

MISCELLANEOUS PROVISIONS

Regulations

State University System

Board of Governors

CHAPTER 10

MISCELLANEOUS PROVISIONS

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10.001 Self-Insurance Programs.

(1) University of Florida (UF) Self-Insurance Program; University of South Florida (USF) Self-Insurance Program and Florida State University (FSU) Self-Insurance Program.

(a) The University of Florida J. Hillis Miller Health Center Self-Insurance Program, the University of South Florida Health Sciences Center Self-Insurance Program and the Florida State University College of Medicine Self-Insurance Program

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are established for the purpose of providing comprehensive general liability protection, including professional liability protection, for the Board of Governors, the University of Florida Board of Trustees, the University of South Florida Board of Trustees, the Florida State University Board of Trustees and other persons and entities as provided by law and as authorized by the Board of Governors, the University Boards of Trustees or the Self-Insurance Programs Councils. The Self-Insurance Programs shall be funded by contributions paid by or on behalf of protected persons and entities. There shall be no funds appropriated to a Self-Insurance Program. The assets of the Self-Insurance Programs shall be deposited outside the State Treasury and shall be used only to pay the administrative expenses of the Self-Insurance Program and any claim, judgment, or claims bill arising out of the activities for which the Self-Insurance Program was created.

(b) The Self-Insurance Programs may not sue or be sued. The claims files of the Self-Insurance Program are privileged and confidential, exempt from the provisions of Section 119.07(1) Florida Statutes, and are only for the use of the Program in fulfilling its claims, underwriting and risk management duties.

(c) The Self-Insurance Programs shall be administered by the following Councils.

1. The J. Hillis Miller Health Center Self-Insurance Program shall be administered by the J. Hillis Miller Center Self-Insurance Program Council. The Council shall consist of the following officers of UF: Senior Vice President for Health Affairs, who shall serve as Chair; the Senior Associate Dean and Associate Vice President for Health Affairs, who shall serve as Vice Chair; the Vice President for Administrative Affairs; the Dean, College of Medicine; the Dean, College of Dentistry; two Gainesville based members of the faculty of the College of Medicine appointed by the Dean, College of Medicine and two Jacksonville based faculty of the College of Medicine, appointed by the Associate Vice President or Health Affairs/Jacksonville; the University of Florida Vice President and General Counsel; and the Self-Insurance Program Director; and such other persons as from time to time may be appointed to the Council by the Senior Vice President for Health Affairs or the President of UF; and if Shands Teaching Hospital and Clinics, Inc. (Shands Hospital), participates in the Self-Insurance Program: the Chief Executive Officer; the Senior VP and General Counsel and three members of the administrative staff of Shands Hospital to be appointed by the Chief Executive Officer, one of whom must be from the Jacksonville campus;

2. The USF Health Sciences Center Self-Insurance Program shall be administered by the USF Health Sciences Center Self-Insurance Program Council. The Council shall consist of the following officers of USF: Vice President for Health Sciences, who shall serve as Chair; two officers of the USF Health Sciences Center as designated by the Vice President for Health Sciences; four members of the faculty of the College of Medicine appointed by the Vice President for Health Sciences; the USF General Counsel or his/her designee; the Self-Insurance Program Director; and such other persons as from time to time may be appointed to the Council by the Vice President for Health Sciences or the President for USF; and if the H. Lee Moffitt Cancer Center and Research Institute, Inc. participates in the Self-Insurance Program, the Center Director (or his/her designee); and

3. The FSU COM Self-insurance Program shall be administered by The Florida State University College of Medicine Self-Insurance Program Council. The Council shall consist of the following officers of FSU: Dean of the College of Medicine, who shall serve as Chair; Associate Dean for Academic Affairs of the College of Medicine; Director of Community Clinical Relations of the College of Medicine; the FSU General Counsel or designee; and such other persons as from time to time may be appointed to the Council by the Dean of the College of Medicine.

