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STATE UNIVERSITY SYSTEM OF FLORIDA
BY TELEPHONE CONFERENCE CALL
TALLAHASSEE, FLORIDA
MAY 7, 2009

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The Chair, Sheila M. McDevitt, convened the meeting of the Board of Governors by telephone conference call, from Tallahassee, at 9:00 a.m., May 7, 2009, with the following members present: Ava Parker, Vice Chair; John Dasburg; Ann Duncan; Charlie Edwards; Dr. Stanley Marshall; Frank Martin; Tico Perez; Carolyn K. Roberts; Commissioner Eric Smith; Dr. Judith Solano; Gus Stavros; and Norm Tripp.

1. Call to Order and Chair's Report

Ms. McDevitt thanked the Board members for their participation in the meeting. She said it appeared that the Legislative Session would finish its work the next day. She thanked all the Board members, the University Presidents and lobbyists, members of the boards of trustees, Board staff, and Rick Maxey and Janet Owen, particularly, for all the hard work on the Board's legislative agenda during the Session. She said she had spent some part of five weeks in Tallahassee during the eight-week Session, and had spent countless hours on the phone.

Ms. McDevitt thanked Mrs. Roberts, specially, for her calls throughout the Session and for her constant calls to the budget negotiators. She said her important relationships developed over the years were particularly helpful. She said she owed her a special thanks and a debt of gratitude.

Ms. McDevitt also thanked the members of the Council of 100, Associated Industries and the Florida Chamber for their early support before the Session began and throughout the Session. She said they had helped push the System's priorities. She thanked members of the Legislature, Senate President Atwater, Speaker Cretul, and the Appropriations Chairs, Senator Alexander and Representative Rivera. She thanked Senators Lynn and Pruitt for introducing the tuition legislation in the Senate, and Representatives Weatherford, Cannon and Proctor for their support of the System. President Ammons added that Senator Lawson had also offered tremendous support for the System.

Ms. McDevitt said the Board had voiced its priorities at the beginning of the Session. She said mitigating the budget cuts had been the top priority; tuition authority with flexibility had also been high on the list. She said they had been successful with

the tuition bill, which was now on its way to the Governor for signature. The agenda included a set of guidelines for the universities to submit their proposed tuition increases to the Board in a timely fashion for implementation this fall. She said more complete procedures would be developed during the fall. She said she would recommend a change to the dates proposed in the agenda. She recommended May 29 as the deadline for the universities to submit their requests for a tuition differential, and June 8 for the meeting of the Board's Budget Committee.

Ms. McDevitt said that legislation had also passed which implemented the Agreement the Board had signed earlier in the year with the Prepaid Board. She said that those with contracts in place prior to July 1, 2007, were exempt from paying the differential tuition. She said, however, the Agreement with Prepaid required that Prepaid pay the universities 5.5 percent to 7.5 percent for those exempt contracts, depending on the size of its actuarial reserve.

Ms. McDevitt said the Legislature had also provided full funding for the two new medical schools. This funding was important this year as UCF and FIU would welcome their first medical students this fall. In addition, the medical schools at UF and USF received some new funds, although not the full amount they had requested. New College had received an additional \$500,000 for administrative support. She congratulated everyone on these successes, as they were shared successes.

She commented that the System had not been successful in other areas. No matching funds had been provided for Courtelis projects. She noted that the provision allowing universities to spend private dollars prior to getting the state matching funds would be included in the conforming bill.

Ms. McDevitt said that at the March Board meeting, President Machen had reported on medical school funding and the need for further study of a formula approach. She noted that proviso language in the Appropriations bill included an obligation to complete that work and with OPPAGA helping to develop a proposed methodology.

She explained that the SUS budget had received a slight increase in the overall budget, an increase of 0.7 percent. Overall, she said there was a reduction in General Revenue of approximately \$200 million; the SUS had received \$159 million in federal stimulus funds. She said she continued to be concerned about funding from General Revenue; the universities needed to be able to predict their funding from the state.

