be self-supporting on an individual or collective basis, except for athletics, which shall be a self-supporting entity.



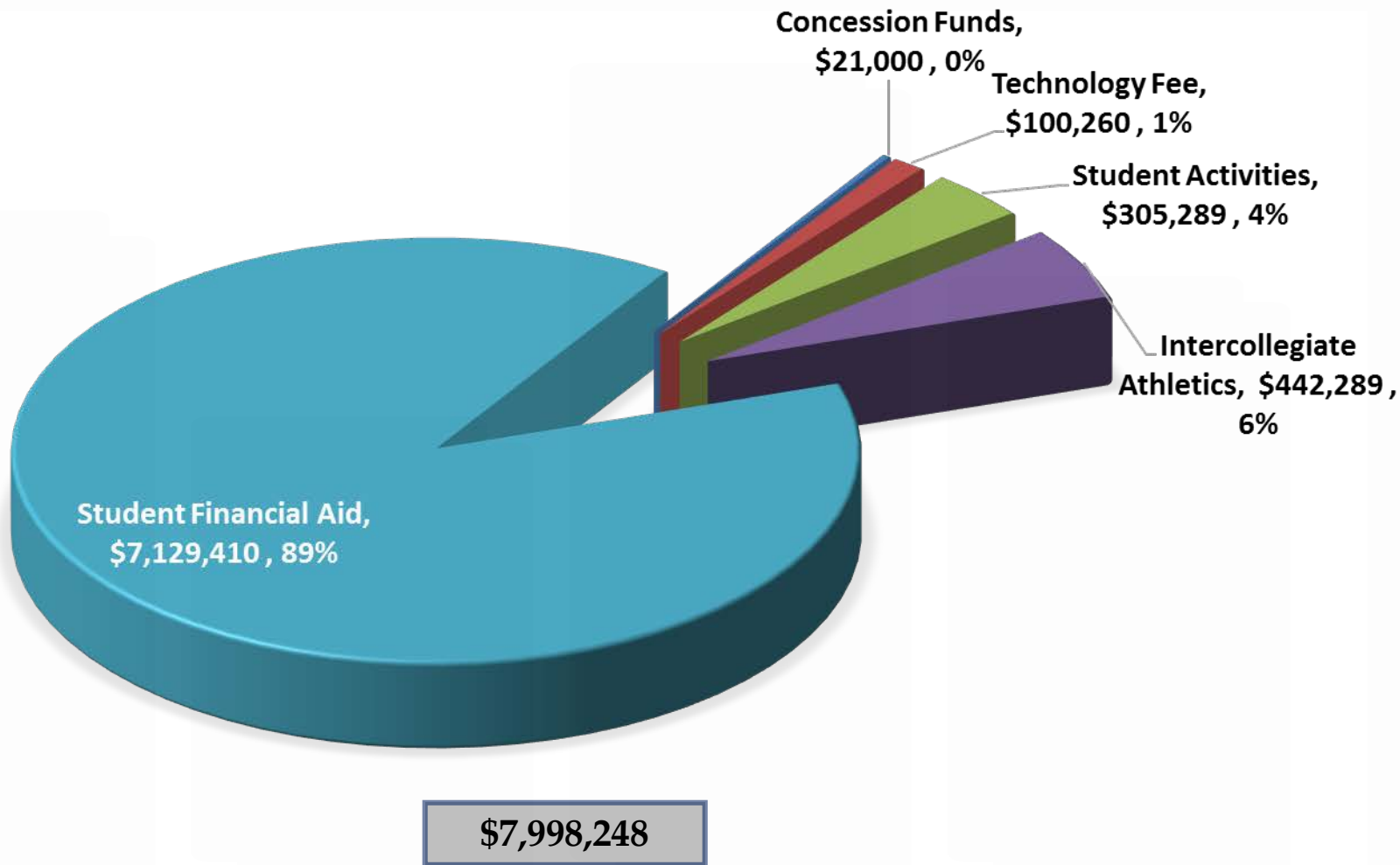
Auxiliary Enterprises – Board Regulation 9.013 – Auxiliary Operations

Proceeds from Auxiliary Enterprise operations may be used for purposes deemed necessary by the institution's administration. Examples of uses of Auxiliary funds include:

- ✓ Debt service for bonds issued for the construction of university parking garages and student dormitories (pledged revenues)
- ✓ Construction of new university facilities
- ✓ Administrative department support from Auxiliary operations overhead assessments (Human Resources, Purchasing, etc.)
- ✓ Campus safety and infrastructure improvements
- ✓ Maintenance and repairs of university academic and administrative buildings
- ✓ Salaries and benefits, compensated leave for Auxiliary Enterprise employees
- ✓ Subsidized costs for student extracurricular activities (concerts, seminars, career fairs, homecoming events, etc.)



Florida Poly 2018-2019 Operating Budget Local Funds





Local Funds

- ✓ Student Financial Aid – Board Regulation 9.007(d)
 - ✓ Funding from the student financial aid fee
 - ✓ Federal Pell Grants
 - ✓ Florida Bright Futures
 - ✓ Florida Student Assistance Grant
 - ✓ Federal Work Study
 - ✓ First Generation Scholarships

- ✓ Intercollegiate Athletics Budget – Board Regulation 7.003
 - ✓ The Athletics Operating Budget supports the University's student athletics program. Funding is generated from student athletics fees as well as ticket sales to athletics events, game guarantees, NCAA distributions, sponsorships and private support.



Local Funds (continued)

- ✓ Student Activities and Services – Board Regulation 7.003(4)(e)
 - ✓ Funding from the activities & service (A&S) fee to support student government operations and student activities such as clubs and organizations.
 - ✓ The student A&S fees shall be expended for lawful purposes to benefit the student body in general.
- ✓ Technology Fee – Board Regulation 7.003(5)
 - ✓ The fee may be up to 5 percent of the tuition charged per credit hour. The revenue from this fee shall be used to enhance instructional technology resources for students and faculty.
- ✓ Student Financial Aid Fee – Board Regulation 7.003(17)
 - ✓ This fee is collected for financial aid purposes in an amount not to exceed 5 percent of the tuition and out-of-state fee.
 - ✓ Minimum of 75 percent mandated for need-based student aid.



What's New!

Senate Bill 190 - Carryforward

Minimum

- 7 % minimum
- Falls below 7% must do a plan to get back to 7%
- Anything above 7 % must be included in a spending plan

Approval

- Board of Trustees –
- Board of Governors

Planning

- Estimated cost for each planned expenditure
- Timeline for completion of each expenditure



What's New!

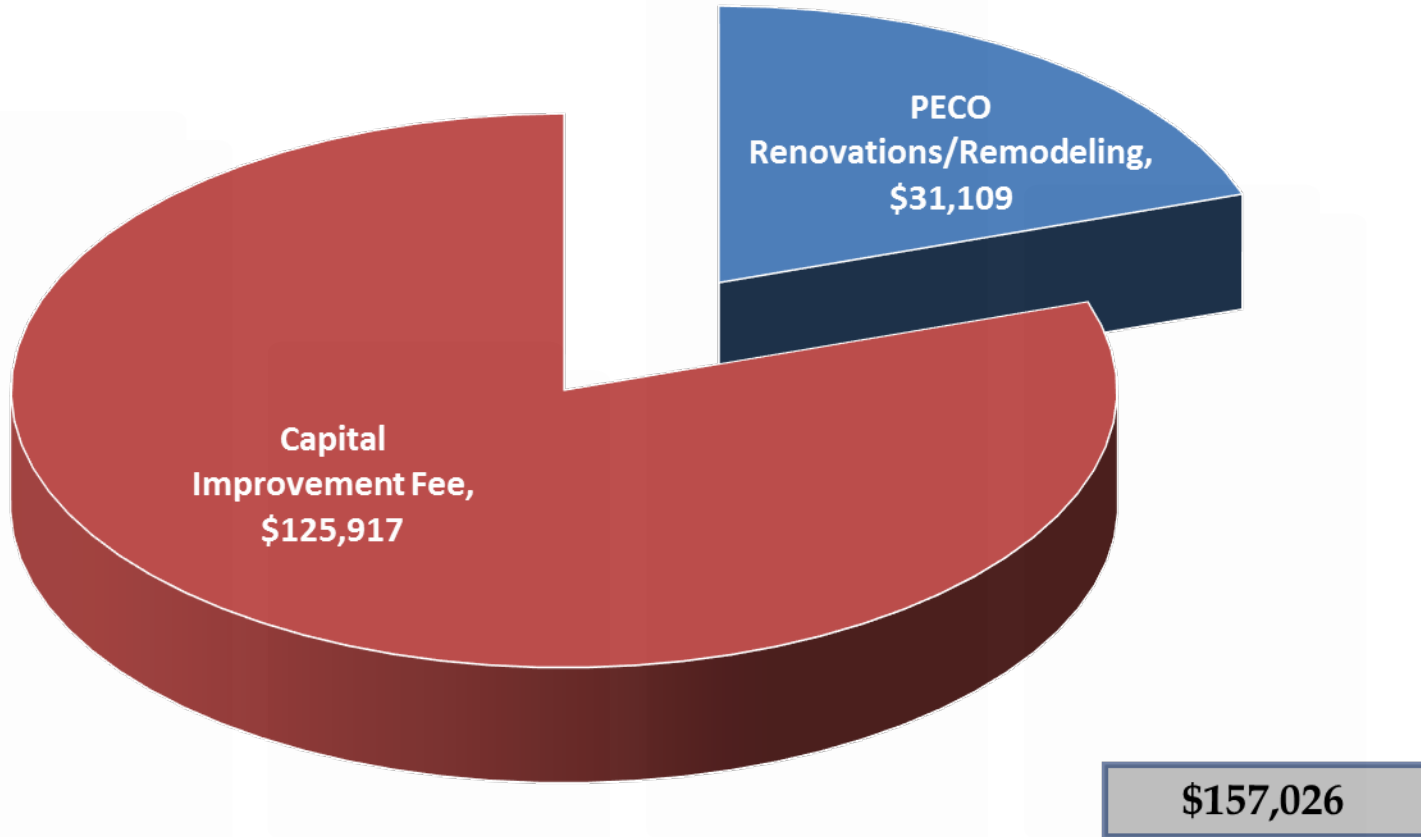
Senate Bill 190 - Carryforward

Uses

- Operating expenditures that are nonrecurring
- Any purpose specified by the board or in the GAA
- Towards a Legislatively authorized (read “funded”) PECO project that needs additional funds for completion
- Completion of renovation, repair or maintenance project up to \$5 M
- Replacement of a minor project that does not exceed 10,000 GSF in size up to \$2 M
- Completion of a remodel or infrastructure project , up to \$10 M
- Repair or replacement due to a natural disaster
- Spending of the 7% only with a demonstrated emergency, with approval by the Trustees and the Board of Governors



Florida Poly 2018-2019 Fixed Capital Outlay





Fixed Capital Outlay

- **Public Education Capital Outlay (PECO)** – Funded by the Gross Receipts Tax, which is a 2.5 percent levy on the gross receipts of electric, gas and telecommunications. This tax is devoted entirely to the PECO and Debt Service Trust fund and is the major state source of revenue dedicated to k-20 facilities. Funds are used for renovation/remodeling, new construction and/or land acquisition.
- **Capital Improvement Trust Fund Fee (CITF)** – Funded by student fees and used for student related projects. This fee can be no more than 10 percent of tuition. Board Regulation 7.003(16)



SUS Authorized Revenue Sources for Fixed Capital Outlay (FCO) Projects

- ✓ **State Appropriations for FCO**
 - ✓ Public Education Capital Outlay (PECO) Trust Fund is the primary funding source for university instruction and research space
 - ✓ Secondary state sources include General Revenue, Lottery and the Capital Improvement Fee
 - ✓ Project spending authorized in the General Appropriations Act or via special appropriation



SUS Authorized Revenue Sources for Fixed Capital Outlay (FCO) Projects

✓ **Authorized University Revenues**

- ✓ Student life, research, retail, and athletic facilities do not receive PECO. These facilities must generate their own revenues for both construction and operations.
- ✓ These may also be described as “Self-Supporting Facilities”
- ✓ Authorized self-supporting facility revenues include athletics, student housing, transportation/parking, student dining, student unions, retail, research related, health, etc.
- ✓ The use of tuition as a facility revenue source is specifically prohibited in S. 1010.62 F.S.



SUS Authorized Revenue Sources for Fixed Capital Outlay (FCO) Projects

- ✓ **Authorized Non-State Revenues (S. 1013.74 F.S.)**
 - ✓ Universities may use Federal Grants, private grants, and gifts for fixed capital outlay projects IF the funds are given or granted specifically for the purpose of construction.
 - ✓ Replacement of buildings from insurance proceeds.
 - ✓ Florida Polytechnic University only is authorized to use reserves or carry forward balances for the construction of legislatively authorized projects.



Financing Mechanisms

Section 1010.62, F.S.

