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GRAND BALLROOM – J. WAYNE REITZ UNION
UNIVERSITY OF FLORIDA
GAINESVILLE, FLORIDA
JANUARY 27, 2005

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The Chair, Carolyn K. Roberts, convened the meeting of the Board of Governors in the Grand Ballroom, J. Wayne Reitz Union, at the University of Florida, Gainesville, Florida, at 10:45 a.m., January 27, 2005, with the following members present: John Dasburg, Vice Chair; Jarrett Eady; General Rolland Heiser; Sheila McDevitt; Gerri Moll; Lynn Pappas; Ava Parker; Peter Rummell; John Temple; Steve Uhlfelder; Commissioner John Winn; Dr. Dreamal Worthen; and Dr. Zach Zachariah.

1. Call to Order and Chair's Report

Mrs. Roberts thanked President Machen and his staff for the reception and dinner the previous evening at the Florida Museum of Natural History. She said the Museum and the Lepidoptera Center were truly state treasures.

On January 7, 2005, this Board had celebrated its second birthday. She said the Board had made great strides in implementing the Constitutional Amendment creating it. The Board had been engaged in serious discussions of its Strategic Plan and shaping the direction of the 11 universities within the System. Each Board member took the responsibilities of service on this Board seriously. She said they could provide no more valuable service to the State University System. She said over the past two years, Board members had begun to learn the complexities of the System. She said they were also learning that the University Presidents were ambitious and creative in service to their universities and in attracting the best and brightest students and faculty.

She said at its inaugural meeting, on January 7, 2003, this Board had devolved many responsibilities for the administration of the universities to the Boards of Trustees. She noted that this Board was fully supportive of this devolution, but that this Board was ultimately responsible for the management of the whole University System. This Board is prepared to act, as necessary.

She congratulated Mr. Eady on his reelection as Chair of the Florida Student Association. She said his continuing service would enable him to represent the interests of the students in the System.

She noted that Governor Bush had released his budget recommendations a week earlier. She said this was the beginning point for discussions of the budget; there was a long time before the budget would be signed into law.

She advised those wishing to address the Board to complete appearance cards and give them to the Corporate Secretary. Each speaker would be limited to three minutes.

Mrs. Roberts said she had reminded the Board at each meeting of its important role, under the Constitution, for the management and control of the University System. She said she had also emphasized the important role of the Legislature. She said she continued to be respectful of the Legislature, and confident that they could share a relationship that would be beneficial to the universities.

She welcomed President Bryant to a new seat at the table. She said she looked forward to working with her in her new role at Florida A & M University. She said the next meeting of the Board in February would be a workshop devoted to discussions of the Strategic Plan, and the aspirations and missions of the universities.

2. Approval of Minutes of Meeting held November 18, 2004; and Minutes of Meeting of Board of Governors Foundation, Inc., held November 18, 2004

Mr. Temple said the Minutes of the Meeting held November 18, 2004, should be corrected to show that he had voted in favor of the substitute motion discussed on p. 8 of the Minutes, with the understanding that if a university "were not acting expeditiously in the search for an interim, this Board would be involved."

Ms. Moll moved that the Board approve the Minutes of the Meeting held November 18, 2004, as corrected. Ms. Parker seconded the motion, and members of the Board concurred.

Dr. Worthen moved that the Board approve the Minutes of the Meeting of the Board of Governors Foundation, Inc., held November 18, 2004, as written. Ms. Parker seconded the motion, and members of the Board concurred.

3. Chancellor's Report

Chancellor Austin reported on her meeting with the Deans of the Colleges of Education to discuss ways to increase the number of teachers in Florida. It had been a productive meeting. She reported that in preparation for the Legislative Session beginning March 8, 2005, committees in the House and Senate were meeting. She said she had presented the System's Legislative Budget Request, university enrollment plans, and the Board's proposed revised funding formula. She said staff members were already tracking a number of bills. She said she would update the members every Friday on the status of bills of interest to the Board. She also advised the Board of a meeting with the university lobbyists to be held February 8, 2005, to coordinate the System's lobbying of the Legislature.

Mr. Dasburg said the Board, in November, had discussed the need for a broad based task force to address the teacher shortage in the State. Mrs. Roberts said she had been discussing the issue, but had no announcement at this point. Mr. Eady inquired whether the Chancellor had found sponsors for the Board's recommendations on tuition and fees, including block tuition. The Chancellor said she had not.

4. Commissioner's Report

Commissioner Winn reported that earlier in the week the College Board had released its Advanced Placement Report to the Nation 2005. The report showed Florida making the most progress of any state in students excelling on the high school AP exams. Nineteen percent of Florida's public high school class last year scored Level 3 or higher, compared to 13 percent in 2000. The report also showed that of the 115 classrooms considered worldwide leaders in AP exam preparation and participation 30 were from Florida, 23 of which were public school classes. He said that successful completion of AP coursework was an excellent predictor of future success in higher education.