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- (d) The power and duties of each council shall be:
1. To administer the Self-Insurance Program in accordance with the laws of Florida, and the regulations of the Board of Governors;
  2. To develop and implement a financial expenditure policy that recognizes the unique mission, duties, obligations and fiscal responsibilities of the Self-Insurance Program. The Council's financial responsibility policies shall ensure fiscal responsibility and accountability and, to the maximum extent possible, be consistent with recognized practices of the insurance industry;
  3. To propose and submit an annual budget for the Self-Insurance Program through the University Board of Trustees to the Board of Governors;
  4. To develop and implement a Memorandum of Protection which shall constitute the Self-Insurance Program's coverage document. The Memorandum of Protection shall contain the insuring agreements, exclusions, and other conditions applicable to persons and entities protected and shall be part of this regulation by reference. The Council may extend by resolution the protections described in the Memorandum of Protection to persons and entities as authorized by statute and establish the levels of liability protections extended to such persons and entities;
  5. To contract with an independent casualty actuary to establish funding requirements necessary to maintain the fiscal integrity of the Self-Insurance Program;
  6. To appoint the Self-Insurance Program Director who shall carry out the policies and directives of the Council;
  7. To receive from the University such administrative and logistical support as the Council may reasonably request and to reimburse the University for the cost of such support;
  8. To contract with professional consultants, including attorneys-at-law to represent the persons and entities protected by the Self-Insurance Program and perform services which further the interests of the Self-Insurance Program and perform services which further the interests of the Self-Insurance Program;
  9. To establish committees and designate persons as necessary to assist in the performance of its duties, and authorize such committees or persons to act for and on behalf of the Council. In addition to any other committees it may elect to establish, the Council shall establish as a standing committee or committees to conduct investigations and the settlement and defense of claims and actions against protected entities and individuals and to identify risk factors which cause or contribute to such claims and suits and develop and implement risk management programs to reduce or eliminate those risk factors. The Council and such committee or committees shall conduct reviews pursuant to the provisions of Section 766.106, Florida Statutes, and shall be deemed a medical review committee or committees as defined in Section 766.101, Florida Statutes;
  10. To participate in internal, local, regional, national and/or internal risk management and loss prevention research programs and to develop risk management and loss prevention programs for use by both protected and non-protected entities under such terms, conditions and reimbursement rates as the Councils may deem appropriate;
  11. To purchase excess insurance on behalf of persons and entities protected by the Self-Insurance Program for claims which exceed the level of protection provided by the Self-Insurance Program, including claims bills, to award compensation in amounts which exceed the protection provided by the Self-Insurance Program or by commercial insurance; to assist entities not described in Section 768.28, Florida Statutes, which are authorized and approved as allowed by Florida laws to be

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protected by the Self-Insurance Program, in the procurement of insurance for losses which exceed the levels of protection provided by the Self-Insurance Program as established by the Council, but the Council is not authorized to purchase such insurance with Self-Insurance Program assets;

12. To participate in other self-insuring mechanisms such as Risk Retention Groups or group captive insurance companies, independently or in association with other compatible entities subject to the approval of the Board;

13. To establish an investment policy consistent with Section 215.47 Florida Statutes which shall be approved by the Board of Governors, and to maintain an investment account which shall optimize income for the support of the Self-Insurance Program as established by a casualty actuary be used to defray the annual contributions paid into the Program by the entities and persons protected by the Self-Insurance Program;

14. To submit to the Board of Governors for its review an annual post-audit of the Self-Insurance Program's financial accounts conducted by an independent certified public accountant. The annual audit report shall include a management letter and shall be submitted to the Board of Governors for review. Upon request of the Board of Governors the Self-Insurance Program Council or its independent auditor shall provide any detail or supplemental data relative to the operations of the Self-Insurance Program; and

15. To contract with other Self-Insurance Program Councils for the provision of liability protection and administrative, risk management, claims and other related services.

### (2) Captive Insurance Companies.

(a) The Council defined in (1)(c)1. is authorized to establish as part of the Board of Governors' Self-Insurance Program a captive insurance company to be named the University of Florida Healthcare Education Insurance Company (HEIC) and the Council defined (1)(c)2. is authorized to establish a captive insurance company to be named the University of South Florida Health Sciences Insurance Company (HSIC). Each captive (HEIC and HSIC) shall be wholly owned by the Board of Governors and established in a domestic or foreign domicile acceptable to the Board of Governors. The Articles of Incorporation and Bylaws of each captive are subject to the prior written approval of the Board of Governors. Each captive shall insure the Board of Governors and the University Board of trustees and may insure any other entity or individual who is authorized by statute to purchase liability protection from a Self-Insurance Program created pursuant to this Regulation.

(b) Each captive shall provide liability protection as authorized by section 1004.24, Florida Statutes. The limits of liability protection to be provided for the Board shall be those described in section 768.28, Florida Statutes, unless otherwise established pursuant to a written endorsement to the insurance policy issued by the captive. The limit of liability protection for insured entities and persons not described in Section 768.28, Florida Statutes, shall be as established by the respective Board of Directors of the captive.