- ✓ Authorizes financing using revenues derived from or received in relation to sales and services of auxiliary enterprises or component units of the university, including, but not limited to:

Housing, transportation, health care, research or research related activities, food service, retail sales, athletic activities, or other similar services, other revenues attributable to the projects to be financed or refinanced, any other revenue approved by Legislature for facilities construction or for securing revenue bonds issued pursuant to s. 11(d), Art. VII of the State Constitution, or any other revenues permitted by law.



Financing Mechanisms

Section 1010.62, F.S.

- ✓ Bonds, loans, certificates of participation - all require Board of Governors approval and Division of Bond Finance review.
- ✓ Equipment financing does not require Board of Governors review; the equipment serves as the collateral securing the note.
- ✓ Mortgage financing does not require Board of Governors review; the building and land serves as collateral in securing the note. Mortgage financing is not allowed on State-Owned land.

Public Private Partnership (P3)

- ✓ Defined by Board Guidelines and subject to approval by the Board of Governors.
- ✓ Parallel review structure for Bonded Projects; includes Bond Finance review as well.



What's New!

Senate Bill 190 - PECO

Points based System

- To Be Developed by the Board of Governors; Anticipated that a preliminary system will be reviewed at the June Board meeting.

SB 190 Take-a-ways

- Trustees may need to amend their Capital Improvement Plans once SB 190 becomes law.
- The Board of Governors will need to amend regulations that address both the FCO and operating budgets.



What's New!

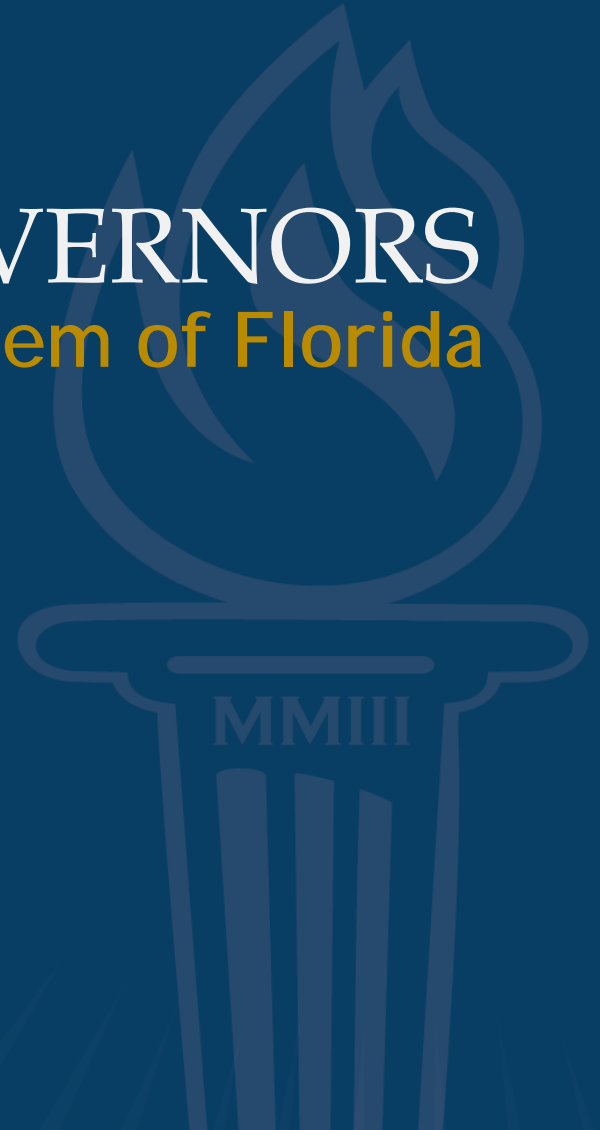
- ✓ Carryforward will now be approved by the Board of Governors
- ✓ FCO budgets will now be approved by the Board of Governors
- ✓ A Certification Form, signed by the Board Chair, President & CFO must be submitted by August 1 with each approved FCO, operating and carryforward budget.
- ✓ Fiscal 2019-2020 will be a transition year for implementation of the new changes - stay tuned.



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FLORIDA POLYTECHNIC
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Board of Trustees
Compliance & Ethics Training

David A. Blanton

May 21, 2019

Ethics

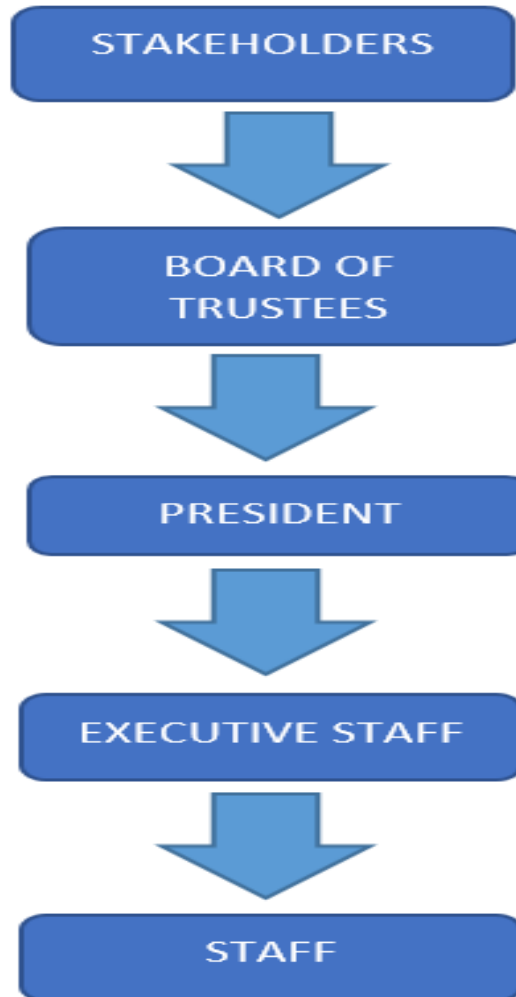
- *“The misery caused by immoral leaders drives home an important point: Ethics is at the heart of leadership.”*

– Craig E. Johnson

Ethics



Board Governance & Ethics



Ethics – University Employees

- **Policies & Procedures/Code of Conduct**
- **Compliance Program**
- **Training (Compliance/Ethics/Controls)**
- **The Poly Formula**
 - #1 Act with Integrity: Demonstrate an unwavering commitment to doing the right thing in every action you take and every decision you make, especially when no one's looking. Always tell the truth, no matter the consequences. If you make a mistake, own up to it, apologize, and make it right.

Ethical Codes – Trustees

- **State Ethics Code (Chapter 112 F.S.)**
- **Florida Poly BoT Bylaws**
- **Florida Poly Ethics Policy**
 - Board of Trustees
 - Employees (Code of Conduct)

BoT Ethics Policy Preamble

Each Trustee agrees to keep, at all times, the welfare of the University paramount, putting aside all conflicts of interest, thereby assuring that a Trustee's independence of judgment is not compromised, that the public's and the University's confidence and respect in the integrity of the Board are preserved, and that the mission of the University is protected and well served.

In both their official acts and their personal affairs, each member of the Board of Trustees is to act in a manner that promotes public trust and confidence, to act with complete transparency and honesty, and to avoid even the appearance of impropriety.

Ethical Restrictions & Requirements

- **Solicitation or Acceptance of Gifts**
 - Can't accept anything of value (e.g. gift, loan, employment, favor promise of future employment, etc.) such that official action may be influenced
 - Prohibited from soliciting gifts from vendors doing business with University (including political committees, lobbyist)
 - No gifts greater than \$100

Ethical Restrictions & Requirements

- **Unauthorized compensation**
 - Can't accept compensation if provided to influence vote or action while serving in official capacity

Ethical Restrictions & Requirements

- **Doing Business with the University**
 - Official capacity: May not purchase, rent or lease goods/services (extends to spouse/children with more than 5% interest)
 - Private capacity: May not rent, sell, lease any realty/goods/services to the university

Ethical Restrictions & Requirements

- **Conflicting Employment or Contractual Relationships**
 - May not have or hold employment or contractual relationship with a business doing business with the university (exceptions – 112.312(16) FS)
 - May not have or hold an employment or contractual obligation that creates a continuing conflict

Ethical Restrictions & Requirements

- **Voting Conflicts**
 - A Trustee must abstain from voting on any matter which results in special private gain or loss for the Trustee (no person can serve two masters)
 - Requires disclosure on Form 8A with COE
 - Preference: recorded with minutes – if not within 15 days after vote
 - Abstaining from vote could still result in ethics violation
 - Contractual relationships
 - Conflicting employment
 - Voting conflict does not require you to leave the room

Ethical Restrictions & Requirements

- **Misuse of Public Position**
 - A Trustee may not corruptly use official position to secure a special privilege, benefit, or exemption for themselves or others
 - FAMU, FGCU (programs, hiring, etc.)
 - Use of software not available to the public (CEO 90-14)
 - Mismanagement, waste in government, and negligent acts are not sufficient; there must be intentional conduct to benefit oneself or another
 - Sexual harassment can be a violation

Ethical Restrictions & Requirements

- **Disclosure or Use of Certain Information**
 - A Trustee must not disclose or use information for personal gain or benefit for him or herself, or for personal gain or benefit of any other person or business entity which is not available to the public and which is learned by a reason of the Trustee's position

Ethical Restrictions & Requirements

- **Solicitation or Acceptance of Honoraria**
 - Prohibited from soliciting honoraria related to his or her public office or duties as a Trustee
 - Prohibited from accepting an honorarium from a political committee, a vendor doing business with the University, a lobbyist who has lobbied the University within the past 12 months, or the employer, principal, partner, or firm of such a lobbyist

Ethical Restrictions & Requirements

- **Disclosure of Financial Interests**
 - Form 1 filed annually (new appointments and departing members)
 - Form 2 (quarterly) if representing a client for compensation before another college/university
 - Gifts over \$100 reported on Form 9 with COE
 - Excludes relatives
 - No gifts received = no reporting requirement

Ethics – Continuing Obligations

- **Obligation to be familiar with State Ethics Code**
 - Further COE Training available, if interested
- **Disclose any possible personal, familial, or business relationship that might reasonably give rise to a conflict of interest involving the University**
- **Serve the public's trust**

Questions?



- **Florida Poly General Counsel**
- **Florida Poly Compliance**
- **Florida Commission on Ethics**

Board of Trustees Recommendations

- **Orientation and refresher**
 - “Flipped” orientations using 5-minute videos on relevant topics
 - On-site visit becomes more meaningful and includes campus tour and two-way dialogues with key staff, faculty and student groups
 - Short instructional videos on persistent issues, e.g., how to navigate Diligent on either a laptop, Mac or iPad
- **Board meetings**
 - September reception with faculty
 - December reception with community leaders
 - March roundtable lunch with students
 - May reception with Foundation
- **Preferred Diligent documents**
 - Too much or too little, focus only on Action Items?
 - Preferred format for Board briefings

Board of Trustees Recommendations

- **Engagement**
 - Notification of key events on campus before they happen to allow trustees to attend, e.g., Career and Internship Fair, Capstone Project Presentations, Phoenix Family Day, Founder's Day and Commencement
 - Phone call between scheduled board meetings in lieu of/in addition to written reports

- **Communications**
 - Current communications
 - Weekly media releases and monthly round-up (current)
 - Weekly Phoenix (current)
 - Proposed additions?



