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 STATE UNIVERSITY SYSTEM OF FLORIDA
 UNIVERSITY OF SOUTH FLORIDA
 ROYAL PALM BALLROOM, MARSHALL STUDENT CENTER
 TAMPA, FLORIDA
 SEPTEMBER 25, 2008

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The Chair, Sheila M. McDevitt, convened the meeting of the Board of Governors, State University System of Florida, in the Royal Palm Ballroom, Marshall Student Center, University of South Florida, Tampa, Florida, at 2:40 p.m., September 25, 2008, with the following members present: Ava Parker, Vice Chair; Ann Duncan; Charlie Edwards; Frank Martin; Arthur "AJ" Meyer; Lynn Pappas; Tico Perez; Carolyn K. Roberts; Commissioner Eric Smith; Dr. Judith Solano; Gus Stavros; Norm Tripp; and Dr. Zach Zachariah.

1. Call to Order and Chair's Report

Ms. McDevitt expressed her thanks to all the University Presidents in attendance. She said she hoped they would all participate in the meetings of the Board of Governors and that they would encourage their Board Chairs to participate, as well. She expressed her special thanks to President Genshaft and her team at USF for their hospitality. She said this beautiful facility, which had just opened a few days earlier, was the envy of the other universities.

She congratulated President Genshaft on her award of an honorary degree by St. Petersburg College at its August commencement ceremony. She noted that President Carl Kuttler had thanked Dr. Genshaft for being an outstanding partner of SPC and its four-year degree program and the University Partnership Center.

Ms. McDevitt said that earlier in the week, the Board had been advised that Chancellor Rosenberg would be leaving in February 2009 to return to the faculty at FIU. She said that the Chancellor had made a commitment to take on the Chancellor position for two years; he had now given the Board three years and felt it was time to return to the campus and interacting with students. She thanked Dr. Rosenberg for his leadership and his contributions to the Board through some very challenging times. She said this Board and the SUS was better because of his leadership. She noted that the Chancellor would continue to help with some important initiatives, including implementation of the new G.I. Bill and the Memorandum of Agreement with the Chilean government to support Chilean graduate students in the SUS. Members of the Board and the audience gave Dr. Rosenberg a warm round of applause.

She commented that the discussions of enrollment planning during the earlier meeting of the Strategic Planning Committee had been somewhat disheartening. She said from her visits to the universities and their Boards of Trustees, she thought there was a rapport developing and a sense of cohesiveness around the universities as a System. She said the issue of enrollment was a System question and a policy issue for this Board, not a governance question. She said she hoped as the Board members became more informed on the issues, they would recognize the broad policy issues as System issues.

Ms. McDevitt said she had now attended seven Board of Trustees meetings since becoming Chair in July. She said it had been a whirlwind tour, but she had come to learn so much about the universities. She said as a Board, the members should celebrate all the fine universities and their cutting-edge research. She said this research was directly related to the economy and offered students the exciting experiences that college should be.

Ms. McDevitt noted that in the U.S. News and World Report annual rankings of public and private colleges and universities, UF was ranked 17th among the top public "national" universities, and FSU was now tied with the University of Massachusetts-Amherst for 50th place among the top public "national" universities. She said the magazine also recognized 70 other colleges and universities as "up and comers," schools that had made promising and innovative changes in academics, faculty, students, campus or facilities. UCF and USF were included in the top 20 of this group. She noted that U.S. News ranked New College as the fifth best public liberal arts college in the U.S., and 94th among all public and private liberal arts colleges in the country.

She reported that she had attended a meeting of the UCF Board of Trustees in July and had spent time with President Hitt visiting the site for the new medical school. She said the medical campus and research complex was well-designed and would include a new VA Hospital, a Children's Hospital, and the Burnett Biomedical building. The site would also include a UF building.

She noted that UF was taking the leadership role on the new SUS Energy Consortium. She said the Consortium would be developing new technologies, renewable energy sources, and opportunities to deliver energy in a more reasonable way in Florida. She commented on Dr. Lonnie Ingram's research as the Director of the Florida Center for Renewable Chemicals and Fuels. He was the developer of the "cellulosic ethanol" process, developing a strain of bacteria capable of breaking the toughest plant materials - from yard waste to salvaged wood - into fodder for fuel ethanol that could cost just pennies per gallon. She said in a few months, this process would be carried out in demonstration plants in Louisiana and Florida. It had already proved profitable in a facility in Japan.