(c) Each captive shall be managed by a Board of Directors.

1. HEIC shall be managed by a Board of Directors, constituted as follows: the Senior Vice President for Health affairs of UF, who shall serve as Chair; the Dean of the College of Medicine; the Senior Associate Dean Jacksonville; the General Counsel of UF; the Self-Insurance Program Director who shall serve as President and Chief Executive Officer; and such persons who from time to time may be appointed by the Senior Vice President for Health Affairs or the President of UF; and if

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Shands Teaching Hospital and Clinic, Inc. (Shands) is insured, the Chief Executive Officer and three appointees of the Chief Executive Officer one of whom shall be from the Jacksonville campus.

2. HSIC shall be managed by a Board of Directors, constituted as follows: the USF Vice President for Health Sciences of USF (or his/her designee), who shall serve as Chair; two officers of the USF Health Sciences Center as designated by the Vice President for Health Sciences; the Dean of the USF College of Medicine (or his/her designee); the USF General Counsel (or his/her designee); the Self-Insurance Program Director who shall serve as President and Chief Executive Officer; and such persons who from time to time may be appointed to the Board of Directors by the Vice President for Health Sciences or the President of USF; and if the H. Lee Moffitt Cancer Center and Research Institute (Moffitt) is insured, the Center Director of Moffitt or his/her designee.

(d) The Board of Directors of each captive shall carry out the purposes of the entity in compliance with its Articles of Incorporation and Bylaws. The powers and duties of the Board of Directors shall include but not be limited to:

1. To issue policies of insurance protection which shall establish the perils and risks to be protected and the limits of liability protection in excess of those amounts described in Section 768.28, Florida Statutes, to be underwritten by the captive. Such limits of liability protection may supplant or be underwritten by the captive. Such limits of liability protection may supplant or be in excess of those liability protections provided by the Self-Insurance Program(s);

2. To act as the underwriting committee;

3. To contract with the Self-Insurance Program(s) for administrative, risk management, claims and other related services. The Self-Insurance Program(s) and the captive shall share equitably in the administrative costs of the Self-Insurance Programs;

4. To annually assess and collect premiums from insured entities and individuals. All premium income shall be deposited in accounts and managed pursuant to the captive's administrative and investment policies;

5. To propose and submit an annual budget through the University Board of Trustees to the Board of Governors;

6. To establish an investment policy consistent with section 215.47 Florida Statutes which shall be approved by the Board of Governors, and to maintain an investment account which shall optimize income for the support of the captive;

7. To transfer any risks protected by the captive to commercial insurers through reinsurance, reciprocal or other risk sharing agreements with similar risk bearers;

8. To contract with an insurance management firm licensed in the selected domicile to serve as to serve as the registered office of the captive and to provide such services within the domicile as may be required by the insurance code or law of the selected domicile;

9. To accept the transfer of any contingent losses and loss reserves from the Self-Insurance Program(s) if requested by the Self-Insurance Council(s);

10. To contract with a casualty actuary, as defined by the insurance code or law of the domicile of the captive, to perform an annual review to recommend premium income levels to safeguard the fiscal integrity of the captive;

11. To provide for an annual audit of the captive's financial accounts by independent certified public accountant approved by the selected domicile

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and the Board of Directors. The annual audit report shall include a management letter and shall be submitted to the Board of Governors for review.

Authority: Section 7(d), Art. IX, Fla. Const., History—Former BOR Rule 6C-10.01, 1-6-88, 10-15-90, 5-30-93, 3-16-95, 11-27-95, 6-22-06.

10.002 Unused.

10.003 Unused.

10.004 Educational Research Centers for Child Development.

(1) Each university may establish an Educational Research Center for Child Development in accordance with the provisions of Section 240.531, Florida Statutes.

(2) Each center shall give highest priority to serving the children of students, followed by the children of both staff and faculty.

(3) Funds appropriated for the Educational and General activities of the State University system shall not be used to staff and operate centers. Operations may be financed either through the capital improvement trust fund fee, activity and service fee allocations, user charges, grants and donations, or any combination of these sources. The use of capital improvement trust fund fees and activity and service fees to subsidize the cost of providing services to the children of staff and faculty shall be minimized. Funds subject to bond commitment may be used only to the extent that current bond obligations and the terms of the trust indenture are met.