Commissioner Winn said the State Board had recommended that the Legislature amend or repeal the law requiring that 10 percent of education funds be linked to performance. In addition, the State Board would work to ensure that the adopted accountability measures across K-20 are reinforced through simple and understandable public reporting and that institutions are allocating resources to critical areas of need. Further, the State Board had recommended legislation that would remove the State Board from activities specifically related to the universities and the Board of Governors. He said it was clear that initiatives in the public schools would create increased demand for spaces in the State University System.

Mr. Uhlfelder moved that the Board support the elimination of the fixed number, 10 percent, funding linked to performance, as proposed by the State Board of Education. Dr. Worthen seconded the motion, and members of the Board concurred.

5. Consideration of New Degree Program: Authorization to Implement Doctor of Chiropractic, FSU

Mrs. Roberts said the Board clearly understood the importance and the significance of this discussion of the proposed Doctor of Chiropractic. She said the Board's role in this decision came from the Constitutional Amendment approved by the voters. She said this Board also understood and honored the power of the Legislature. This Board respects the role of the Legislature to appropriate funds. She noted that she was getting to know and work with individual members of the Legislature and she believed that she was building a good relationship with them. She said this Board had been in place for only two years, and that it was implementing the provisions of the Amendment.

She said she wanted to be clear that this Board was not evaluating the efficacy of chiropractic care, nor was it debating the values of the medical profession. Board members had received a great deal of information; much had been written about the Board's responsibilities as the Board of Governors. She said the discussion should be framed by three major questions. First, does this program fit in the Board's Strategic Plan for the State University System. Is this expenditure of funds the best use of the limited resources available for higher education. Second, does the study of chiropractic fit within the mission of a Doctoral/Research extensive institution; does it enhance the

university's mission. Third, is the demand for chiropractors in the State being met by existing programs.

Mrs. Roberts explained the order for the discussion. She said she had asked Mr. Woodring to discuss the Board's responsibility and authority in regard to this issue. As with other doctoral programs considered by this Board, Dr. LeMon would review the proposal presented by FSU. Dr. Abele, Provost, FSU, would explain the proposal and introduce those who were with him to support the proposal. Then, members of the public who had indicated an interest in addressing the Board would be recognized for three minutes. This would be followed by Board discussion and a motion.

Mr. Woodring responded to the question of the Board's authority. He said this Board has full authority to approve, or to deny approval, of professional and doctoral programs. The Board has delegated approval authority to the Boards of Trustees for those programs that are neither professional programs, nor doctoral programs. The proposed chiropractic program is a professional program. The Board could decide to bring other program proposals before it for action.

Mr. Uhlfelder inquired about the distinction of this program with the funds appropriated last year by the Legislature to the Alzheimer's Resource Center at USF. Mr. Woodring explained that the Alzheimer's Center was not a degree program; it did not require Board review at this point. He said the Board could address the Center and its relationship to USF. He said the Board had a role to play, if it chose to exercise such a role. The Legislature could also legislate additional responsibilities to the Board.

Ms. Parker inquired about the statute requiring programs involving professional licensure to be approved by the Legislature. Mr. Woodring compared the Board's Constitutional authority to approve programs with legislative authority for programs requiring licensure. He explained that the Legislature has to approve programs requiring state licensure, e.g., medicine, engineering, as the Legislature sets the terms and conditions for such licensure. This is a separate requirement that does not address the issue of degree/program approval.

Ms. Parker inquired about the conversations about the chiropractic school before it came to this Board. If there had been previous decisions, she asked whether this discussion was after-the-fact. She said she knew the Board had a normal program review process. She asked whether the Board, in this instance, was reaching back to make this decision. Mr. Woodring explained that from the time of the Board of Regents, through the State Board and now, this Board, authority for final degree approval had never been delegated. In this instance, the Legislature had chosen to fund a professional degree program, which is separate from this Board's responsibility for program approval.

Commissioner Winn said that if this Board has the authority to approve professional programs, does it follow that the Board also has the authority to close programs not meeting state needs. Mr. Woodring responded that as to programs at the universities, the Board had full authority to approve or disapprove these programs.

Dr. Worthen inquired whether the Legislature had approved other professional programs in the System, outside the Board's program review process. Mr. Woodring said that it had, but that the Board of Regents had been a statutory Board. At that time, the Legislature could "trump" actions of the Board of Regents. This Board has Constitutional authority. Mr. Uhlfelder commented that the Legislature had created a number of programs now in place, e.g. the College of Medicine at USF, the College of Law at FSU.

Ms. Moll said that every other degree program brought to this Board had followed a "bottoms up" process. This had not happened here. Mrs. Roberts concurred. She said that the Board of Trustees at FSU did not take action on the proposed chiropractic program. Dr. Worthen said that it was paramount that new degree programs have full and appropriate faculty review, and that new degree programs should be discussed by the Boards of Trustees before coming to this Board.

Dr. LeMon thanked the staff for their careful review of the proposal. He said staff had followed the standard procedure for looking at new professional programs. Two external consultants were retained to review the proposal. Staff had also provided Board members with a "white paper" with background information on the program. He said FSU had presented a good and interesting proposal. He said he would identify two areas of concern. He said the program required a substantial investment of funds. The program would have to be built from the ground up. No infrastructure was in place. This was different from most programs that already had faculty and curriculum in place. He said he was also concerned about the return on this investment.

