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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., May 8, 2008, with the following members present: Sheila McDevitt, Vice Chair; Dr. Arlen Chase; Ann Duncan; Charlie Edwards; Dr. Stanley Marshall; Lynn Pappas; Ava Parker; Tico Perez; Commissioner Eric Smith; Gus Stavros; John Temple; Norman Tripp; and Dr. Zach Zachariah.

1. Call to Order and Chair's Report

Mrs. Roberts thanked members for their participation in the conference call. She reported that the Legislature had concluded the Session the previous week. With a tight budget, Legislators had to make difficult choices about priorities and budget cuts. She said the State University System would also have to absorb its share of cuts. She noted that President Machen had already announced proposed reductions at UF. She said it was important during these tough times to remember the Board's goal, the continued quality and excellence of the State University System. She thanked the Presidents and the members of the Boards of Trustees for their work in sustaining their universities while having to make difficult budget choices.

She said this had also been a difficult Session for this Board as the Board had been at the center of the debate about education governance. She noted that while the proposed restructuring had failed, it was now more important that the Board focus on its strategic vision for the University System and continue the discussion about the significance of the SUS to the economic health of this state. She thanked all the members of the Board, the Presidents and university staff, the Chancellor and his staff, for the great team effort. She said the Board's focus would remain on its mission, on educating and graduating students, on research to advance the state, and on service to the state. She said she wanted to extend a hand to Legislators to work with them jointly to build a great University System.

Mrs. Roberts said there were many others who had assisted the Board in conveying its message to the Legislature. She thanked numerous business leaders throughout Florida who had made calls to Legislators. She thanked members of the Council of 100, particularly the Chair of the Council's Education Committee, Mr.

Marshall Criser, for their early strong statement of support. She said the Florida Chamber of Commerce and its members had also voiced their support. She also thanked editorial boards from newspapers all over the state which had supported the work of this Board and encouraged Legislators not to entertain a third major overhaul of higher education in less than a decade. She said this support was based in the belief that a great state was dependent on a great university system.

Mrs. Roberts welcomed Mr. Norman Tripp as the newest member of the Board. She said Governor Crist had appointed Mr. Tripp on April 1, 2008, to succeed Mr. Jorge Arrízurieta who had been appointed by this Board to the Board of Trustees at FIU. She said she would welcome Mr. Tripp more formally at the June Board meeting.

Mr. Tripp said he was excited to join this Board. He said friends had asked him about joining this Board while the Legislature was considering a restructure of the Board's duties. He said he had been asked to serve by Governor Crist and he could not be sure he would be asked a second time. He said he had been attending Board meetings during his service as a university trustee and he looked forward to serving as a member of this Board. He said he hoped to be a good contributing member.

2. Chancellor's Report

Dr. Rosenberg said action by the Legislature made moot action by this Board on the recommendations from the Research and Economic Development Committee on the 2007-2008 Centers of Excellence Program. He extended sincere thanks to Mr. Joe Lacher, Chair, Florida Technology, Research and Scholarship Board, for his leadership and the extensive work by the FTRS Board in making its recommendations on the Centers of Excellence. He said he was confident the program would resume next year.

He gave the Board the sad news that Mr. Joe O'Shea's mother had passed away suddenly last week. He commented that Mr. O'Shea, the FSU student selected as a Rhodes Scholar last fall, had been recognized by this Board at the January meeting. He said his thoughts and prayers were with the four O'Shea siblings who had lost both parents in the past year.

3. Approval, Tuition and Fees, Fall 2008

Dr. Rosenberg said there had been ongoing discussions about tuition and fees. He said there were discussions that certain increases would not be covered in the Bright Futures awards to students. He said to avoid confusion he recommended that the Board revisit its earlier action.

Mr. Perez noted that this action had come to the Board through the Budget Committee. He said he concurred with revisiting the earlier decision. He moved that the Board adopt the following tuition policy for fall 2008 as a commitment to quality,

keeping tuition affordable for students and families, providing flexibility to the universities, and safeguarding the best interests of our students and universities:

1. University Boards of Trustees shall increase undergraduate tuition by six percent, which would equal \$4.64 per student credit hour for a maximum base tuition of \$82.03. Seventy percent of the increased revenue shall be directed to the reduction of student-faculty ratio and related support and administrative costs and 30 percent to need-based financial aid.
2. University Boards of Trustees are authorized to set graduate and professional tuition and all out-of-state fees.
3. University Boards of Trustees that meet Funding Level I or Level II definitions outlined in section 1004.635(3), Florida Statutes, may implement a differential undergraduate tuition as follows:
 - a. Funding Level I institutions may implement a differential undergraduate tuition that does not exceed 40 percent of base tuition. The combination of a base tuition increase and a differential tuition increase may not be increased by more than 15 percent annually. The maximum differential tuition for fall 2008 shall not exceed \$6.96 per student credit hour above the \$82.03 maximum base tuition.
 - b. Funding Level II institutions may implement a differential undergraduate tuition that does not exceed 30 percent of base tuition. The combination of a base tuition increase and a differential tuition increase may not be increased by more than 15 percent annually. The maximum differential tuition for fall 2008 shall not exceed \$6.96 per student credit hour above the \$82.03 maximum base tuition.
 - c. The following categories of students are exempt from any differential tuition: students who were in attendance at a university as of July 1, 2007 and who have maintained continuous enrollment, and students who are beneficiaries of prepaid tuition contracts that were in effect on July 1, 2007.

