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FLORIDA BOARD OF GOVERNORS
H. MANNING EFFERSON BALLROOM – STUDENT UNION
FLORIDA A & M UNIVERSITY
TALLAHASSEE, FLORIDA
FEBRUARY 23, 2006

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The Chair, Carolyn K. Roberts, convened the meeting of the Board of Governors in the H. Manning Efferson Ballroom, Student Union, Florida A & M University, Tallahassee, Florida, at 11:45 a.m., February 23, 2006, with the following members present: Jorge Arrizurieta; Dr. Akshay Desai; Ann Duncan; Charles Edwards; Joe Goldberg; Dr. Stanley Marshall; Frank Martin; Sheila McDevitt; Lynn Pappas; Ava Parker; Dr. Martha Peláez; Tico Perez; Commissioner John Winn; and Dr. Zach Zachariah.

1. Call to Order and Chair's Report

Mrs. Roberts thanked President Bryant's excellent staff for their hospitality. She said Dr. Bryant was not able to be here because of a death in the family; she expressed her sincere thoughts and prayers to the family. She thanked Provost Austin for serving as a wonderful host.

Dr. Austin welcomed the Board members, University Presidents and others to the "highest hills" in Tallahassee and to Florida A & M University. She expressed her appreciation for their continued support of the University, noting that FAMU did not seek merely to be the best HBCU, but one of the best universities in the nation.

Mrs. Roberts welcomed the new Board members. She introduced Mr. Jorge Arrizurieta, from Miami. She said he was the President of the Florida Free Trade Association of the Americas, and a protégé of a very fine Floridian, Mr. Alec Courtelis, with whom she had served on the Board of Regents. She said Mr. Arrizurieta had previously served as a member of the Postsecondary Education Planning Commission. Mr. Arrizurieta said he looked forward to his work on this Board. He said he was honored to have been asked to serve by Governor Bush.

Mrs. Roberts also welcomed Mr. Frank Martin, who was appointed to replace Mr. Bill McCollum. She said Mr. Martin was a Vice President and Division Manager with Post Buckley Schuh & Jernigan, based in Tallahassee. She said he had earned his undergraduate degree at Tennessee State University, and a Master's in Urban and Regional Planning at Fisk University. Mr. Martin said he looked forward to working with his colleagues on this Board and learning about the State University System.

Mrs. Roberts reported that over the past few weeks, she had been meeting with legislators on the Board's issues for the 2006 Session. She said that they had spoken

to her of a larger role for the Board of Governors in its relationship with the Boards of Trustees. She said she had responded that she had confidence in the new governance structure; the University Boards had important management responsibilities for the universities. It was critical, however, that the University Boards have clear processes and accountability measures in place. This would ensure that decision-making would be sound on all levels.

She said it was once again time for the Legislative Session, a very important time for the State University System. She said with 17 Board members and 143 University Trustees, there were many voices to support the universities. She said she was determined to have a good relationship with the Legislature. She said it was clear to her that legislators recognized the value of the universities to the economic health of the state, and they needed to hear from Board members on these issues. She said both the Legislature and this Board had important roles to play in supporting the State University System.

She reported that the House had prepared a large, 295-page bill on governance, which purported to codify through the statutes, the responsibilities of the State Board of Education, the Board of Governors, and the University Boards of Trustees. She said the current statutes predated the Board of Governors. As a result, there were numerous conflicting provisions. She said the discussions were just beginning; she said she hoped to improve upon the proposal in a positive way.

Mrs. Roberts noted that access to a baccalaureate degree had been widely discussed since the previous summer. She emphasized that this Board and the universities were dedicated to providing citizens access to a bachelor's degree. She said she had asked the Chancellor to survey the universities on all their program offerings, e.g., off campus, joint-use, partnership, distance learning, so that the Board would know all the ways in which the universities were providing program services.

Mrs. Roberts said the Board meeting would be very short, and would be followed by a lengthy Medical Education Workshop in the afternoon. She noted that the Board had been engaged in these discussions since December 2003. With five new members, however, it was important that all the members be prepared to vote on this important issue. Dr. Michael Whitcomb, Senior Vice President for Medical Education with the Association of American Medical Colleges, had been engaged by the Board to help lead the discussion and respond to questions. She said it was her intent that the Board vote on this matter at the March 23, 2006, meeting.

