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FLORIDA BOARD OF GOVERNORS
BALLROOM – GRAHAM CENTER
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA
JULY 21, 2005

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The Chair, Carolyn K. Roberts, convened the meeting of the Board of Governors in the Ballroom, Graham Center, Florida International University, Miami, Florida, at 12:40 p.m., July 21, 2005, with the following members present: John Dasburg, Vice Chair; René Albors; Dr. Akshay Desai; Ann Duncan; Dr. Stanley Marshall; Bill McCollum; Sheila McDevitt; Gerri Moll; Lynn Pappas; Chris Schoonover; John Temple; Commissioner John Winn; Dr. Dreamal Worthen; and Dr. Zach Zachariah.

1. Call to Order and Chair's Report

Mrs. Roberts thanked President Maidique and his staff for their warm hospitality. She said the reception and dinner the previous evening had been a wonderful opportunity to visit with members of FIU's Board of Trustees. She noted that this was this Board's first visit to FIU.

She said the Board had already spent a long afternoon the previous day with meetings of the Medical Education Subcommittee and the Strategic Planning Committee and a long morning discussing the budget. She said she continued to be impressed by the quality of this Board and the willingness of all to come prepared to discuss very important matters.

She said discussion of the budget request was a difficult one because the universities had so many needs and many of them remained unfilled. She said the Board recognized it needed to be accountable for the use of resources provided by the taxpayers; the Board had a sound rationale for the budget it would recommend. Under Mr. Dasburg's leadership, the Board had now adopted its Strategic Plan identifying the ways in which the universities would address state needs. She said that it was also the responsibility of this Board to be an advocate for the funds the universities needed to accomplish these important goals. It would be for others to determine how much of the request would be funded. She said this was just the beginning of the budget conversations that would continue through the 2006 Legislative Session.

She noted that Hurricane Season had begun again. Hurricane Dennis had spared UWF from the worst of its fury, but it was a reminder to remain vigilant of these powerful storms. She said it was important to keep the campuses safe. She thanked all the university presidents for the assistance and cooperation they had given to each other in last year's Hurricane Season and said she was sure this spirit would continue.

She reported that she had attended the first meeting of the Higher Education Access Task Force, appointed by Mr. Handy, Chair, State Board of Education. Mr. Dasburg also serves as a member of that Task Force. She said the Task Force planned to explore issues of access to higher education and increasing opportunities for citizens to obtain the baccalaureate degree. She said that recommendations from that Task Force, as they related to higher education, would be brought to this Board, before going to the Legislature.

She advised that the next meeting of the Board would be September 15, 2005, at the University of Central Florida, in Orlando.

2. Approval of Minutes of Meeting held June 9, 2005; and Minutes of Telephone Conference Call Meeting held July 1, 2005

Ms. Moll moved that the Board approve the Minutes of the Meeting held June 9, 2005, and the Minutes of the Telephone Conference Call Meeting held July 1, 2005, as written. Mr. Albors seconded the motion, and members of the Board concurred.

3. Recognition: Dr. Dreamal Worthen

Mrs. Roberts invited Dr. Worthen to join her at the podium, where she read her the following Resolution, signed by all the members of the Board.

WHEREAS, Dreamal Worthen has provided outstanding service to the State of Florida as a member of the Board of Governors in her capacity as the Chair of the Advisory Council of Faculty Senates, from August 2004 to July 2005; and

WHEREAS, Dr. Worthen has been a dedicated member of this Board who has used her position to encourage discussions focused on the important role of this Board and its responsibilities for the whole State University System; and

WHEREAS, there are few guidelines for the faculty representative of the Board of Governors, nevertheless, with her long tenure at Florida A & M University and her familiarity with university and faculty issues, Dr. Worthen has provided an important perspective to the deliberations of this Board; and

WHEREAS, during her tenure on the Board, Dr. Worthen has been a strong advocate and has often spoken of the Board's responsibilities to the citizens of Florida; and

WHEREAS, Dr. Worthen has now completed her service as the Chair of the Advisory Council of Faculty Senates, and will now yield her seat on this Board to her successor; now therefore

BE IT RESOLVED that the members of the Florida Board of Governors, meeting in Miami on the campus of Florida International University on this

twenty-first day of July, 2005, do hereby commend Dreamal Worthen for her contributions to the State University System; and

BE IT FURTHER RESOLVED that a copy of this resolution be included in the Minutes of the meeting, and the resolution be presented to Dr. Worthen as a token of the Board's appreciation and thanks.