Dr. LeMon said there had been some discussion about the findings related to the need for chiropractors. He noted that there was no confusion between FSU and the Division as to the need; both used the same figures. He said they might have a different interpretation on the value of the internal investment, and that it was for FSU to make the case as to the need for the program. He said the Division had used the most up-to-date data available from the chiropractic licensing boards. Florida ranked third in the nation in the number of chiropractor licenses held in the State. He noted that Florida did not have a school of chiropractic when the data on numbers of licenses and rankings were compiled, but that even then, Florida attracted chiropractors from outside the State. Since then, Palmer College of Chiropractic had opened in Port Orange in 2002.

He said the Board's first criteria for judging new programs was whether the program was included in the University or System Strategic Plan, and whether the program fit with the mission and character of the University. He said they had learned that chiropractic schools were all private institutions. They were small and focused on chiropractic; none were associated with four-year public institutions. There were questions about whether the program was appropriate for FSU, a large four-year public institution, with a wide array of national and world class programs in arts and science and engineering, and with its Carnegie Research I ranking. He also noted that FSU was just beginning its new College of Medicine, and aspired to AAU membership. Would FSU be advantaged or disadvantaged by this new school?

Dr. Abele thanked Dr. LeMon and the Division staff for working with FSU. He explained that at the turn of the 20th century, the state of medical education was in chaos. Instruction was provided in kitchens and in small group settings. There was great animosity and no university would allow a medical school on campus. A study in 1910 on the state of medical education led to the establishment of the curriculum for allopathic medicine using evidence-based treatment. It is a fairly recent phenomenon for medical schools to be associated with universities. Both chiropractic and osteopathic medicine were excluded. Over the course of the next 50 years, osteopathic medicine evolved and was now viewed as a medical partner. Doctors of Osteopathy now have full hospital privileges. There have also been major changes in chiropractic education and practice-based activities. The curriculum has been modified; there are entrance requirements for 90 hours of coursework that largely follow the model for allopathic medicine. He said many of the labs and textbooks for chiropractic are very much like those used by an allopathic medicine institution, although perhaps without the same rigor of instruction. He explained the basic philosophy of chiropractic, as follows: the body has a powerful ability to heal; there is a relationship between the structure and function of the body; and the body can heal without drugs or surgery.

He said there were reasons for FSU to consider adding the program and reasons against it. A reason to consider it would be to help move the profession into a more science-based course of study; FSU has a strong tradition in basic science. He noted that spinal manipulation followed by exercise was an important treatment for those suffering acute back pain. Little is known of the biological underpinnings for that treatment. He said he recognized patient reports of improved mobility and quality of life from chiropractic care. The program would explore the biology for that explanation. He viewed the proposed program as one of providing real service to the 15 million people who visit chiropractors in this country. He reported that the requirements for chiropractic accreditation were not acceptable to the faculty at FSU. The faculty rejected the subluxation method.

Dr. Abele noted that the process was “upside down.” Normally, there is an exploration phase conducted by the faculty, a recommendation to the University’s Board of Trustees, with a final recommendation to this Board. He noted the Florida statute that required legislative approval of any degree program requiring licensure, but that it was silent as to when that approval should occur. Further, the legislation creating the program was signed into law by the Governor last spring.

He said faculty members took very seriously their role in the consideration of new programs. He said they were also aware of the discussions by this Board in May and November, 2004, concerning the proposed program. He said he viewed it as not fair to the faculty, given these discussions, to ask them to take their time and energy to review this proposal if there were little reason for them to believe the program would ultimately be approved by this Board. The Board of Trustees felt this Board should send the proposal back to the faculty for further review, and so recommended. He said he had not brought anyone with him to speak to the proposed new program.

Mrs. Roberts said she viewed the Trustees’ action as having taken no position on the program.

Dr. Wetherell said FSU was in a unique situation. The FSU Trustees have attempted to follow this Board's guidance, as well as the legislative mandate signed by the Governor. It was unusual to have a program in this order. FSU was dealing with a signed bill and sought the Board's guidance for the future. He did point out that this process, and these discussions, had begun several years ago, over the terms of two Governors and two FSU administrations. He said they did not seek any confrontation, but were trying to follow the direction of this Board. He said the comments made at the Board's November meeting changed the direction FSU had been following. He said the University needed this Board's decision before expending a great deal of time and energy. He said FSU was caught between an act of the Legislature and this Board's Constitutional authority.

Mr. Uhlfelder inquired what the faculty would do with this proposal. Dr. Abele said the faculty would give the proposal their serious review. He acknowledged that there were certain aspects of the program the faculty would never accept. Dr. Worthen added that wherever the review starts, the voice of the faculty should be heard. She sensed a lack of faculty support for this program. Dr. Abele said everyone would be involved. He recommended that the Board withhold judgment at this time and submit the proposal to the FSU faculty for its review.

Mrs. Roberts inquired whether it was normal to advertise a faculty position before a program had been approved. Dr. Abele responded that the advertisement for the position closed after this meeting. There had been some internal debate as to whether there were qualified candidates with both D.C. and Ph.D. degrees.

