

INDEX OF MINUTES  
FLORIDA BOARD OF GOVERNORS  
HARRY SUDAKOFF CONFERENCE CENTER  
NEW COLLEGE OF FLORIDA  
SARASOTA, FLORIDA  
OCTOBER 21, 2004

<u>ITEM</u>	<u>PAGE</u>
1. Call to Order and Chair's Report.....	1
2. Welcome, President Mike Michalson.....	2
3. Presentation, "Sure Futures Post-Graduate Scholarship Program".....	2
4. Approval of Minutes of Meeting held July 22, 2004.....	3
5. Chancellor's Report.....	3
6. Commissioner's Report.....	4
7. Update, Hurricane Relief.....	4
8. Presentation, "ICUF: Working toward a Brighter Future for Florida".....	5
9. Proposed 2005 Legislative Session Issues; Tuition and Fee Policies.....	5
10. Consideration of New Degree Programs.....	9
11. Consideration of 2004-2005 State University System Operating Budget.....	11
12. Consideration, 2005-2006 State University System Fixed Capital Outlay Legislative Budget Request.....	12
13. Approval: Authorize Release of Funds from the University Concurrency Trust Fund, in accordance with the Campus Development Agreement between the University of Florida Board of Trustees, the City of Gainesville and Alachua County.....	13
14. Status Reports, Board Committees.....	13
15. Adjournment.....	14

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SARASOTA, FLORIDA  
OCTOBER 21, 2004

The Chair, Carolyn K. Roberts, convened the meeting of the Board of Governors in the Harry Sudakoff Conference Center, New College of Florida, Sarasota, Florida, at 11:15 a.m., October 21, 2004, with the following members present: Pam Bilbrey; Dr. Castell Bryant; Jarrett Eady; General Rolland Heiser; Gerri Moll; Lynn Pappas; Ava Parker; Steve Uhlfelder; Commissioner John Winn; and Dr. Dreamal Worthen. Dr. Zach Zachariah participated in the meeting by telephone conference call.

1. Call to Order and Chair's Report

Mrs. Roberts recognized President Mike Michalson and thanked him for the generous welcome extended to members of the Board by all the staff at New College of Florida. She said the reception and dinner the previous evening had been lovely, and that she had enjoyed visiting with Senator Bob Johnson, Chair, New College Board of Trustees, during dinner. She noted that New College had been prepared to host the Board in September and had been most gracious in moving all the plans to October when the September meeting was cancelled.

She welcomed Commissioner John Winn and Dr. Dreamal Worthen to their first Board meeting. She said she had worked with the Commissioner for a number of years and looked forward to his contributions to the work of this Board. Dr. Worthen is a faculty member at Florida A & M University, and serves on the Board as the Chair of the University Faculty Senates, succeeding Dr. Howard Rock.

She noted that all the universities had suffered damage from the four hurricanes that had slammed into Florida during September, but none had suffered as much as the University of West Florida. She commended President Cavanaugh for his leadership and the effective manner in which he had led recovery efforts on his campus, noting that all the universities had assisted each other in repair and recovery efforts.

She said the Board was actively engaged in discussions of accountability and strategic planning. She emphasized that the Board's goals for the universities are that they compete not with and against each other, but with the best public and private universities in the nation.

She advised the Board that the next meeting of the Board was scheduled for November 18, 2004, and would be held in the Turlington Building in Tallahassee.

2. Welcome, President Mike Michalson

President Michalson welcomed the members of the Board of Governors to their first visit to New College of Florida. He said he was proud of his students, certainly the best and brightest students in Florida at the undergraduate level. He said he was proud of New College's "bragging rights" as a "best buy" in higher education. He noted that New College was a leading "feeder" school of students to the country's best business, law and medical schools. The College succeeds in its focus on undergraduate instruction. New College has full-time students and a dedicated faculty. Students have a thesis requirement with an oral presentation; letter grades are not awarded. Each student has a "learning contract" which gives the student both freedom and responsibility in the curriculum.

He said that with the new governance system and its own Board of Trustees, New College had had to seek independent accreditation in 2001. He said he had been warned that colleges seeking independent accreditation might have to rectify some 30 to 40 issues. He noted that New College only had to correct 11 issues, none of which had to do with academics. He said New College was an excellent example of a public-private partnership, as the College began as a private school 40 years ago. In the 1970s it became a part of the University of South Florida. He reported that between 1979 and 2003, the College had raised more than \$100 million in private funds, much of which had been used to build the College's buildings.

