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FLORIDA BOARD OF GOVERNORS
BALLROOM – STUDENT UNION
FLORIDA GULF COAST UNIVERSITY
FT. MYERS, FLORIDA
JUNE 9, 2005

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The Chair, Carolyn K. Roberts, convened the meeting of the Board of Governors in the Ballroom, Student Union, Florida Gulf Coast University, Ft. Myers, Florida, at 3:10 p.m., June 9, 2005, with the following members present: John Dasburg, Vice Chair; Dr. Akshay Desai; Ann Duncan; Dr. Stanley Marshall; Bill McCollum; Sheila McDevitt; Gerri Moll; Lynn Pappas; Ava Parker; Peter Rummell; Chris Schoonover; Commissioner John Winn; Dr. Dreamal Worthen; and Dr. Zach Zachariah.

1. Call to Order and Chair's Report

Mrs. Roberts thanked President Merwin and his staff for the reception and dinner the previous evening. She noted that this was this Board's first visit to the campus, but that she had been a member of the Board of Regents when it had picked this site. The campus is a testament to the vision of many people who knew this University would serve the needs of the citizens of Southwest Florida.

She said the Board had already been involved in a long day of Committee meetings, and she thanked all the members for their attentiveness to the work of the Committees.

She welcomed Mr. Chris Schoonover, the new Chair of the Florida Student Association and President of the Student Body at Florida State University. She said that Chris had already graduated from FSU, Spring 2004, but is now enrolled in a masters program in Applied American Politics and Policy, hoping to attend law school in the fall of 2006. Mr. Schoonover said he was very happy to join this Board, and looked forward to working with all the members.

Mrs. Roberts reported that the State University System had a generally successful Legislative Session. She said they did not yet know whether the Governor would sign HB 1001, the governance legislation, but that the System had fared well in the General Appropriations Act, for operations and for PECO funding. She said Legislators had also recognized the Board's need for a staff dedicated to its needs, and she expressed her appreciation to Legislators for this funding. She said that she had received a letter from Mr. Woodring indicating that he would cease representing this Board in the Floridians for Constitutional Integrity case pending appointment of new counsel for this Board. She thanked Mr. Woodring for his excellent service these past several years.

Mrs. Roberts said that the relationships between this Board and the members of the Legislature were growing. She said this Session demonstrated that this Board is being taken seriously. She said the Legislative Leadership was supportive and receptive to this Board's issues, and respectful in their response to the Board's concerns. She said a solid foundation had been laid for the future and she was confident that conversations on many issues would continue.

Mrs. Roberts reminded the Board of its Statement of Powers and Duties, adopted on October 22, 2003, which stated that the Board would elect a Chair and Vice Chair to serve two-year terms, with a term to begin July 1, and that this election would occur during the first quarter of the year. She said she had been so focused on other issues that this requirement had slipped. She noted, however, that there were other issues in the Powers and Duties document which should be reviewed to be sure these were consistent with the current practices of the Board. She said she had asked Ms. McDevitt to review the Powers and Duties and to make recommendations as to needed revisions. She recognized Ms. Parker.

Ms. Parker said it was her great pleasure to have served with Mrs. Roberts as a member of this Board since its inception. She said Mrs. Roberts and Mr. Dasburg had developed the foundation for this Board to serve the voters and the vision of Governor Bush for a seamless educational system. She said she had watched Mrs. Roberts as she led this Board with a spirit of inclusion for the universities, the Legislature and the members of this Board. She said she brought great experience, concern for the students, commitment to the Board's Strategic Plan, and many special skills to this Board. She said she and Mr. Dasburg were a dynamic team. She noted that there were numerous challenges ahead for this Board and recommended that the Board maintain the continuity of this leadership team. She moved that the Board elect Mrs. Roberts, as Chair, and Mr. Dasburg, as Vice Chair, for one additional year. Ms. Duncan seconded the motion, and members of the Board concurred unanimously.

Mrs. Roberts thanked the Board for their continued confidence and support. Mr. Dasburg thanked the Board members and said he would continue to work very hard.

2. Approval of Minutes of Meeting held April 21, 2005

Ms. Moll moved that the Board approve the Minutes of the Meeting held April 21, 2005, as written. Mr. Dasburg seconded the motion, and members of the Board concurred.

3. Chancellor's Report

Chancellor Austin thanked all the members of the Board, as well as University Presidents and staff, for their contributions to a very successful Legislative Session. She extended her special thanks to Mrs. Roberts for all her work during Session. She said there were several challenges in working with the Legislature. The Board and the universities needed to find a consistent message to communicate the System's statewide priorities, the budget and substantive legislation. It is important that this

Board and the members of the Boards of Trustees tell the story and demonstrate the value of higher education to this state.

