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FLORIDA BOARD OF GOVERNORS
TURLINGTON BUILDING, ROOMS 1703/1707
TALLAHASSEE, FLORIDA
NOVEMBER 18, 2004

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The Chair, Carolyn K. Roberts, convened the meeting of the Board of Governors in Rooms 1703/1707 Turlington Building, Tallahassee, Florida, at 12:50 p.m., November 18, 2004, with the following members present: John Dasburg, Vice Chair; Dr. Castell Bryant; Miguel DeGrandy; Jarrett Eady; Sheila McDevitt; Gerri Moll; Lynn Pappas; Peter Rummell; John Temple; Steve Uhlfelder; Commissioner John Winn; Dr. Dreamal Worthen; and Dr. Zach Zachariah.

1. Call to Order and Chair's Report; Recognition: Jarrett Eady

Mrs. Roberts thanked Mr. Dasburg for his leadership of the Board's Strategic Plan. She said the Strategic Planning Committee had an important meeting earlier in the day. She said the Strategic Plan emerging from this Committee would be excellent for the University System. She said she was also pleased that the Accountability Committee had determined the accountability measures for the University System. She said there was a great deal of work to be done by this Board; the Board would be respectful of the responsibilities of the Legislature.

She invited Mr. Eady to join her at the podium, where she read him the following Resolution, signed by all the Board members.

WHEREAS, Jarrett Eady has provided dedicated service to the State of Florida as the representative of the Florida Student Association on the Florida Board of Governors, from July 2004 to December 2004; and

WHEREAS, Mr. Eady has been an effective member of this Board and has used his position to encourage discussion and interest in the issues affecting students in the State University System, and to inform Board members on these topics; and

WHEREAS, there are few guidelines for the student member of the Board of Governors, nevertheless, Mr. Eady has displayed an understanding of the issues and the areas in which this Board can offer leadership and vision for all the universities in the System; and

WHEREAS, during his tenure on the Board, Mr. Eady has often reminded the Board of its responsibilities to the 276,000 students enrolled in Florida's public universities; and

WHEREAS, Mr. Eady has now completed his service as the Chair of the Florida Student Association, and will now yield his seat on this Board to his successor; now therefore

BE IT RESOLVED that the members of the Florida Board of Governors, meeting in the Turlington Building in Tallahassee on this eighteenth day of November, 2004, do hereby commend Jarrett Eady for his contributions to the State University System, and does wish him well as he completes his studies; 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 Mr. Eady as a token of the Board's appreciation and thanks.

Mr. Eady thanked Mrs. Roberts. He said this Resolution might be premature. He said he was running again for his leadership post with the Florida Student Association and hoped to spend another six months as a member of this Board. He said Board service was an honor and he hoped to continue his tenure.

2. Unfinished Business

Mrs. Roberts said Board members had posed questions at the last Board meeting about the budget request for funds to purchase a Coastal Research Vessel by the Florida Institute of Oceanography. Dr. Ogden had provided written responses to these questions. She thanked Ms. McDevitt for providing information about alternate opportunities for funding this research vessel. She said this was an important and ongoing budget request and that discussions of its funding would continue.

Mrs. Roberts said there had been questions about the Board's authority for establishing tuition and fees. She recognized Dr. Nathan Adams, Deputy General Counsel, for his opinion. Dr. Adams said the question was posed, as follows: "What is the meaning and intent of Article 9, Section 7 of the Florida Constitution as to tuition and fees?" He reviewed the language of the Amendment. He said courts frequently analyze the intent of the framers and adopters of a constitutional amendment to interpret the amendment. He read from materials supporting the proposed Amendment where proponents clearly stated their view that the Board of Governors has authority over university tuition and student fees. He said this position was also supported by Florida case law differentiating state and non-state revenues. Courts in other states have reached similar decisions and found that legislative attempts to appropriate non-state funds were unconstitutional infringements on the authority of the higher education boards. He noted that several earlier Attorney General Opinions recognized university fees as non-state funds. While there were no cases directly on point to answer the question whether the Board of Governors may delegate to universities the power to set tuition and fees, Dr. Adams said authority supports this position.

Dr. Adams said that the Court in the NAACP case had stated that to the extent statutory law was in conflict with the Constitution, the statutes were preempted by the Constitutional provision.