FLORIDA POLYTECHNIC
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Operational Plan 2020

Performance Metrics

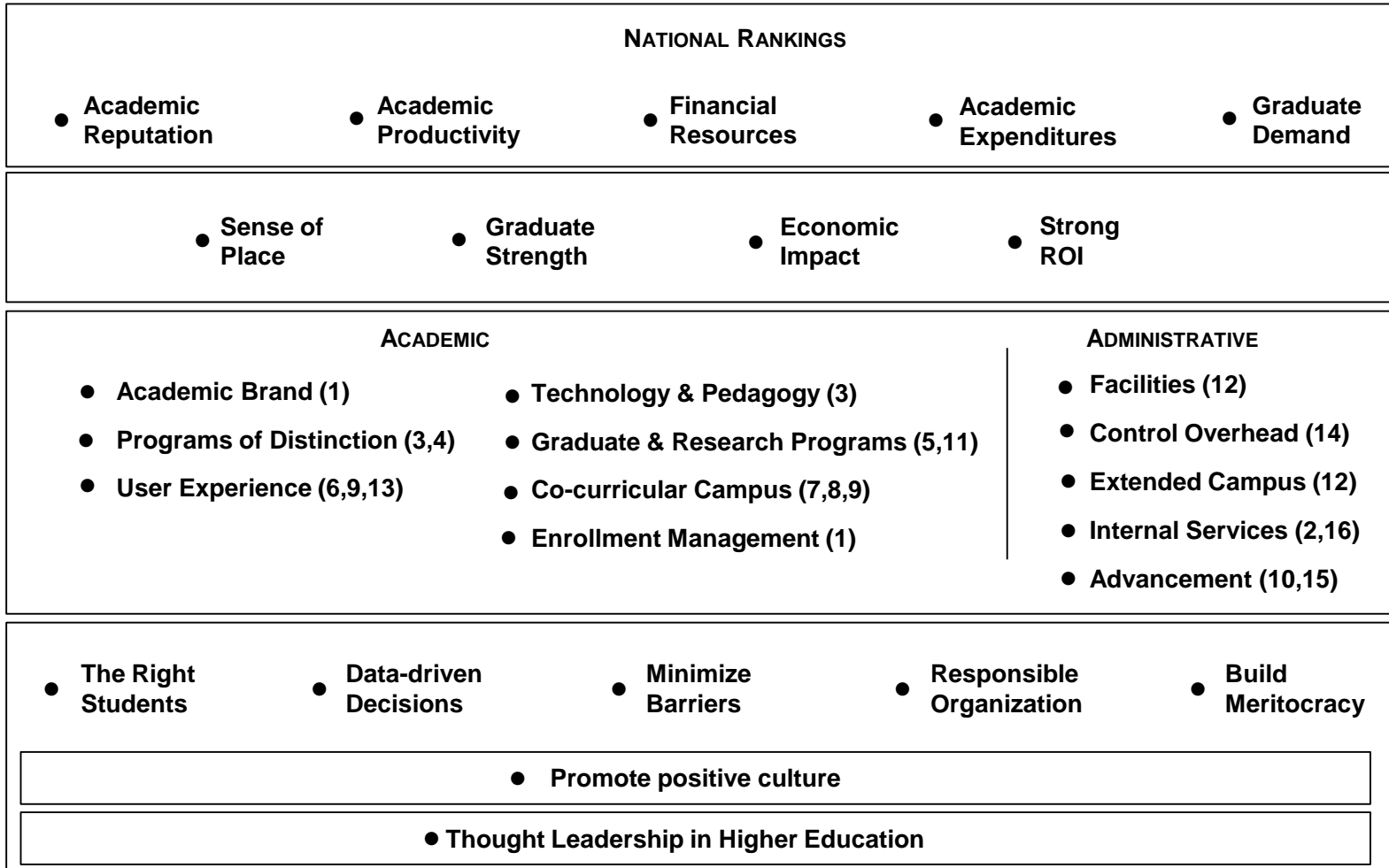
Randy K. Avent
21 May 2019



Strategic Plan Mapping

MISSION: To serve students and industry through excellence in education, discovery and application of engineering & applied sciences

VISION: Florida Poly will be a premier STEM university known for producing highly desirable graduates and new technology solutions



Academic Reputation

	2019-20	Peer Group	SUS Average	2020-2021
USNWR Ranking	N/A			Introduced

- **US News World & Report is the most recognized university ranking**
- **Florida Poly now has Carnegie Classification as a Regional College in the South**
 - Governed by the number of masters degrees conferred (<25)
 - Category includes 111 schools (High Point, Flagler, University of Ozarks,...)
- **Peer evaluations play a large role in the metrics**
- **Remaining metrics that may affect inclusion**
 - 6-year graduation rates
 - Alumni performance (salary, % employed, ...)
 - Financial aid metrics



Academic Productivity

	2019-20	Peer Group	SUS Average	2020-2021
UG Incoming Class Size	330			436
G Incoming Class Size	25			28
Average SAT	1270	1321	1266	1270
Average ACT	29	29	26	29
• % Academic Progress Rate (GPA>2.0)	72%	81%	82%	74%
• 4-year Graduation Rate	37%	32%	41%	40%
6-year Graduation Rate		62%		58%
• % Degrees without Excess Hours	95%		75%	>75%
• % University Access Rate (UG with Pell)	30%	24%	38%	30%

- **Focus next year on increasing student body size**
 - Grow incoming student body while maintaining current quality
- **Moving retention and graduation rates will take time**
 - Academic Progress Rates incorporate one-year delay
 - Graduation Rates incorporate four-to-six year delays
- **Less than 60% of degrees without excess hours = 10 points**
- **University Access Rate of 30% compares favorably with peers**

Academic Expenditures

	2019-20	Peer Group	SUS Average	2020-2021
% Expenditures on Instruction	28%	30%	32%	30%
Student:Faculty	18:01	14:01	21:01	18:01
% Hrs Taught by Adjuncts	12%			<20%
• Average Cost to Students (120 hours)	\$9.5K	\$21.9K	\$13.9K	<\$14K

- **Continued focus on spending funds on instruction over administration**
- **Continued focus on improving instruction**
 - High-touch model with small classes taught primarily by full-time faculty provide differentiated value in the Florida State University System
- **Average Cost to Students calculated by the BOG**
 - Presented metrics are predicted values
 - Institutional “newness” and decreasing discount rates make predictions more tenable

Graduate Demand

	2019-20	Peer Group	SUS Average	2020-2021
• % BS Graduates Employed			67%	70%
• Median Wages for BS Grads			\$36.8K	\$45K
• % BS Awarded in Strategic Areas	100%	78%	51.37%	100%
• % Graduate Degree in Strategic Areas	100%	74%	61.20%	100%
% Industry Internships	83%			80%
% Industry Capstone Projects	97%			80%

- **% Employed and Median Wages provided by BOG 12-18 months after graduation**
 - Empirical evidence supports provided numbers
 - Little historical data and context makes this metric difficult to predict
- **Degrees in strategic areas will remain at 100%**
- **Industry Internships and Capstone Projects expected to remain high**

Parting Thoughts

- **Institution is still immature and there is limited historical data to predict values and determine cause and effects**
- **Significant changes to Performance Based Funding likely seen in FY20**
 - Creation of four categories (Preeminent, Emerging Preeminent, Regional and Mission Specific)
 - Florida Poly will most likely be in the Mission Specific category
- **Metrics form initial basis for the Balanced Scorecard**
- **Timing of measurements will drive future operational planning and assessment**

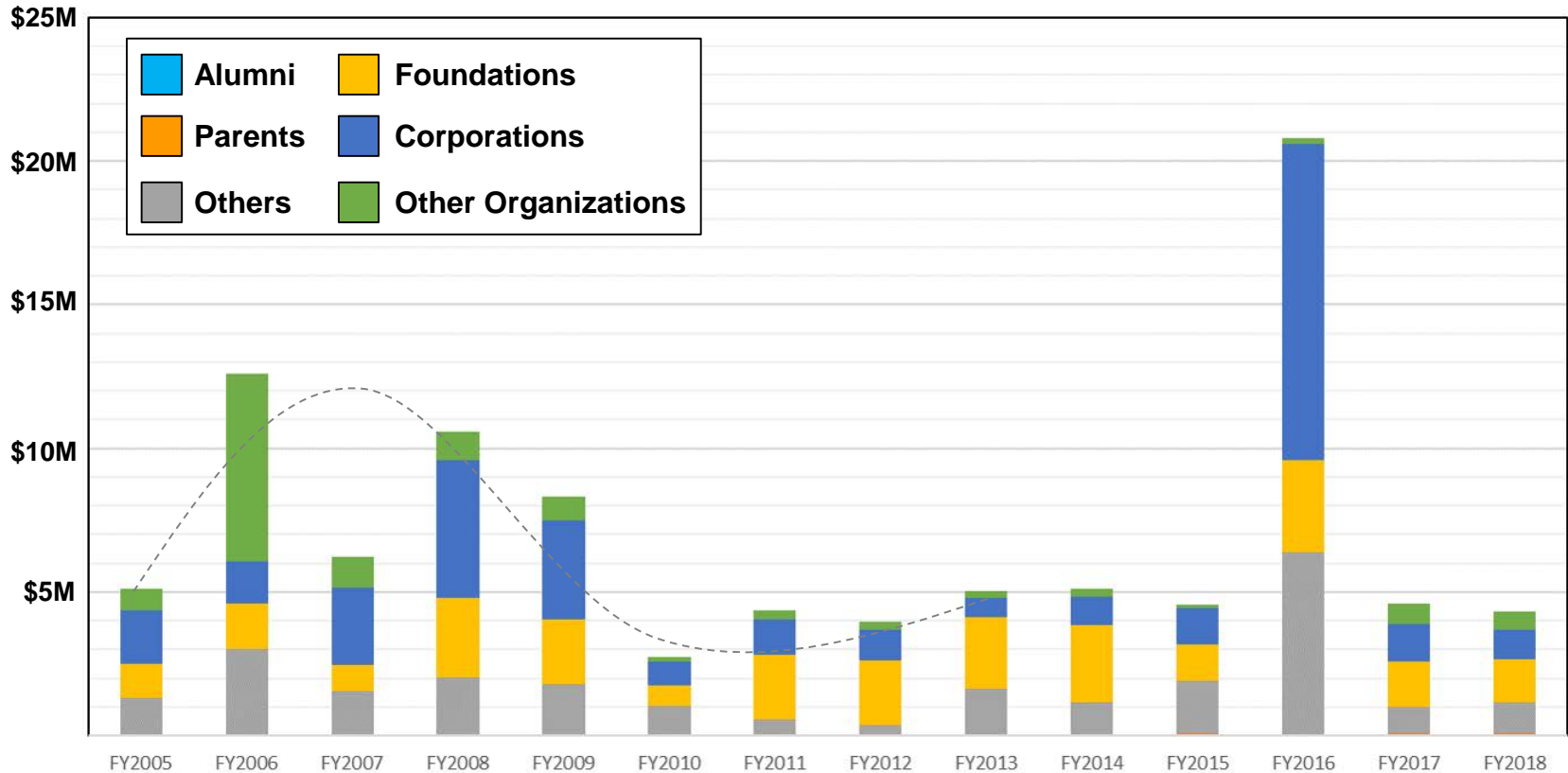


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University Advancement

Randy K. Avent
21 May 2019

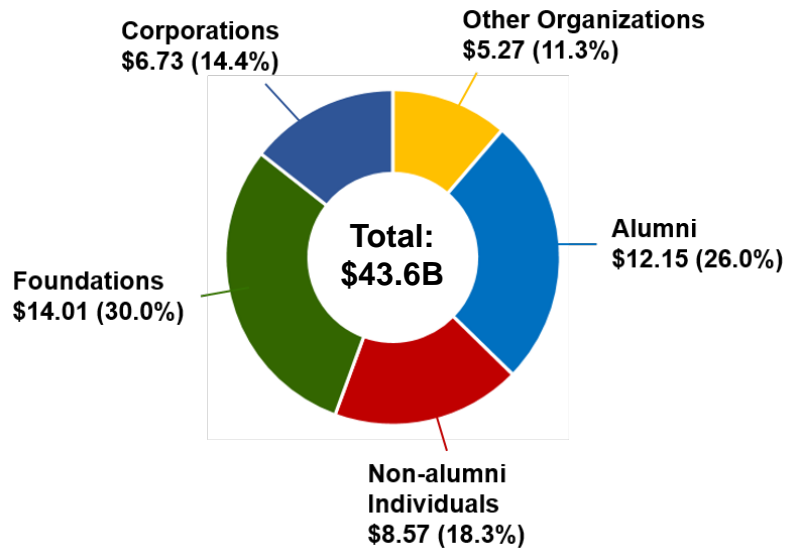
UC Merced Fundraising History



- UC Merced fundraising experienced a lot of variability over the first 13 years
- It took 11 years to get a large transformational donation

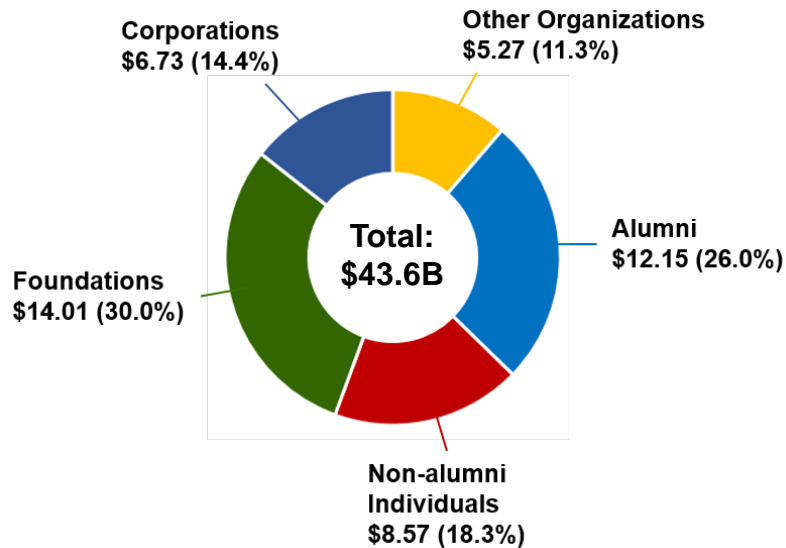
Giving by Sources (2018)

