

MINUTES  
BOARD OF GOVERNORS  
STATE UNIVERSITY SYSTEM OF FLORIDA  
FACILITIES AND BUDGET COMMITTEES  
FLORIDA STATE UNIVERSITY  
BALLROOM, ALUMNI CENTER  
TALLAHASSEE, FLORIDA  
MARCH 27, 2008

Ms. Ava Parker, Chair, Facilities Committee, convened the meeting to consider the matters related to the Facilities Committee of the Board of Governors, at 8:10 a.m., in the Ballroom, Alumni Center, Florida State University, Tallahassee, on March 27, 2008. Members of the Facilities Committee present were: Dr. Arlen Chase; Dr. Stanley Marshall; Sheila McDevitt; and Commissioner Eric Smith. Following consideration of the Facilities items, Mr. Perez, Chair, Budget Committee, assumed the gavel. Members of the Budget Committee present were: Ann Duncan; Sheila McDevitt; Lynn Pappas; and Commissioner Eric Smith. Dr. Zach Zachariah participated via telephone conference call. Other Board members who participated in the meeting were: Carolyn K. Roberts and Gus Stavros.

1. Approval, Issuance of University Debt

- A. A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration of Florida to issue Revenue Bonds on behalf of Florida Atlantic University to finance construction of an Apartment Style Residence Hall, Main Campus, FAU

Mr. Perez moved that the Facilities Committee recommend the adoption of a resolution approving the issuance of fixed rate, tax-exempt revenue bonds, by the Division of Bond Finance on behalf of Florida Atlantic University, in an amount not to exceed \$55,300,000 for the purpose of financing the construction of an apartment style residence hall containing approximately 600 beds on the Boca Raton campus of Florida Atlantic University, as presented. Dr. Chase seconded the motion, and members of the Committee concurred.

- B. A Resolution of the Board of Governors Authorizing the Issuance by the Florida Gulf Coast University Financing Corporation of Tax-Exempt Revenue Bonds to Finance the Construction of a Student Residence Facility, Main Campus, FGCU

Dr. Chase moved that the Facilities Committee recommend the adoption of a resolution approving the issuance of fixed or variable rate,

tax-exempt revenue bonds, by the Florida Gulf Coast University Financing Corporation, in an amount not to exceed \$22,000,000 for the purpose of financing a Student Residence Facility on the main campus of Florida Gulf Coast University, as presented. Mr. Perez seconded the motion, and members of the Committee concurred.

- C. A Resolution of the Board of Governors Authorizing the Issuance by the Florida Gulf Coast University Financing Corporation of Tax-Exempt Revenue Bonds to Finance the Construction of a Parking Garage, Main Campus, FGCU

Ms. Parker advised the Committee that Florida Gulf Coast University had asked to withdraw consideration of the financing of a parking garage for further review.

2. Consideration, Amend the 2008-2009 Fixed Capital Outlay Legislative Budget Request

Ms. Parker said the materials included proposed amendments to the 2008-2009 Fixed Capital Outlay Legislative Budget Request. She explained that UWF and FAMU had requested changes within the 2008-09/2010-11 Three-Year PECO Project Priority List; the suggested changes were within the universities' previously approved allocation. She reported that a UF project, the East Campus Office Building, had been added to the list of 2008-2009 Projects Requiring Legislative Approval to be Constructed, Acquired and/or Financed by a University or a University Direct Support Organization. Further, she explained that the Board had approved moving forward with projects funded by the Capital Improvement Fee Trust Fund. She said \$160 million was available for these projects. Each university had developed a list of projects in consultation with its students. The projects on the list addressed student needs, including health centers and career-service facilities. She noted that student fees funded these projects.

Ms. Parker read a statement from Mr. Moseley who had a class commitment and could not attend the Committee meeting. She noted that he had recommended advancing these projects.

"I want to express our sincere appreciation for everyone's support of the Capital Improvement Trust Fund projects. These projects have all received student input. In the case of the University of Florida, a committee composed of 50 percent students and 50 percent faculty and administration reviewed proposals and advanced recommendations that the Board now has the opportunity to approve. I urge the Board of Governors to approve these recommendations as these projects are vital to student life. Thanks again for your continuous support."

Mr. Perez moved that the Committee approve the 2008-2009 SUS Fixed Capital Outlay Legislative Budget Request, as amended, and further, authorize the Chancellor to make technical adjustments to the 2008-2009 SUS Fixed Capital Outlay Legislative Budget Request, as required. Dr. Marshall seconded the motion, and members of the Committee concurred.