(4) University facilities constructed for the accomplishment of the university's academic mission may be used for university research centers for child development provided that rent is charged, which may be minimal. Such centers will not generate a requirement for fixed capital outlay.

(5) The president shall be responsible for the operation and supervision of the educational research center for child development. The university shall promulgate rules for the operation of the educational research center for child development, including guidelines for the use and supervision of student interns, the receipt and monitoring of funds in accordance with the laws of the State of Florida and rules of the university and the Board, and participation by the student government association. It is recognized that an intent of this program is to provide research and training activities which are representative of a comprehensive scope of child development needs throughout the community. To this end, university rules shall include an admission process that provides for a student population of diverse race, ethnicity, socio-economic status, and mental and physical ability.

(6) Each university which establishes an educational research center for child development shall provide for a board of directors, in accordance with the law. The board of directors shall insure that the center is operated according to law and rules of the Board and the university.

(7) Each center is authorized to charge fees for child care and services. Fees should be set at the level required to support the cost of providing the service.

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Exceptions should be made for the children of students and may be made for low-income faculty and staff. These fees must be approved by the Board as required by law, and in accordance with Rule 6C-7.003(37).

Authority: Section 7(d), Art. IX, Fla. Const., History—Formerly 6C-2.79 and 6C-10.04, 10-7-74, 12-17-74, 2-18-80, 8-11-85, 12-25-86, 11-29-94.

- 10.005 Unused.
- 10.006 Unused.
- 10.007 Unused.
- 10.008 Unused.
- 10.009 Smoking in Public Buildings.

For the purpose of implementing Section 255.27, State policy concerning smoking in public buildings, Florida Statutes, and the enforcing guidelines set forth therein, the following persons are designated supervisors as contemplated by that law: the Chancellor for the offices of the Board and the presidents for buildings of the universities.

Authority: Section 7(d), Art. IX, Fla. Const., History—Formerly 6C-10.09, 5-10-78, 8-11-85.

- 10.010 Unused.
- 10.012 Unused.
- 10.013 Unused.
- 10.014 Unused.
- 10.015 Institutes and Centers.

(1) In order to ensure that institutes and centers implemented within state university system are of the highest quality, enhance existing university activities, and are aligned with the goals of the Board of Governors, the following criteria and guidelines for institutes and centers are established.

(2) **Definitions** – Within the context of these regulations, institutes and centers are defined as follows:

(a) **State of Florida Institute or Center:** An entity with statewide mission, that may include two or more State universities, established to coordinate interinstitutional research, service, and teaching across the State University System. State of Florida institutes and centers must be approved by the Board of Governors. State of Florida institutes and centers' operational budgets reside within the bases of their host institutions; additional budget requests must be reviewed by the CAVP, and only those with a positive recommendation are carried forward to the Board of Governors for consideration.

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(b) **University Institute or Center:** An entity that is generally established by a single university to coordinate institutional research, service, and/or educational/training activities that enhance existing instruction, research, and service at the universities. The budget of a university institute or center and any requests for additional funding are wholly within the purview of the host university.

(c) **Exclusions:** There are entities that use the term "Institute" or "Center" in their titles, as well as some other service units, that are excluded from this policy. Examples of these units include the Institute of Food and Agricultural Sciences (IFAS); the University of Florida Health Sciences Center; the University of South Florida Health Sciences Center; the Florida State University Health Sciences Center; the Florida Mental Health Institute; incorporated institutes and centers with university affiliations, such as the Institute for Human and Machine Cognition and the H. Lee Moffitt Cancer Center and Research Institute; and university advising, student health, computing, and certain other centers. However, entities such as IFAS and the health sciences centers may have institutes or centers under their purview that are covered by the policies referenced in this document.

(3) **University Policies for Institutes and Center** – The University Board of Trustees must adopt policies for establishing, operating, evaluating, reviewing, and disbanding university institutes and centers in accordance with Board of Governors criteria. University policies shall specify whether the university president or provost has been designated by the trustees to grant authorization for the development and implementation of university institutes and centers. A copy of university institute and center policies shall be on file in the Office of Academic and Student Affairs in the Board of Governors office.

(4) **Establishment of Institutes or Centers: -**

(a) To establish a State of Florida Institute or Center, the provost of the host university shall prepare and submit a proposal to the board of trustees of the host university for approval. Approved proposals shall be submitted to the Office of Academic and Student Affairs in the Board of Governors office.

