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STATE UNIVERSITY SYSTEM OF FLORIDA
UNIVERSITY OF SOUTH FLORIDA
TRADITIONS HALL, GIBBONS ALUMNI CENTER
TAMPA, FLORIDA
AUGUST 9, 2007

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The Chair, Carolyn K. Roberts, convened the meeting of the Board of Governors, State University System of Florida, in Traditions Hall, Gibbons Alumni Center, University of South Florida, Tampa, Florida, at 11:30 a.m., August 9, 2007, with the following members present: Sheila McDevitt, Vice Chair; Commissioner Jeanine Blomberg; Dr. Arlen Chase; Ann Duncan; Dr. Stanley Marshall; Frank Martin; Ryan Moseley; Lynn Pappas; Ava Parker; Tico Perez; Gus Stavros; John Temple; and Dr. Zach Zachariah.

1. Call to Order and Chair's Report

Mrs. Roberts thanked President Genshaft and her staff for their hospitality and warm reception. She noted that Board members and many University Trustees had been meeting for two days and had spent time learning about the University System, higher education, and the 2008-2009 SUS Legislative Budget Request. She said she viewed these sessions as opportunities for team building for the State University System. She said the Trustees were an important part of the governance structure, and this Board needed their support in building a vital and strong University System.

She noted that it had only been four weeks since the Board had decided to join the lawsuit filed by Former Senator, and Governor, Bob Graham and Former Representative Lou Frey. She said that an Amended Complaint had been filed adding the Board to the declaratory judgment action. She said they were asking the Court to expedite the proceedings to obtain judicial clarification as soon as possible. She said clarification of the roles and responsibilities of this Board and of the Legislature were needed. She said this Board was very respectful of the Legislature; this action was not adversarial in nature.

She expressed her sympathy to Senate President Ken Pruitt on the death of his son the previous day. She said the thoughts of the Board were with the Pruitt family at this difficult time.

Mrs. Roberts said over the past several meetings, she had described the value of the State University System and its importance to the state. She said the Board had stood up for quality in its decision to freeze freshman enrollment growth and address a

tuition increase. She said the Chancellor had demonstrated that the SUS had suffered in per student funding over the past 15 years and now had the worst student-faculty ratio in the country. She said this was not what this Board wanted for the State University System.

Mrs. Roberts read the following excerpt. She said it was written almost 30 years ago, but was still relevant.

“Quality education can only result from the commitment of decades of unified support among educators, public officials and concerned parents and citizens. The attainment of this goal by our state universities will emerge from the following conditions: first, higher education policy must be set by a governing board of independent citizens who serve as an intermediary between the necessarily protected freedoms of the academic community and the equally necessary responsibility of political institutions in our democratic society to be responsive to the public will.... A second prerequisite for unified support is the development of a long-term strategy for quality improvement by the independent governing board....Third, unity of support requires intensive coordination among the various sectors of postsecondary education, public and private.....Finally, quality education can only be achieved by the provision of adequate and focused resources to educational programs.”

Mrs. Roberts noted that since the budget shortfall, and the determination by the Revenue Estimating Conference that the shortfall would be about \$1.1 billion, the universities had been directed to make four percent budget cutbacks. She said the Legislature had announced a Special Session to address the budget shortfall.

She said the Board would be adopting its Legislative Budget for 2008-2009 at this meeting. She said she believed this was a responsible budget in a time of constraint. She said the Budget did not include many new initiatives, nor unreasonable requests. She said funds were sought in lump sums. Once appropriated by the Legislature, this Board would make the allocations to the universities.

She said the next meeting of the Board was scheduled for September 26 and 27, 2007. She said while the meeting was scheduled to be held at UNF, she said she would ask the Chancellor to determine if the meeting might be held in Tallahassee so Board members could also work with members of the Legislature.

2. Approval of Minutes of the Meeting held June 14, 2007; and Minutes of the Meeting held July 10, 2007

Dr. Zachariah moved that the Board approve the Minutes of the meeting held June 14, 2007; and the Minutes of the meeting held July 10, 2007; as presented. Mr. Temple seconded the motion, and members of the Board concurred.