Ms. McDevitt said that USF was focusing its efforts on medical and health research. She said she had visited an outpatient clinic on campus, a mini-Mayo Clinic, capable of performing a wide range of medical procedures. She described Dr. Jeffrey Krischer's work at the USF College of Medicine, often described as the "epicenter for diabetes research." She said at FIU, in the biomedical engineering department, faculty and students were working on the development of an artificial heart valve with the biomedical industry. The valve combined the durability of a mechanical valve and the blood flow capabilities of bioprosthetic valves. This valve had already been successfully implanted in a sheep; the valve was almost ready for human clinical trials. She said that an engineering professor from FIU had been the project director involved in building an energy efficient "green home" constructed near the site of the Beijing Olympic Games.

Ms. McDevitt said she had been at New College two weeks earlier. She commented that at New College students did research throughout their undergraduate experience, which prepared them for graduate research. She said two undergraduate students had described their summer research experiences to the Board of Trustees. She said these were impressive research projects for undergraduate students. She also remarked on the beauty of the campus and its historic buildings. She said the Board needed to protect and sustain this special campus.

She said she had spent time with the FAU Board earlier in the week and had participated in their retreat. She noted that FAU was carving out a niche in biotechnology and ocean energy, with its affiliations with Scripps, Torrey Pines and Harbor Branch. She noted that these initiatives were just beginning, but they served to position FAU for the future and the development of talent for Florida. She said while she was there, she had met with three area community college presidents to discuss their views on the future of higher education in Florida.

She reported that she had also met with the FSU Board. She said she had toured the interior of campus for the first time since her own student days 40 years earlier. It had grown and changed. She said she had also visited the National High Magnetic Field Laboratory. She said the researchers there were developing the technologies and materials capable to be used by industries, including the electric power industry, to contribute to the strength and security of the electric grid. She commented that 1000 scientists came through the Lab each year working on their research and using the Lab's powerful magnets, and contributing to Tallahassee's economy.

She thanked all the universities for these visits and their hospitality. She said that as the Board continued to define the mission for each institution in the University System, it was also clear that each University was carving out and defining its research niche. She said all the universities needed to work together; by working together as a System, all the universities succeeded.

She remarked that the Florida Student Association had now moved its regular meetings to follow this Board's meetings. She said this would allow the students to be more engaged with this Board and the issues discussed by this Board.

2. Approval of Minutes of the Meeting of the Board of Governors held August 7, 2008

Mrs. Roberts moved that the Board approve the Minutes of the Meeting of the Board of Governors held August 7, 2008, as presented. Mr. Tripp seconded the motion, and members of the Board concurred.

3. Chancellor's Report

Dr. Rosenberg said there were numerous activities underway. He said staff members had been working with Board Committee Chairs on committee workplans for the year. He said staff members were working on the new G.I. Bill. He said it was very important that the universities implement this correctly. He said the distance learning initiative, led by President Hitt and President Wallace of Jacksonville Community College, was on schedule to make recommendations prior to the next Legislative Session. He said the SUS had established a presence in the discussions over the new state college system. He said that President Genshaft served as a member of the Task Force, chaired by Commissioner Smith. He said staff members were also working on the textbook affordability initiative and recommendations to address concerns of students and the Legislature. He recognized Mr. Chris Krampert, Executive Director, Florida Student Association, who was working with students and faculty on many issues. He said he was pleased that a strong working relationship continued with SUS students on the value of a quality education critical to their 21st century competitiveness.

Dr. Rosenberg said that despite the challenges, he was optimistic about the future of the State University System and its eleven institutions. He said that the relationships with the Governor's Office were excellent and collaborative, legislative leadership and staff were engaged in SUS issues, and the business community had a sense of urgency that was critical. He thanked the new Board Chair for her commitment. He said her intensity and determination would help the Board to "move forward by design."

4. Focus on the SUS: USF Research Partnerships

President Genshaft said USF was focused on its research mission and its partnerships. She said the special mission for USF was research and making new discoveries and a difference for the community. She said this research served as a stimulus to the economy of the region, the state, and the nation. She said USF had reached \$360 million in research contracts and grants funding for Fiscal Year 2007-2008,

a new research high point for USF. She said this was an amount higher than many research universities in the country. It was an amount higher than all the other SUS institutions, except UF. She said she was very proud of this research funding, particularly as both NSF and NIH research dollars were decreasing. She said there were companies moving to the Tampa Bay area attracted by USF research efforts and the impact of that research. She introduced Dr. Karen A. Holbrook, Vice President for Research and Innovation, USF. She noted that Dr. Holbrook had most recently been President of Ohio State University for five years, and had previously served as Vice President for Research at UF and as Provost at the University of Georgia.

