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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, at 9:00 a.m., May 10, 2007, with the following members present: Sheila McDevitt, Vice Chair; Jorgé Arrizurieta; Dr. Arlen Chase; Ann Duncan; Charlie Edwards; Frank Harrison; Dr. Stanley Marshall; Ava Parker; Tico Perez; Gus Stavros; and John Temple.

1. Call to Order and Chair's Report

Mrs. Roberts thanked members of the Board for their participation in the conference call. She said the Legislative Session had ended Friday, May 4, 2007, although Legislators were returning to Tallahassee for a Special Session in June to address property tax issues. She commented that many individuals had spent time in Tallahassee during the Session advocating for the State University System. She thanked Board members, the University Presidents, lobbyists, Chancellor Rosenberg and Board staff, and everyone who had supported the SUS efforts, for all their hard work. She said any successes were truly the result of a team effort.

2. Chancellor's Report

Chancellor Rosenberg said he would provide a complete legislative report at the June Board meeting. He reported that the Board had received legislative support for its budget request. He said he was disappointed that faculty and staff in the University System had not received a salary increase, and would receive instead a one-time payment. He said he was pleased that Centers of Excellence had been funded with \$100 million. He reported that the Appropriations Act included a five percent tuition increase on undergraduate tuition. He added that the legislation authorizing a differential tuition to be charged by UF, FSU, and USF had also passed. He recommended that the Board wait on any action regarding tuition pending the Governor's decisions on the legislation and the Appropriations Act. He said he knew the university boards were eager to make tuition decisions to advise students about next year's costs, but he recommended waiting. He said the budget had been submitted to the Governor, who had 15 days to act. His decision was due Thursday, May 24, 2007.

Dr. Rosenberg said earlier this week, he had participated in three public hearings on "Forward by Design," in Bunnell, Lakeland and Jupiter. He said the Askew Institute

would host a two-day meeting in Tallahassee on May 14-15, 2007, to discuss the recommendations of the Pappas Report. Senator Lynn and Representative Pickens were scheduled to speak. The final hearing would be held in Tallahassee, Friday, May 25, 2007.

He reported that Governor Crist had appointed a Task Force on Campus Security and Safety which would be holding hearings around the state. Recommendations from this Task Force were due to the Governor on Thursday, May 24, 2007. He said the Governor had brought different stakeholders to the issue; the recommendations from this Task Force would be helpful to the work of Mr. Perez's committee.

Dr. Rosenberg said he was also concerned about the reports of favoritism in student loan financing. He said he had asked for information from the campuses which he planned to bring to the Board at its June meeting. He said this was an issue appropriate for management by the university boards of trustees.

The Chancellor reported that the Board's Task Force on FAMU Finance and Operational Control Issues had met twice, an initial telephone conference call and a full-day meeting in Tallahassee on April 20, 2007, to acquaint members of the Task Force on the basic issues related to finance and operational control at FAMU. He said the Task Force would meet again by telephone conference call on May 11, 2007, to review the appropriation to the Task Force and the legislative charge to the Board of Governors.

3. Action Items: Academic Affairs

A. Approval of Credit-By-Exam Equivalency List

Dr. LeMon explained that Section 1007.27, F.S., required the establishment of passing scores and course and credit equivalencies for tests used to obtain university course credits. He said this list was regularly updated and required both Board of Governors approval and State Board approval.

Mr. Edwards moved that the Board approve the Credit-by-Exam Equivalencies, as recommended by the Articulation Coordinating Committee, effective May 10, 2007, as presented. Ms. McDevitt seconded the motion, and members of the Board concurred.

B. Approval of Limited Access Status, Bachelor of Architecture, FAU

Mr. Edwards moved that the Board approve the request for Limited Access status for the Bachelor of Architecture at Florida Atlantic

University, CIP Code 04.0201, as presented. Ms. McDevitt seconded the motion, and members of the Board concurred.

C. Approval of Limited Access Status, B.A., Music, FGCU

Mr. Edwards moved that the Board approve the request for Limited Access status for the Bachelor of Arts in Music at Florida Gulf Coast University, CIP Code 50.0903, as presented. Ms. McDevitt seconded the motion, and members of the Board concurred.