Dr. Worthen thanked Mrs. Roberts and all the Board members for this resolution. She said she had recently lost a very close friend and it had caused her to reflect. She said it was important to remain true to one's beliefs. She thanked her colleagues on the Faculty Senate for this opportunity for service; she thanked Chancellor Austin and the members of the Board staff for their assistance this year. She particularly thanked Mrs. Roberts for her tenacity and for her leadership in bringing the Board of Governors to this level of recognition with Legislators and with the citizens of Florida. She challenged the Board to continue to assert itself and to play its rightful role for the State University System. She encouraged the Board to continue to work with Commissioner Winn and the State Board of Education on improving the K-12 system, as these students prepared to enter the universities.

Dr. Worthen observed that as more community colleges awarded baccalaureate degrees, it was critical that the universities develop strong relationships with their area community colleges. The Board will also have to deal with growth as more students are prepared for college, whether through increasing enrollment at the current universities, opening new universities, or creating more partnerships with community colleges. She also said the Board should push the universities to provide more services for students with special needs. She noted that while the faculty remained fairly constant, the students and their needs were constantly changing. She told the Board that the faculty in the SUS were excellent and stood ready to take the universities to the highest level. She said Helen Keller had once been asked what would be worse than being sightless; her response was that it would be worse to see without having a vision. She urged the Board to provide that vision for the State University System.

4. Presentation: Volunteer Florida Foundation Governor's Points of Light Award

Mrs. Roberts invited Mr. Damian R. Nastro to join her at the podium. She said she was very pleased to honor a special Floridian, Mr. Nastro, who has been recognized as a Points of Light recipient by the Governor's Points of Light Program. The program was established in February 2000 to recognize Floridians and Florida organizations that demonstrate exemplary volunteer service to their community.

She said it was appropriate for Mr. Nastro to be recognized by this Board as his service had been to his community college and university communities and to his fellow students. She commented that Mr. Nastro had an impressive and lengthy resumé, but it was clear that he came to all his academic settings and immediately found ways to serve. At Palm Beach Community College, Mr. Nastro earned his A.A. and worked on environmental beach clean-ups, voter registration drives, blood drives and several student organizations. At the University of Florida, he was active in all three branches of student government. At FSU, Mr. Nastro took on a leadership role for graduate

students, a group of students whose focus is primarily on completing demanding educational programs. He was the Speaker of the Congress of Graduate Students, serving the needs of 7500 graduate students. As a result of these activities, he was invited to speak on behalf of all the graduate students at Summer Commencement, 2004, the first person ever selected for this role in a Florida State commencement ceremony.

Mrs. Roberts said this award recognized all these years of service dedicated to improving the lives of others. She read the tribute on the certificate signed by the Governor and the Lieutenant Governor, as well as by the President of the Points of Light Foundation and the CEO of Volunteer Florida.

Mr. Nastri thanked the members of the Board for this recognition. He noted that the members of the Board had also given decades of service to the students of this state. He said he was humbled to be in their presence.

5. Chancellor's Report

Chancellor Austin said the agenda included an Information Brief, Impact of Projected State University System Faculty Retirements, which showed the likely retirement of "baby boomers" among the tenured faculty in the SUS would coincide with a steep increase in the population of traditional college-age students over the next ten years. She said she had also distributed early admissions information for the universities, noting that this was very preliminary information as none of these students were enrolled.

She reported that the Board now had 62 designated staff positions. She distributed a staff organization chart. She said she had several key positions which she would move expeditiously to fill, including General Counsel.

She said the Board would discuss its legislative agenda at the September meeting. In August, the Presidents, the Provosts, the university lobbyists, and the university attorneys would identify key issues for the 2006 Legislative Session.

She reported that she would attend a meeting the following week at Florida A & M University for a status report on its financial fitness with representatives of the Governor's Office, legislative staff, and FAMU staff. She said she was assured that the President, the Trustees, and the staff were on the right path. Dr. Bryant was scheduled to provide a status report to this Board in October.