3. Chancellor's Report

Chancellor Rosenberg said this had been a busy summer, with Board meetings in June, July, and August. He extended his thanks to all the members of the Board for their "heavy lifting" for the State University System and all their volunteer time spent in service to this Board.

He commented that much had been accomplished during these two days. Board staff had held an afternoon orientation session for new University Trustees, all Trustees had been invited to sessions on trends in higher education and a budget workshop on the 2008-2009 SUS Legislative Budget, and the Florida Technology, Research and Scholarship Board had met to discuss the criteria for the Centers of Excellence funded by the 2007 Legislature.

Dr. Rosenberg said the Legislature would be meeting to determine budget reductions. At present, state agencies had been asked to recommend reductions of four percent. He said reductions were always difficult, but it was important for the universities to speak with a unified voice.

Dr. Rosenberg remarked that students, faculty and staff were the backbone of the University System. He said that in two weeks, students would be returning to the university campuses. He said that of the approximately 300,000 students in the SUS, 58 percent were women. These students were taking millions of class credit hours. He thanked the Board for its growing concern about the quality of the SUS. He said this was critical to assuring the value of university degrees in the future.

Dr. Rosenberg cited faculty research into real world issues. He described the work of a FAMU faculty member working on obesity and hypertension and developing healthier lifestyles for families and children. At UCF, faculty were working on optics and simulation, and a chemical engineer at USF was working on solar and sustainable energy. He said throughout the SUS, faculty were teaching students and improving the well-being of the state. He said universities were educating future state leaders who would be solving the state's problems. He said there were also thousands of dedicated university staff as well, e.g., counselors, police, laboratory managers, and coaches, also working with students.

Dr. Rosenberg also extended his thanks and appreciation to Board staff, for their work in preparing for these meetings.

4. Consideration, Substantive Issues, 2008 Legislative Session

Dr. Rosenberg said the Agenda presented two substantive legislative issues, one dealing with student safety and security, and a second dealing with the State University System Concurrency Trust Fund. He recommended pulling the issue relating to

student safety as the universities were working with municipal and county law enforcement officers on training issues. He noted that no vote was needed at this time regarding the SUS Concurrency Trust Fund. He said staff wanted to alert the Board about the need to identify a new funding source for this Trust Fund.

5. Action Items:

- A. Approval, Resolution Authorizing the Issuance by the University of Florida University Athletic Association of Tax-Exempt Bonds to Finance the Expansion and Renovation of a portion of the Ben Hill Griffin Stadium on the Main Campus, UF

Mr. Kinsley explained the proposed bond resolution for the expansion and renovation of a portion of the Ben Hill Griffin Stadium at UF. He said that UF presently carried a total debt of \$669 million. He said the Athletic Association carried debt of \$84 million; this resolution would add an additional debt of \$15 million. He said the project included office space and a new recruiting facility. He said Board staff and staff of the Division of Bond Finance, State Board of Administration, had reviewed the resolution and all supporting documentation. Based on that review, it appeared that the proposed financing was in compliance with Florida Statutes governing the issuance of university debt and the Board's debt management guidelines.

Dr. Chase moved that the Board adopt the resolution approving the issuance of fixed or variable rate, tax-exempt bonds, by the University of Florida University Athletic Association, in an amount not to exceed \$15 million for the purpose of financing the addition and renovation of a portion of the Ben Hill Griffin Stadium on the main campus of the University of Florida, as presented. Ms. Duncan seconded the motion, and members of the Board concurred.

- B. Approval, Resolution Authorizing the Issuance by the University of South Florida Financing Corporation of Certificates of Participation to Finance a Medical Faculty Office Building on the Main Campus, USF

Mr. Kinsley explained the proposed bond resolution for a new USF Medical Faculty Office Building. He said USF had debt totaling \$347 million. The USF Foundation had debt totaling \$47 million; this project would add debt of \$26 million. He said the 100,000 square foot facility would provide offices and support functions for the planned growth of the College of Medicine. He said the staff analysis showed that it was cost beneficial to own, rather than lease, this space. He said Board staff and staff of the Division of Bond Finance, State Board of Administration, had

reviewed the resolution and all supporting documentation. Based on that review, it appeared that the proposed financing was in compliance with Florida Statutes governing the issuance of university debt and the Board's debt management guidelines.