Dr. Austin said a recent issue of Black Issues in Higher Education identified FIU as the top-producing institution of baccalaureates to Hispanic students and FAMU as the top-producing institution of baccalaureates to African-American students. She said that FSU had also been recognized as a traditionally white institution as a top producer of baccalaureates to African-American students. UF was recognized for its #7 ranking nationally in the production of engineering bachelors degrees to minority students. She said the Board could be proud of these achievements.

4. Commissioner's Report

Commissioner Winn extended his thanks and congratulations to Mrs. Roberts and Mr. Dasburg, as they continue their leadership positions. He said three weeks ago, he had released the FCAT results for grades 3 through 10, and the previous day, he had released the school grades for 2005. He said he was tremendously gratified by all the improvements, noting that 463 schools had raised their school grade as a result of improved student achievement. He reported that 53 percent of Florida third through tenth graders were reading at or above grade level, up from 46 percent in 2001. He said the greatest improvement was in reading at the lower grade levels. Only 25 percent of all third through tenth graders were reading at level 1, the lowest level, down from 33 percent in 2001. He reported that more progress was being made in mathematics than in reading. He distributed booklets containing the data and results of this year's tests.

Ms. McDevitt inquired how the schools could continue improving the students' scores. She said it appeared that the appropriate interventions were not built in at the middle and high school grades. Commissioner Winn noted that there was a high correlation between grade retention rates and dropping out. In the past, students who were retained in a grade did not receive any different training in the year spent in the repeated grade. Now, students received focused and intensive training during this repeat year. He noted that these increased performance results in the K-12 grades only added to the challenges faced by the State University System.

Commissioner Winn said he was working with Dr. Austin on the smooth transition of positions from the DOE to the Board of Governors. He said that since 2001, a culture of teamwork had developed across the Department, finding ways the different sectors could contribute to K-20 solutions to problems. He said that Dr. Austin would continue as a member of the Department's Policy Council.

Mrs. Roberts thanked Commissioner Winn. She said she knew first-hand how dedicated he was to the K-20 concept, as she had worked with him as a member of the Florida Board of Education. She emphasized that this Board remained a part of the K-20 system, and that even with the reassignment of staff, the Board would continue that commitment.

Dr. Marshall inquired about the report from the Task Force on Teacher Preparation. The Commissioner said the report was expected in July; he suggested that a presentation be made to the Board at a future meeting.

5. Consideration: Petition to Overturn International Student Fee

Mrs. Roberts said that the Agenda had a concise explanation of the chronology of this Petition to Overturn the International Student Fee charged by several of the universities. She emphasized that the matter of tuition and fees was a critical one, and still the subject of much debate. She said that at the initial meeting of this Board, on January 7, 2003, the Board had adopted the rules of the former Board of Regents in which specific fees to be charged by the universities were clearly enumerated. This fee was not one of those fees. Further, in May 2004, when the Presidents sought to establish and charge a Technology Fee, this matter was brought to this Board before such a fee was charged. She said the Board had been advised by its General Counsel that the universities could charge such a fee following approval by the Board of Governors. The Board had voted not to authorize the imposition of a technology fee prior to the larger discussion of the overall authority for tuition and fees. She said that while all the Board members might agree that this fee was a reasonable one, it was also clear that there must be an orderly process for all the universities to follow.

Dr. Nate Adams clarified the issues and the chronology that brought this Petition to the Board. He said the Agenda included the letter from the Joint Administrative Procedures Committee inquiring as to the authority for the universities to charge this fee, a copy of the Petition, as well as copies of responses from UF and USF explaining their authority to assess the fee. He said this Board had no process in place to address this Petition, but the Petitioners had initiated a process similar to a Chapter 120, F.S., rule challenge to bring this matter before this Board. He explained the relief requested by the Petitioners, fully explained in the Agenda on p. 51. He said UF claimed its Board of Trustees had the authority to assess this "fee," as a "service charge." He said the issues for this Board were, as follows: (1) did the UF Board of Trustees have the authority to approve this fee; (2) if not, should this Board approve the fee, retroactively and/or prospectively or should the Board disapprove the fee.