- All Colleges

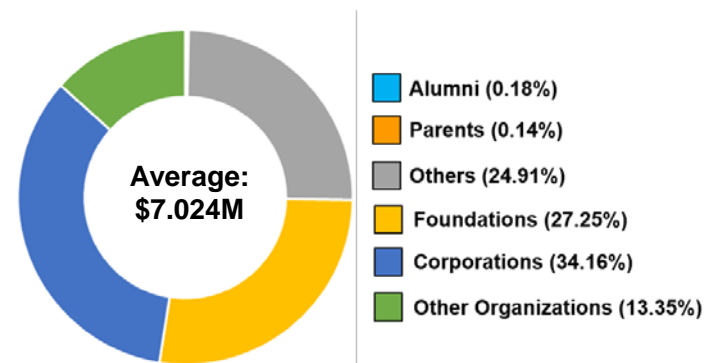


Giving by Sources (2018)

• All Colleges



• UC Merced



- Alumni and Parent giving still insignificant after 13 years
- All “giving” is not equal, unrestricted is the best but hardest to get
- Foundations and Corporations make up over 60% of giving
 - Foundations typically provide funding for programs, sometimes scholarships, but rarely unrestricted



Support by Type of Institution*

(Dollars in Thousands)

	2017	2018	% Change
Multiple Campuses			
<i>Public</i>	\$ 214,680	\$ 238,045	10.9%
Research/Doctoral			
<i>Private</i>	\$ 178,623	\$ 184,476	3.3%
<i>Public</i>	\$ 67,074	\$ 74,371	10.9%
			UC Merced
Master's			
<i>Private</i>	\$ 9,957	\$ 10,516	5.6%
<i>Public</i>	\$ 6,595	\$ 7,232	9.7%
Baccalaureate			
<i>Private</i>	\$ 15,131	\$ 16,424	8.5%
<i>Public</i>	\$ 4,008	\$ 4,347	8.5%
Specialized			
<i>Private</i>	\$ 11,218	\$ 12,639	12.7%
<i>Public</i>	\$ 78,382	\$ 99,119	26.5%
TOTAL ALL	\$ 38,835	\$ 41,912	7.9%

*Key findings from the CASE 2017-18 Voluntary Support for Education (VSE) Survey



Support by Type of Institution*

(Dollars in Thousands)

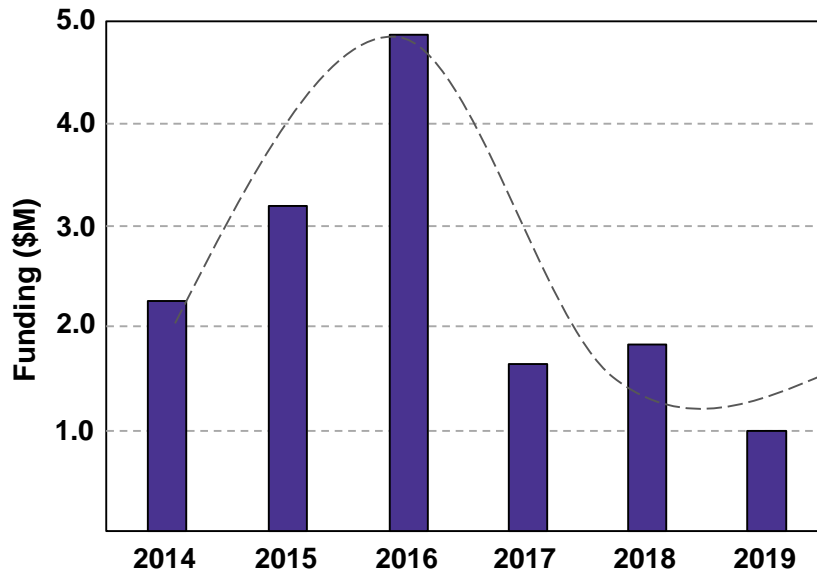
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<i>Public</i>	\$ 67,074	\$ 74,371	10.9%	UC Merced
Master's				
<i>Private</i>	\$ 9,957	\$ 10,516	5.6%	
<i>Public</i>	\$ 6,595	\$ 7,232	9.7%	
Baccalaureate				
<i>Private</i>	\$ 15,131	\$ 16,424	8.5%	
<i>Public</i>	\$ 4,008	\$ 4,347	8.5%	Florida Poly
Specialized				
<i>Private</i>	\$ 11,218	\$ 12,639	12.7%	
<i>Public</i>	\$ 78,382	\$ 99,119	26.5%	
TOTAL ALL	\$ 38,835	\$ 41,912	7.9%	

- Average amount of support for similar universities is \$4.347M
- Support for specialized schools grew faster than others

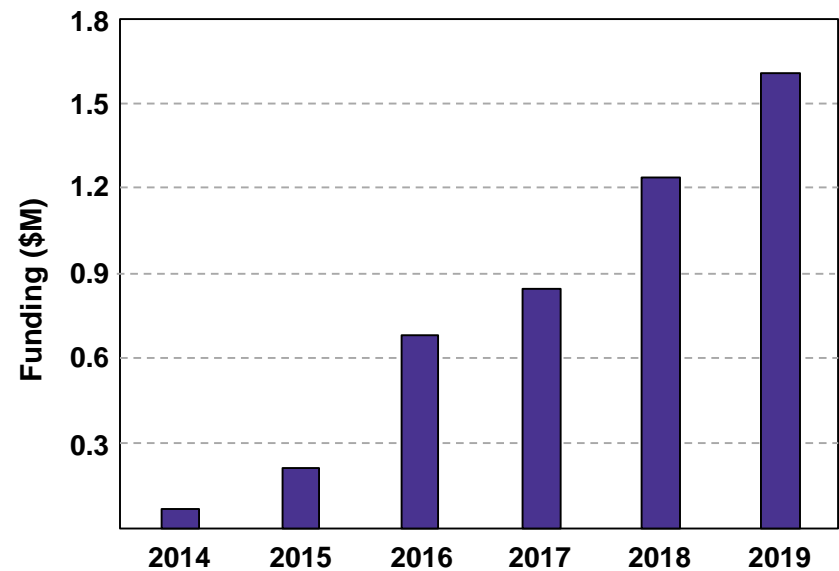
*Key findings from the CASE 2017-18 Voluntary Support for Education (VSE) Survey

Foundation History

• Total Revenues (Accrual)



• Endowment (Cumulative)



- Total revenues follow a typical “Gartner Hype” cycle, which is also seen in student inquiries and legislative appropriations
- Past emphasis on increasing endowment has paid off with steady growth
- Concerns around overall fundraising performance remain

Primary Motivating Factors

- **Negative press through collective bargaining**
- **High turnover rate in University Advancement**
- **Poor organizational construct & strategy**
- **No “compelling need” story around community, society or individuals**
- **Lack of coherent business plan tied to strategy**

University Advancement needs restructuring to ensure it meets current and future University needs

Outline

- Introduction
- **Targets**
- **Transition Plan**
- **Summary**



Foundation Budget (FY19) (Unrestricted & Scholarship Funds)

• FY2019

Beginning Balance \$ 1,726,392

REVENUES

Unrestricted Revenues \$ 692,889
Scholarship Revenues \$ 264,160

EXPENSES

Scholarships \$ 697,965
Scholarship Pledge \$ 613,000
Salaries & Benefits \$ 403,637
Advocacy \$ 180,000
Advancement Operations \$ 321,930

Ending Balance \$ 466,909

- Moving to institutional aid increases balance by \$697,965
- Restructuring pledge increases balance by \$408,667
- Releasing pledge increases balance by \$483,000
- Moving a portion of salary to Auxiliaries increases balance by \$240,000

Near-term goal to conserve balances and allow time for University Advancement to recover



Foundation Budget (FY20+)

(Unrestricted & Scholarship Funds)

• Proposed FY20 Budget

REVENUE

Donations	\$ 1,283,111
Interest	\$ 354,296
Other	\$ -
TOTAL REVENUE	\$ 1,637,407

EXPENSES

Salary & Benefits	\$ 424,407
General Expense	\$ 500,000
Scholarships	\$ 713,000
TOTAL EXPENSES	\$ 1,637,407

- Sets a (minimum) fundraising target of \$1.283M
- Salaries & Benefits include new VP of Advancement & President
- Advocacy reduced to \$150K
- PIVOT eliminated to provide more operational funds for Advancement
- Scholarships provided for increasing quantity and quality

Mid-term goal continues to control expenses while increasing revenues from fundraising activities



Foundation Budget (FY22+)

(Unrestricted & Scholarship Funds)

• Target FY22+ Budget

REVENUE

Donations	\$ 3,000,000
Interest	\$ 354,296
Other	\$ -
TOTAL REVENUE	\$ 3,354,296

EXPENSES

Salary & Benefits	\$ 650,000
General Expense	\$ 700,000
Scholarships	\$ 1,650,000
TOTAL EXPENSES	\$ 3,000,000

- Sets a fundraising target of \$3M
- Salaries & Benefits to cover all executives
- Advocacy returns to \$250K
- Healthy Advancement budget to provide for programming to increase revenues
- Scholarships provided for increasing quantity and quality

Far-term goal increases donations to \$3M to provide support & scholarships for the University

Outline

- Introduction
- Targets
- **Transition Plan**
- **Summary**

Increasing Revenues

- **Reorganize University Advancement and fill key positions**
- **Move from a regionally based fundraising model to a functional one**
- **Provide professional development training to increase experience and knowledge of best practices**
- **Shift focus to cultivating major gifts over raising funds through special events**
- **Continue to build a strong governing board of respected leaders**

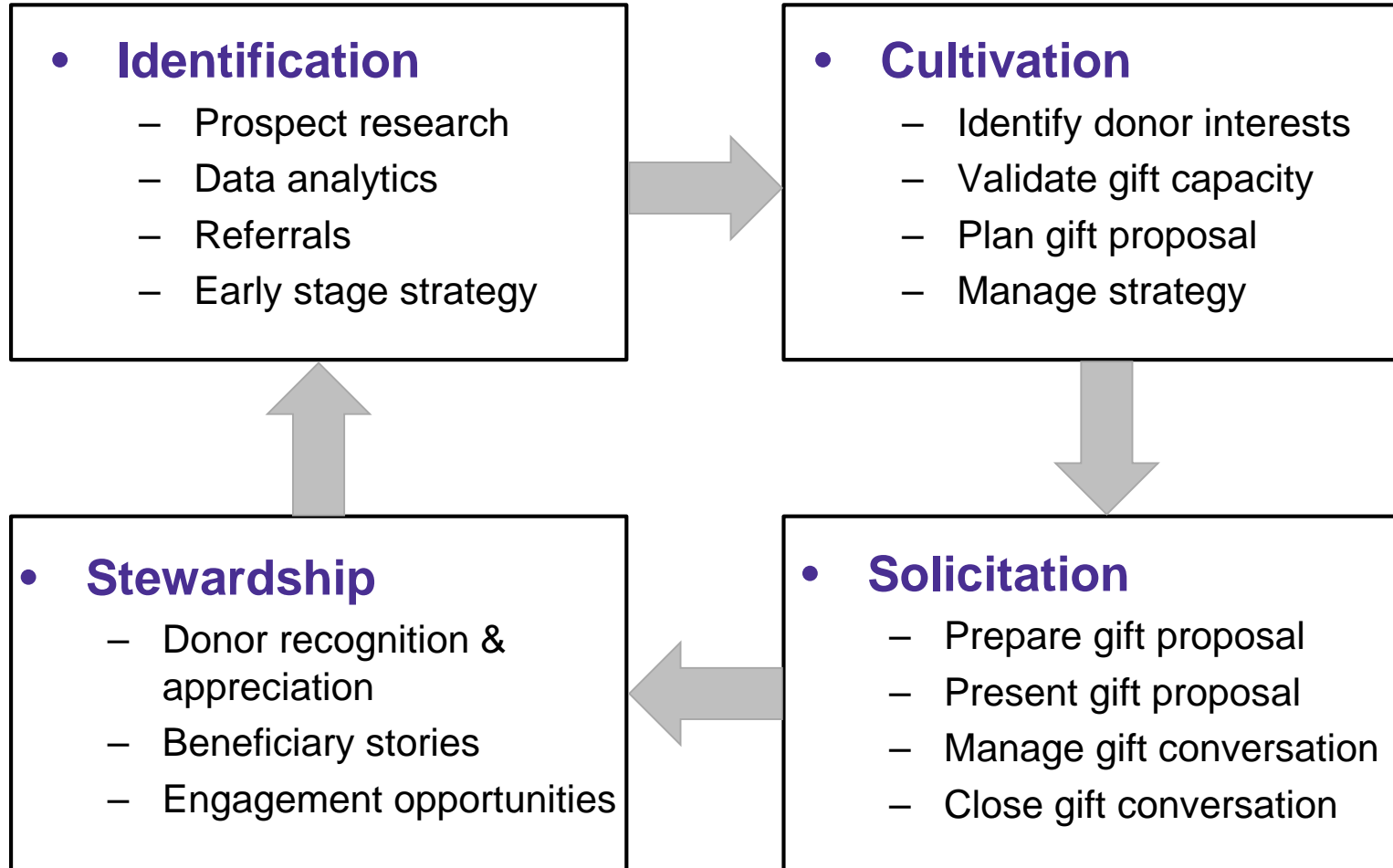


Campaign Pyramid

Pledge Amount	Number Pledges	# Donors Needed	# Donors Identified	Amount	Pledge Total
\$500,000	1	2	4	\$500,000	\$500,000
\$250,000	2	4	2	\$500,000	\$1,000,000
\$150,000	3	6	2	\$450,000	\$1,450,000
\$100,000	6	12	8	\$600,000	\$2,050,000
\$50,000	6	12	8	\$300,000	\$2,350,000
\$25,000	8	16	14	\$200,000	\$2,550,000
\$15,000	10	20	3	\$150,000	\$2,700,000
\$10,000	12	24	10	\$120,000	\$2,820,000
\$5,000	36	72	10	\$180,000	\$3,000,000