Mr. Dasburg inquired if there were a timeline by which this Board would exercise this authority. Mrs. Roberts said there would be further review of the issues; it was certainly her intent to work with the Legislature. The Board and the Legislature had

roles to play; it was important that these be acceptable, one to the other, in the spirit of a good relationship. Clearly, the Legislature was responsible for appropriating funds to the universities. Mrs. Roberts said she had begun meeting with Legislators. The discussions of roles and responsibilities would continue.

Mr. DeGrandy inquired whether there had been a challenge to this Board's authority. There had been no challenge. Mrs. Roberts said she understood the Board's Constitutional authority and the power it provided, but it was also important for the Board to work with the Legislature, the entity responsible for the money. The Board should have a friendly and healthy relationship with the Legislature.

Ms. McDevitt said she understood that the Board had previously submitted its Legislative Request Budget, a part of which had been a recommended fee policy. Mr. DeGrandy inquired how the Board could deal with tuition after Session. He said this would mean that the University System budget was only a partial budget, and the Board would decide tuition later. Dr. Austin clarified that the budget was submitted, for a specific amount of money, and that it had not addressed the issue of tuition or fee increases. Mr. DeGrandy inquired whether the budget assumed a tuition increase. Dr. Austin said there had been discussion about an expected tuition increase without a specific number. She explained that the Legislative Budget Request represented the amount believed to be needed to fund the request. Mr. DeGrandy said this was problematic from a budgetary standpoint, reaching a budget figure without knowing the tuition piece. Dr. Austin explained that the request was based on university needs, enrollment growth and other priorities.

Mr. Woodring said the budget submitted represented the Board's request for state support of the State University System. The Legislature anticipates an amount that represents what can be collected through tuition and fees, and provides appropriated funds that can be used to fulfill the total Education and General needs. They do specify the dollars that come from General Revenue and lottery funds.

Mr. DeGrandy said he understood the Board's authority, but when the Board sends a request to the Legislature, by example, for \$100 as the cost to finance the universities, with the need for \$65 to come from General Revenue, the decision on a fee policy has been made. He said he was confused. Mrs. Roberts said the Board had submitted a budget request. She said Dr. Adams had provided an opinion that the Board had the authority to make decisions as to tuition and fees, but that the Board had not yet used that authority. Ms. McDevitt said as a next step, if the Legislature provides funds less than the Board's request, the Board could then decide to take an action on tuition and fees. Mrs. Roberts concurred.

Dr. Bryant sought further clarification. She asked if the Board's budget request for 2005-'06 had included an increase in tuition. Chancellor Austin said it had not, but that the request represented the Board's determination of the amount of state support needed to fund the E and G operational activities of the universities. She said that Dr. Adams' discussion of a tuition and fee policy was not about the amount. She said she understood that a tuition and fee policy would impact the process.

Mr. DeGrandy said the Board's power and authority did include authority to set tuition and fees. Mrs. Roberts cautioned that this might not be the point of view of the Legislature. Mr. Dasburg said the Board may assume that it has the Constitutional right to set tuition and fees. The question was really how the Board acts on that authority. Many questions arise, including funding of the universities by the Legislature, and the amount of funding from tuition and fees. He suggested that staff explain how this worked in other states with similar governance structures.

Dr. Bryant said to keep it simple. This Board has the authority to set tuition and fees, but is now in the process of trying to decide how to implement this policy. The policy will govern how the Board sets tuition and fees. Mr. DeGrandy said prospectively, this was correct, but that, in his view, the Board had made a determination of fees with the submission of the Legislative Budget Request.

Commissioner Winn said the Legislative Request Budget represented the Board's estimate of the needs of the University System, but had not addressed how much more should be provided from tuition. He said this variable needed to be identified.

President Cavanaugh said there were states where this was done. He noted that any budget request was based on need. It might be possible, based on what is appropriated by the Legislature, that there is no need for a tuition increase. Mr. Dasburg suggested that the staff review the budget and tuition process at a future meeting to explain how this should work prospectively. Dr. Worthen said she was interested to know how tuition and fees would cover parts of the budget not covered by legislative appropriations.