Commissioner Winn said it was proper for the Board to approve these fees as they came up. He suggested that the Board amend its rules accordingly. Dr. Adams concurred and said the Board could adopt a resolution to amend its rules. He said the key policy question was whether the Board should have prior review of these fees. Ms. McDevitt inquired whether the Board's rule specifies certain fees or allows the Board to approve other fees. She speculated that it might be possible to approve these other fees without the need to amend the rules.

Mr. Dasburg moved that the Board approve the fee both retroactively and prospectively. Ms. Duncan seconded the motion.

Commissioner Winn inquired about the motion. Mr. Dasburg said he believed that this Board had the authority to approve the fee, and that the fee was appropriate. Commissioner Winn said he was not similarly convinced that the fee was appropriate.

He said the fee might be discriminatory to a particular class of students, international students. He said it would be proper for the universities to seek authority from the Board before proceeding to charge such a fee, but indicated that he was opposed to the fee. Mrs. Roberts agreed that the universities should follow a process.

Ms. Pappas said she was comfortable that the materials presented by the universities addressed ample justification for the fee. She said, unfortunately, this matter was awkward as the Board had not yet reached closure on its rulemaking process. She said this type of decision would be more straightforward once the Board had its rulemaking process in place. She said Mr. Dasburg's motion was appropriate.

Ms. Parker said she wanted to be sure she understood the issue of the fee being unfairly applied. Dr. Adams said the federal government had implemented a series of regulations affecting international students following September 11, 2001. The universities were charging these students a fee to cover the costs of implementing these visa processing regulations. These costs were outlined in the Agenda on p. 26.

Commissioner Winn said he was not convinced of the need for the fee. He said universities had experienced additional costs for numerous reasons, including increasing minority enrollment and increased costs for utilities and fuel, without passing on the costs to students. He suggested that this set a bad precedent. The Board should rather set the precedent for how to deal with integrity with these fees in the future. He said the issue here was how the Board should respond when the universities were without the authority to act on a matter and, nonetheless, acted. Ms. Parker inquired whether there were other costs for reporting information incurred by the universities, which were not passed on to the students. Commissioner Winn said there were. He said the proper format would be for the Board to discuss these costs before any fees were assessed against students.

Ms. Moll inquired whether, if the Board approved this fee, the other universities could proceed to assess it as well. Mr. Woodring said the Board was in a policy setting mode as to this fee. He said even if the Board approved the fee retroactively or prospectively, it was making no statement as to the impact of proviso language on the universities stating that general revenue funds provided to the universities were contingent on certain statutory tuition and fee policies.

Provost Rosenberg explained that the SEVIS fee imposed draconian new requirements on the universities for managing, controlling and registering international students, such that the existing offices were not performing other services for these students. He said that as a result of the September 11, 2001, attacks, the universities had already lost so many international students that they did not want to impose further negative effects on those students. According to Provost Rosenberg, FIU has not imposed this international student fee.

Commissioner Winn said this issue should have been raised in the context of the universities' budget priorities.

Mr. McCollum said the UF Board did not have the authority to impose the fee, but contended this Board should authorize the University Boards of Trustees to decide

whether they will impose or not impose such a fee. He said this was the right decision for this specific case and set positive precedent. Ms. McDevitt concurred that this was consistent with the Board's statements to the Legislature, that the Board may authorize the University Boards of Trustees to decide non-resident fees.

Ms. Duncan inquired of the maker of the motion if he would accept an amendment to authorize other universities to impose the fee. Mr. Dasburg agreed to the amendment.

Ms. Parker said she wanted to be certain that these costs for federal reporting requirements could be distinguished from costs associated with reporting on minority students or students from other ethnic groups. Provost Rosenberg said the extensive and unique reporting requirements for international students could be distinguished. The universities are required to report on every individual course change and every other student activity of these international students.

Mr. Dasburg called the question. The motion passed, with Commissioner Winn and Dr. Zachariah voting no.

Dr. Adams advised the Board that a motion was needed to dismiss the Petition with prejudice. Mr. Dasburg so moved. Ms. Duncan seconded the motion, and members of the Board concurred.

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

Mrs. Roberts advised the Board that the discussions on the proposed regulation procedure were not complete and, therefore, not ready for Board consideration. Mr. Dasburg suggested that, prospectively, all matters related to rulemaking be referred to the Student Affairs Committee, so that the Committee and its Chair can provide leadership on these issues before coming to the Board for action.

Ms. McDevitt commented that Ms. Pappas had offered to assist the discussions on the rulemaking procedure. She said she too was able to assist these discussions. Mrs. Roberts noted that any meeting of the two of them would need to be properly noticed. Ms. Pappas said she believed they had resolved almost all the outstanding issues.