Ms. Moll inquired about the tuition at a private school versus tuition at a public institution. Dr. Abele said tuition was from \$17,000 to \$20,000 at the private chiropractic schools. Ms. Parker commented that tuition at a public institution would be less. Dr. Abele said that tuition at the FSU medical school was about \$10-12,000 a year.

Ms. Parker inquired how this program would enhance FSU's mission. Dr. Abele said the faculty would insist that this be a highly research-focused program. Ms. McDevitt commented that there seemed to be a disconnect between the requirements for accreditation of the chiropractic program and what the faculty sought. Dr. Abele said it depended on who was asked; there are different understandings of subluxation.

Ms. McDevitt said she had read the statute on the Legislature's approval of programs. She said it was important to note that this was not a stand-alone requirement, but this approval was within the context of how any program is approved. The statute prescribes a set of criteria for any program to be approved, with the final step that a degree from a program leading to state licensure to practice that profession requires legislative approval. This would be consistent with the Board's Strategic Plan to avoid unnecessary program duplication.

Mr. Temple inquired about tuition. Dr. Austin replied that this Board had recommended that out-of-state and graduate/professional tuition would be determined by the Boards of Trustees. With that flexibility, it was not known what would happen with tuition in a professional program.

Mrs. Roberts inquired how this program would impact FSU's possibility of admission to the AAU. Dr. Abele noted that membership in the AAU recognized the highest academic standards of teaching and research. He said that as schools of chiropractic were currently configured, this would be harmful to FSU.

Mrs. Roberts recognized several people who had requested the opportunity to address the Board. Dr. Tim Zook, Board of Directors, Florida Chiropractic Society, said that with the proposed focus of this program, its graduates would not learn the skills of spinal manipulation and could not serve their patients well. He said he was not convinced of the need for this school.

Dr. Louis Sportelli, a licensed chiropractor, and clinician in Pennsylvania for 42 years, spoke in support of the program and said that FSU had the opportunity to set the precedent and be the first public university in North America with a chiropractic school. Outside the U.S., chiropractic schools are affiliated with universities. Dr. Rand Swenson, D.C., M.D., Ph.D., and a consultant to the Board for this program, said there was a role for such a college to publish research and to advance the educational environment for chiropractic. He said there were advantages in an academic environment with the interaction of faculty and students. He said he believed there was a critical mass of academic faculty available for this new school. He also noted the university basis for chiropractic schools outside the U.S.

Dr. John Triano, D.C., Ph.D., said that less than 20 percent of medicine, as practiced, is scientific. He said that Florida had a population increasingly seeing chiropractors; patients with back pain seek chiropractors. He said that it was not known why aspirin relieved pain, but aspirin was still used. He said he was confident that FSU would develop a high quality program and that it would qualify for NIH funding. Dr. Joe Johnson, D.C., President of the Florida Chiropractic Society, said he was convinced of the need for the FSU program. He said he supported the proposed dual degree program, and that FSU would strive for high academic standards in the program.

Dr. Ray Bellamy, M.D., orthopedic surgeon and adjunct faculty member, FSU College of Medicine, said he was opposed to the program. It would do more harm than good. He said this was an attempt to buy credibility for the program through the political process. He said he was worried about the impact of such a program on the young and not-yet accredited FSU College of Medicine. He advised the Board that several faculty members of the College of Medicine had threatened they would resign if this program came to FSU. He said the Board had said it was concerned about need and "fit" for FSU. The program in chiropractic would not meet the Board's definition of "fit," nor was it a responsible use of scarce resources. He urged the Board to vote against the program.

Dr. William Kinsinger, M.D., said he had come from Oklahoma to voice his opposition to this program. He said it was clearly the Board's responsibility to avoid wasteful duplication. He said the Palmer College of Chiropractic in Port Orange would meet the state's needs for chiropractors. He commented that Palmer is to chiropractic as sterling is to silver; there was no better. He noted that even the Provost had

acknowledged that the struggle over the chiropractic program could damage FSU's interest in the AAU.

Mr. Uhlfelder inquired about the \$9 million appropriated this year. President Wetherell said this was an issue to be discussed with the Legislature. The University had a series of facility plans for the program, as well as a consultant. Ms. McDevitt inquired about the Endowed Chair already in place. Dr. Abele said the Chair was in Biomechanics. The faculty member in that Chair is interested in issues of geriatric mobility and walking. Dr. Wetherell also clarified that there was no project on the PECO list tied to the chiropractic school, neither the Life Sciences Building, nor the Panama City project.

Mr. Dasburg said that having placed on the Agenda the proposal for a chiropractic program submitted by the FSU Board of Trustees, and having considered the University proposal, and the other presentations on this matter, he moved that the approval of the chiropractic program at FSU be denied, the University having failed to demonstrate an unmet strategic need for such a program at FSU. Dr. Worthen seconded the motion.