Ms. McDevitt seconded the motion.

Dr. Chase said with current budget reductions, universities needed tuition revenue to make up the differences in their budgets. He said the universities needed some latitude. Mr. Perez said he believed that latitude was found in the prefatory remarks, but not in the formal statement of the motion.

Dr. Rosenberg said the recommendation was to direct 30 percent of the additional revenue to need-based aid and to direct 70 percent to fill in gaps in funding to address student-faculty ratio and related support and administrative costs. He said he had made a commitment to the Governor that the SUS would work toward the goal of directing 30 percent of additional revenue to need-based aid.

Dr. Chase said he continued to be concerned about worsening student-faculty ratios in the SUS. He said he wanted to give the University Presidents as much flexibility as possible. President Hitt said he thought the recommendation could be broadly interpreted. Mr. Perez said he believed the critical recommendation was the directive of the 30 percent to need-based aid.

President Wetherell commented that the universities had already absorbed significant cuts during the past year. He encouraged the Board to give the universities flexibility with the additional revenue and not recommend a specific percentage of the funds directed to certain activities, such as faculty-student ratios. He said the universities were already working to address problem areas and should get credit for what they were already doing. He suggested that each university be given the opportunity to submit a plan on ways to increase need-based aid. Dr. Rosenberg said this might be addressed if the recommendation regarding the percent allocation began with the words, "It is recommended that.." and the word "shall" be replaced by the word "may."

President Hitt said the recommendation should include the requirement that 30 percent be directed to need-based financial aid. Mr. Perez moved the following as a restatement of the second sentence in 1., as follows: "It is recommended that 70 percent of the increased revenue may be directed to the reduction of student-faculty ratio and related support and administrative costs and 30 percent shall be directed to need-based financial aid." Ms. McDevitt seconded the motion. President Wetherell said that concept would work.

Mr. Perez said it was important to maintain the requirement that 30 percent would be directed to need-based aid.

President Ammons said he hoped all the University Presidents would have the flexibility to determine the percent of funds to be allocated to need-based financial aid. He said the Presidents knew best their university's mission and their student profile. Mr. Perez concurred and said the recommendation, as proposed, gave that flexibility to the Boards of Trustees.

President Machen noted that some of the universities were dedicating other funds to need-based aid, and would probably want to use tuition revenue for other purposes. President Delaney said this should perhaps be expressed as an aspirational goal for additional flexibility.

Mrs. Roberts said the Board needed to be cautious as there had been commitments made to the Governor about this revenue. President Hitt said he understood that there was an implicit understanding with the Governor that 30 percent of this revenue would go to need-based financial aid. Mr. Stavros reiterated the importance of financial aid in providing access to an SUS education. President Machen

made the point that these directions inhibited university flexibility. He said he had personally raised money specifically for need-based aid.

Ms. Pappas said she understood commitments. She inquired whether it was possible to maintain the spirit of the resolution with a guidance document which would express that to the extent the commitments were met, there would be consideration of other uses for the additional revenue. Chancellor Rosenberg concurred in the suggestion. He commented that he was working on a letter regarding the commitment on tuition revenue which would give the universities maximum flexibility. He said, however, that he had made commitments to the Governor regarding the use of the additional tuition revenue.

Mr. Edwards said there was no question about the commitment to the use of the additional tuition money. He said the Board should leave the language as presented by Mr. Perez. He said this was in keeping with the commitments made with the Governor and commitments to the students, with implementation left to the universities.

Mr. Perez agreed. He restated the motion, as follows:

1. University Boards of Trustees shall increase undergraduate tuition by six percent, which would equal \$4.64 per student credit hour for a maximum base tuition of \$82.03. It is recommended that seventy percent of the increased revenue may be directed to the reduction of student-faculty ratio and related support and administrative costs and 30 percent shall be directed to need-based financial aid.
2. University Boards of Trustees are authorized to set graduate and professional tuition and all out-of-state fees.
3. University Boards of Trustees that meet Funding Level I or Level II definitions outlined in section 1004.635(3), Florida Statutes, may implement a differential undergraduate tuition as follows:
 - a. Funding Level I institutions may implement a differential undergraduate tuition that does not exceed 40 percent of base tuition. The combination of a base tuition increase and a differential tuition increase may not be increased by more than 15 percent annually. The maximum differential tuition for fall 2008 shall not exceed \$6.96 per student credit hour above the \$82.03 maximum base tuition.
 - b. Funding Level II institutions may implement a differential undergraduate tuition that does not exceed 30 percent of base tuition. The combination of a base tuition increase and a differential tuition increase may not be increased by more than 15 percent annually. The maximum differential tuition for fall 2008 shall not exceed \$6.96 per student credit hour above the \$82.03 maximum base tuition.

