

MINUTES
BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
BY TELEPHONE CONFERENCE CALL
TALLAHASSEE, FLORIDA
APRIL 24, 2009

Ms. Sheila McDevitt, Chair, convened the special meeting of the Board of Governors, State University System of Florida, by telephone conference call, at 9:05 a.m., April 24, 2009, with the following members present: Ava Parker, Vice Chair; Ann Duncan; Dr. Stanley Marshall; Frank Martin; Arthur "AJ" Meyer; Tico Perez; Carolyn K. Roberts; Dr. Judith Solano; Gus Stavros; John Temple; Norm Tripp; and Dr. Zach Zachariah.

1. Remarks; Legislature; SUS 2009-2010 Budget

Ms. McDevitt thanked everybody for their participation in this call. She said that generally the SUS priorities were moving pretty well in the Capitol. She said that the budget recommendations from the House and the Senate were widely separate, but that was not uncommon. She said the budget negotiations were intense. She said the universities were in a particularly difficult budget circumstance this year, because of the loss of so much state revenue support the past two years. She reported that Moody's had placed the State of Florida's Aa1 rating on the "watch list" for possible downgrade, because of dwindling revenues and dwindling reserves.

She said that Speaker Cretul had articulated that the House would accept the revenues generated by the Senate if the Senate accepted the House spending plan. She said the House budget held \$1.5 billion in reserve. She said the difference between the House and Senate position seemed to be about \$400 million in General Revenue. President Delaney noted that the budgets included General Revenue, federal stimulus dollars, and tuition.

President Delaney said he was pleased to report that 10 of the 11 Presidents had been in Tallahassee the previous day for a press conference expressing their grave concerns over the potential budget reductions which would result from the proposed budgets. He said the press conference had been effective in expressing the SUS concerns. He said the universities wanted movement to the Senate numbers to prevent the drastic impacts, program elimination and faculty and staff layoffs. He said Presidents Machen, Hitt, Ammons and Maidique had articulated both Systemwide and institutional impacts. He said they had made several interesting points, noting that it was "easy" to eliminate programs but that it took decades to bring them back. He said

the Presidents had also met with Governor Crist who understood the needs of the System.

President Delaney requested that Board members contact the Legislators they knew, noting that key legislators involved in the budget negotiations were Senate President Atwater and Senator J.D. Alexander and Speaker Cretul, Representative David Rivera and Representative Dean Cannon. He recommended that Board members call Legislators with whom they had personal relationships and ask for their support.

Ms. McDevitt said these calls to Legislators would be very helpful. She suggested that members contact Legislators from their local delegations, urging Republicans in the House to support the Senate budget numbers. She added that they might also encourage those in the business community to make calls, noting the importance of the SUS to the economic development of the State.

Ms. Duncan inquired whether the Council of 100 and the Florida Chamber of Commerce were involved in the lobbying effort. Ms. McDevitt said they were. She encouraged e-mail correspondence, noting that quantity was important to members of the Legislature. President Hitt said he would encourage faculty, staff and students to contact Legislators, as well, on their own time and using personal resources.

Ms. McDevitt said the Moody's report highlighted the difficult problems facing the state. She said a ratings loss was not easily repaired.

President Brogan said it was important to craft a careful message stressing the urgency of the situation. He recommended a professional and dignified approach. Ms. McDevitt agreed. The budget situation was nobody's "fault;" the economy was in a difficult place.

Mr. Tripp added that calls from members of the University Boards of Trustees would also be helpful. President Bense inquired whether this effort was too late. Ms. McDevitt said calls made within the next 48 hours would be timely. Mrs. Roberts said members should acknowledge that Legislators were trying to do the right thing. This was a difficult situation, and members should be respectful in these calls.

President Brogan said he would ask his Trustees to make calls. President Ammons said his Trustees had already started making calls. Provost Wilcox inquired if calls from students would be helpful. Ms. McDevitt said these would be particularly effective. Mr. Meyer said the FSA was working with students to contact Legislators. Ms. McDevitt said she appreciated the participation of student leaders in the Presidents' press conference the previous day.

Mr. Kinsley explained that the Moody's rating could change upward by the restoration of a high level of reserves, adherence to structural budget balance while

absorbing spending pressures, and adoption of a budget with less dependence on non-recurring solutions coupled with a plan to restore reserves over the mid-term. He said what could change the rating down would be further deterioration in the state's economic condition that exerted additional downward pressure on revenue performance and reserve levels, further erosion in the employment base that continued to exceed the national average, increased reliance on one-time solutions to balance the budget, and lack of a reasonable plan to restore reserves.

2. Concluding Remarks and Adjournment

Ms. McDevitt encouraged everyone to make calls to Legislators. She said the next 48 hours would be critical. She noted that the House and Senate leadership had not yet announced an impasse in their negotiations.

There were no further comments, and the meeting was adjourned at 9:35 a.m., April 24, 2009.

Sheila M. McDevitt, Chair

Mary-Anne Bestebreurtje,
Corporate Secretary