General Heiser said that he had given this issue a great deal of thought. He said his position was not based on the relative merits of chiropractic medicine. He said his position was based on the way the whole matter was handled and what is best for the System as a whole. He said he had a fundamental problem approving a program that had not been recommended for approval by the local Board. He said he was not convinced of the need, nor was he convinced that the school fit FSU's mission. He said the program did not meet the System's priorities. He said there were more pressing needs in the System, as well as limited resources available, especially as the Board begins to consider requests for new medical schools at FIU, UCF, and FAU. He said he would vote his conscience on this matter. He commended Mrs. Roberts for the dignified manner in which the discussions had been held.

Dr. Worthen reiterated that no program should go forward without full faculty support. She concurred with General Heiser that there were so many other pressing issues to be funded in the System.

Ms. Parker inquired of Mr. Woodring, as the Board's lawyer, if he would comment on the lawsuit to be filed against the Board and the effect of a Board vote against this program. Mr. Woodring said he was unsure about which lawsuit she was inquiring. Ms. Parker said she had read that FSU had discussed the possibility of a lawsuit if the Board of Governors voted against the chiropractic program.

Dr. Wetherell responded that the lawsuit was not relative to the Board's authority. FSU was concerned about funds being impounded. Mrs. Roberts said the Legislature appropriates funds; that is a different discussion.

Mr. Eady said he had a problem voting on a program that had not been considered by the faculty. He said it was not fair to vote yes or no on a program without faculty consideration. This set a bad precedent.

Mr. Temple said he could not see how this program fit the Board's Strategic Plan. He said there should be clear and convincing evidence of need to proceed. He said it was clearly not clear that there was a need, but clearly the evidence was not convincing. Ms. Pappas said she had also spent a great deal of time on this issue. She said the Board needed to become cautious about adding many new programs. She said there would have to be a compelling case made to convince her that the Board should vary from its Strategic Plan. She said that case had not been made here.

Mr. Uhlfelder said he had served a total of 12 years on the Board of Regents and on this Board, and he had never seen an issue become so contentious and so divisive among friends. He said this had evolved into a power play and struggle between two Constitutional bodies. He said the Board of Regents had also not been courageous on this matter. The Regents had not objected to the \$600,000 appropriated for the study several years ago. This had been difficult for everybody. He said he was confident the divisions could be healed. He said this Board had also been silent last spring when this was addressed by the Legislature. He noted that there were tough and big issues facing this Board, including appropriate funding for the universities and tuition control.

Ms. Parker said she was concerned about the process and about the precedent. This process was wrong. She said it would make more sense if the faculty undertook a proper review of the program, and for the University to bring this forward after all the necessary University procedures had been completed. She said this would be time well spent. She said she agreed that the Board clearly had the authority to make this decision, but she was concerned about the impact of this decision on how this Board does business in the future.

Mrs. Roberts said she agreed this was difficult. She had met with a number of Legislators who were for, and those who were against, the program. She said they had received the same materials the Board members had received. She said she had been assured that if the Board made a fair and honest decision, this would not cause an issue for this Board with the Legislature. She said the State University System is valuable to the State of Florida.

Ms. Moll said she was disappointed that the FSU Board of Trustees had not taken action on the program. She said she had read the transcript of the meeting very carefully. She said this program should proceed through the normal university process for new programs, including proper review by the Graduate Policy Committee.

Ms. McDevitt said Board members had expressed reasonable concerns. She said the FSU Trustees had the opportunity to send the program for review by the faculty and they chose not to do that. She said this Board had not required FSU to bring the proposal to this meeting, and could have followed the procedures in place for program review. She said she had no idea why the program had not been reviewed by the FSU Trustees.

Mr. Dasburg called the question. The motion passed by a vote of 10 in favor, 3 opposed. Members voting for were: Mr. Dasburg, General Heiser, Ms. McDevitt, Ms.

Pappas, Mr. Rummell, Mr. Temple, Mr. Uhlfelder, Commissioner Winn, Dr. Worthen, and Dr. Zachariah. Members voting against were: Mr. Eady, Ms. Moll, and Ms. Parker.

6. Presentations: Plans for New Medical Schools, FIU, UCF

Mrs. Roberts said President Maidique had submitted a proposal from FIU to begin a new medical school. She said at the Board's November meeting, President Maidique had introduced several community supporters of the program. Dr. Maidique said Dr. Paul Katz, Dr. Jeff Horstmyer, Dr. Harry Jonas, and Dr. Herbert Wertheim were with him today.

Dr. Wertheim said he had supported the effort for medical education at FIU for the past 16 years. He said FIU had graduated 500 health care professionals from its existing programs last year. He said this program presented the opportunity to change healthcare in the State of Florida, which was facing a healthcare crisis. He said FIU would also be the source of doctors for South Florida, which attracted few doctors from UF or USF. He said FIU proposed a program that would be affiliated with hospitals in the community.

Dr. Zachariah acknowledged the shortage of doctors in Florida, a state which he said needed to hire 2500 new doctors each year. He commented that 10 percent of all the doctors in South Florida are graduates of UM. He inquired about FIU's proposed first graduating class. Dr. Maidique said they anticipated 36 students, with a proposed opening date for the school in 2011. Dr. Zachariah inquired how many FIU graduates would stay in South Florida. Dr. Maidique said, based on the current graduates, he hypothesized that 85 percent would remain in South Florida.