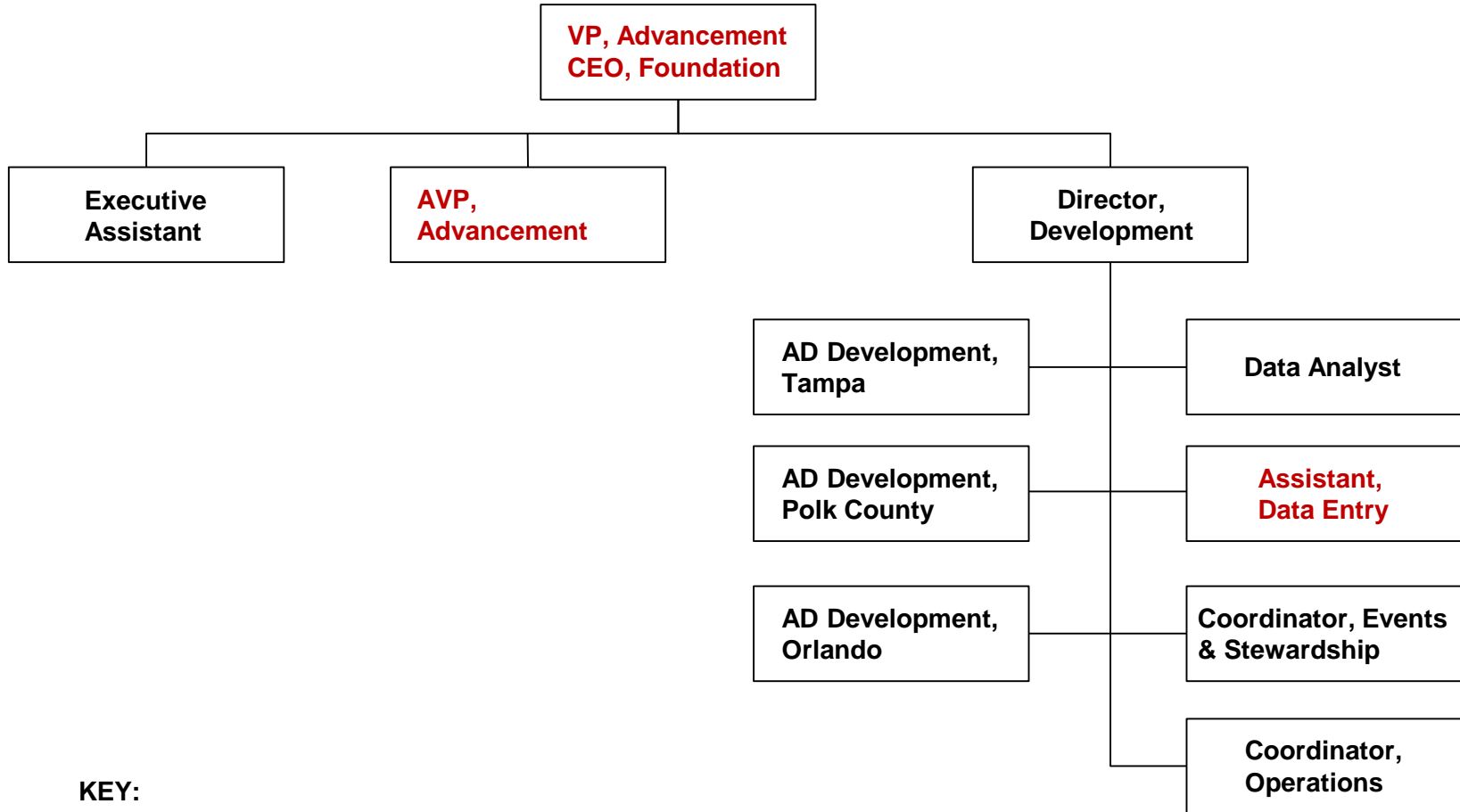
- **Salesforce will be used by all Development Officers to track progression through prospect development**

Prospect Development Fundamentals





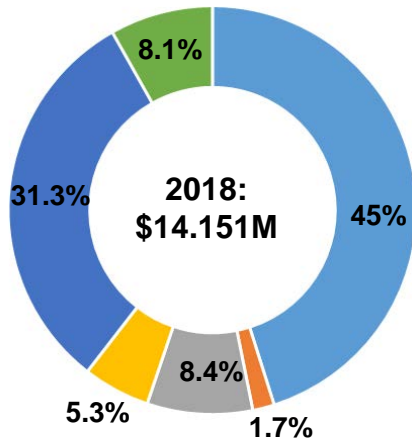
Current Organizational Structure



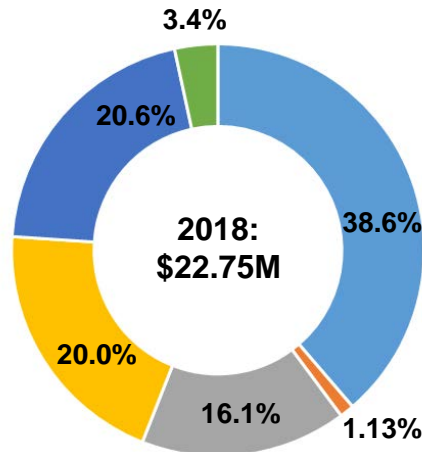
KEY:
Filled positions
Vacant positions

Comparison Groups by Source

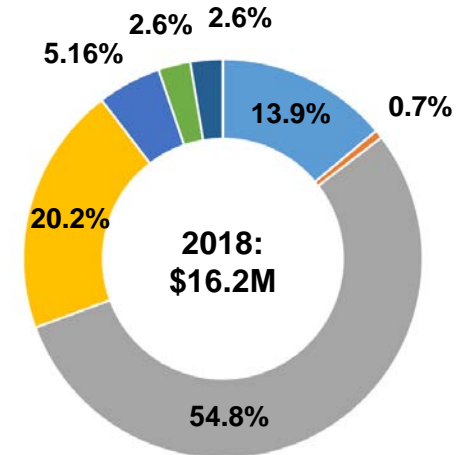
• Peers



• Aspirant Peers

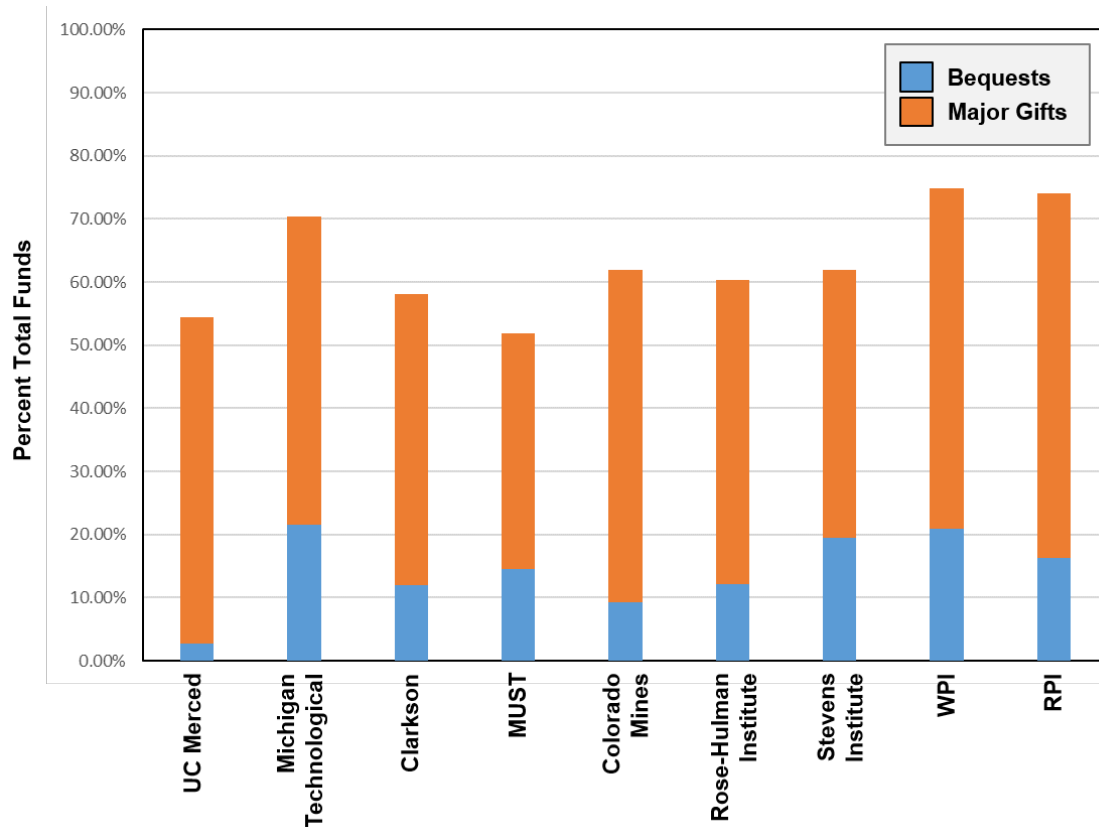


• Florida Southern College



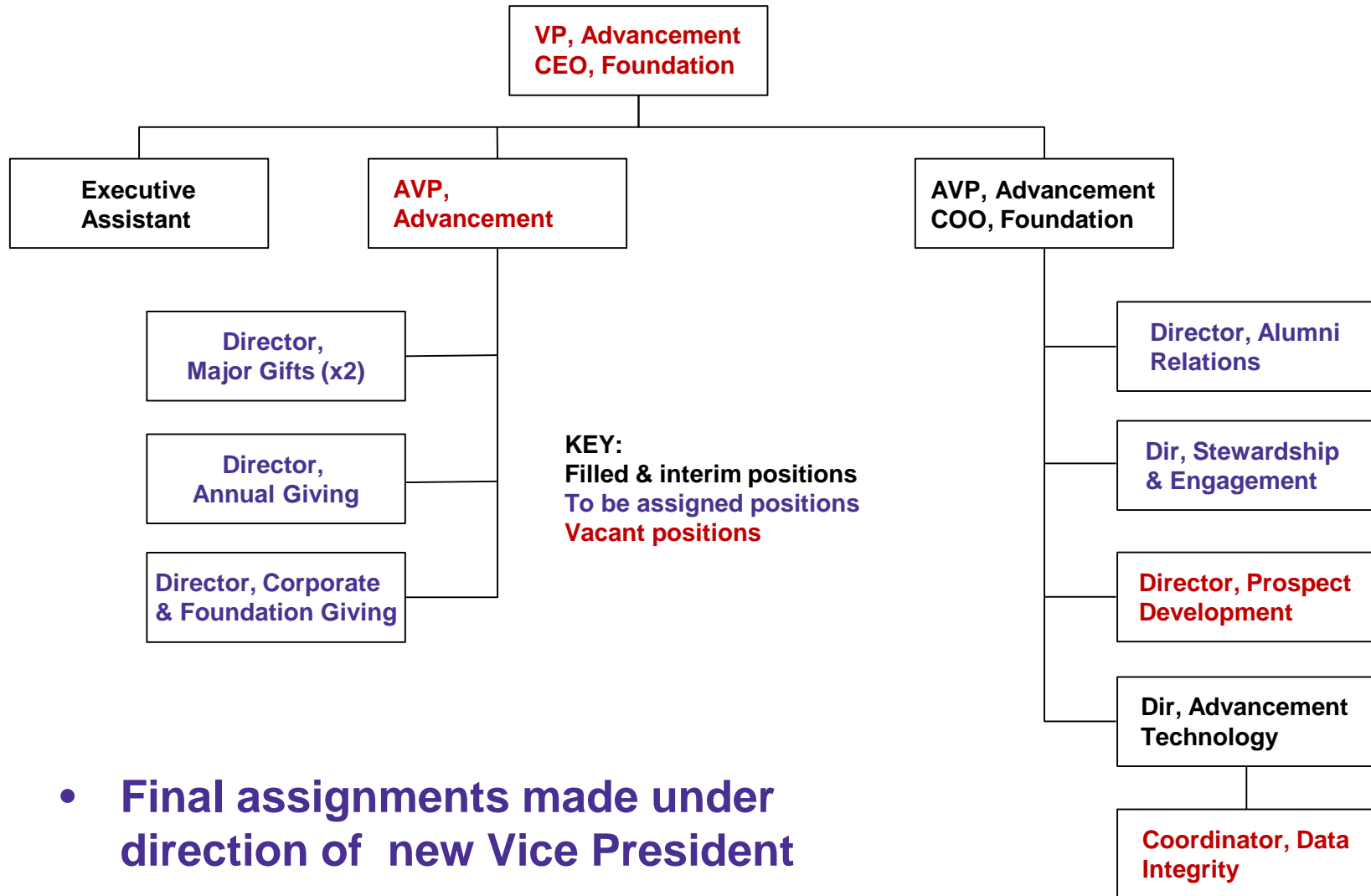
- Technical schools generally depend on Foundations & Corporations
- Florida Southern College depends on community support