Mrs. Roberts thanked President Michalson and commended him for New College's accreditation.

3. Presentation, "Sure Futures Post-Graduate Scholarship Program"

Mrs. Roberts recognized Representative Kevin Ambler. Representative Ambler described his proposal for a "Sure Futures Post-Graduate Scholarship Program." He said the proposal was to match private sector businesses in need of employees with advanced degrees with students seeking both advanced degrees and future employment. He said the program would provide post-graduate support for students from the business community. Businesses would obtain a corporate tax credit incentive in areas where the State seeks to foster employment; they would be committed to providing the selected students with a four-year employment commitment. He said there was very little financial assistance available for students seeking post-graduate degrees. He said the proposal was in its early stages of development. He reported that he had presented the proposal to the University Presidents and that they had seemed supportive. He said he hoped to bring the proposal to the Governor so it might be included in the Governor's budget recommendations.

Ms. Parker inquired if he had discussed his proposal with any businesses in Florida. He said he had had some informal conversations. He said he would next bring the idea to Enterprise Florida and to various Chambers of Commerce.

4. Approval of Minutes of Meeting held July 22, 2004

Ms. Bilbrey moved that the Board approve the Minutes of the Meeting held July 22, 2004, as written. Ms. Moll seconded the motion, and members of the Board concurred.

5. Chancellor's Report

Chancellor Austin said the Agenda included a summary of the financial impact of the hurricanes on the State University System. She commended all the universities who had helped each other recover from the hurricanes, noting that the hurricanes had inflicted damage on all the universities. She said they had truly acted as a System in these efforts.

Dr. Austin said she had distributed "Measuring Up 2004," a national report that had given Florida, and 36 other states, a grade of "F" in overall higher education affordability. She noted that in "participation," Florida earned a "C" and was improving because of reform efforts in K-12, from which the universities were the beneficiaries. Florida is significantly different from the U.S. as a whole only in terms of the amount of need-based aid it awards as a ratio to Federal Pell grant aid. Need-based aid, however, is not the only tool for states to address financial aid. Merit-based aid and low tuition also benefit students with financial need. She noted that it takes 25 percent of average Florida family income to pay expenses in the SUS, compared to 28 percent in public universities nationwide and 32 percent in California.

She reported that the Division had retained the services of two consultants to assist the Board in its strategic planning process. The North Highland Company had been retained to develop a model that will produce undergraduate, graduate and professional degrees in the most cost-effective manner at each university based on the goals in the Board's strategic plan. MGT of America had been retained to provide a written analysis of the key challenges facing the Board in meeting the degree production goals and the goals for targeted programs in its strategic plan as well as a written analysis of cost-effective strategies for reaching the goals identified by the Board by 2012-13. Their final reports are to be delivered by November 8, 2004, and both consultants will report at the Board's meeting on November 18, 2004. She said the universities had been asked to present the framework for their strategic plans; these were received on October 15, 2004. They will be compiled and presented at the November meeting, as well.

President Brogan noted that Florida Atlantic University had forwarded information, but that its strategic plan was not yet final. He said the University was using the Board's Y-axis as the bedrock for its planning.

She reported that she had met with the Chair of the FAMU Board of Trustees, and with the Chair of that Board's Presidential Selection Subcommittee to advise them of this Board's role in the presidential selection process. In accord with its Master Powers and Duties, this Board has a role in approving the policies and procedures to be used in the university's presidential search process. Once the University Board has

made its presidential selection, this Board is required to ratify the selection. Ms. Moll recommended that presidential ratification be done by telephone conference call, in order that these selections are ratified in a timely manner.

Dr. Austin said she had discussed a Trustee appointment process with Mrs. Roberts. Each University Board has four members whose terms will end in January 2005, two members appointed by the Governor and two members appointed by this Board. She said she and the Chair would review Trustee applications; she would discuss names of potential appointments with members of this Board, following initial review. She said they intended to continue to rely on the Governor's office for background checks.

#### 6. Commissioner's Report

Commissioner Winn said it was an honor for him to serve on this Board. He said this Board was in its infancy in developing its relationships with the universities and with the State Board of Education. How that relationship is realized is the measure of the endeavor. He said this must play out in a purposeful way. He said his top priority was to coordinate and to communicate with the State Board of Education, and to find those issues which were common across sectors. He said Florida was light years ahead in articulation, which affected students at every level.