Dr. Austin said the Board, at its July meeting, had approved a Legislative Budget Request without addressing a tuition increase. In future, tuition would be addressed as a part of the Budget Request. Since then, at the Board's October meeting, the Board had adopted six tuition policies, including differing rates for in-state and out-of-state students, a 7 percent tuition increase, and authorizing the University Boards to impose unlimited tuition rates on out-of-state students. If these are approved by the Legislature, this changes the funding to the universities to an unknown figure because of the policies devolved to the University Boards.

Mr. Rummell said he would explain this as part of the "growing pains" for this Board. He said, thus far, the Board had been looking at many issues incrementally. These were issues that should be addressed holistically. Dr. Bryant agreed.

Mr. DeGrandy said that having submitted a budget request without a tuition increase was a de facto tuition recommendation. He said if this Board has the authority for fee policies, then no further approval from the Governor or the Legislature was needed. He said if the Legislature disagreed, this issue could be decided by the courts. He reasoned that if this Board has the power and authority, then it has the authority to exercise and implement these powers. He said the Board could make concessions or compromises as to its authority, but it need not seek the approval of others to act upon its powers.

Ms. Moll commented that much depends on the Legislature, as to the Board's Budget Request. There may be a gap between what the Board identified as to its needs in the Request and what is finally appropriated by the Legislature.

Mr. Dasburg said that might be true for this year, but that does not address the broader issue. If the Board is staking out its positions, then it needs to know what it is doing and have a routine approach. He said he needed a better understanding of the principles going forward. He asked staff to prepare an analysis of other states with Constitutional Boards to see how they set tuition policy. Mrs. Roberts clarified that he meant how the Board should address this in future. Mr. Dasburg concurred. He said that he believed for this Board to take authority or to delegate authority required the Board to attach certain conditions to the delegation. In this delegation, accountability becomes very important; there is a clear link between devolution and accountability.

Mr. Dasburg said there was one more item of "unfinished business." He said the Board had some discussion of the Chiropractic School at a previous meeting, but it was not settled as to what the Board had concluded. He said he had heard that FSU intended to go forward with the proposed Chiropractic School without the approval of this Board. He said he believed the Board had agreed on a resolution that FSU could not proceed with the Chiropractic School without the proposal coming before this Board, but that the discussion as reflected in the Minutes did not clearly reflect this. He said he wanted no ambiguity as to the Board's action. He moved that FSU could not proceed with the Chiropractic School or start that program until a proposal for the school was brought to this Board. Dr. Zachariah seconded the motion. Mrs. Roberts said she had received a request from Provost Abele to bring FSU's proposal to the Board's January 2005 meeting.

Dr. Bryant noted that she had previously made the request that no school or program within the scope of this Board's approval begin at any university without the approval of this Board. Mr. Uhlfelder noted that USF had also received funding for an Alzheimer's Center, which had not been approved by this Board. President Genshaft clarified that the Alzheimer's Center was located at USF, but not under the direction of USF. USF was expending no money on the Center and the Center had its own Board of Directors. Dr. Worthen added that the proposal for a Chiropractic School had not been considered by the faculty. She suggested that before consideration by this Board, the proposal should be reviewed by the faculty.

Mr. Woodring explained the distinction for these programs was within the scope of authority. The Legislature could choose to provide additional dollars to programs. This Board has program approval authority for programs offering professional degrees.

Mr. DeGrandy said if FSU applied to have the proposal considered by this Board, the University had acknowledged the authority of this Board. Mrs. Roberts said that President Wetherell had said he would proceed without this Board's approval, but upon further reflection had decided to bring the proposal to the Board for its approval. Mr. DeGrandy said he wanted this Board to be clear as he did not want to see this issue brought to litigation by third parties on their terms. In his view, this issue was not ripe for a lawsuit until the Board considered the program. Mrs. Roberts said that FSU would

follow the process in place for all programs brought to this Board for its consideration. Mr. DeGrandy clarified that he had not heard FSU saying that this Board did not have the authority to act on such a proposal. Mr. Dasburg agreed. There was no further discussion, and members concurred in the motion unanimously.

3. Approval of Minutes of Meeting held October 21, 2004

Ms. Moll moved that the Board approve the Minutes of the Meeting held October 21, 2004, as written. Dr. Zachariah seconded the motion, and members of the Board concurred.

4. Chancellor's Report

Chancellor Austin reported that the items constituting her report were included in the folders at each Board member's seat. No item required further comment.