Comparison Groups by Type



- UC Merced has significantly less bequest funding than others
- Major gifts is the most significant type of fundraising

Proposed Structure





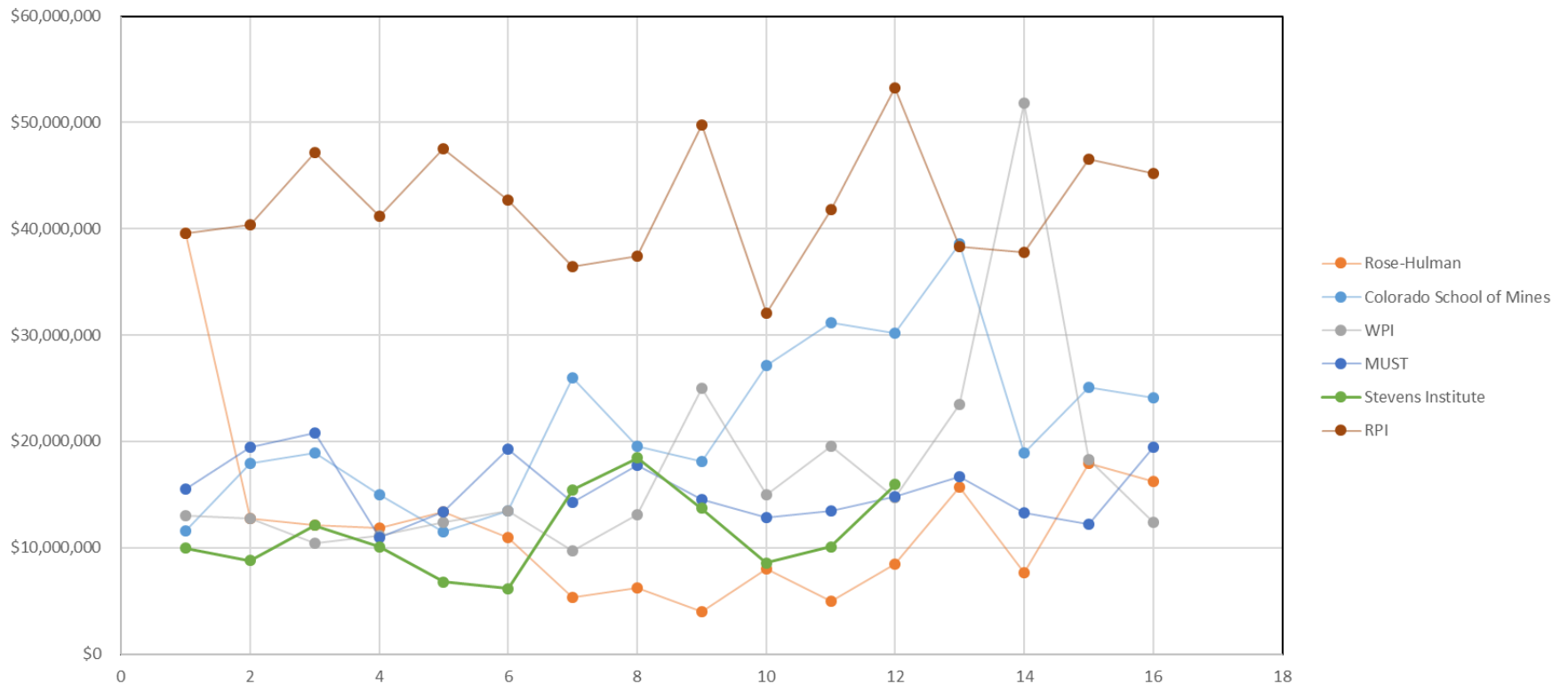
Vice President Search

- **National search using Bill Funk & Associates**
- **Advertised in *The Chronicle of Higher Education*, *The Chronicle of Philanthropy* and *Modern Healthcare* to get the widest range of candidates**
- **Over 150 candidates were targeted resulting in 38 active candidates, 10 viable candidates & 8 finalists**
- **Search committee led by Maggie Mariucci with representation across the University, Foundation & community**
- **Screening is in place now with targeted list of three finalists early June**

Outline

- Introduction
- Targets
- Transition Plan
- **Summary**

Comparison Group Time Series

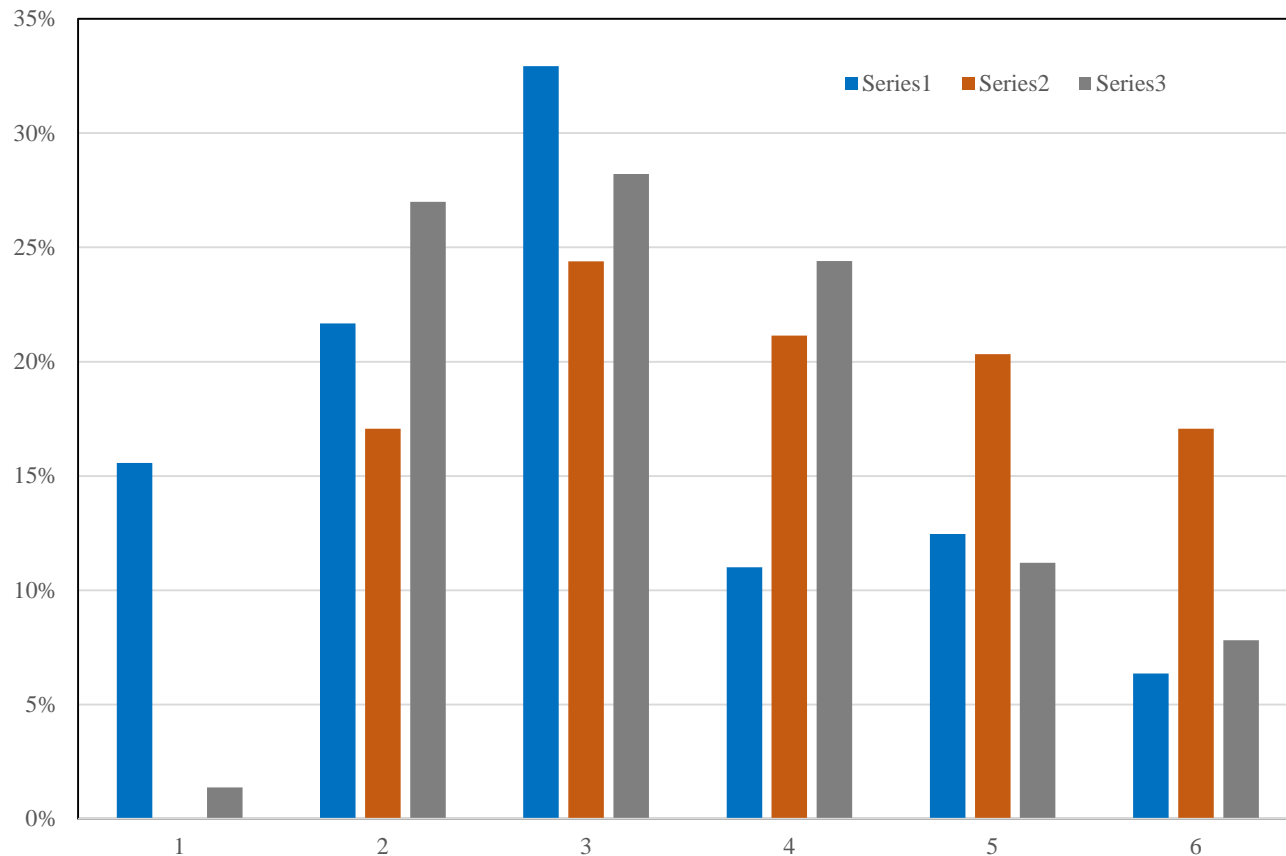


- **Significant variability in fundraising totals across time drives need to maintain healthy balances in accounts and enforces the need to find a “rainmaker”**

Summary

- **A case study of a new university was provided using UC Merced**
- **Tentative budgets were provided to allow time to grow the Foundation**
- **Comparison group analysis of support by source and type drove new organizational structure around major gifts, corporations and foundations**
- **Proposed organizational structure grows University Advancement, but needs to be shaped by the new Vice President of University Advancement**

Gartner Hype Cycle



- Significant university variables follow the Gartner Hype cycle



FLORIDA POLYTECHNIC
UNIVERSITY

Growing Florida Polytechnic

Randy K. Avent
21 May 2019



Economic Impact of Technology



- **Economic growth comes from firms that sell to out-of-state and world markets**
 - Primarily knowledge-based companies with higher-skilled and higher-paid employees
- **Impact comes from core education, research and development**
- **Global MIT impact estimated at 25,800 companies, 3.3 million employees and world sales of \$2 trillion**
- **Massachusetts benefits from MIT estimated at 6,900 companies with sales of \$164 billion**
 - 26% of the entire Massachusetts economy

Florida Polytechnic University will enhance economic development in Polk County

Outline

- Introduction
- **Drill Bits**
- **Round Holes**
- **Summary**

Key Accomplishments (The First Five Years)

- **Built an iconic campus and facilities**
- **Grew a talented STEM-focused student body**
- **Built curriculum for eight technical degree programs**
- **Grew faculty to deliver programs using a high-touch model**
- **Built administrative infrastructure that supports the institution**
- **Received institutional accreditation in less than three years**

Focus on Existence

Key Accomplishments (The Second Five Years)

- **Finished building the academic enterprise**
- **Rebuilt curriculum to meet national standards in engineering**
- **Updated concentrations and added three new programs**
- **Began successful research efforts in several areas including advanced mobility**
- **Built strong relationships with industry around internships, careers and senior capstone projects**
- **Developed a new strategic plan focused on four pillars**

Focus on Excellence

Key Differentiating Analysis

- **Florida Poly is a small institution**
 - Can offer a high-touch model with smaller classes taught by full-time faculty
 - Can offer an extensive project-based curriculum experience
 - Can build relationships with Small and Medium Businesses (SMBs) in Florida
 - Can admit exceptional students to increase impact
- **Florida Poly is a new institution**
 - Have no legacy programs nor administrative structures
 - Have limited traditional bureaucracies & cultures
 - Have capacity to tailor programs through industry partnerships
 - Can be faster and more responsive to partnership needs
- **Florida Poly is 100% STEM**
 - Can offer industry-aligned majors in fast-growing areas



Peer Institutions*

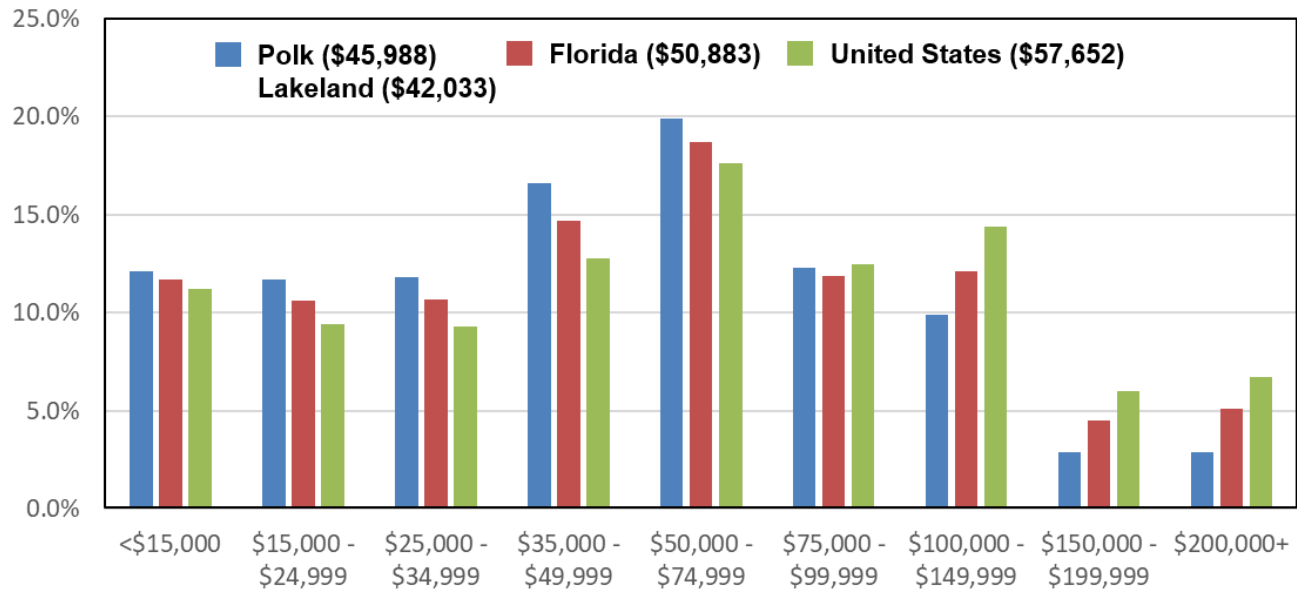
		Type	UG Size	SAT	ACT	% Match
Aspirational	Stevens Institute of Technology	Private	226%	111%	114%	75%
	Rose-Hulman Institute of Technology	Private	160%	110%	110%	95%
	Colorado School of Mines	Public	334%	109%	114%	100%
	Rensselaer Polytechnic Institute	Private	454%	108%	110%	73%
	Worcester Polytechnic Institute	Private	321%			87%
Peers	Missouri University of Science & Technology	Public	500%	106%	107%	76%
	NM Institute of Mining & Technology	Public	114%	104%	100%	72%
	Michigan Technological University	Public	421%	103%	103%	70%
	Clarkson University	Private	237%	99%	100%	64%
	Florida Institute of Technology	Private	263%	97%	100%	53%