He reported that he had been Commissioner for about six weeks, and had spent those weeks dealing with hurricane recovery issues for schools and colleges across the State. There were still many recovery issues to be resolved.

He reported that the State Board at its meeting earlier in the week had passed its first resolution recognizing the efforts of facilities and grounds crews in the school districts. He said universities were also still cleaning up from the storms. There were many heroes throughout Florida. Further, the State Board had released its accountability measures for K-12, to be amended, as needed, to reflect the school days lost to the storms. Districts could submit requests for specific waivers regarding the FCAT, but the Board had refused to grant district-wide waivers on school grading or high school graduation requirements.

He said he looked forward to good communication between this Board and his office.

#### 7. Update, Hurricane Relief

Mrs. Roberts commended Mr. Uhlfelder, Co-Chair of the Hurricane Relief Fund. Mr. Uhlfelder said that he served with former Senator Connie Mack. They had raised approximately \$16 million in nine weeks to assist communities with unmet needs. The distribution of funds was based on FEMA allocations. He said there was a special fundraiser scheduled in Washington, D.C., on November 17, 2004, with members of Florida's Congressional Delegation.

8. Presentation, "ICUF: Working toward a Brighter Future for Florida"

Mr. Ed H. Moore, Executive Director, ICUF, advised the Board to include the Independent Colleges and Universities of Florida (ICUF) in its strategic planning process. He described Florida's independent colleges, their student population and the 180 educational sites in Florida. He said ICUF schools awarded more than 15,000 bachelors degrees each year and produced more than 29 percent of Florida's teachers. He reported that ICUF students cost the State much less than the cost of students in the State University System. He noted the findings from the Council of 100 that demonstrated from a state funding perspective, the private institutions produce more graduates per million State dollars invested. He also described several programs developed by ICUF institutions to respond to state needs identified by the Governor, the Legislature, the State Board of Education, and others, including *YesTeach!* to recruit, prepare and place new teachers. He said ICUF institutions were providing access for students and demonstrating success in producing graduates needed in the workforce.

Mrs. Roberts thanked Mr. Moore. She said the ICUF institutions played an important role in Florida.

9. Proposed 2005 Legislative Session Issues; Tuition and Fee Policies

A. Proposed 2005 Legislative Session Issues

Dr. Austin advised the Board of the House Interim Project on Governance. The project is "designed to identify statutory changes needed to implement Section 7 of Article IX of the Florida Constitution." Staff members in the Division are working with the Department's General Counsel, and with staff in the Governor's office to review more than 650 relevant statutes. She said the Chair had also established an Ad Hoc Committee on Governance, including one member from each of the University's Board of Trustees and one university staff member. No meeting date had yet been set for this Committee.

Dr. Austin said the Agenda included proposed Major Gifts Legislation. Last year, Ms. Bilbrey had chaired a committee to review this program and propose statutory changes to improve it. The committee had made several recommendations, including reducing some of the state match percentages, revising the donation scale and capping the annual state contribution for a single gift. She said the proposal included one new provision, authorizing gifts to the Board's Foundation to be matched to address statewide needs. Ms. Parker moved that the Board approve the proposed Major Gifts Legislation, as presented. General Heiser seconded the motion, and members of the Board concurred.

B. Tuition and Fee Policies

Dr. Austin said there had been numerous discussions of university tuition and fees. Several recent reports and studies had made recommendations, including the Florida Board of Education's Higher Education Funding Task Force, the Office of Program Policy and Government Accountability, and The Council of 100. She noted

that the continuing viability of the Florida College Prepaid Program and the Bright Futures Scholarship Program were also dependent on carefully considered tuition and fees policies.

She described some of the key assumptions behind the proposed policies. The universities needed to continue to guarantee low-cost access to the state's resident undergraduate students. This Board should maintain tuition flexibility to the University Boards of Trustees, in return for university accountability for their tuition policy choices. The policies should assure efficient student movement toward graduation with 120 credit hours earned within four years, and the tuition policies should support the goals of the Board's Strategic Plan. She said there were six policies presented, as follows: 1. A ceiling on combined tuition and fees for resident undergraduates; 2. Discretion over mix of tuition and fees below the ceiling; 3. 25% tuition and fee surcharge for hours beyond 110% of requirements; 4. Block tuition and fees; 5. Discretion to set tuition and fees for many students; 6. Accountability for tuition policy.