5. Commissioner's Report

Commissioner Winn reported on the meeting of the State Board of Education. He said the State Board had engaged in a comprehensive discussion of performance funding. The Board had agreed to present several funding models for the Legislature's consideration, incorporating the model recommended by this Board, linking 10 percent of funding to performance accountability. The Board had recommended that it should address the larger issue of performance funding. The Board had agreed that any model should not endanger basic services to students by putting too much funding at risk and that not every part of the budget should be considered for this 10 percent linkage. Further, whatever approach was selected should be one which had demonstrated success. Any model should include a system of rewards for high performance, not just sanctions for low performance. It should also be a system that could be sustained over time. He said the Board had been supportive of a system with strong, meaningful, and understandable measures from all sectors.

Dr. Bryant inquired whether the Commissioner was looking at other accountability models. The Commissioner said the focus was on Florida. Mr. Uhlfelder inquired whether the State Board had discussed the long-term impact of continued success with high school graduation rates. Commissioner Winn said they understood the impact of these improved rates on the universities.

Commissioner Winn also reported that each year the State Board approved a list of "critical teacher shortage areas." This list was unchanged for this year. Last year, Florida hired 20,000 new teachers; the Colleges of Education produced about 6,000 of these hires. He noted that the Deans of the Colleges were projecting declines in these numbers of graduates in 2005-2006. He said it was estimated that when the Class Size Amendment is fully implemented in Fall 2006, Florida would need 30,000 new teachers. There would be serious teacher shortages.

Mr. Dasburg agreed that this was a serious problem. President Hitt had given the Board's Strategic Planning Committee a very thorough presentation on the supply

and demand issues facing the Colleges of Education. As a result of that discussion, the University Presidents were asked to propose a plan of action steps that could be presented to the Governor. He said, in the end, this was a demand issue. There were plenty of spaces available in the Colleges, but not enough applicants. He said this Board could not unilaterally solve the teacher shortfall. Mrs. Roberts said there also needed to be incentives for potential teachers.

6. Consideration: Proposed Policies and Procedures, Interim Presidential Search, FAMU

Chancellor Austin reported that Dr. Corbin, Chair, FAMU Board of Trustees, had requested this Board's approval of its selection process for its Interim President. Dr. Bryant commented that the Agenda item quoted the Board's Master Powers and Duties, that this Board would approve the policies and procedures of each university's presidential search. She noted that for each Board of Trustees, there might not be a process used for the selection or appointment of an interim president. She said she wanted to be very clear that in approving this procedure, this Board would not treat any institution differently. Mrs. Roberts said it was not common practice to do a search for an interim president; an interim president was often appointed without a search.

Dr. Corbin said Florida A & M University had adopted a process for the search for an Interim President. He had been advised that this process needed approval by the Board of Governors. He said applications were to be submitted by November 30, 2004; the Board of Trustees hoped to recommend an Interim President on December 14, 2004.

Mr. Temple said it was not clear why this Board should be involved. Dr. Austin said the Board's Master Powers and Duties required this Board to approve these policies. There was no distinction made in the Powers and Duties between interim or permanent searches. Mr. DeGrandy clarified that this Board would not be selecting the Interim President. Dr. Austin concurred. Mrs. Roberts added that the University had asked the Chancellor's Office to accept the applications.

Mr. DeGrandy recommended, as an alternative, that the Board delegate the approval of search criteria to the University Board of Trustees if the interim president will not serve longer than one year. Ms. Pappas inquired whether the definition of the length of service constrained the responsibilities of the interim president. Dr. Corbin said the tenure of the interim should clearly be the responsibility of the Trustees. Mr. Temple agreed that these were issues best decided by the Trustees.

Dr. Bryant said this Board should not set a precedent by making decisions on interim presidents. Ms. McDevitt said she viewed this as a special case, as the University had asked the Chancellor's Office to receive the applications. Dr. Corbin disagreed; this was not a special case, as he had been advised of the need for this Board's approval as a result of the statement of its Master Powers and Duties.

Mr. DeGrandy offered a motion that one year was long enough for an interim president to serve, and this Board would not approve the criteria for the selection of an

interim president if the tenure of the interim president would be one year or less. Mr. Temple seconded the motion.

Dr. Worthen clarified that if the university did not plan to conduct a search for an interim, and if the term were for less than a year, the Trustees were responsible for the process. Mr. DeGrandy agreed and said it was not healthy for a university to be without a permanent leader for a long time.