* Normalized values to Florida Poly in FY2018

Outline

- Introduction
- Drill Bits
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- **Summary**

Median Household Income



- **Lakeland median household income is \$15,629 less than across the United States**

Job Production & Growth

Nonfarm Employment	# Jobs	% YOY
Mining, Logging & Construction	14,600	5.8
Manufacturing	18,300	7.0
Trade, Transportation & Utilities	59,800	2.0
Information	1,800	0.0
Financial Activities	12,600	1.6
Professional & Business Services	33,700	10.5
Education & Health Services	32,800	-0.3
Leisure & Hospitality	24,700	2.9
Other Services	6,000	1.7
Government	28,500	-1.4

- **Trade, Transportation & Utilities is largest industry in Polk County**

Bad News



- **Lakeland is the third most vulnerable city in the United States to losing jobs from automation**
- **Lakeland needs jobs to grow, prosper and attract the “creative class”**

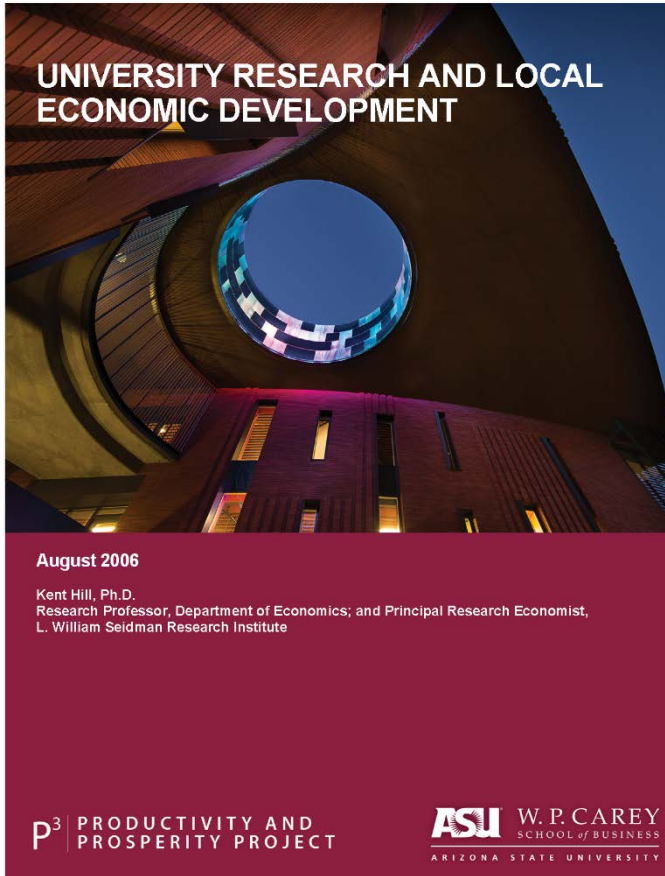


Rural County Growth

Region/City	University	GDP growth (12-15)
Nationally		7.35%
Blacksburg, VA	Virginia Tech	28.18%
Ames, IA	Iowa State	23.81%
Houghton, MI	Michigan Tech	28.43%
Golden, CO	Colorado Mines	21.92%
San Luis Obispo	Cal Poly	23.62%

- Rural cities with technical research universities can experience up to 400% more growth than ones without

Universities & Economic Development



- **Universities are important in attracting industrial laboratories, growing new high-tech businesses and providing competitive advantages to local businesses**
- **Industry wants access to high-demand low-supply talented students with knowledge in their industries**
- **Industry wants access to research**
 - Most research is not tacit and can't be codified and copied
 - Knowledge transfer is through faculty and graduate students
- **IP transfer often less important than consulting and contract research**

Research parks are common mechanisms for universities to grow regional economic development

Quintessential Case Study

- **NC State Centennial Campus 1988**

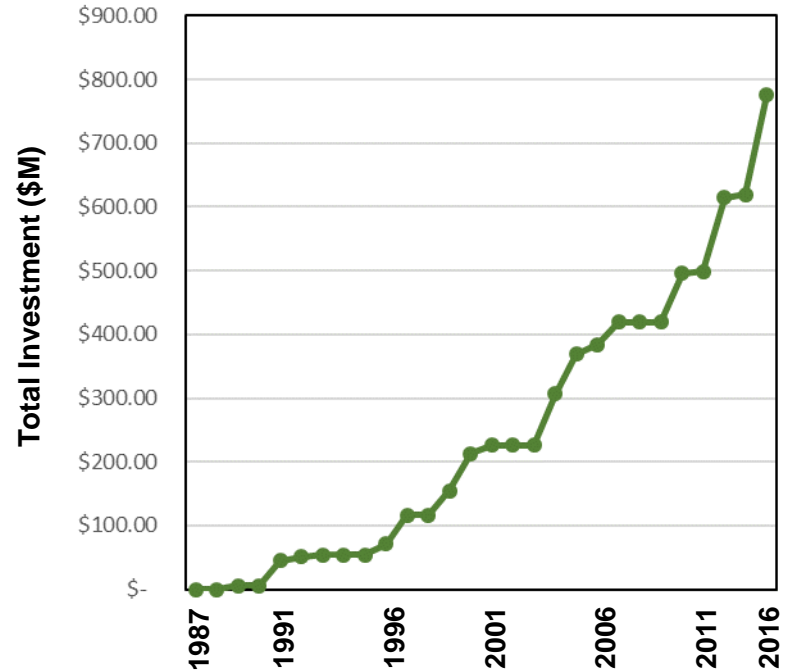
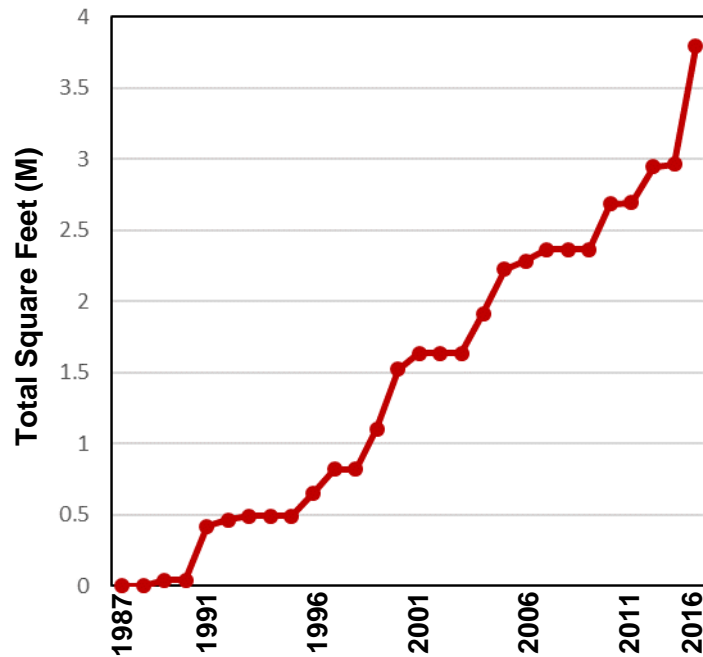


- **NC State Centennial Campus 2018**



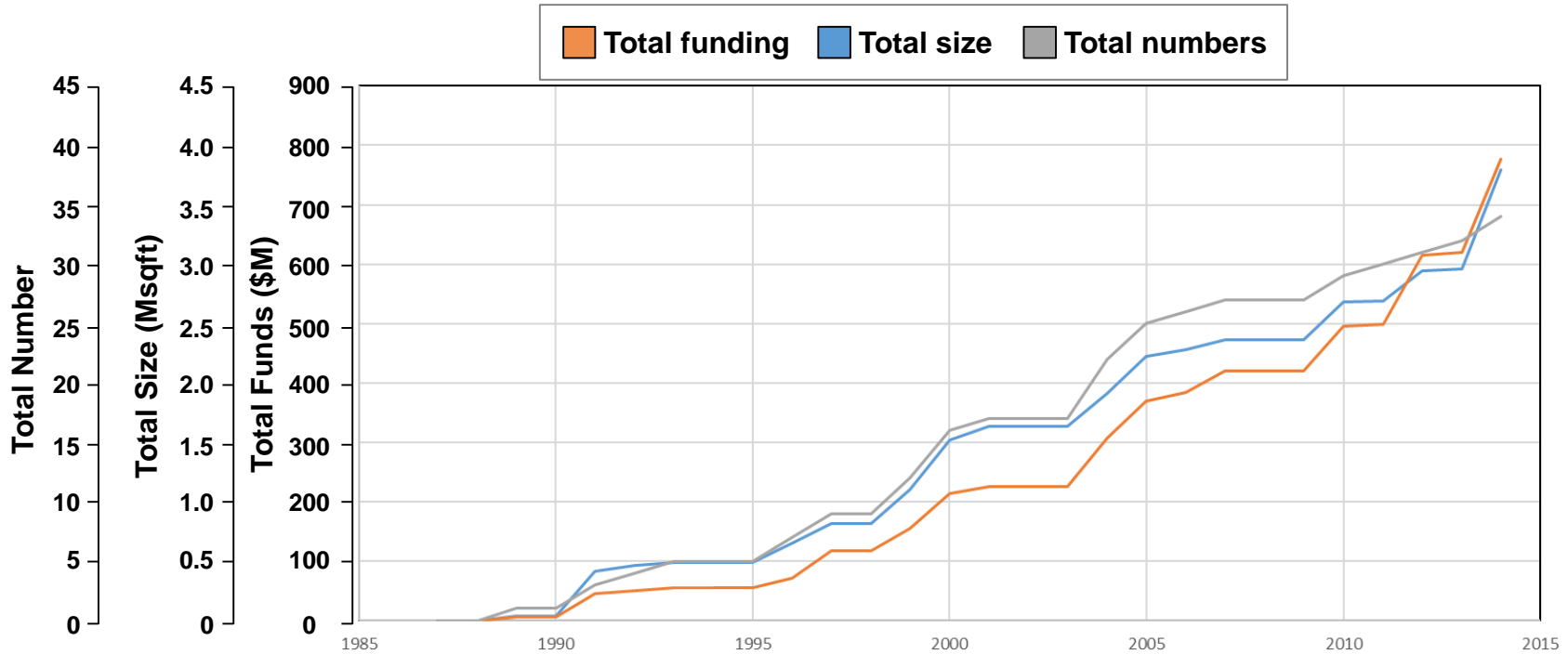
- **Located adjacent to the University is a critical element of success**
- **Vision was to co-locate academia, industry and government to work on common hard problems**

Centennial Campus Growth



- Over 38 building projects in less than 30 years
- 3.8+ Million square feet of space, Over \$781 Million in building cost
- Built using a combination of state appropriations and P3s

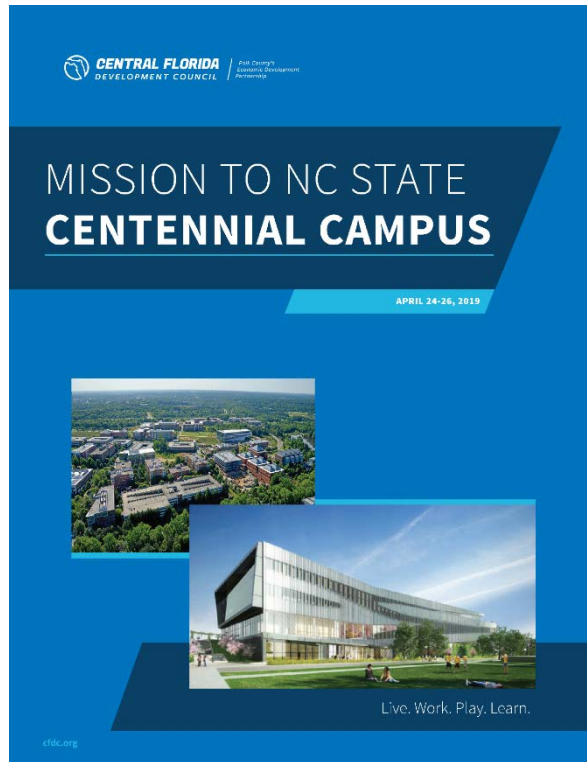
Centennial Campus Growth



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- 3.8+ Million square feet of space, Over \$781 Million in building cost
- Built using a combination of state appropriations and P3s