Mrs. Roberts suggested that members discuss each proposal separately. Mr. Eady inquired whether the Board would mandate the composition of any committee recommending new fees. Mrs. Roberts said the intent was to give the University Boards of Trustees the authority to make those determinations. Mr. Eady said that the composition of committees recommending current fees, i.e., the athletic fee, health fee, activity and service fee, included both students and administrators. He said he would want similar committees to recommend any new fees.

There were no comments on policy #2.

Dr. Bryant inquired why excess hours were set above 110 percent of credit hours required for the degree. Dr. Austin responded that the data showed this to be a natural break point in student records. Dr. Bryant noted that excess hours are monitored at 150 percent of required hours for federal financial aid purposes. She inquired whether this policy would create a new set of problems. President Genshaft noted that only about five percent of USF students went beyond 110 percent of required hours. Ms. Parker noted that Bright Futures Scholarships would cover no more than the 110 percent of required hours. Dr. Worthen inquired about students who exceeded the 110 percent of credit hours because they pursued a degree which had not been a part of their original studies. Dr. Austin said this would require effective advising from the outset of a student's academic career.

Ms. Pappas noted that the Board was setting new ground in motivating outcomes with the proposal for block tuition. She said it would be helpful to have some timeframe to see how block tuition had furthered the Board's Strategic Plan objectives, with some looking back to see if the Board's expected outcomes were achieved. Dr. Bryant inquired whether there would be any exceptions to the \$100 fee for course withdrawal. Mrs. Roberts said the University Boards would make that determination.

Mr. Eady suggested that the comparison should be with states similar to Florida. He noted that there was no threshold number of hours for double majors. He said students should not be penalized for exploring different courses, and that some

students might not be ready to enter the workforce prepared after four years of undergraduate study. Mrs. Roberts said it was important to remember that the universities were public institutions funded with tax dollars and were not funded to allow students the privilege of taking as many courses as they might want. Mr. Eady commented that parents were taxpayers, as well. Dr. Austin added that the data showed that a great majority of students with double majors completed their coursework within the 110 percent credit limit.

Dr. Bryant commented on the block tuition policy. She conveyed a message to the universities on behalf of the students that this required the universities to offer courses when the students needed them. Students could not afford to wait a year for a course. The universities should not implement block tuition without the needed course offerings. Ms. Parker inquired why the staff was now recommending a required block tuition policy when the recommendations last January were that a block tuition policy was optional. Mrs. Roberts responded that at this point, these were recommendations for the further consideration of the Governor and Legislature.

President Hitt commented that the universities were already experiencing a tight level of funding. They were already having difficulty offering the courses students needed. He suggested that some universities might charge the \$100 course withdrawal fee; others might choose not to charge the fee. President Brogan said he was ambivalent about this charge. The fee might not be seen as a great deterrent to dropping a course.

Ms. Bilbrey wondered if there were enough flexibility in the policies for the University Boards. Dr. Austin said the policies were meant to assure that the universities received the same General Revenue support from the state; each university could model the policies to its needs. President Maidique said that it would cost FIU between \$1 million and \$1.5 million to implement the proposed block tuition policy. Ms. Bilbrey observed that some policies might offset the impact of others.

President Michalson commented that New College had “contracts” with its students, and at New College a “block” would be considered for such a “contract,” now counted at 16 hours.

Mr. Eady noted that the previous year, a “block” was for 12 hours; it was now recommended for a student taking nine or more credits. Ms. Parker responded that the added flexibility provided the universities the opportunity to tailor the policy to their student bodies. Mrs. Roberts said the intent of the policies was to be student-friendly when they were implemented. President Brogan commented that nobody could know the full impact of these policies, but the attempt was to maximize the positive impact for students.

Mr. Uhlfelder said he was not comfortable with the lack of any restrictions in the setting of tuition for all students other than resident undergraduate students. Ms. Moll said this decision was for the University Trustees. Dr. Worthen inquired whether institutions would be penalized for these decisions. Dr. Austin said the universities

would receive the same level of General Revenue support. Mr. Uhlfelder said the universities should be held accountable to the Board's Strategic Plan goals.

Dr. Bryant said she would encourage the University Presidents, if these policies are adopted, to advise their Trustees thoroughly about these policies and to be sure they had a good, sound profile of their students. Further, she urged the Presidents to work with their faculty and staff to make course offerings available to the students. The success of these policies is dependent on the timely availability of courses.

Dr. Bryant moved that the Board adopt these policies and procedures, as presented, and recommend them to the Governor and Legislature for further consideration. Ms. Pappas seconded the motion.