D. Approval of Limited Access Status, B.S., Athletic Training, FSU

Mr. Edwards moved that the Board approve the request for Limited Access status for the Bachelor of Science in Athletic Training at Florida State University, CIP Code 51.0913, as presented. Ms. McDevitt seconded the motion, and members of the Board concurred.

E. Approval of B.S., Construction Engineering, UCF, to be 128 Credit Hours to Degree

Mr. Edwards moved that the Board approve the request that the Bachelor of Science in Construction Engineering at the University of Central Florida, CIP Code 14.0803, be authorized at 128 credit hours to degree, as presented. Ms. McDevitt seconded the motion, and members of the Board concurred.

4. Consideration of a Methodology for BOG Review of Additional Funding Requests for Type 1 Institutes and Centers

Dr. LeMon said that at its March meeting the Board had discussed an additional funding request for the State University System Type I Florida Institute of Oceanography. At that time, the Board had been advised of the existence of other Type I Institutes and Centers. The Board had asked staff to develop a methodology for the Board's review of potential budget requests for Type I Institutes and Centers.

Dr. LeMon reported that Type I Institutes and Centers, some of which had been created by statute, had been in existence for more than 30 years. He said that while there were 18 of these, only three were critical to the infrastructure of the SUS. These were the Institute for Oceanography, the Florida Center for Library Automation, and the SUS Press. He described these three as being necessary to the well-being of the SUS, as platforms for activities by the universities. He said the remaining 15 Institutes and centers focused on research and service activities, with varying levels of statewide focus. He said he was not recommending termination of any of the institutes, nor the transfer of any funds. He explained that the Board's Budget Request had included

some enhancement funding for the Florida Center for Library Automation, which assists the SUS libraries in providing access to collections, and this request had not been funded by the Legislature. He explained the SUS Press as the publishing arm of the SUS, accessed and utilized by all the universities, and that it had had no significant budget increase since its inception 65 years ago.

Dr. LeMon reviewed the staff recommendations. He said the "Type I" designation was outmoded and dysfunctional, and should be discarded. The three infrastructural entities should receive an entirely new designation. He said that their operational budgets should remain in the university base budgets which currently housed them, but they should have additional budget requests considered by the Board of Governors. These budget requests should be reviewed by the Council of Academic Vice Presidents, which should present a positive or negative recommendation to the Board. He said any of the remaining 15 Institutes could aspire to the new designation, and budget requests would also be reviewed by the CAVP. Of these, only those receiving a positive budget recommendation from the CAVP would be submitted for further Board consideration. The remaining Institutes would remain with their host institutions, and their budgets considered wholly within the purview of the host institution.

Ms. McDevitt moved that the Board approve the proposed methodology for Board of Governors review of additional funding requests for Type I Institutes and Centers, as presented. Dr. Chase seconded the motion.

Mr. Perez inquired whether any of the universities had commented on these recommendations. Dr. LeMon said he had heard only from Provost Abele that he was receptive to the enhancement of the SUS Press. He assured the Board that he was not recommending the termination of any of these Institutes, but rather the termination of a designation. He was extending an invitation for any Institute to re-submit to be considered for a "State of Florida" designation, recognizing that not all 15 would automatically achieve that status.

Mr. Perez inquired about the funding of these other Institutes. Dr. LeMon said they were currently included in the budgets of their host institutions. Any budget increases would be considered and recommended within the budgets of the host institutions.

President Genshaft said this was a good proposal for the Florida Institute of Oceanography. Dr. Rosenberg said there should be further discussion as to the oversight of these Type I Institutes, as the oversight capacity of the Board of Governors was limited. He said it was a prudent first step to indicate clearly that these Institutes were within the direct operating purview of the universities.

Mrs. Roberts said she viewed this as doing the right thing for the System. Mr. Perez said that he wanted to be certain that as these Institutes were located, no harm was done to their budgets. He said he agreed with the proposal.

There were no further comments, and members of the Board concurred in the motion.

5. Action Items: Facilities Committee

A. Delegation of Authority to Approve University Alternative Financing Arrangements (Derivative Policies)

Mr. Kinsley explained that the Board had approved Debt Management Guidelines for all of the universities. The Board's Debt Management Guidelines required that a comprehensive derivatives policy should be established by the university or direct-support organization prior to approving transactions using derivatives products. He recommended that the Board delegate authority to approve these university comprehensive derivative policies to the Chancellor, as each would be unique to the university.