Dr. Holbrook said she would describe USF as “The University of the Future.” She said USF was connected, growing up, entrepreneurial, dynamic, innovative, distinctive and focused. Over the past five years, external funding had increased enormously, 17 percent higher than last year; NIH funding had increased 72 percent during that time. Two colleges had increased substantially: the College of Arts and Sciences had increased by 32 percent; USF Health had increased by \$208 million. She noted that first quarter funding was already ahead of the previous year. She said the focus areas for research and new initiatives at USF were in sustainability; diabetes and autoimmune diseases; and integrated neurosciences.

Dr. Holbrook described USF partnerships as interdependent and overlapping. She commented that any work done with industry was likely to have a federal partner, as well as state and regional partners. She demonstrated the overlaps of USF research and centers through its federal, state, regional and industry partners. She explained the output measures from these USF partnerships, including health care advances; research grants; new jobs; spin-off companies; societal benefit; talent development, both on campus and for the state; and solutions for national benefit.

She explained two important state partners which had significant state investment. The Johnnie B. Byrd, Sr. Alzheimer’s Center and Research Institute was important, and now under USF leadership, it could bring together a large range of neuroscience programs on campus in terms of the integrated neuroscience initiative. It could also stimulate new activities, such as drug-related studies. She said a company was interested in partnering with USF because of its interest in neuroscience research. The Center had brought in federal support. It had a statewide mission and was the only center in Florida concentrating on Alzheimer’s research.

In 2007, USF’s Center for Biomolecular Identification and Targeted Therapeutics was named, and received funding, as a Center of Excellence, with the support of the Board of Governors. This Center would develop technology to be commercialized which would prevent and reduce suffering; the Center was an engine for growth for drug development, drug design and drug delivery. The Center helped attract Draper Laboratory and SRI International to the state. She said it was important to get this up and running, as this was a great recruiting tool for USF and the state, and for bringing

talent to the state, as well as new faculty, new scientists, and new investigators who wanted to work in this environment.

Dr. Holbrook also described important regional partnerships through the Tampa Bay Technology Incubator, which had two locations, one on the Tampa USF campus and a second on the USF-St. Petersburg campus. This Incubator served several small businesses which had been brought to Tampa or were developed and spun-off from university technology. It provided business services, back-up support and funding to help companies mature, grow and move out of the Park. There were a total of 19 companies. They employed 93 people with an average salary of \$72,000. They received external funding of \$6.4 million.

USF also had a number of important industry partnerships. She said Draper Laboratory had come to USF from MIT and Cambridge, Massachusetts, to set up a presence in the Research Park in Tampa and in St. Petersburg. She said Draper was a not-for-profit organization which brought in \$400 million in revenue every year, with 1200 different faculty members. She said that Draper's goal in coming to Florida was to set up a micro-technology cluster to develop sensors, and platforms for drug delivery and to develop diagnostic systems. She said it had come to USF to work with a variety of USF programs, including medicine, engineering, biology, physics, and chemistry. She said they had already begun to bring faculty to Tampa and to set up their programs. She said it was a partnership with several Tampa Bay area partners, including Hillsborough County, Pinellas County, the City of St. Petersburg, the Chamber of Commerce and the Tampa Bay Committee of 100.

She said Romark Laboratories, a small pharmaceutical company, was in the Research Park. She said it had a unique platform to develop small molecules targeted to a number of pathologic diseases, including infectious diseases and cancers. The company had over 100 patents on one of the classes of drugs it had designed. SRI International was in St. Petersburg, and had partnerships with the College of Marine Science. She said this was a company developing engineering technologies and sensors, and focused on ocean science, the maritime industry and port security. It was involved with bio-defense, working to prevent, respond and recover from terrorism in the maritime domain.

Dr. Holbrook said USF also had federal and global partnerships. At the federal level, they were partnered with the Center for Biological Defense, now multi-disciplinary, with research in bio-terrorism and emerging infectious diseases. She noted that the Florida Department of Health provided funding to this Center, as well as funding to other universities in Florida, for clinical screening and educational programs to prepare emergency personnel.