Mrs. Roberts said she had made new committee assignments. She reported that several members would be new Committee Chairs: Ms. Ann Duncan, Economic Development; Dr. Zach Zachariah, Finance; and Mr. Charlie Edwards, Performance and Accountability. She thanked them for accepting these new responsibilities and thanked the other Board members for their continued excellent service. She said the next meeting of the Board would be held March 23, 2006, in Tallahassee, at FSU.

2. Approval of Minutes of Meeting held January 26, 2006

Ms. McDevitt moved that the Board approve the Minutes of the meeting held January 26, 2006, as presented. Dr. Zachariah seconded the motion, and members of the Board concurred.

3. Chancellor's Report

Dr. Rosenberg said spring was traditionally the time for "spring break." He told the Board about "alternative spring break," in which many students participate. Students had the opportunity to work in communities where they had never spent time. He described students going to Albany, Georgia, to build a house with Habitat for Humanity; students going to New Orleans to work with the homeless and impoverished; students traveling to Nashville to participate in a program for disability awareness.

He said he was getting prepared for the Legislative Session, and that the Board should be focused on the critical issues, particularly achieving full funding of the Board's Legislative Budget Request. He said he had begun conversations on the governance bill, and believed that Legislators were willing to be flexible. He said it was especially crucial that all the voices of the System spoke the same message. He said to enhance the System, the voices would need to speak loudly and clearly.

He thanked the Florida Student Association and Mr. Goldberg for raising their concerns about the proposed tuition recommendations in the Governor's Budget. He said they had made the point that the quality of education was not just about low tuition, but also about faculty and staff salaries, the NET initiative, and other requests within the Board's LBR. He said he would bring back to the Board policies and procedures on bonding consistent with the Board's directives in January.

Dr. Rosenberg reported that the community colleges had completed their Strategic Plan, which was considered by the State Board of Education earlier in the week. He noted that approximately 50,000 students transferred to the universities from the community colleges each year, so it was important that the universities work collaboratively with the community colleges. He reported that the Access Task Force had also completed its work. He said he would bring its recommendations to the Board for its consideration.

Dr. Rosenberg introduced a new staff member to the Board, Mr. Ramon Padilla, Director, Information Resource Management. He said Mr. Padilla had previously worked as CIO for a large metropolitan government in Kentucky. He also thanked Dr. R.E. LeMon and Dr. Krista Mooney for the excellent staff work in preparing the materials for the Medical Education Workshop.

4. Commissioner's Report

Commissioner Winn said the State Board of Education had approved the cut scores for the FCAT science test which was given to fifth graders, eighth graders and high school juniors. He said the Board would consider at its March meeting a proposal to include FCAT science results in the grading of K-12 schools, in hopes that this would improve science education in Florida.

He said the Board had also adopted the Community College Strategic Plan which was consistent with this Board's Strategic Plan and its values. The Plan addressed articulation, high school graduation and workforce. He said an item of concern to this Board was the offering of baccalaureate degrees by the community colleges. He said the current statute authorizes the colleges to deliver "specified baccalaureate degree programs...to meet local workforce needs." The statute requires that demand for the program be identified by the local workforce board, that unmet need for graduates of the program be substantiated, that the college has institutional capacity, and whether a post-secondary institution is able to answer the need. He said he would continue to work with BOG and ICUF staff to utilize existing institutions to fulfill the needs. He reported that the State Board had approved a Bachelors of Applied Science in Fire Safety at Florida Community College in Jacksonville.

Commissioner Winn reported that the previous week, at the invitation of the Secretary of Education, Margaret Spellings, he had joined others in announcing the availability of \$750 million for scholarships for students who were Pell Grant-eligible. To qualify, students entering post-secondary education this coming fall must have taken a rigorous high school curriculum. In addition, there was an additional \$4000 per year for junior and senior college students majoring in math, science, engineering or foreign languages, fields identified by the Department of Homeland Security as critical for national security.