Ms. Parker moved that the Board delegate authority to the Chancellor to approve comprehensive derivative policies established by the universities or their direct support organizations, subject to the requirements of the BOG Debt Management Guidelines and Section 1010.62, F.S., as presented. Ms. McDevitt seconded the motion, and members of the Board concurred.

B. Approval of a Resolution Authorizing the Issuance by the USF Financing Corporation of Certificates of Participation to Finance a New Student Residence and Dining Hall on the Tampa Campus, USF

Ms. McDevitt said she was familiar with interest rate swap agreements; they were time-sensitive. She inquired whether there was a band of fixed-rate interest on the synthetic swap agreement, a "collar." Mr. Kinsley said he thought there was; he would confirm this with USF. He noted that the Division of Bond Finance had reviewed this proposal.

Ms. Parker moved that the Board adopt the resolution approving the issuance of fixed or 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 \$80,000,000 (the "2007A Certificates") for the purpose of financing the construction of a new student residence hall containing approximately

1,056 beds and a dining facility on the Tampa Campus, USF, as presented. Ms. McDevitt seconded the motion, and members of the Board concurred.

- C. Approval of a Resolution Requesting the Division of Bond Finance of the State Board of Administration of Florida to issue Revenue Bonds on behalf of FSU to Finance Construction of a multi-level Parking Garage on the Main Campus, FSU

Mr. Kinsley noted that the Board had previously considered the proposal for the financing and construction of Parking Garage Five at FSU. He said the Board's prior approval had pre-dated the approval of the new Debt Management Guidelines, and the location of the Parking Garage had changed. He said he thought it prudent to re-submit the proposal for Board consideration.

Ms. Parker moved that the Board adopt the resolution approving the issuance of fixed rate, tax exempt, revenue bonds, by the Division of Bond Finance, on behalf of Florida State University, in an amount not to exceed \$13,230,000 for the purpose of financing the construction of a multi-story Parking Garage (Parking Garage Five) on the main campus, FSU, as presented. Ms. Duncan seconded the motion, and members of the Board concurred.

- D. Authorize Release of Funds from the University Concurrency Trust Fund in accordance with the Campus Development Agreement between the USF Board of Trustees and the City of Tampa

Mr. Kinsley explained that the release of these funds was to pay the City of Tampa for the impacts of university growth to 2015. Ms. Duncan said she understood the Concurrency Trust Fund currently had cash of \$4.7 million. Mr. Kinsley said there was more than \$50 million included in the budget for 2007-2008, from which the balance could be paid.

Ms. Duncan moved that the Board approve the allocation and authorize the Department of Education to release funds in the amount of \$5,273,205 to the City of Tampa, Florida, as agreed in the Campus Development Agreement between the University of South Florida Board of Trustees and the City of Tampa, contingent upon sufficient budget authority. She explained that the funds should be allocated from the current allocation and the balance paid upon their availability in the next budget cycle. Ms. Parker seconded the motion, and members of the Board concurred.

6. Miscellaneous

Mr. Temple inquired about the timetable for the Pappas Report, and when recommendations would be brought forward to the Board for its consideration. Dr. Rosenberg said he had been in consultation with the Chair of the Strategic Planning Committee. He said he hoped to bring the staff report to the Board in June, with the adoption of recommendations by the Board in September.

Ms. Parker noted that the Pappas Report might or might not be the Board's plan. Dr. Rosenberg said he hoped to present the plan to the Board for discussion in September. Mrs. Roberts added that the Board might not necessarily be ready with the final report in September. She said she was pleased that there was such interest in this study expressed by numerous editorial boards and by members of the Legislature.

Mr. Perez cautioned temperance in what was written. He recommended that the report make statements of broad ideals, noting that certain ideas and concepts had lives of their own. President Hitt said he hoped the University Presidents could participate in a meaningful way in the final recommendations. Mrs. Roberts said she welcomed their comments.

7. Adjournment

Having no further business, the Chair adjourned the meeting of the Board of Governors, State University System of Florida, at 9:45 a.m., May 10, 2007.

Carolyn K. Roberts,
Chair

Mary-Anne Bestebreurtje,
Corporate Secretary