She said this had been a very difficult Session for Legislators, so she was especially appreciative of the legislation passed for the System. She encouraged everyone to express their appreciation to Legislators. She said the Board and the universities needed to work together to develop plans for replacing the lost General Revenue, to develop some predictability for university funding. She noted that the

report from Moody's about a possible ratings downgrade made the Legislature reconsider its spending priorities and building the reserves in a thoughtful way.

Ms. McDevitt said the PECO list was funded, as requested by the Board. She said the Legislature had added funds for the USF Lakeland campus for continued funding of the building. The Board's employees were subject to the two percent pay cut; university employees were exempt from that reduction. She noted that the Board office budget had been cut overall by seven percent.

She said it was clear that the Legislature, in general, did understand that universities were key players in the economy, and that they needed to be healthy and provide a quality education. She said it was important to continue to promote the economic development value of the universities and continue to showcase businesses that were developed out of university research, and that the development of intellectual property created jobs. She said the Board should continue that message at every meeting. She said high quality faculty were essential to winning grants from private and federal funding sources, such as NSF and NIH.

Ms. McDevitt said she also wanted to extend particular thanks to Governor Crist, Mr. Dean Colson, and the Governor's staff for their support of the System leading up to the Session, particularly for the strong support of the tuition differential.

2. Report, President-in-Residence

President Delaney commented that he could not remember a Session when the SUS had been as successful as this year, with the volume of favorable bills passed this Session. He noted that the bills seemed to contain few warts. He noted that the tuition differential had huge monetary potential for the System, with the possibility of \$40 million new money this year and \$100 million the following year. He said the budget also included \$159 million in stimulus funds, which was about eight percent of the total budget. He said that more than one percent of the total budget went to funding the medical schools and the Lakeland campus. He commented that while the operating budgets were down this year over last year, the budget for the SUS was surprisingly good in a year when state revenues were down about 25 percent.

He said he viewed this time as one of great opportunity for the SUS. Florida's economy which had previously relied on tourism, agriculture and growth, could be recast by the activities and research generated by the state universities. He said over the next 24 months, he proposed to develop an approach as to the way in which the SUS should be funded, both in restoring the lost funds and moving forward with new funds. He said there was receptivity to this approach from leaders in the Legislature. He acknowledged that there would be program reductions and personnel layoffs in the near term.

Mr. Stavros expressed his appreciation to Ms. McDevitt, President Delaney and the whole SUS team. He said it appeared that the SUS had fared well.

3. Approval and Discussion, Tuition and Fees, Fall 2009

Ms. McDevitt explained that the Board needed to take action to establish the undergraduate tuition per credit hour for fall 2009. Mrs. Roberts moved that the Board approve the eight percent undergraduate tuition increase per credit hour for fall 2009, from \$82.03 to \$88.59 per credit hour, as presented. Mr. Stavros seconded the motion, and members of the Board concurred.

Ms. McDevitt said the Board also needed to approve a process for consideration of the university boards of trustees' proposals for a tuition differential per credit hour. She said the agenda materials included an expedited process for these approvals for this year. She recommended two changes to the process, that proposals be submitted by May 29, rather than May 22, and that the Board's Budget, Finance and Business Operations Committee review these requests June 8, rather than June 4, with the tuition recommendations recommended to the full Board at its meeting on June 18, 2009. She noted that this process was only for this year, and that staff would be working with the universities during the fall to develop the regulations for consideration of tuition differential in future years.

Dr. Solano moved that the Board approve the process for consideration of the trustees' proposals for a tuition differential per credit hour, as presented, and amended. Mr. Perez seconded the motion, and members of the Board concurred.