Dr. Corbin said the time period should be the responsibility of the Trustees. They should not be constrained by time limits. Mr. Uhlfelder asked if Dr. Corbin agreed that the University Trustees should move quickly toward appointing a permanent president. Dr. Corbin responded that imposing a one-year time limit set a bad precedent. Dr. Bryant added that stability at a university was important, and that some searches might take longer. Some of these issues should remain the responsibility of the Trustees without the involvement of this Board. She suggested that some universities might need some time beyond 12 months for extenuating reasons. Mr. Eady agreed that these were local issues, and that this Board should not be involved. Commissioner Winn noted that every Board would want a methodical process. He recommended that any process should also be an expedited process.

Mr. Carlos Alfonso, Member, UF Board of Trustees, said that conducting a presidential search is difficult. The UF Board spent more than four months pre-planning its recent search, and had conducted its search on a carefully orchestrated schedule.

Mr. DeGrandy clarified his earlier motion, that the Board agreed if the interim president were to serve for a year or less, no approval from this Board was needed. If, however, the Chair of the University Board advised this Board that the interim president was to serve longer than one year, this would require approval of this Board. It was the intent of this Board to delegate authority to the University Trustees if the interim president would serve less than one year. Ms. Pappas said this was more confusing. She said this Board should either delegate the authority to the Trustees, or act to approve the process.

Mr. Eady offered a substitute motion that this Board devolve all the responsibilities for interim presidential searches or appointments of interim presidents to the local Boards of Trustees. Ms. Moll seconded the substitute motion.

Mr. DeGrandy inquired whether a time limit should be included for the duration of an interim president. Mr. Rummell said this was an issue of good management. Dr. Worthen commented that there had been no previous discussions on duration of interim appointments.

Mr. Dasburg called the question on the substitute motion. The substitute motion was approved, with Dr. Bryant, Mr. Dasburg, Mr. Eady, Ms. Moll, Ms. Pappas, Mr. Uhlfelder, Commissioner Winn, and Dr. Worthen voting in favor.

Mr. Temple said he wanted to be clear that if a university were not acting expeditiously in its search for an interim, this Board would be involved. Mrs. Roberts concurred.

7. Discussion, Procedures for Rulemaking by the Board of Governors and the State University Boards of Trustees

Mr. Woodring said the Board had adopted a Resolution at its first meeting on January 7, 2003, adopting the rules of the State Board of Education, formerly the rules of the Board of Regents. He reported that the Department of Education Office of General Counsel had been working with the University General Counsels on a streamlined rulemaking process now that the Board of Governors, as a Constitutional Board, was not subject to the provisions of Chapter 120, F.S., the Administrative Procedures Act.

Dr. Adams explained that executive agencies were required to adopt rules under the provisions of the Administrative Procedure Act (APA), Chapter 120, F.S., after review by the Joint Administrative Procedure Committee (JAPC) of the Legislature. Until June 2004, the Board of Regents, State Board of Education and universities promulgated rules and decided rule and unpromulgated rule challenges under the APA. On June 18, 2004, a Florida court held in the NAACP case that rules adopted by the Board of Governors could not be challenged under the APA, because the Board's power to adopt rules flows directly from the Florida Constitution. Dr. Adams said that following this decision, the attorneys for the Board of Governors and universities began collaborating on an alternative rulemaking structure for the State University System. He described the general principles for the process and how this process would meet issues of fairness, notice, and due process. The Agenda included an outline of the proposed process. He said there were two key points still being discussed. One issue was whether this Board should have a formal role in reviewing university rules; the second issue was whether "rulemaking" is an appropriate paradigm for the State University System. He outlined key provisions in the rulemaking procedure provided to the Board including the definition of invalid rules, notice and publication requirements, the approval and adoption process, and rule challenge procedure.

Mr. Uhlfelder inquired whether rules would continue to be provided to JAPC for review. Dr. Adams said that he did not believe JAPC had jurisdiction any longer to review the rules.