Mr. Ben Mollere, Chair, Beacon Council, said that he viewed the proposed medical school as a job creation/ job development engine. He said the Council, 400 area business leaders, had voted unanimously the previous week to support the new School of Medicine at FIU.

Mrs. Roberts inquired about PECO funding. Dr. Maidique said the University would not seek any new PECO funding.

Mr. Dasburg said earlier presentations to the Board had indicated that there was no linkage between medical school graduates and residencies. He said the reports indicated that significant numbers of doctors remained where they had completed their residency training. He noted that Mercy Hospital did not have residency programs and inquired whether it were possible to have a residency program without a medical school at FIU, and, if so, why Mercy did not have a residency program.

Dr. Horstmyer, Chair, Neurology, Mercy Hospital, said that it was possible to have a free-standing residency program without a medical school, but that no federal funding was provided for such a free-standing program. He added that medical students want to train in a residency program that has a medical school affiliation. In addition, affiliation with a hospital would become a part of the school's accreditation process.

Mr. Dasburg inquired whether there was a geographic limitation, 100 miles, 50 miles, to the affiliation between a hospital and a medical school, i.e., could Mercy be affiliated with UF or FSU. Dr. Horstmyer said Mercy did have an affiliation with UF, and there were a limited number of faculty who were able to participate. He said the issue with proximity was more an issue of the cross-fertilization with the top people in each clinical field. Students and faculty were interacting with the top people and this should be as a part of the community.

Further, Mr. Dasburg inquired about affiliation with UM. Dr. Paul Katz responded that UM could not increase the number of its residency programs. Residency programs had been capped by the Federal Government. Other sources of funding would need to be found. He noted that most physicians lived within 100 miles of the site of their residency training.

Mr. Dasburg inquired how many more residents would be added by the addition of a new medical school at FIU. Dr. Katz estimated 500 additional residents. He explained that there were 176 resident physicians at Mount Sinai. Mr. Dasburg inquired how many residents were needed to educate 36 students. Dr. Katz said when the school was fully mature, there will need to be additional residencies. He said he had been at Georgetown University for 17 years. The school had 800 students and 400 residents. He said there were already a substantial number of already filled residencies who would help train FIU medical students. Mr. Dasburg said the fundamental question was the number of residents to be created if the Board approved a medical school at FIU.

Dr. Zachariah said he disagreed with the statement on proximity. He said FIU needed to talk to UM. He said 50 percent of practicing physicians remain where they had completed their residency training. He said that 36 graduates would not have such an impact on the need for doctors in South Florida.

President Maidique said there were about 16,000 medical school graduates per year and about 20,000 first-year resident positions. The purpose of a new medical school would be to lessen that gap.

Dr. Zachariah said the CEPRI study presented to the Board in November said that from 100 medical school graduates, only 30 stay in Florida to practice as doctors, about 50 percent leave Florida to practice. He described a number of residency programs which were isolated from close proximity to medical schools, e.g., the UF programs in Jacksonville and Orlando, the programs in Ft. Lauderdale and Naples with the Cleveland Clinic of Ohio. He said geographic proximity was not the issue.

Ms. Pappas suggested that expansion of existing medical schools was one possible alternative. She said President Maidique said there were limited numbers of new doctors coming from existing schools. She inquired whether FIU had considered scholarship programs or other incentive programs. President Maidique said they had had conversations with UM, and that, yes, they were looking at many possibilities.

Mrs. Roberts said UCF was also considering the possibility of a new medical school. President Hitt introduced several members of the UCF Board of Trustees and several supporters of the proposed new school. Dr. Hitt said that several recent studies had concluded that there was a need for two additional medical schools in Florida. He explained why one of these should be in Orlando. He said Orlando was the only one of 35 of the largest metropolitan areas in the U.S. without at least one medical school. He noted both a projected national and state shortage of physicians. He said even if the State adopted CEPRI's recommendations to expand the existing medical schools and increase the number of residencies, there would still be a shortage of doctors for the growing population. There was a need for new medical schools to address access to quality healthcare. He said UCF had a strong leadership team and the program had strong community support. The University already had several strong areas of medical-related research in place.

President Hitt said that Orlando Regional Healthcare was a designated teaching hospital in Central Florida. He said that 43 percent of its residents remained in Florida.

President Hitt introduced Mr. Ken Bradley, Senior Vice President, Florida Hospital, who noted the increase in the number of aging baby-boomers who will be 65 within the next ten years. This aging population will need increased access to healthcare.

Mr. Rummell said that Orlando Regional Healthcare had 165 residents in residency programs. He inquired why these could not be expanded. He said the previous presentation had indicated that a quality residency program needed to be affiliated with a medical school. President Hitt said that it was more likely to build quality residency programs where there was a close affiliation with a medical school.

Ms. McDevitt inquired about the apparent assumption that only Florida students would want to enter these Florida programs. She noted several presentations that emphasized that additional doctors came from residency programs, and that there were more residency slots than there were graduates of Florida medical schools.