Ms. Parker handed the gavel to Mr. Perez, Chair, Budget Committee, for consideration of the Budget items on the agenda.

3. Approval of Minutes of the Budget Committee Meeting held January 24, 2008

Ms. Duncan moved that the Committee approve the Minutes of the Budget Committee meeting held January 24, 2008, as presented. Ms. McDevitt seconded the motion, and members of the Committee concurred.

4. Consideration, 2009-2010 Legislative Budget Request Guidelines

Mr. Perez said the 2009-2010 Legislative Budget Request Development Guidelines were found in the Committee Agenda, page 62. He said the Board approved the Guidelines each year in March, with August Board action on the Budget Request. He said that because the universities would be focusing on reduced funds, the discussions regarding the University Compacts with the BOG would be delayed. As a result, references to the University Compacts should be deleted from the Guidelines, including the reference to Board approval of these Compacts by the Board in June, both in relation to the operating budgets and to the fixed capital outlay budgets. He said the University Compacts would now be considered by the Board in November.

Dr. Chase moved that the Committee approve the 2009-2010 Legislative Budget Request Development Guidelines for the operating and fixed capital outlay budget, as amended, and further, authorize the Chancellor to make technical amendments and adjustments based on the final 2008-2009 Legislative appropriations. Ms. Pappas seconded the motion, and members of the Committee concurred.

5. Approval, Auxiliary Facilities with Bond Covenants Requiring Approval of 2008-2009 Operating Budgets

Mr. Perez said a review of the operating budgets demonstrated that the various auxiliary enterprises had sufficient revenue to cover their debt obligations. He said staff had carefully reviewed all the budgets.

Dr. Chase moved that the Committee approve the estimated 2008-2009 operating budgets for auxiliary facilities that had bond covenants requiring Board approval, as presented. Ms. Pappas seconded the motion, and members of the Committee concurred.

6. Approval, Amendments to the 2008-2009 Legislative Budget Request, Recommended by the Emergency Preparedness and Campus Safety Task Force

Mr. Perez said that during the meeting of the Emergency Preparedness and Campus Safety Task Force, a motion was made and approved to amend the 2008-2009 Legislative Budget Request. He said the Task Force had been formed at the request of the Board Chair to make recommendations on university security needs. He said the members of the Task Force were keenly aware of the budget constraints, but had identified \$18 million of needs for additional funds. The Task Force had identified what was needed for SUS safety, recognizing that the universities were already doing what they could within existing resources.

Mr. Perez moved that the Committee approve the recommendations of the Student Affairs Committee to amend the 2008-2009 Legislative Budget Request, as follows:

- \$13.8 million for enhancement of notification systems at each university;
- \$600,000 for 100 percent FTE emergency managers at six universities which currently did not have dedicated positions;
- \$3.08 million for funding 61 additional police officer positions to move closer to achieving the national standard for community policing of 1:500 as advanced by the International Association of Chiefs of Police. (This funding would achieve the 1:600 standard that the SUS Chiefs of Police offered in view of the current budget situation.); and
- \$590,000 for training and tactical equipment (inclusive of enhanced body armor, bullet resistant helmets, rifles and accessories) to improve the response of university police in the event of an active shooter.
- For a total request of \$18,070,000.

Ms. Pappas seconded the motion.

Mr. Stavros said the additional funds were for safety. He said the Board should be heard speaking out that these funds were necessary to safeguard students on the SUS campuses.

Mr. Perez said the Chancellor had presented this funding request to the House Committee on Homeland Security and Public Safety. He said by adding it to the 2008-2009 Legislative Budget Request, the Board was making a statement about the importance of these needs. He also encouraged the universities to do what they could to get to the suggested levels of support. Ms. Parker added that some of the Task Force recommendations did not carry a dollar value. She encouraged the universities to implement those recommendations.

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

7. Appropriate and Predictable Funding

Mr. Perez said the presentation on Appropriate and Predictable Funding would be heard at the June Board meeting.

8. Enrollment Plan Update

Dr. Nate Johnson reported that population projections for Florida had been revised downward over the past 18 months. He said that demand for SUS enrollment would continue to grow, but not as fast. He noted that the impact of the changing race/ethnic mix in Florida was uncertain. He noted that funded capacity was the constraint on growth, not student demand for access to the SUS. He said the focus for the universities would be on protecting each university's base funding and serving the students already enrolled. He said the Agenda included an amended enrollment plan for 2008-09 which included no funded growth. He noted that the universities did hope to return to some sustainable growth in future years. He said the amended enrollment numbers were found on pages 89 and 90 of the Committee Agenda.