Centennial Campus

Lessons Learned



- Creative Class wants a “live-work-play” environment
- Co-locate academia, industry and government to maximize gains
- Locate adjacent to the University
- Provide ample parking & sidewalks
- Distribute town center, business & industry
- Mix research and industrial to prevent park from being “sterile”

Forty elected officials and business leaders from Polk County visited Centennial Campus

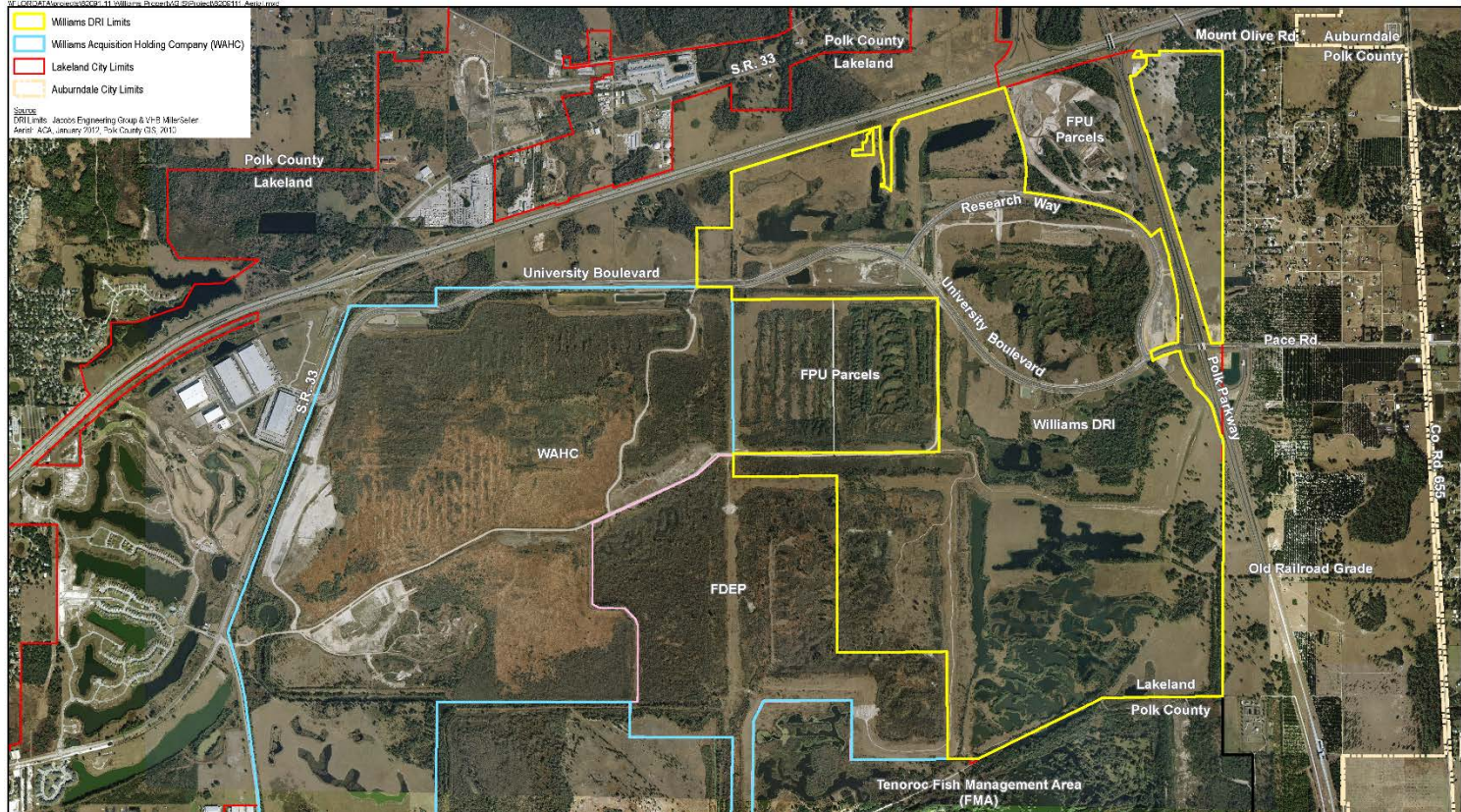
Growing a Research Park



- **Build a “live-work-play” research park with a town center, neighborhoods, schools, offices and restaurants**
- **Remove current borders so campus and park are indistinguishable**
- **Park houses academic, government and industry partners**
- **Symbiotic relationship between Polk County and Florida Poly**

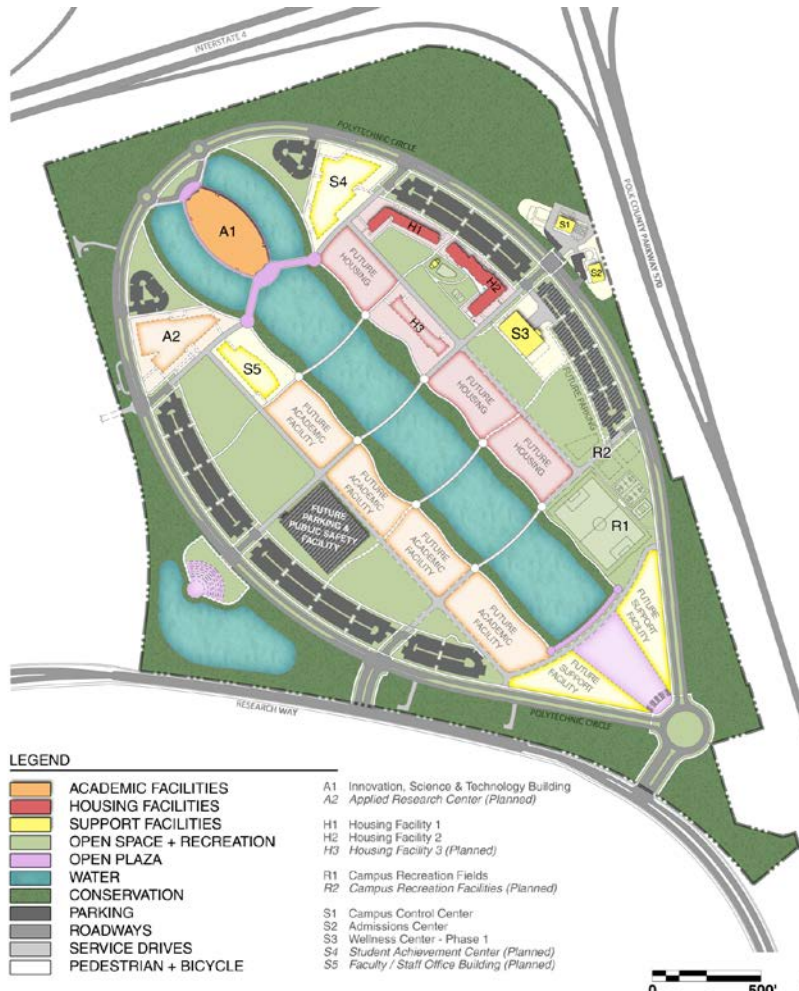


Williams Property



- Williams would like to sell the entire 4500 acres in one transaction
- Williams has contracted with JLL to market and sell the property

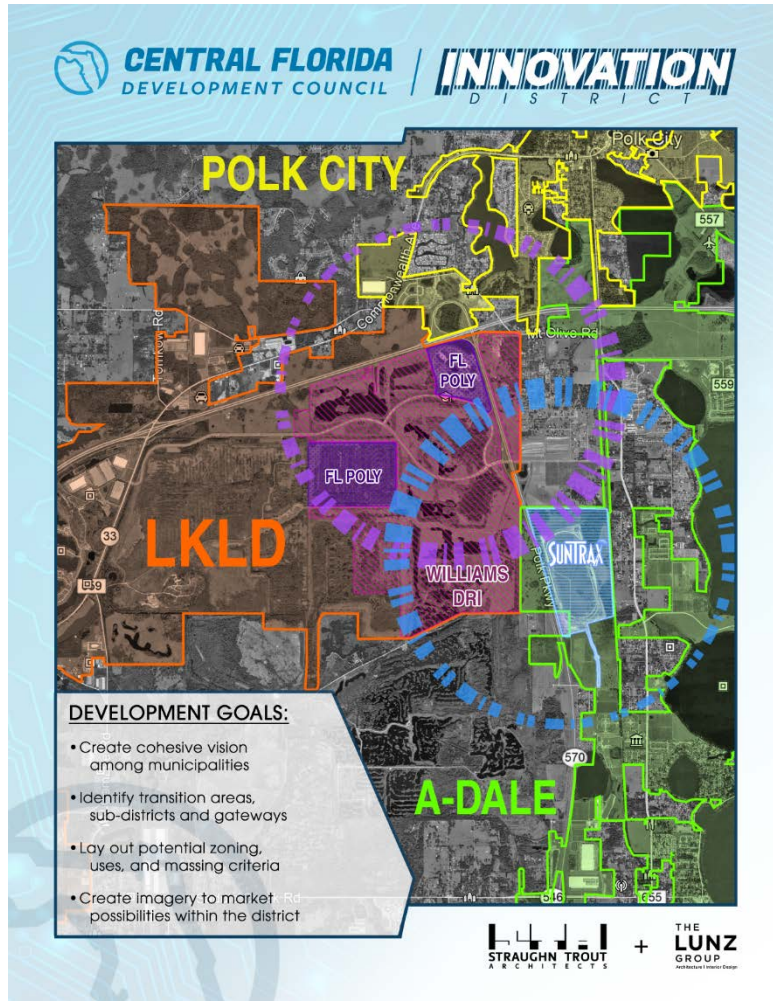
Campus Growth



- Campus Master Plan defines six dorms, six academic buildings and seven support facilities
- Applied Research Center will take a minimum of seven years to fund and build
- Need a mechanism for building campus facilities faster
- Co-mingled space on or off campus is one mechanism to consider



Innovation District



- Lakeland and others introducing concepts of districts
- Central Florida Development Council (CFDC) introduced an “innovation district” around Florida Poly
 - District spans multiple municipalities
 - Addresses important issues around land use
- District would include the research park in addition to manufacturing, trade, transportation, warehousing and other key industries



Anchor Tenant

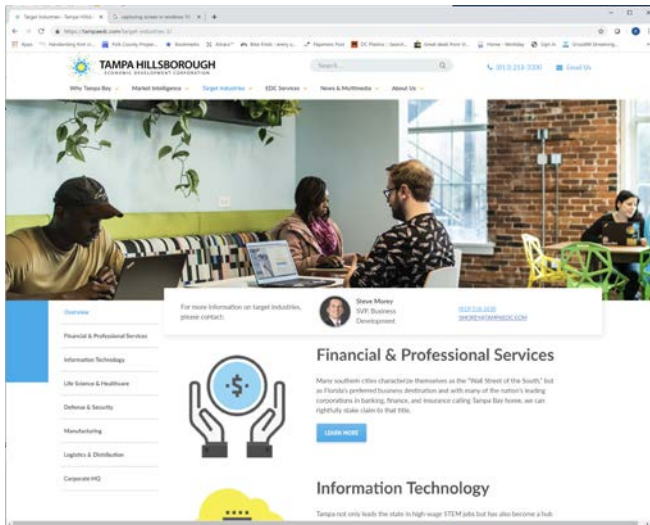
- **Florida Turnpike Enterprise SunTrax**



- **Automotive industry facing a period of disruption**
- **Autonomous Vehicles expected to be an \$87B industry**
- **Numerous states competing for share of this market**

Targeted Industry Clusters

- Hillsborough County



- Information
- Health Care
- Defense & Security

- Polk County



- Manufacturing
- Distribution & Logistics

- Orange County



Academic Stack

Function	Degree	Focus	Goal	Timeline	Institution
Discover/Create	PhD, Engineering MS, Engineering	Theory & Fundamentals	Create New Jobs	Far-term	
Build/Design	MS, Engineering BS, Engineering	Theory & Fundamentals	Create New Jobs	Mid-term	Florida Poly
Integrate/Systems	BS, Engineering Technology	Technology	Fill Existing Jobs	Near-term	
Maintain/Service	AS, Engineering Technology	Technology	Fill Existing Jobs	Near-term	Polk State

Polk County needs the entire academic stack to grow industries that improve life for all residents

Summary

- **Florida Poly is fulfilling its mission as a technical applied research university**
- **Polk County has been working hard to attract and grow a creative class economy**
- **Florida Poly mission includes helping build that economy by attracting the high-tech industry**
- **The University has a symbiotic relationship with Polk County**