Dr. Holbrook also described the global partnership of the Krischer Group. She said the Krischer Group had received \$167 million from NIH for the TEDDY (The

Environmental Determinants of Diabetes in the Young) Project now working in six major centers across the U.S. and Europe, including centers in Germany, Sweden and Finland. The research focus was "childhood diabetes" which affected one in every 300 children. The presence of a gene showed the predisposition to the disease, but not every child with the gene had the disease. She said the research attempted to determine what caused the expression of this disease, and whether there were viral, economic, nutritional, social, psychosocial or environmental aspects to cause the expression of the disease. The research focused on the precipitating factors for a child to express the disease. She said there were TEDDY Projects throughout the world. Several months earlier, Dr. Krischer had received an additional \$127 million, which was why USF was described as the "epicenter of diabetes research." The network of projects had been expanded, both in the U.S., and internationally, in Canada, Finland, Sweden, U.K., and Italy. She said the research was important and would make a difference in society.

Dr. Holbrook said all of these partnerships depended on a prepared workforce. Through many programs, USF prepared its students for the workforce. She said the University also had special programs to train for specific workforce skills, including USF's Center for Manufacturing Education. Again, this was a partnership with Hillsborough Community College, St. Petersburg College, and NSF. It had received one of 33 regional grants funding the program to prepare curriculum, statewide delivery of technical education programs, design best practices, and to prepare students to work for very specific companies, e.g. manufacturing specialists, medical device technicians. She said USF had masters degree programs, including the Biotechnology Program, which was the only professional masters degree program to support biotechnology workforce development in the state. She commented that the Center for Entrepreneurship was ranked for its masters level training for entrepreneurship in business, medicine, public health and engineering. It intended to launch an undergraduate program in 2009. Students studied new business planning, strategic market analysis, venture capital, bioethics, and product development.

She said the University had three specific focused research areas, but was also positioned in areas critical to its physical location, e.g., on coastal programs, on the environment, on energy. She said there were numerous opportunities in the area and many companies interested in coming to Tampa Bay. She said the University continued to be innovative and entrepreneurial.

President Genshaft said USF was committed to interdisciplinary work. She noted that while USF was positioning itself as a top research university, with a broad range of graduate and professional programs, it also remained committed to the education of undergraduate students. She said that in order to move forward with its research profile, and in accordance with its mission and focus, USF needed a broad range of doctoral programs, and doctoral students. She said it was important to have these graduate programs to build upon its research profile. She said the programs

being developed were in accordance with the University's focus and mission and were carefully developed and reviewed by the University's Board of Trustees.

Ms. McDevitt thanked President Genshaft and Dr. Holbrook. She commented that USF was involved in a great many research areas.

5. Consent Agenda Items:

- A. Final Approval, Amended BOG Regulation 10.001, Self-Insurance Programs, Noticed in August

Mr. Perez moved that the Board approve the amendment to BOG Regulation 10.001, Self-Insurance Programs, approved for notice in August, as presented. The amendment would include the UCF College of Medicine Self-Insurance Program. No comments had been received since the regulation was posted for notice. Ms. Duncan seconded the motion, and members of the Board concurred.

- B. Final Approval, BOG Finance Regulations, Noticed in August: BOG Regulation 7.001, Tuition and Associated Fees; BOG Regulation 7.002, Tuition and Fee Assessment, Collection, Accounting and Remittance; BOG Regulation 7.003, Fees, Fines and Penalties; BOG Regulation 7.008, Waiver of Tuition and Fees; Repeal BOG Regulation 7.004, Deferred Payment of Fees; and New BOG Regulation 7.015, Florida National Guard Educational Assistance Programs

Mr. Perez moved that the Board approve several BOG Finance Regulations, dealing with tuition collection, fee assessment, and fines, approved for notice in August, as follows, amended BOG Regulation 7.001, Tuition and Associated Fees; amended BOG Regulation 7.002, Tuition and Fee Assessment, Collection, Accounting and Remittance; amended BOG Regulation 7.003, Fees, Fines and Penalties; and amended BOG Regulation 7.008, Waiver of Tuition and Fees; repeal BOG Regulation 7.004, Deferred Payment of Fees; and new BOG Regulation 7.015, Florida National Guard Educational Assistance Programs, as presented. Mr. Perez said there had been no comments received on any of these regulations after they were posted. Ms. Duncan seconded the motion, and members of the Board concurred.