1. The proposal shall specify the purpose of the organization, the need and demand to be a State of Florida institute or center, consistency with the Board of Governors Strategic Plan, and funding resources. The proposal shall also include a draft of the proposed Memorandum of Understanding, which has been ratified by the presidents of all affiliated institutions. The Memorandum of Understanding shall contain, at a minimum:

- a. The name of the institute or center;
- b. The identification of the host institution and participating institutions;
- c. The mission of the institute or center;
- d. Guidelines for appointing, funding, supervising, and evaluating the director of the institute or center;
- e. The criteria for appointments to the institute or center's advisory board, including terms, roles, authority, and, if known, current numbers;
- f. Expectations for the administrative and logistical support for the institute or center, including expectations regarding the reimbursement to the host university for direct costs of administrative services rendered by the university to the institute or center;
- g. Procedures at the institutional level for recommending increases/decreases in the appropriation of State funds for the institute or center;

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h. Specifications for the processing of contracts and grants, including the percentage of overhead funds to be returned to the institute or center; and

i. Expectations and criteria for the cyclic review of the institute or center and other planning and expectations for its operation.

(b) After review by the Board of Governors staff the proposal will be forwarded to the Council of Academic Vice Presidents for approval and recommendation to the Chancellor. The Chancellor would then determine whether or not this proposal should be carried forward to the Board of Governors. Any institute or center must receive full approval from the Board of Governors prior to implementation to receive State of Florida status.

(c) University institutes and centers shall be established in accordance with university policy. A copy of an approved new university institute or center proposal containing basic descriptive, contact, and fiscal information shall be submitted to the Office of Academic and Student Affairs. In cases where more than one university is participating, a host university is designated to handle reporting and evaluation of the institute or center.

### (5) **Institute and Center Reporting Requirements -**

(a) The Office of Academic and Student Affairs in the Board of Governor's Office shall provide an online Institute and Center Reporting database, which will also serve as the official inventory of approved State University System Institutes and Centers.

(b) Initial Reporting – Upon receipt of notification that a record has been created for the institute or center in the Institute and Center Reporting database, the host university shall enter descriptive and budgetary information in accordance with instructions provided by the Office of Academic and Student Affairs.

(c) Annual Reporting – No later than September 30 of each year actual and estimated expenditure and position data shall be entered in the database for the fiscal year running from July 1 of the previous year to June 30 of the current year, in accordance with instructions provided by the Office of Academic and Student Affairs. Prior to submission to the Office of Academic and Student Affairs in the Board of Governors office, all annual reporting information must be approved by the Board of Trustees of the host university or its designee.

(d) Evaluation/Review – Copies of all evaluation/review information shall be submitted to the Office of Academic and Student Affairs in the Board of Governors office.

1. State of Florida institutes and centers shall be reviewed based on criteria and procedures established below and within the Memorandum of Understanding. External consultants may be used in the review process. At a minimum, each State of Florida institute or center shall be reviewed every five years by the host institution. A copy of the review will be provided to the Council of Academic Vice Presidents to inform any related budget recommendations.

2. University institutes and centers must be reviewed according to university and center policies. A formal review shall be conducted at least every seven years.

3. At a minimum, all evaluations/reviews shall include:  
a. A determination of the institute or center's progress against defined goals and objectives within the context of the institute or center's mission, the participating university missions, and the current Board of Governor's Strategic Plan;

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dollars, if applicable;

- b. An assessment of the return on investment of State
- c. The need for continuation of the institute or center;
- d. Possible changes in mission or organizational structure;
- e. Budget reduction or expansion;
- f. Recommendations for change of classification (State of Florida, Infrastructural, or University institute or center), if applicable; and
- g. Recommendations for status change (active, inactive, terminated), if applicable.

(6) **Disbanding an Institute or Center** – University institutes and centers shall be disbanded at the request of the host university with the agreement of participating universities. State of Florida institutes and centers shall be disbanded at the recommendation of the Council of Academic Vice Presidents and upon the approval of the Board of Governors. When an institute or center is disbanded, the host university shall notify the Office of Academic and Student Affairs in the Board of Governors office. If a disbanded institute or center has been funded by the Legislature, the university must provide documentation to ensure that Legislative intent has been achieved and that the institute or center is no longer required. Fiscal information must be provided as part of the annual reporting process if the institute or center expends any funds during the fiscal year in which it is disbanded.

Authority: Section 7(d), Art. IX, Fla. Const., History—New 12-6-07.