As a point of clarification, Mr. Dasburg said it was very important to bring proposed university fees to the Board prior to their implementation, so that the Board can review the university rationale for them. He noted that the Board had not yet delegated this authority to the universities.

7. Consent Items

- A. Approve, Treasure Coast Research, Education and Development Authority

Mr. McCollum moved that the Board approve the Treasure Coast Research, Education and Development Authority, as approved by the University of Florida Board of Trustees, and as required by the provisions of Section 159.703, F.S. Dr. Desai seconded the motion, and members of the Board concurred.

B. Approve, Appointments, Members, University Boards of Trustees

Mrs. Roberts said this Board has appointees serving on each of the University Boards of Trustees. These appointments were made last February, but unfortunately were not confirmed during the Legislative Session just concluded. She said that in order for these appointees to continue to serve their Boards, they needed to be reappointed.

She commented on one new appointee to the USF Board of Trustees. She said the Board was recommending that Mr. Jan Smith be appointed to the seat previously held by Ms. Duncan. She said Mr. Smith has an impressive business background. For 16 years, he was a member of the Board of Trustees for Manatee Community College, and served 12 years as Chair of that Board. She said she knew both Mr. Beard and President Genshaft would welcome him to the USF Board.

Mr. McCollum moved that the Board appoint the members of the University Boards of Trustees, as presented. Dr. Desai seconded the motion, and members of the Board concurred.

8. Status Reports, Board Committees

A. Student Affairs

Ms. McDevitt reported that the Student Affairs Committee had met with several Vice Presidents of Student Affairs and with representatives of Student Government to discuss issues of concern which might be addressed by this Committee.

She said the Committee had discussed, and concurred in, a recommendation from the Council of Academic Vice Presidents and from the Presidents to propose a statutory change to include graduate assistants as a category of individuals who shall be classified as Florida residents for tuition purposes, in Section 1009.21(10), F.S. Ms. McDevitt moved that the Board recommend this statutory change to the Legislature in the next Session. Mr. Schoonover seconded the motion, and members of the Board concurred.

Ms. McDevitt reported that the Committee had also reviewed the top ten issues identified by Student Affairs Vice Presidents from all the campuses. She said that all the universities handled health insurance for students differently and the Committee had offered its assistance in developing a comprehensive program to provide a better product. The

campuses had identified the need for additional resources to assist disabled students. The campuses had also identified the need for more need-based and merit-based financial aid for students who were already enrolled at the universities. This financial aid is now available for students coming out of high school. She said there were many issues for future discussion by the Committee.

B. Performance and Accountability

Mr. Rummell said the Performance and Accountability Committee had heard a presentation on the web-based SUS Accountability reporting structure. The presentation demonstrated how Florida schools could be compared nationally. He said the Committee had begun discussions of financial accountability measures for the universities.

C. Strategic Planning/Educational Policy

Mr. Dasburg said the Strategic Planning Committee had adopted a set of goals for the State University System in its Strategic Plan. He thanked members of the Committee and the staff for all the hard work on this important document. He moved that the Board adopt the Strategic Plan. Dr. Zachariah seconded the motion, and members of the Board concurred.

Mr. Dasburg said the Medical Education Subcommittee of the Strategic Planning Committee would meet prior to the July Board meeting, on Wednesday, July 20, 2005, at 2:00 p.m. Dr. Zachariah asked that President Machen and President Genshaft be prepared to discuss expanding their current medical school enrollment, and plans for new residency options. In addition, he asked that they be prepared to discuss costs per medical student and costs per resident.

D. Audit

Ms. Pappas reported that the Audit Committee had reviewed the results of a survey of the university Inspector Generals and their duties and activities. She said the Committee had recommended: (1) that university internal audit activities subscribe to either IIA or GAO standards; and (2) that university internal audit activities institute a quality assurance review process among SUS institutions. She moved that the Board adopt these recommendations from the Committee. Mr. Dasburg seconded the motion, and members of the Board concurred.

E. Finance

Ms. Moll said the Finance Committee had reviewed the timeline for the Legislative Budget Request process. Dr. Cavanaugh had presented the budget priorities from the Presidents Association, and each President

had presented institutional budget priorities. She said there would be a lengthy budget workshop during the July Board meeting for the Board to discuss the State University System Legislative Budget Request.

9. Adjournment

Having no further business, the Chair adjourned the regular meeting of the Florida Board of Governors at 4:30 p.m., June 9, 2005.

Carolyn K. Roberts,
Chair

Mary-Anne Bestebreurtje,
Corporate Secretary