Mr. Temple inquired when UCF would submit its proposal to this Board. President Hitt said it would be submitted in several months. The University still wanted a stronger feasibility study. Mr. Temple commented that Florida relied heavily on imported physicians. He said that it seemed that much depended on tort reform. He inquired if there were studies of the impact of proposed tort reform. Dr. Zachariah said there were more licenses in Florida than there were doctors who practiced in the State. He estimated there were about 26,000 practicing doctors in the State, and between 6,000 and 18,000 licensed doctors who do not practice in the State.

Mr. Temple said that before the State made the investment of some \$300 million in new medical schools, it might be worthwhile to do some type of survey of those with licenses who might practice in the State if the State enacted tort reform. Mr. Dasburg said that without tort reform, it was not likely that Florida would attract physicians. The state could spend a great deal of money and still have a very low yield of those who would remain in Florida. He said he saw the principal fix for the physician shortage in

tort reform. He said the answers were also in residency slots. He said the Board should explore what needed to be done to create more residencies. Ms. McDevitt added that even with more residencies, what was needed was that these residents then stay in Florida.

Mrs. Roberts inquired about the number of independently accredited residency programs that were not affiliated with university programs. Dr. Hitt noted that the first recommendation of CEPRI had been additional residencies. He added that even with creative incentive programs to capture new doctors, there would still be a big gap in the numbers of doctors needed in the future. He said the state should start planning now for that need.

Ms. Pappas said all this information was helpful. She said it was difficult to compare the dollars. She requested that the information be formatted to show the cost per medical student. She said it would be helpful to know the cost factor to produce these students, the costs of creating new residencies, and the costs of creating new medical schools. She also inquired about additional ways for funding to be linked with student commitments to remain in the state at the end of the training.

Mrs. Roberts thanked the Presidents and all the presenters. She said there were still many questions to be answered.

7. Action Items for Consideration

- A. 2004 Accountability Report Pursuant to Requirements of Section 1008.46, F.S.

Mr. Rummell moved that the Board approve the 2004 Accountability Report to be submitted pursuant to the requirements of Section 1008.46, Florida Statutes, as presented. Mr. Temple seconded the motion, and members of the Board concurred. Commissioner Winn suggested that the transmittal letter reflect the Committee discussions that the Board was reporting on these 27 measures, but that they should be seen in the context of being useful to the Board's adopted seven measures.

- B. Amended 2005-2006 SUS Fixed Capital Outlay Legislative Budget Request

Mr. Dasburg moved that the Board approve the amended portions of the 2005-2006 SUS Fixed Capital Outlay Legislative Budget Request including: 1) the 2005-2006 Alec P. Courtelis Facility Enhancement Challenge Grant Program Project List; and 2) a Request for Legislative Approval for the State University System to Construct Facilities which are to be Financed or Partially Financed through the Issuance of Revenue Bonds, as presented. Ms. McDevitt seconded the motion, and members of the Board concurred.

C. Amended 2005-2006 SUS Fixed Capital Outlay Legislative Budget Request, Three-Year PECO Project Priority List

General Heiser moved that the Board approve the proposed Amended 2005-2006 SUS Three-Year PECO Project Priority List, as presented by the Facilities Committee. Ms. McDevitt seconded the motion.

Mr. Uhlfelder inquired why the Board was recommending funding for St. Petersburg College. Mr. Henker explained that several years ago, the Legislature authorized St. Petersburg College and authorized it to offer upper-level courses and to award baccalaureate degrees. The law specifically directed the College to request, as a part of the universities' request, PECO funds for its facilities to be used to offer those degrees. Other community colleges now offering baccalaureate degrees authorized by the State Board of Education do not have similar legislation. The proposed project included on the list is the remodeling of a facility at Tarpon Springs where upper-division courses are to be taught. He said the PECO list the previous year had included \$380,000 in planning money. This \$4.6 million would fund the construction phase of the project.

Mr. Uhlfelder said this amount was needed by the 11 universities within the Board's responsibility; St. Petersburg College is not the responsibility of this Board. He suggested that this project be removed from the list.

Ms. McDevitt inquired whether staff had validated that this facility would be used for upper-division courses. Mr. Henker said they had confirmed that the planned use was for the offering of upper division courses, including courses in the critical area of teacher education.

Mr. Uhlfelder moved that the Board take \$4.5 million away from St. Petersburg College, leaving \$164,000, and redistribute these funds equitably to the other universities in accordance with the Board of Governors recommended guidelines. Mr. Dasburg seconded the motion.

Ms. Parker inquired whether the staff had followed the guidelines in adding the St. Petersburg College project to the list. Chancellor Austin said they had and that the Board had placed a high priority on teaching.

President Wetherell said that FSU was the only institution whose projects were receiving less funding on this proposed list. He suggested that the funds cut elsewhere should be added to FSU's projects. He clarified that neither of these projects, Life Sciences or Panama City Campus, were connected to the proposed chiropractic school.

Mr. Temple inquired whether the Board was now cutting a project previously approved. President Wetherell said the November 22, 2004,

list included, in the first year, funding of the Life Sciences project for \$14.2 million, and \$15.2 million for the Panama City project. These projects were now to receive \$8.4 million, and \$6 million, respectively, in the first year. He said he did not understand why projects received less money, when the Revenue Estimating Conference allocated additional dollars to the universities.