Ms. Duncan moved that the Committee approve the adjusted enrollment plan for 2008-2009, as presented. Ms. McDevitt seconded the motion.

Dr. Rosenberg said that even with the reduced enrollment plan, the SUS remained committed to maintaining the close relationship with the community colleges. He said the plan might have an impact on freshman enrollment until the universities were able to increase the enrollment numbers. Ms. Duncan said it was important to send the message that it was not the intent of this Board to affect its commitment to the community colleges. Mr. Perez concurred that it was clear this commitment was not an issue.

Dr. Chase commented that with the budget cuts coming from the Legislature and the self-imposed cuts the universities were making on their own, the universities should have the flexibility they needed in enrollment management. He suggested that it might be wise to rethink this issue after Session.

Commissioner Smith said the "2 plus 2" system of articulation in Florida was very important. He said the Board should be clear about this positive relationship.

Dr. Chase inquired whether the universities had any flexibility in the timing of these enrollment reductions. Dr. Johnson explained that the recommendation gave the universities flexibility in timing their enrollment to the funded levels. He said the Board was not directing the universities to reduce their enrollment.

Dr. Johnson said that some analysts had suggested that the race/ethnicity of student populations would have a major impact on SUS enrollment. He said that if the

universities' enrollment grew at the rate of population projections and at the rates of expected participation in higher education of minority groups, there should be lower level of demand for higher education. He noted, however, that demographics alone might not determine growth rates. He noted that 1990 projections for Fall 2007 were under projected using age group participation rates and also by using age group and race/ethnicity participation rates. He said participation rates in the SUS analyzed by age and by race/ethnicity had increased. He said it was funded capacity in the System, not student demand that was constraining growth.

President Hitt inquired whether there had been any projections made as to what would happen as the two-year institutions grew into four-year institutions. He said a presentation on that would be helpful, as well as insight into the proposed four-year college system.

Dr. Rosenberg said the universities were working more closely with the community college system on shared responsibilities. He said they were having better conversations on these issues, including the recent legislation regarding the four-year college system. He said that Governor Crist had acknowledged the importance of the "2 plus 2" system, and had expressed the hope that the House and Senate would find the resources to fund these transfer students. He suggested that after Session, the Board could have a more formal discussion about the movement of transfer students into the SUS.

Ms. Parker said she understood that the universities were responsible to the students currently enrolled and the impact on them of unfunded enrollment. She wondered about the impact on students who were not being admitted to the universities.

President Hitt explained that UCF accepted about half of its applicants, and about half of those accepted came. He commented that UCF was already rejecting about 13,000 to 14,000 students. He said further enrollment limitations might mean another 500 to 1000 rejection letters. He said he did not have an answer for the additional rejection letters.

President Cavanaugh said the question would be what was the tipping point regarding rejection letters. He said he had raised this question previously. If the universities were maintaining flat-line enrollment, this provided additional incentives to the community colleges to offer the baccalaureate degree. If students were rejected in their applications to the universities as freshmen and then, these additional students enrolled at the community colleges, these were further incentives to the community colleges to grow their baccalaureate programs.

Mr. Perez recommended that these were issues for further discussion by Ms. McDevitt's Student Affairs Committee.

Ms. Duncan inquired whether the enrollment recommendations being adopted had a negative impact on the decisions being made at the campuses. President Hitt said he understood the recommendation that universities admit no more freshmen than the previous year. He commented that as more were rejected, the numbers of students enrolling in the fall might increase. He said the universities were working hard to raise their retention rates, but it was getting more difficult to predict the results of the admissions process. He said he did worry about the timeline for the universities to implement all these changes.

Mr. Perez said he did not believe there was a negative impact for this year, and the recommendations were a message about the impact of the universities' budget constraints.

There were no further comments. Members of the Committee concurred in the motion, with Dr. Chase, Ms. Duncan and Ms. Parker voting no.

9. Miscellaneous

Mr. Perez commented that the budget recommendations for the State University System made by the House and Senate reflected their commitment to higher education. He said there might be disagreements, but all shared a passion for higher education. He said it was difficult to cap enrollment, but that it was a realistic action. He added that the recommendations from the Emergency Preparedness and Campus Safety Task Force for additional dollars for the universities were essential to the safety of students on the campuses.

10. Adjournment

Having no further business, Mr. Perez adjourned the joint meeting of the Facilities Committee and the Budget Committee at 8:50 a.m., March 27, 2008.

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Tico Perez, Chair  
Budget Committee

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Ava Parker, Chair  
Facilities Committee

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Mary-Anne Bestebreurtje,  
Corporate Secretary