President Brogan said that in the current rulemaking process, JAPC did not weigh in on whether a rule was good or bad, only whether the agency had the authority to adopt the rule. He said the proposed policy before the Board gives this Board the authority to say whether a University might adopt a rule and whether this Board approved the proposed University rule. This shifted authority from the University Board of Trustees to the Board of Governors. Mr. Woodring said the type of review afforded the Board under the draft rulemaking policy would be similar to JAPC's. The determination would not be one of "liking" a rule, but deciding whether it was contrary to the rulemaking procedure, Board authority or resolution, or the law. Mr. DeGrandy said

if this is what was intended, he approved. Then, the Board of Governors would not be substituting its judgment for that of the universities.

Dr. Adams said the rule challenge procedure was spelled out in the policy, including provisions for a hearing officer, for findings, and recommended orders. Mr. DeGrandy said he had several concerns. The policy incorporated concepts straight out of Chapter 120, F.S. He said there was a problem with the concept of allowing a challenge to a proposed rule. An executive agency is not a Constitutional body; these entities do not have similar authority. He said he believed that as a Constitutional body, the Board's rules could be challenged only after the Board passed and implemented them. Also, he questioned the process providing for a hearing with the Chancellor serving as agency head. He said the head of this agency was the Board of Governors. Mrs. Roberts thanked Board members for their comments. She said discussions with the attorneys would continue.

Mrs. Roberts recognized Ms. Pam Bernard, General Counsel, UF. Ms. Bernard congratulated this Board as it worked to improve public higher education in Florida. She said she shared with them a passion for constructing a rational and visionary approach. She said the university attorneys were eager to assist the Board in developing best practices to fit and advance the Board's Strategic Plan and had decided that rulemaking, as it was known, was ill-suited to higher education. She expressed her appreciation to Mr. Woodring and to Dr. Adams for working on this process, but advocated in lieu of a rulemaking process a not yet developed policymaking process. She said she had reviewed the process in place at the University of Michigan and at the University of North Carolina, universities with Constitutional governance entities. She reported that the University of Michigan had adopted 79 policies. By contrast, UF had adopted 240 rules. She said the Board now had the opportunity to construct a coherent and rational way to develop policy. She said this Board should have an orderly process by which it will adopt major policies, such as approving academic programs and setting tuition and fees.

Mr. Uhlfelder commented that he favored an approach closer to the APA's. He said an orderly process for adopting rules protected the universities' constituents. On difficult subjects, the rules adoption process was a reasonable one. He suggested that the Board should not give away too much too soon. Mr. DeGrandy said he did not disagree, but the Board should establish a process which would not micromanage the University Boards of Trustees. He cautioned against mixing rulemaking with policy making. The Board did need a process to implement its policies; this should be an expedited process and should address the relationship of this Board to the local Boards of Trustees. Mrs. Roberts asked that Mr. Woodring and Dr. Adams continue to work on a proposed process and bring their recommendations forward to the Board.

8. Consideration of New Degree Programs

A. Authorization to Implement Ph.D., Environmental Economics, UCF

The University of Central Florida seeks to implement a Ph.D. in Environmental Economics. Graduates of the program would be prepared

to address Environmental and Natural Resource issues vital to Florida as well as at the national and global levels. President Hitt said the program was consistent with the most recent UCF Economics five-year review that indicated the need and the demand for the program. Provost Hickey provided further information about the proposed program. He introduced several individuals supportive of the proposal.

Mr. George Williams, Darden Restaurants, advised the Board that the number of companies with environmental relations offices had grown significantly. He said his company was committed to sustainability and felt an obligation to work on protecting the environment. This program would educate those who would be able to evaluate the economic impact of environmental policy matters. Ms. Mary Lou Rajchel, CEO, Florida Phosphate Council, said she was also the Past-President of the Council for a Sustainable Florida. She said there was a strong linkage between sustainability and corporate profit. This program would provide needed research expertise.

Mr. Dasburg said he was concerned about the Strategic Planning consultants' findings that the System had an excess of Ph.D. programs, and that this was not in one of the Board's targeted program areas. He also noted that there were at least three similar programs already in place at UF, FSU, and FIU. He said that notwithstanding the high quality of the program proposal, he felt he must oppose it.