6. Commissioner's Report

Commissioner Winn said he would report to the Board on teacher recruitment and retention at the next meeting. He said the Department staff had now completed the rule development workshops on the rules allowing greater flexibility in the requirements for teacher education. He said the Department had engaged the services of a marketing and advertising firm in recruiting new teachers.

He said he had attended the State PTA meeting the previous weekend where he had challenged these volunteers to take on a project to improve the work environment for teachers and reduce teacher turnover. He said he had represented Florida at the National Forum on Education Policy in Denver, Colorado, where Florida and Utah had been named as joint winners of the Frank Newman Award for State Innovation recognizing excellence in education policy and policymaking. The Award noted K-12 student achievement, Florida's record of its education sectors working together, and the outstanding 2-plus-2 articulation between the community colleges and the universities, and the guarantee of matriculation to higher education.

7. New Business

Dr. Marshall asked to bring the Board's attention to several matters. He inquired how the universities and their Colleges of Education were enhancing their teacher education efforts. He said there was currently at Florida A & M University a five year grant for \$5 million from the Carnegie Foundation to fuse a closer relationship between the College of Education and the College of Liberal Arts. He explained this was an attempt to get the Arts and Sciences faculty members more engaged with the efforts of the faculty of the Colleges of Education in preparing secondary math and science teachers. FAMU will take the results from the study to other Historically Black Colleges and Universities.

He said he was also concerned about the Board's role and mission in light of the efforts by the parties bringing the lawsuit in Tallahassee Circuit Court to define the role of this Board. He said he was concerned about his role as a member of this Board and the Board's constitutional responsibilities. He said one did not need to be a lawyer to understand the language of the Constitution. He said he wanted to be more fully informed as a member of this Board. He said he was uncomfortable receiving press inquiries about issues of which he had no knowledge, including the decision by the University of West Florida to offer reduced tuition to students from Alabama.

President Cavanaugh said UWF had the statutory authority to authorize reduced tuition for students from a neighboring state. UWF had matched the policy in Alabama to extend to Alabama students Florida in-state tuition plus \$40 per credit hour. The University's Trustees had exercised their delegated authority to charge this reduced rate tuition. Dr. Marshall said he viewed this as an additional tax burden on the taxpayers of Florida, and as such, this issue should come to this Board's attention.

Mrs. Roberts said this particular action was authorized by the Legislature. She said this was a matter properly decided by the University's Trustees. Dr. Marshall noted this reduced tuition was allowed; it was not required. He said Florida taxpayers were picking up the additional costs not paid by these out-of-state students. Dr. Cavanaugh added that all universities, located in a county bordering another state, had similar authority. He said the reduced tuition rate was not intended to displace Florida students.

Dr. Marshall said he had also read of the \$1 million donation made to Florida

A & M University, for which the donor had been placed in a salaried faculty position. He commended President Bryant for her response, but said it would be helpful if he were better informed. He inquired how the gift had been made, whether it was a pledge or a completed gift. He noted that two of the University's former presidents were on the University's payroll. He inquired about their compensation. Dr. Bryant noted that Dr. Humphries had received his compensation package from the Board of Regents and that he was in the last year of that assignment. She added that both of these assignments were now the responsibility of the Board of Trustees to honor. She commented that Dr. Gainous had negotiated a two-year appointment with the Board of Trustees. She said she had not participated in either arrangement, and that she would honor commitments made prior to her presidency and correct the matters that should be corrected.

Dr. Marshall commented that agreements made with the Board of Regents should be reviewed by this Board. Mrs. Roberts said she wanted to be sure that this Board did not interfere with business properly within the purview of the Board of Trustees. Dr. Desai said that with its own staff, the Board could determine how it should receive information about university activities.

8. Consideration: Regulation Adoption Procedure for the University Boards of Trustees

Ms. Pappas said in June 2004, a decision of the First District Court of Appeal recognized that the provisions of Chapter 120, F.S., the Administrative Procedure Act, did not apply to the Board of Governors or to the university boards of trustees. As an interim measure, the Board required university boards of trustees to follow Chapter 120, F.S.