Mr. Henker explained that the Board had adopted the recommended PECO list at the October 2004 Board meeting, and had then delegated to the Chancellor the authority to make revisions, as necessary, resulting from revised revenue estimates and technical adjustments. Subsequent to that decision, there had been a new revenue estimate and the SUS would receive an additional \$134 million in PECO funds over the three year period. In November, the Chancellor, at the request of the Governor, had prepared an amended list following the Board's guidelines. Under the guideline for completing projects previously begun, \$54 million would be generated for funding projects at FSU. The Facilities Committee had reviewed that list earlier that day, and had further amended the Chancellor's proposal. This had resulted in FSU receiving \$16 million less than the November amended proposal, with \$8 million added for a UF project, and \$8 million added to various other university projects. He noted that FSU was getting more funds than it had in October, as was every university.

Mrs. Roberts inquired about the sums required to complete the two FSU projects, after getting the funding proposed on the new Amended List. Mr. Henker said the Life Sciences project needed an additional \$10 million to complete the project; the Panama City project needed an additional \$6 million.

President Wetherell noted the proposed project funding shown in the Agenda. Chancellor Austin said the Board approved the PECO list on October 21, 2004. The November list also included in the Agenda was a staff recommendation for the Board's consideration. The Board had not approved the later list.

Ms. Parker commented that in October, a total of \$8.2 million had been recommended for FSU, in the first year. The amount now being recommended for FSU totaled \$22.8 million in 2005-2006, or more than twice what had originally been recommended. Mr. Henker added that that held true for the whole three-year period reflected by the list.

Mr. Uhlfelder restated his motion that the Board reduce the funds to St. Petersburg College by \$4.5 million, leaving \$164,000, and redistribute these funds equitably to the other universities. He said this was not a statement that the College should not get the dollars, but rather a statement that this Board should not be the advocate of that College.

The motion passed, on a vote of 6 in favor, 5 opposed. Those voting for the motion were: Mr. Dasburg, Ms. Pappas, Mr. Rummell, Mr. Uhlfelder, Dr. Worthen, Dr. Zachariah. Those voting against the motion were: General Heiser, Ms. McDevitt, Ms. Parker, Mr. Temple, Commissioner Winn.

Mr. Uhlfelder then moved that the Board add the \$4.5 million to the Life Sciences project at FSU. The motion failed for lack of a second.

President Wetherell said there would always be a limited amount of PECO dollars to fund all these valid projects. He noted the Board's guideline that projects under construction should be completed before adding new projects to the list.

Mr. Rummell inquired about other projects in the System which were underway and were not fully funded by the new amended list. Dr. Austin said the two projects at FSU were the only projects in the System currently underway and not recommended for full funding. Mr. Henker added that the \$4.5 million proposed for redistribution would not complete either project at FSU.

Ms. Parker said the Facilities Committee had a discussion about funding projects which had been funded outside a normal process of review, and whether the Board should complete the funding of these projects. In making these recommendations, the Board was providing funds to projects which bypassed the normal process. She said she remained concerned about funding projects which had not been through the normal process. She also indicated her concern about not completing projects currently underway. These issues had not been resolved.

Mr. Uhlfelder moved that the Board redistribute the money to FSU and work with FSU staff to provide an equitable distribution among FSU projects. Ms. McDevitt seconded the motion. The motion failed on a tie vote. Those voting in favor of the motion were: Mr. Dasburg, Ms. McDevitt, Mr. Rummell, Mr. Uhlfelder, Dr. Zachariah, Mrs. Roberts. Those voting against the motion were: General Heiser, Ms. Pappas, Ms. Parker, Mr. Temple, Commissioner Winn, Dr. Worthen.

Mr. Uhlfelder then moved that the Board redistribute the funds equitably among the universities, and that the Board staff bring the proposed redistribution of the PECO funds back for Board consideration at the next meeting. Mr. Rummell seconded the motion, and members of the Board concurred unanimously.

8. Consideration of a Resolution of the Board of Governors 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 Wildwood Halls (New Residence Hall) on the Main Campus, FSU

Ms. McDevitt moved that the Board approve the financing plan and adopt a resolution authorizing the issuance of fixed rate, tax-exempt revenue bonds by the Division of Bond Finance of the State Board of Administration of Florida, on behalf of Florida State University, as presented. The funds will be used to finance the construction of Wildwood Halls (new residence hall), in an amount not to exceed \$34 million. Further, she moved that the Board authorize the Chair, the Vice Chair, the Deputy Commissioner of Finance and Operations, and other authorized representatives of the Board of Governors to execute the necessary contractual documents related to the financing of the project. Mr. Temple seconded the motion, and members of the Board concurred.

9. Adjournment

Having no further business, the Chair adjourned the regular meeting of the Florida Board of Governors at 4:00 p.m., January 27, 2005.

Carolyn K. Roberts,
Chair

Mary-Anne Bestebreurtje,
Corporate Secretary