Ms. Duncan moved that the Board adopt the resolution approving the issuance of variable rate (swapped to fixed rate via interest rate swap agreements), tax-exempt, Certificates of Participation, by the University of South Florida Financing Corporation, in an amount not to exceed \$26 million, for the purpose of financing the construction of a new medical faculty office building on the main campus of the University of South Florida, as presented. Mr. Stavros seconded the motion, and members of the Board concurred.

C. Approval, Amended and Restated Articles of Incorporation of the Johnnie B. Byrd, Sr., Alzheimer's Center and Research Institute

Dr. Rosenberg said that as of July 1, 2007, authority for the Johnnie B. Byrd, Sr., Alzheimer's Center and Research Institute, previously provided to the State Board of Education, was transferred to the Board of Governors. He said the Center had amended its Articles of Incorporation to reflect these statutory changes. He noted that the Chair of this Board or her designee served as a member of the Byrd Board. He said the Board needed additional information prior to approving these Amended and Restated Articles of Incorporation, and he recommended that the item be deferred to a future meeting of the Board. Members of the Board concurred.

6. Approval, Notice of Intent to Amend Board of Governors Regulations: Regulation 6C-6.001, General Admissions; Regulation 6C-6.002, Undergraduate Admission of First-time, Degree-seeking Freshmen; and Regulation 6C-6.009, Admission of International Students to SUS Institutions

Dr. LeMon explained that the Academic Programs staff was reviewing the series of regulations dealing with admissions, and would be bringing these forward for the Board's consideration and approval. He explained that these regulations came from previous Board of Regents rules, and policies and procedures relating to admission. In accordance with the Board's two-step process for the approval of regulations, these three regulations have been brought forward for approval to be posted to the Board's website for public comment prior to adoption at the September meeting of the Board: Regulation 6C-6.001, General Admissions; Regulation 6C-6.002, Undergraduate Admission of First-time, Degree-seeking Freshmen; and Regulation 6C-6.009, Admission of International Students to SUS Institutions. He said there were seven more regulations still being developed in academic-related areas.

Mr. Perez moved that the Board approve the Public Notice of Intent to amend Regulation 6C-6.001, General Admissions; to amend Regulation 6C-6.002, Undergraduate Admission of First-time, Degree-seeking Freshmen; and to amend Regulation 6C-6.009, Admission of International Students to SUS Institutions; as presented. Ms. Duncan seconded the motion, and members of the Board concurred.

7. Action Items/Status Reports, Board Committees

A. Task Force on FAMU Finance and Operational Control Issues

Ms. Pappas reported on the work of the Task Force on FAMU Finance and Operational Control Issues. She said the Task Force had done a preliminary assessment of the operational issues. She said they were discussing how to work collaboratively with FAMU administrators. She said the Task Force had been briefed on shortcomings with information technology and the ways this had impacted conversion to the new PeopleSoft system. The Task Force also identified other areas where there were problems of internal control. They had learned of vulnerabilities with the operational controls and targeted areas for further review. She said the University had identified areas for additional staff support and training.

Ms. Pappas reported that the Task Force had been appropriated a little over \$1 million for its work, substantially less than the amount requested. This would limit the ability of the Task Force to take on the comprehensive assessment it had hoped to accomplish. She said the Task Force would have to rely more on Board staff to support its work. She noted that a Corrective Action Plan had been developed by the University's Board of Trustees; and the next meeting of the Task Force would be on August 29, 2007, at FAMU.

President Ammons reported that he and his administration were underway with work on the Corrective Action Plan. He said that they were working to meet the September 7 reporting date to SACS to show that they were making progress on accreditation issues, as well. He said they hoped to convince SACS to remove FAMU from the probation status as soon as possible.

B. Budget Committee:
Approval, 2008-2009 State University System Budget Request; and
Approval, 2008-2009 Board General Office Budget Request

Mr. Perez reported that members of the Budget Committee had met the previous day with Trustees to discuss the state budget process. He

said the Budget Committee had also had a lengthy meeting earlier to discuss the 2008-2009 State University System Budget Request. He said he had three motions to bring forward from the deliberations of the Committee.

