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STATE UNIVERSITY SYSTEM OF FLORIDA  
BY TELEPHONE CONFERENCE CALL  
TALLAHASSEE, FLORIDA  
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The Chair, Carolyn K. Roberts, convened the meeting of the Board of Governors by telephone conference call, from Tallahassee, at 9:00 a.m., February 21, 2008, with the following members present: Dr. Arlen Chase; Ann Duncan; Charlie Edwards; Dr. Stanley Marshall; Lynn Pappas; Ava Parker; Tico Perez; Commissioner Eric Smith; Gus Stavros; and John Temple.

1. Call to Order and Chair's Report

Mrs. Roberts extended her sympathies to the families of the students at Northern Illinois University who were murdered earlier in the week. She also extended her condolences to the faculty, students and staff at NIU. She said this was, once again, a tragedy beyond imagination.

Mrs. Roberts said she continued to have discussions with members of the Legislature about the needs of the State University System. She said the SUS had many friends among Legislators, but the relationships, at present, were somewhat awkward because of the lawsuit. She thanked the members of this Board and the members of the University Boards for their commitment to the well-being of all the universities in the System.

Mrs. Roberts invited the Chair of the Emergency Preparedness and Campus Safety Task Force, Mr. Tico Perez, to comment. Mr. Perez said it was difficult to comprehend another campus tragedy. He said he was pleased that safety and security plans were in place at all 11 SUS institutions. He said it was imperative that the universities' security personnel be held harmless from the budget reductions. He said that he was pleased with the work of the Task Force. He said legislators had been telling him that funding for security would be safe. He said he was optimistic.

Dr. Marshall reported that the Mental Health Subgroup he chaired would meet by telephone conference call the following week. He said he was deeply grieved by the tragedy at NIU and that he hoped the recommendations from his subgroup would be useful.

2. Chancellor's Report

Chancellor Rosenberg asked for a moment of silence for those who had lost their lives at Northern Illinois University.

Dr. Rosenberg said the shootings at NIU and a serious weather event at four universities in one week made it even more important to give added attention to campus safety and security initiatives. He said the universities had made counseling services available to SUS students. He reported on a conference call he had held with the 11 Campus Police Chiefs. During that meeting, he had advised the Chiefs that he would make sure that campus security personnel would be held harmless from the budget reductions. He said the public safety capability of the SUS should not be impaired by the proposed cutbacks. He said he looked forward to the final recommendations from the Emergency Preparedness and Campus Safety Task Force.

He thanked Governor Crist and his special adviser, Dean Colson, for their work on behalf of the SUS. Speaker Rubio met with the Presidents for a wide-ranging discussion; Senator Lynn had also met with them to discuss the challenges facing higher education in Florida.

He noted that there had been some interest in providing public testimony to the Board. He described the procedure for submitting written requests.

Dr. Rosenberg said there were no action items on the agenda. He said he wanted to review proposed budget reductions to the current budget, and discuss the Board's 2008-2009 SUS Legislative Budget Request. He said he also wanted to discuss the legislative agenda for the upcoming Session.

3. Discussion: 2007-2008 Budget Reductions; 2008-2009 Legislative Budget Request

Chancellor Rosenberg said the materials included an Executive Summary of the 2008-2009 E & G budget, distributed to Board members at the January meeting, and the potential budget reductions for Spring 2008, by university. He said the potential reduction was a total of \$92 million. He said that House and Senate Committees had met earlier in the week and had recommended cuts which were half the cuts anticipated. He said they had estimated cuts of 3.8 percent; the recommendations were for a cut of 1.9 percent, or \$48 million. He said he expected higher cuts in the 2008-2009 budget, to be determined during Session. He reported that the five vacant positions in the Board Office had been eliminated.

Mrs. Roberts inquired about the cuts to the budget of the State Board of Education. Mr. Jones explained that the cuts to the BOG office were twice as high as the cuts to the State Board.

Dr. Rosenberg said he was pleased that the proposed cuts for the Spring were not as large as anticipated. He said there would be considerable discussion, however, about the budget requests for 2008-2009. He noted that the Board had spent considerable time developing its budget request for 2008-2009. In light of the current financial situation and the budget reductions, he said it was beyond any reasonable expectation for the Board's request to be fully funded. He said he had brought the budget request to the Board to seek guidance as to the best approach on the LBR during Session.

Dr. Ammons inquired about the process. Dr. Rosenberg said the Legislature would first consider the cuts to the current year's budget. These would be heard in Committee, and then by the full House and Senate. The cuts would be reviewed in Conference. After the current budget cuts were considered, and resolved, the House and Senate would then begin to consider the 2008-2009 budget.

Ms. Pappas said she would be interested to know about the cuts as they related to Board staffing. She said that as a Committee Chair, she was concerned how the Board and its Committees would produce the required work products. She said she would like to understand how the vacancies fit into the office organizational chart and how they related to the office work plan. Dr. Rosenberg said the staff would continue to exceed expectations regardless of the funding.