4. Ratification, President, FIU

Ms. McDevitt recognized Mr. David Parker, Chair, FIU Board of Trustees. Mr. Parker thanked Ms. McDevitt and said he was pleased to report to this Board on the selection of the new President of FIU. He said members had received a large packet of materials describing the search. He said the search had been intense and nationally competitive. He said on April 25, 2009, the FIU Board had selected Dr. Mark B. Rosenberg to serve as its next President.

He explained that the goal had been to recruit a highly qualified individual who would be a worthy successor to President Maidique, who had served as President of FIU for the past two decades. He said they had engaged the services of a search executive, Greenwood/Asher & Associates. He explained the timelines and the search process, and the active recruitment of numerous candidates. He said a Search Advisory Committee, which had included Mr. Dasburg and Mrs. Roberts, was composed of 26 members representing the faculty, the staff and the community. This Committee had screened the candidates to the final four candidates. He commented that the process

had been open with broad community involvement. A website on the search had kept everybody informed about the process.

He said the Board of Trustees had invited the three finalists for interviews. Each finalist had spent a day on campus being interviewed by students, faculty, and alumni. Appropriate background checks were completed on the finalists. He noted that one employment verification was pending but that this was for a short-term visiting professorship in 1992; he did not anticipate an adverse report on this issue. He said he felt that the entire search process had concluded to the advantage of FIU.

He said he was pleased to present the FIU Board's selection of Dr. Mark B. Rosenberg as its next President to this Board for ratification. He said that Dr. Rosenberg met all the qualifications necessary for FIU's next President. He had the knowledge, experience and skills for the position and had demonstrated the ability to work in a multi-ethnic university and community. He said Dr. Rosenberg had received broad support from the community. He added that the FIU Board felt his experience as Chancellor for the Board of Governors had been invaluable. He praised Dr. Rosenberg's integrity and work-ethic, noting Dr. Rosenberg's previous roles in FIU's successes of the past two decades.

Mr. Parker requested that the Board of Governors ratify the appointment of Dr. Rosenberg, as President, Florida International University, as recommended by the FIU University Board of Trustees. He added that the transition from Dr. Maidique's service was expected to be August 3, 2009.

Ms. McDevitt thanked Mr. Parker and inquired whether there were any questions. Mrs. Roberts said she had found her involvement with the Advisory Committee to be quite interesting. She noted that FIU was currently the only University in which she had not been involved in a presidential search. She thanked Mr. Parker for his leadership. She said the search had been conducted with integrity and with care to make certain that all were involved in the process. She noted that all the participants in the search had been interested and enthusiastic.

Mr. Dasburg echoed the comments of Mrs. Roberts. He said he, too, had been pleased to have been a part of the search process. He moved that the Board ratify the appointment of Dr. Mark B. Rosenberg, as President, Florida International University, as recommended by the FIU University Board of Trustees. Mrs. Roberts seconded the motion, and members of the Board concurred.

Dr. Rosenberg thanked the members of the Board. He said he was honored by FIU and the community by this appointment. He said he had large shoes to fill. He said he was thrilled to continue to work with the Board of Governors to build a great System and to build a great research university at FIU. He thanked Ms. McDevitt and President Delaney. He said he recognized they all had budget challenges ahead. He

expressed his thanks to all the other University Presidents. He said he was thrilled to be back in the mix.

Mrs. Roberts congratulated Dr. Rosenberg. She said she looked forward to continuing to work with him. She also thanked President Maidique, noting all that a great President could accomplish over a long tenure.

5. Closing Remarks and Adjournment

Ms. McDevitt said she continued to be proud of the SUS working together. She said the SUS could be stronger by standing together. She noted that Senator Pruitt had commented that in his 16 years in the Legislature, he had never seen the SUS working together as they had this Session. She said the next meeting of the Board was scheduled for June 17-18, 2009, at UCF, in Orlando.

Having no further business, the Chair adjourned the conference call meeting of the Board of Governors at 9:45 a.m., May 7, 2009.

Sheila M. McDevitt,
Chair

Mary-Anne Bestebreurtje,
Corporate Secretary