- c. The following categories of students are exempt from any differential tuition: students who were in attendance at a university as of July 1, 2007 and who have maintained continuous enrollment, and students who are beneficiaries of prepaid tuition contracts that were in effect on July 1, 2007.

Members of the Board concurred unanimously.

President Ammons inquired whether the motion had any requirement as to a "minimum." Mr. Perez said that had not been included. He said the universities had the flexibility to put additional funding toward need-based aid.

4. Consent Agenda Items

- A. Authorization to Implement a Guaranteed Energy Performance Program, Sarasota Campus, FSU

Mr. Temple moved that the Board authorize the implementation of a Guaranteed Energy Performance Program by Florida State University for its Sarasota/Ringling campus, in an amount not to exceed \$1.4 million, as presented. He noted that Board staff had reviewed the Program and all supporting documentation and had found that the proposed financing was in compliance with applicable Florida State Energy Performance Based Contracting Procedures. Mr. Edwards seconded the motion, and members of the Board concurred.

- B. Approve Board Regulation 9.017, Faculty Practice Plans

Dr. Rosenberg said the proposed Board Regulation 9.017, Faculty Practice Plans, had been approved for notice at the March Board meeting. He said the amendment to the Regulation had provided for the establishment and operation of the Faculty Practice Plan for the University of Central Florida College of Medicine. There had been no comments to the proposed amendment.

Mr. Temple moved that the Board approve Board Regulation 9.017, Faculty Practice Plans, as presented. Mr. Edwards seconded the motion, and members of the Board concurred.

C. Approve Notice of Intent, Board Regulations:

- i. Promulgate New Board Regulation 10.014, Academic Infrastructure and Support Organizations

Mr. Temple moved that the Board approve the Notice of Intent to Promulgate Board Regulation 10.014, Academic Infrastructure and Support Organizations, as presented, for posting to the website, pursuant to the Board's Regulation Development Procedure. Mr. Edwards seconded the motion, and members of the Board concurred.

- ii. Amend Board Regulation 6.003, Admission of Graduate and Post-baccalaureate Professional Students

Mr. Temple moved that the Board approve the Notice of Intent to amend Board Regulation 6.003, Admission of Graduate and Post-baccalaureate Professional Students, as presented, for posting to the website, pursuant to the Board's Regulation Development Procedure. Mr. Edwards seconded the motion, and members of the Board concurred.

D. Approve Notice of Intent to Repeal Former Board of Regents Rules:

- i. Former BOR Rule 6C-3.001, Systemwide Uniform Procedures

Mr. Temple moved that the Board approve the Notice of Intent to repeal former BOR Rule 6C-3.001, Systemwide Uniform Procedures, as presented, for posting to the website, pursuant to the Board's Regulation Development Procedure. Mr. Edwards seconded the motion, and members of the Board concurred.

- ii. Former BOR Rule 6C-3.003, Constitutions of Institutions

Mr. Temple moved that the Board approve the Notice of Intent to repeal former BOR Rule 6C-3.003, Constitutions of Institutions, as presented, for posting to the website, pursuant to the Board's Regulation Development Procedure. Mr. Edwards seconded the motion, and members of the Board concurred.

- iii. Former BOR Rule Chapter 6C-11, Community Hospital Education Program, as follows: BOR Rule 6C-11.011, Offices; BOR Rule 6C-11.012, The Council; BOR Rule 6C-11.0125, Powers and Duties; BOR Rule 6C-11.013, The Staff Director; BOR Rule 6C-11.014, Meetings and Agenda; and BOR Rule 6C-11.015, Administration, Travel and Consultants

Mr. Temple moved that the Board approve the Notice of Intent to repeal all the rules contained in former BOR Rule Chapter 6C-11, Community Hospital Education Program, as follows: BOR Rule 6C-11.011, Offices; BOR Rule 6C-11.012, The Council; BOR Rule 6C-11.0125, Powers and Duties; BOR Rule 6C-11.013, The Staff Director; BOR Rule 6C-11.014, Meetings and Agenda; and BOR Rule 6C-11.015, Administration, Travel and Consultants, as presented, for posting to the website, pursuant to the Board's Regulation Development Procedure. Mr. Edwards seconded the motion, and members of the Board concurred.

5. Miscellaneous

Ms. Duncan commented that while this Board did not need to address the recommendations from the Florida Technology, Research and Scholarship Board regarding the 2007-2008 Centers of Excellence Program, she did want to thank the Board staff for their hard work in preparing all the materials regarding the Center proposals and preparing the FTRS Board to make its recommendations. She said they had done an outstanding job in guiding the FTRS Board to excellent recommendations.

6. Adjournment

Having no further business, the Chair adjourned the conference call meeting of the Board of Governors at 9:30 a.m., May 8, 2008.

Carolyn K. Roberts,
Chair

Mary-Anne Bestebreurtje,
Corporate Secretary