Mrs. Roberts noted that at the last meeting, the Board had decided that all future program proposals would first be reviewed by the Strategic Planning Committee. This proposal, however, had been in the pipeline for Board review prior to that decision. Dr. Bryant inquired how many other proposals were still in the pipeline, before the Board began to address these first in the Strategic Planning Committee. Mrs. Roberts said there were the two proposals on this Agenda, and the FSU proposal for a School of Chiropractic to be considered in January. Dr. Bryant inquired if the Strategic Planning Committee would adopt a new process for the review of these program proposals. Mr. Dasburg said that he expected the Committee would adopt a new format.

Dr. Zachariah thanked President Hitt for the excellent presentations. He said this program was not in the Board's Strategic Plan, and he would oppose it. Ms. Pappas said she agreed with other Board members, but that she was concerned about the application of new rules in the middle of the process. She said she was concerned about fairness to the universities.

Mr. Uhlfelder moved that the Board authorize implementation of a Ph.D. in Economics – Environmental and Natural Resource Economics, CIP 45.0601, at the University of Central Florida, as presented. Dr. Worthen seconded the motion.

Mr. Temple added his concern that the earlier consultants' reports had identified too many doctorates in the University System, and that this was not in one of the Board's targeted fields. Ms. McDevitt said this was an important field for industries which were heavily regulated. She viewed the proposed program as one to benefit Florida's citizens. She noted its serious academic focus and the opportunity to educate individuals to bring the necessary judgment to determine reasonable price vs. environmental impact. She viewed this program as a first step in bringing a rational debate to the process. Mr. Rummell said that it was bothersome that the Board heretofore had routinely approved these program proposals. The Board was now beginning a more intelligent process; he was reluctant to proceed as before.

Mr. Dasburg called the question. The motion carried, six votes to four, with Dr. Bryant, Mr. DeGrandy, Ms. McDevitt, Ms. Pappas, Mr. Uhlfelder, and Dr. Worthen voting for, and Mr. Dasburg, Mr. Rummell, Mr. Temple, and Dr. Zachariah voting against.

B. Authorization to Implement Ph.D., Public Health, FIU

Florida International University seeks to implement a Ph.D. in Public Health. Graduates of this program would be prepared to assume a variety of professional positions, including public health educators and policymakers. President Maidique and Provost Rosenberg said they had strong support for this program. The Stemple family had made a gift of \$5 million for the program. Dr. Rosenberg said institutions that met increased programmatic standards, including offering a doctorate, might be accredited as a School of Public Health.

Dr. Bryant noted the focus of this program on academic research; the similar program approved by the Board in October had an applied focus. Dr. Bryant added that she recognized that it was unfair to change the rules regarding program approval in the middle of the process, but she emphasized that the Board needed quickly to put in place a new review process, particularly with the reports from the consultants identifying the excess number of Ph.D. programs currently in the University System.

Mr. DeGrandy agreed that it was regrettable to both UCF and FIU, presenting these program proposals after the Board had heard startling information about degree programs in the System earlier in the day. Both these universities had been respectful of this Board and the rules then in place. He moved that the Board authorize implementation of a Ph.D. in Public Health, CIP 51.2201, at Florida International University, as presented. Dr. Bryant seconded the motion.

Dr. Zachariah said he appreciated the Presidents and the process, but it was important to focus on the merits of the proposal. Ms. Pappas addressed the basic principle of fairness. The universities deserved more

than five hours of notice that a new process was in place. She said the Board should be deliberative in its actions, rather than reactive. Mr. Uhlfelder agreed that it was unfair to impose a new set of standards at this late stage in the process. Mr. Temple said this program was in an area of critical state need.

There was no further discussion. The motion was approved on a vote of eight in favor, and two opposed. Voting for the motion were Dr. Bryant, Mr. Dasburg, Mr. DeGrandy, Ms. McDevitt, Ms. Pappas, Mr. Temple, Mr. Uhlfelder, and Dr. Worthen; voting against the motion were Mr. Rummell and Dr. Zachariah.

9. Consent Agenda Items

- A. Consideration of a Resolution of the Board of Governors Authorizing the Issuance of Revenue Bonds by the Florida Gulf Coast University Financing Corporation, Inc., to Finance Phase VII of the North Lake Village Student Residences on the Campus, FGCU

Dr. Worthen moved that the Board approve the financing plan and adopt a resolution authorizing the issuance of variable rate, tax-exempt revenue bonds by the Florida Gulf Coast University Financing Corporation, in an amount not to exceed \$8 million, to finance the cost of construction of Phase VII of the North Lake Village student residence complex, on the campus of Florida Gulf Coast University, and further, 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, as presented. Dr. Bryant seconded the motion, and members of the Board concurred.