5. Consideration of Amended 2006-2007 State University System Fixed Capital Outlay Legislative Budget Request

Ms. Parker said the Facilities Committee had reviewed and discussed all the component pieces of the Amended 2006-2007 State University System Fixed Capital Outlay Legislative Budget Request. She moved that the Board adopt the amendments to the 2006-2007 State University System Fixed Capital Outlay Legislative Budget Request, as presented and revised by the Facilities Committee, and further, authorize the Chancellor to make technical corrections, as necessary. Ms. McDevitt seconded the motion, and members of the Board concurred.

6. Consideration of Amended 2006-2007 Legislative Budget Request, Utility Increases

Mr. Tim Jones said the Administrative Vice Presidents had raised a concern about rapidly escalating utility costs. He said the 2006-2007 Legislative Budget Request included a request for \$7.2 million to fund utilities and operations of new facilities coming on-line throughout the 2006-2007 fiscal year. He noted that since funding for utility increases for existing facilities had not been requested in prior years, the universities have had to utilize E & G funds to pay for increased rates, thus limiting their ability to meet course demand and increase degree production. He said the significant additional utility costs seemed to warrant an additional funding request.

Dr. Peláez moved that the Board approve the amended 2006-2007 Legislative Budget Request issue on utility increases totaling \$20.7 million, reduce the original increased Cost of Operations issue from \$11.7 million to \$9.9 million, and authorize the

Chancellor to make technical corrections, as necessary. Ms. McDevitt seconded the motion.

Ms. McDevitt inquired about the increases projected by investor-owned companies. Mr. Jones responded that each campus had provided comprehensive cost information from its utility providers and the expected increases per gross square foot.

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

7. Consideration of Amended 2006-2007 Legislative Budget Request, Construction Cost Escalation

Ms. Parker said the Facilities Committee had also had a lengthy discussion on an amended Legislative Budget Request to address construction cost escalation. She said the Committee members had many questions about the request and concerns about the projects included in the request. She said the Committee members had recommended having a conference call prior to the March meeting. She said staff had been asked to clarify the criteria to be used to present the requests for funding and Board members should provide their additional questions. She said this needed to be done quickly so as not to lose the opportunity for funding the request. She said she wanted the universities to recover legitimate construction cost escalation, but that the list should also reflect these project costs credibly.

Ms. Parker said Chancellor Rosenberg had suggested that a task force should review all the issues surrounding PECO funding, and what might be done differently with PECO to get more funds for the universities.

8. Consideration of Amended 2006-2007 Legislative Budget Request, Additional Board General Office Funding

Mr. Jones said the agenda also included information about an amendment to the 2006-2007 Legislative Budget Request for additional Board General Office funding. He explained the history of positions eliminated with the abolition of the Board of Regents, and the transfer of positions to the Department of Education. He said the Board needed several new positions with staff expertise now lacking, as well as additional funds to increase the salary rate of existing positions.

Mr. Edwards expressed a concern that this request was too small and that the Board had not asked for enough support. Mrs. Roberts said she understood this concern, but that she was also sensitive to concerns about overreaching.

Dr. Peláez moved that the Board approve an amendment to the 2006-2007 Legislative Budget Request to request additional funds needed to support Board activities, as presented, and further, authorize the Chancellor to make technical corrections, as necessary. Ms. McDevitt seconded the motion, and members of the Board concurred.

9. Status Report, Student Affairs Committee

Ms. McDevitt reported that the Student Affairs Committee had met with the Governor's Commission on Access and Diversity to discuss programs and partnerships and activities reaching out to middle school students. She said the members had heard several excellent presentations, including meaningful life stories from several students. She said the Committee and Commission would meet next on March 22, 2006, at which time the agenda would be about university retention efforts and activities to ensure student success.

10. Adjournment

Having no further business, the Chair adjourned the regular meeting of the Florida Board of Governors at 12:30 p.m., February 23, 2006.

Carolyn K. Roberts,
Chair

Mary-Anne Bestebreurtje,
Corporate Secretary