Mr. Perez moved that the Board approve the 2008-2009 Legislative Budget Request for the State University System, and further, authorize the Chancellor to make technical changes, as necessary. He noted that three issues within the Request had been moved "off-line" for further consideration by other Board committees. Those issues dealt with Graduate Student Assistant Health Insurance Support; the Florida Institute of Oceanography; and the Florida Initiative for Global Education. The motion was also subject to further discussions of the needs for medical education, both the synergies to be found in working collaboratively relating to curriculum development and the accreditation challenges facing the two new medical schools. Dr. Zachariah seconded the motion, and members of the Board concurred.

Mr. Perez added a further caveat. He said the Presidents had been asked to advise the Chancellor and the Board of further categories of funding needs, which had not been included. He said he knew of an issue from Florida A & M University and of the Burnham Institute at UCF. He said there might be others, as well.

Mr. Perez moved that the Board approve the 2008-2009 General Office Legislative Budget Request, as presented, and further, authorize the Chancellor to make technical corrections, as necessary. Dr. Chase seconded the motion, and members of the Board concurred.

Mr. Perez moved that the Board also advocate for additional funding for need-based financial aid, as recommended by the State Board of Education. Dr. Zachariah seconded the motion, and members of the Board concurred.

C. Emergency Preparedness and Campus Safety Task Force

Mr. Perez said the Emergency Preparedness and Campus Safety Task Force had met. There was no item for Board action. He said the Task Force had heard from its working groups on emergency notification systems; training and identification of at-risk students, and campus security and law enforcement. Mr. Tom Longo, Chief of Police, USF, had reported on student/police ratios on campuses and on accreditation, recruitment and retention of campus police officers. He said he

anticipated recommendations from each of the working groups at the September meeting, as well as a report on mental health issues.

D. Research and Economic Development Committee:
Approval, Criteria and Recommendations regarding the Centers of Excellence Program

Ms. Duncan reported that the Florida Technology, Research and Scholarship Board had met the previous day to consider and recommend criteria for the Centers of Excellence Program. She extended her thanks to Dr. R.E. LeMon and to Dr. Krista Kahn for the significant amount of work they had done in preparation for the meeting of the FTRSB. She said many opinions were heard and considered in developing these criteria.

She explained amendments to the criteria, as recommended by the FTRSB. Originally, the recommendation was to limit the number of institutional submissions. The FTRSB recommended that there not be a limit and that the need for scientific review and expertise was important to the process.

Ms. Duncan said in the appropriation of \$100 million for the Centers of Excellence, there was no money to pay for the external review of proposals. There had been discussion of asking the Legislature to designate some amount to cover these reviews or to ask each institution to pay a pro-rata share for these reviews. The FTRSB had recommended, absent other means, asking each institution to pay for the cost of external review for its institution and not limit the number of proposal submissions from each institution. She recommended that each institution be diligent and give careful consideration to its proposals. She said when the proposals were not ranked in the last round, there was great disparity in the proposals submitted to the FTRSB. She said the institutions might need to give priority order to their proposals this time.

She explained that the FTRSB had deleted the requirement of "geographic balance of awards." She noted that these proposals were a significant investment. The FTRSB recommended that, instead, "diversity of research portfolio may be a factor in determining final recommendations." She reviewed the additional considerations added by the FTRSB.

Mrs. Roberts commented that in the discussion of political ramifications regarding "geographic balance," it was important to note that the investment of the dollars needed to make sense. Ms. Duncan concurred, noting that if the process were a good process, then there was

no reason for conflict at the end of the process. She said there were opportunities for collaboration.

Ms. Duncan moved that the Board approve the criteria and recommendations for improving the Centers of Excellence Program, as presented by the FTRSB. Mr. Martin seconded the motion.

President Genshaft said she was pleased with the discussion of the FTRSB and the efforts to improve the process. She said the timeline was not as rushed as last year. She also applauded the scientific review of the proposals as an excellent addition.

There were no further comments. Members of the Board concurred in the motion.

8. Adjournment

Having no further business, the Chair adjourned the meeting of the Board of Governors, State University System of Florida, at 12:15 p.m., August 9, 2007.

Carolyn K. Roberts,
Chair

Mary-Anne Bestebreurtje,
Corporate Secretary