Mr. Jones explained the four budget scenarios presented for the 2008-2009 budget. The first scenario represented full funding of the original budget, as adopted by the Board last summer. The next three scenarios were on a sliding scale, with fewer issues addressed in each one. He said the fourth scenario, at \$3.5 billion, was basically a cost-to-continue budget.

Mr. Stavros said he understood the budget problems, but he noted that the Major Gifts Matching Funds were reduced by half, to \$40 million, in scenario four. He said this was a great program for raising private money. He said if there were no match, donors would take back their gifts. He urged the Board to support full funding for Major Gifts, if at all possible.

Mr. Temple noted that there were no cuts recommended in the funding of the new medical schools, yet there were cuts in the funding of the UF and USF medical schools in scenario four. Dr. Rosenberg said the funding recommendation represented a delay in the funding. He said there was a two-year planned request for both schools for \$32 million; this represented a phase-in period over a longer time. Mr. Temple inquired why a similar rationale did not apply to FIU and UCF. Dr. Rosenberg said that

the dynamics of getting a new school started, hiring faculty, attracting students and obtaining necessary accreditations, needed to stay on track. He said that any reductions might undermine the Board's commitment to medical education.

Commissioner Smith said he wanted to be sure that under any scenario the universities would continue to admit students with their AA degrees, under the "2-plus-2" policy. Dr. Rosenberg said the SUS remained committed to admitting transfer students. He said the Governor's budget would allow the universities to continue to accommodate AA transfer students. Mrs. Roberts concurred. She noted, however, that continuing this commitment required appropriate funding. Commissioner Smith said the articulation policy was a statutory expectation. He inquired whether the four scenarios were reflective of that policy. Dr. Rosenberg concurred.

#### 4. Discussion, Legislative Issues

Dr. Rosenberg said the Board had approved three strategic initiatives in December: to focus on quality; to improve baccalaureate degree production; and to move to appropriate and predictable funding. He said the first component related to appropriate and predictable funding identified the need for expanded need based financial aid to undergraduate students to improve access and affordability. He said President Cavanaugh and his task force would present information related to this at the March meeting.

Dr. Rosenberg said he had been pressed since July about Bright Futures, particularly by the Taxation and Budget Reform Commission, and by other education stakeholders. He said he had developed some ideas on how to get to expanded need-based aid. He said the agenda materials included a "white paper." He outlined several basic concepts behind the "white paper." He said it was important to recognize that Bright Futures was a popular program, valued by lawmakers. Any modification should be gradually phased-in as the Board needed to be sensitive to the plans already made by students and their parents. He said that any modification should also be sensitive to family income and aligned with the State's needs and directions. He said any modifications should be consistent with legislative and Board interests in, and commitment to, performance. Finally, any changes or suggestions would have to be implemented in tandem with the Legislature, the community colleges, and the ICUF schools. Any action would be consistent with the State's need to produce an additional 1.5 million baccalaureate degrees over the next two decades and for the 21<sup>st</sup> century economy. He suggested a thorough Board discussion at the March meeting. He noted that the Board's website would include a blog for public discussion, which would be available the following week.

Mrs. Roberts noted that Bright Futures was completely a legislative initiative. She said she hoped to have an open discussion which was respectful of the Legislature's

responsibility for the program. She said this was a valuable program and an important part of family planning for their children's higher education.

Mr. Perez said the conversations about Bright Futures should include tuition policy and the Prepaid Program, as these were all interrelated. He said these were all relevant elements of the conversation.

Dr. Rosenberg said there was interest among Legislators in economic development issues, in developing talent and fostering innovation so Florida would be more competitive in a global sense. He said the universities were key to these initiatives. He said these initiatives should take full advantage of all that the universities had to offer. He said a stumbling block was that bills with a fiscal impact were not being referred for committee review.

Mr. Temple said that in any discussions of Bright Futures, there should be discussion of a means test for eligibility. Dr. Rosenberg said he was not recommending raising standards, but recommending additional funding for need-based aid.

Ms. Pappas said additional background information about all these programs would be helpful. She said she would be interested in the statutory provisions for Bright Futures and for the Prepaid Program, and the implementation of these programs. Mr. Edwards recalled the original concept for the lottery funds as "education enhancement" funds. He said he would be interested to see the original advertising for the lottery and the intent of the original promises for the money.

Dr. Rosenberg said his recommendations on Bright Futures were made to retain the intent of the program, the commitment to students, and to make it work harder for the entire state.

5. Adjournment

Having no further business, the Chair adjourned the conference call meeting of the Board of Governors at 9:40 a.m., February 21, 2008.

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Carolyn K. Roberts,  
Chair

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Mary-Anne Bestebreurtje,  
Corporate Secretary