- B. Consideration of a Resolution of the Board of Governors Authorizing the Issuance of Revenue Bonds by the Florida Gulf Coast University Financing Corporation, Inc., to Finance a Parking Garage on the Campus, FGCU

Dr. Worthen moved that the Board approve the financing plan and adopt a resolution authorizing the issuance of variable rate, tax-exempt revenue bonds by the Florida Gulf Coast University Financing Corporation, in an amount not to exceed \$6 million to finance the cost of construction of a parking garage on the main campus of Florida Gulf Coast University, and further, 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, as presented. Dr. Bryant seconded the motion, and members of the Board concurred.

10. Presentation: Proposal for a Program in Allopathic Medicine, FIU

Mrs. Roberts noted that the meeting had run late and inquired whether President Maidique would prefer to make his full presentation on the proposal for a new program in Allopathic Medicine at FIU to the Board at its January 2005 meeting. President Maidique agreed to wait, but said there were several supporters of the program who had flown from Miami to indicate their support for this program. He asked that they be recognized to say a few words.

President Maidique recognized and thanked Dr. Herbert Wertheim, a member of his Board of Trustees, who had committed a gift of \$10 million for this new medical school. Mr. Wertheim said he believed it was time to think of medical care in a new way. He said he believed FIU could raise \$60 to \$70 million for this new school.

Mr. Steven D. Sonenreich, President, Mount Sinai Medical Center, said he was committed to academic education. He said he would like his hospital to be the primary affiliate to the FIU Medical School's research component. Mr. John Matuska, President, Mercy Hospital, said he had been involved for 24 years at major teaching hospitals. He had also been involved in the development of medical schools and knew the importance of the relationship between quality clinical programs and research.

Dr. Christian Patrick, Senior Vice President and Chief Medical Officer, Children's Hospital, said his hospital had 71 medical residents. He said it was important to get physicians to come and stay in state. Without a "feeder" line, residents come from all parts of the country. Mr. Paul Katz, Vice President, Academic and Research Affairs, Mount Sinai Medical Center, said he had done his residency at UF. It was important to create additional residency programs in Florida. The best residency programs were those which were affiliated with Schools of Medicine. He said a feeder system into residency programs would enhance the economy and health care in South Florida.

Mrs. Roberts thanked them all for coming to show their support for the proposed medical school at FIU.

11. Status Reports, Board Committees

A. Strategic Planning/ Educational Policy

Mr. Dasburg said most of the Board members had been present for the extended discussions of the Strategic Planning Committee earlier in the day. He said in addition to the continuing work by staff and the consultants on the Board's Strategic Plan, the Committee had recommended two action items. Following a presentation by President Hitt on the under-demand of students for education degrees, the Committee had directed President Cavanaugh and the State University Presidents Association to look at all the issues associated with increasing the demand by students for degrees in education, and to make appropriate recommendations to the Governor and to the State Board of Education, as well as to this Board. The Committee had also heard a

presentation by President Maidique on the demands for nursing degrees. The Committee had directed the Chancellor to work with the universities and to come back to this Board with a work plan for addressing the universities' infrastructure and faculty needs to provide more opportunities for the excess demand by students for nursing.

B. Performance and Accountability

Mr. Uhlfelder thanked Mrs. Roberts for chairing his Committee meeting. He apologized for being late, but said he had been in Washington, D.C., the previous evening for a Hurricane Relief Fundraiser with the members of the Florida Congressional Delegation. He said they had raised over \$1 million.

Mr. Uhlfelder said the Committee had continued its discussions of the Accountability and Performance Funding Model. He moved that the Board transmit, as required by Section 1008.31, F.S., its report on performance funding to the Legislature via the State Board of Education and the Florida Department of Education. The transmission of this report constituted the general endorsement of the concept of accountability and performance funding by the Board of Governors without necessarily approving the report's entire methodology. Mr. Rummell seconded the motion, and members of the Board concurred.

12. Adjournment

Having no further business, the Chair adjourned the regular meeting of the Florida Board of Governors at 4:15 p.m., November 18, 2004.

Carolyn K. Roberts,
Chair

Mary-Anne Bestebreurtje,
Corporate Secretary