6. Action Items/Status Reports, Board Committees:

A. Facilities and Real Estate Committee

1. Approve 2009-2010 SUS Fixed Capital Outlay Legislative Budget Request

Ms. Parker moved that the Board approve the 2009-2010 SUS Fixed Capital Outlay Legislative Budget Request, as presented, and further, authorize the Chancellor to make technical corrections to the 2009-2010 SUS Fixed Capital Outlay Legislative Budget Request, as necessary. Mrs. Roberts seconded the motion, and members of the Board concurred.

2. Approve Notice of Intent to Amend BOG Regulation 14.0055, Certification and Competitive Selection for Construction Management Services and Design-Build Services

Ms. Parker moved that the Board approve the Notice of Intent to amend BOG Regulation 14.0055, Certification and Competitive Selection for Construction Management Services and Design-Build Services, as presented, for posting to the website, pursuant to the Board's Regulation Development Procedure. Mrs. Roberts seconded the motion, and members of the Board concurred.

B. Budget, Finance, and Business Operations Committee

1. Approve, Additional Issues, 2009-2010 SUS Legislative Budget Request

Mr. Perez said the Budget, Finance and Business Operations Committee had reviewed the request to include \$24.3 million in 2008-2009 utility increases as a part of the 2009-2010 SUS Legislative Budget Request. He moved that the Board approve the request to include \$24.3 million in utility increases in the 2009-2010 SUS Legislative Budget Request, as presented. Mr. Tripp seconded the motion, and members of the Board concurred.

2. Approve, 2008-2009 SUS Operating Budget

Mr. Perez moved that the Board approve the 2008-2009 State University System Operating Budget, as presented. Ms. Duncan seconded the motion, and members of the Board concurred.

3. Approve, Notice of Intent to Amend BOG Regulation 9.013, Auxiliary Operations

Mr. Perez moved that the Board approve the Notice of Intent to amend BOG Regulation 9.013, Auxiliary Operations, as presented, for posting to the website, pursuant to the Board's Regulation Development Procedure. Mr. Tripp seconded the motion, and members of the Board concurred.

C. Strategic Planning and Academic and System Oversight Committee

1. Approve, Amended and Restated Articles of Incorporation, Johnnie B. Byrd, Sr. Alzheimer's Center and Research Institute

Ms. Pappas said the Strategic Planning Committee had been advised on the current status of the Johnnie B. Byrd, Sr. Alzheimer's Center. She moved that the Board approve the Amended and Restated Articles of Incorporation, Johnnie B. Byrd, Sr. Alzheimer's Center and Research Institute, as presented. Ms. Duncan seconded the motion, and members of the Board concurred. 1

2. Improving Educational Attainment in Florida

Ms. Pappas said the Committee had engaged in a lengthy discussion of several issues relating to improving educational attainment in Florida. She said the Committee had discussed needs for additional baccalaureates in the state, workforce needs, the state college system, and enrollment planning. She said the Committee would continue these discussions at its November meeting.

Ms. McDevitt said it was important that the State University System participate in the discussions about the new state college system. She said she was interested in SUS participation without getting in the way of the task forces already in place to make recommendations about the new system. 1

Ms. Pappas said the Committee had also recommended that the Board endorse the "white paper" written by the SUS Workgroup with the SUS response and recommendations on the new college system. She moved that the Board endorse the recommendations of the "white paper," as presented. Mr. Martin seconded the motion, and members of the Board concurred.

3. University Compacts

Ms. Pappas moved that the Board extend the date for implementation of the University Compacts to July 2009, as discussed. Mr. Perez seconded the motion, and members of the Board concurred.

7. Concluding Remarks and Adjournment

Ms. McDevitt thanked the Board members for their participation in the meeting. She said over the next few days, she would be considering the appointment of Board members to serve on the Chancellor Search Committee. She said she welcomed the ideas of her colleagues as to individuals who should serve on this important committee.

Having no further business, the Chair adjourned the meeting of the Board of Governors, State University System of Florida, at 3:35 p.m., September 25, 2008.

Sheila M. McDevitt,
Chair

Mary-Anne Bestebreurtje,
Corporate Secretary