She reported that the Department's General Counsel and the university attorneys had been discussing an alternate procedure for some months. The Board had reviewed several drafts of a replacement rulemaking procedure on November 18, 2004, and on March 24, 2004. She said she had offered to coordinate the discussions and the suggestions made by universities and by Board members. She said it was clear that the university boards of trustees had primary responsibility for their rules under the principle of devolution of authority; this Board would not give intense scrutiny to all university rules. The regulation procedure which had been developed would apply the principle of this Board's pre-approval of university rules only in the areas of admissions, tuition and fees, and articulation rules; all others were within the purview of the university boards. The procedure provided for a notice and appellate process which was fundamentally sound. She said there had been spirited discussions of the proper role for this Board, but noted that this Board was not an appellate body, nor did it have the time nor the capacity to review all the university rules and to address rule challenges.

Ms. McDevitt moved that the Board adopt the proposed Regulation Adoption Procedure for the University Boards of Trustees, as presented. Mr. Temple seconded the motion, and members of the Board concurred unanimously.

President Brogan thanked the Board and Ms. Pappas for her vigilance regarding this Regulation Procedure. He said this process would work well for the universities. President Genshaft concurred.

9. Consideration: 2006-2007 State University System Legislative Budget Request; and Consideration: 2006-2007 Board of Governors Legislative Budget Request

Ms. Moll reported that most of the Board members had participated in the lengthy Budget Workshop that morning to discuss the Board's 2006-2007 SUS Legislative Budget Request. She thanked staff for the excellent and thorough presentations. She reported that the Finance Committee had adopted four motions. The Committee had recommended that the Board adopt the Budget Request for 2006-2007, as presented by Option 2 on the summary page, and that the Chancellor be authorized to make technical corrections, as needed. She said this Budget Request was a total of \$3.4 billion in state funds and tuition revenue, and represented approximately 8.9 percent of the State's projected total general revenue and lottery funds.

She said the Committee had reviewed and recommended a 2006-2007 Budget Request for the Board of Governors staff and had authorized the Chancellor to make technical corrections, as necessary. The Committee had also recommended that the Board delegate to the University Boards of Trustees the authority to set tuition for all students, except for resident undergraduate students, for whom the Committee had recommended a 5 percent tuition increase. The Committee had also recommended that the Board support the State Board of Education in its Budget Request for need-based financial aid. She moved that the Board concur and approve the recommended actions from the Finance Committee. Dr. Zachariah seconded the motion, and members of the Board concurred, with Commissioner Winn voting no on the proposed 2006-2007 SUS Legislative Budget Request.

President Maidique sought a point of clarification. He questioned whether the one percent salary increase was intended to be supplemental for university employees, and stated that university employee salaries should be included as a part of administered funds. The one percent amount was clarified as being a supplemental increase and that the Board would continue to request that the SUS be included in administered funds.

10. Resolution Requesting the Division of Bond Finance of the State Board of Administration to Issue Revenue Bonds on Behalf of Florida State University to Finance the Construction of Parking Garage Four and Parking Garage Five, FSU

Ms. Duncan moved that the Board adopt a resolution requesting the Division of Bond Finance of the State Board of Administration of Florida to issue revenue bonds on behalf of Florida State University, in an amount not exceeding \$24.5 million, for the purpose of financing Parking Garage Four and Parking Garage Five at the main campus of Florida State University, as presented. Ms. Moll seconded the motion, and members of the Board concurred.

11. Status Report: Strategic Planning/Educational Policy

Mr. Dasburg reported that the Medical Education Subcommittee had heard extensive testimony and discussion of medical education in Florida. The Board would review and consider the university requests for new Colleges of Medicine at the Board's regularly scheduled meeting on November 17, 2005, at UNF. He reported that the Strategic Planning/Educational Policy Committee had continued its discussions of cost per degree, but had made no motion regarding cost per degree.

12. Adjournment

Having no further business, the Chair adjourned the regular meeting of the Florida Board of Governors at 1:30 p.m., July 21, 2005.

Carolyn K. Roberts,
Chair

Mary-Anne Bestebreurtje,
Corporate Secretary