Mr. Eady said he would fight the implementation of block tuition across-the-board. He said there was not unanimous consent for block tuition among the Student Body Presidents. He said he needed to advocate for students and it was a disservice to students to charge students taking nine credit hours the cost for 15 credit hours. He said there were non-traditional students and students not able to stay for summer courses. He said the policy was fundamentally incorrect; students should only be charged for the course hours for which they are registered.

Mrs. Roberts said the block tuition policy would not affect part-time students; each University Board could determine the hours for its full-time and part-time students. Dr. Austin added that if an institution chose to implement block tuition at 12 credit hours, then students taking 11 or fewer credit hours would pay tuition on a per credit hour basis. She noted that the State of Florida contributed 75 percent of the cost of education.

Dr. Worthen supported Mr. Eady. She cautioned the University Presidents to be sure that their University Boards implemented policies reflective of their student populations. Mr. Uhlfelder added that the policies adopted on the campuses should be fair and balanced, and that the Board's strategic plan and university accountability work together.

President Brogan said these tuition policies were part of a larger whole, including the new Funding Formula the Board had adopted earlier in the year. Individual pieces of these proposals have the potential for a negative impact. It was important for the universities and the Board to work together in support of the entire package, so that the Legislature does not see the opportunity to pick out one or the other proposal for support or opposition.

Ms. Moll said these policies were student-friendly. She said it was important to note that the Board was attempting to create additional capacity for students to be able to make their way through the System. Ms. Parker said it was clear that students needed good advising.

President Machen said Florida was not breaking new ground with a block tuition policy; Florida may not yet have the data on the flow-through efficiency occurring as a

result of block tuition policies. He suggested that other states had better graduation rates. He noted that there would likely be some change from the implementation of these policies, but that all the possible outcomes were not known. Mrs. Roberts said she was confident the University Boards would implement these policies with care and with full consideration for the students enrolled at their campuses.

Dr. Austin said there had been some discussion that the \$100 fee to withdraw from a course should be an option for decision by the University Boards. In addition, President Michalson had indicated that the "contract" for students at New College was for 16 credit hours. She suggested that she be authorized to work with New College on this issue. These issues were not addressed in the motion on the table. Dr. Bryant agreed to amend her motion with these two additional issues; General Heiser concurred.

There was no further discussion, and the motion, as amended, was adopted, with Mr. Eady voting no.

10. Consideration of New Degree Programs

A. Authorization to Implement Ph.D., Counseling, FAU

Florida Atlantic University seeks to implement a PH.D. in Counseling. Graduates of the program will be prepared to assume a variety of professional positions, including faculty positions; administrative positions in government, not-for-profit, and for-profit organizations; and in clinical practice. This would be the first PH.D. in Counseling offered in South Florida; the others in the state are at UF and at FSU. FAU has presented convincing arguments of the need for more doctoral-level graduates in counseling and evidence of anticipated demand. The Agenda included detailed cost information for the implementation of the new program and information about the proposed program, its curriculum and the faculty in place to support the program.

Ms. Moll moved that the Board authorize implementation of a PH.D. in Counseling, CIP 13.1101, at Florida Atlantic University, as presented. Ms. Bilbrey seconded the motion, and members of the Board concurred.

B. Authorization to Implement Ph.D., Geography and Environmental Science and Policy, USF

The University of South Florida seeks to implement a PH.D. in Geography and Environmental Science and Policy. The program is designed to integrate the strengths of the Departments of Geography and Environmental Science and Policy and is expected to be the first interdisciplinary program with a combined emphasis on both geography and environmental policy offered within the University System. The program is intended for students who want to cross disciplinary boundaries and focus research on pure and applied topics in geographical

and environmental approaches to science and policy. This is the first such program to integrate both disciplines into a single doctorate. The Agenda included detailed cost and curriculum information for the proposed program.

Ms. Moll moved that the Board authorize implementation of a PH.D. in Geography and Environmental Science and Policy, CIP 45.0799, at the University of South Florida, as presented. General Heiser seconded the motion, and members of the Board concurred.

C. Authorization to Implement Ph.D., Biomedical Engineering, USF

The University of South Florida seeks authorization to implement a PH.D. in Biomedical Engineering. The proposed program has a substantial number of resources in close proximity, including a national comprehensive cancer center, a children's hospital, and a VA hospital in which students can apply classroom knowledge in authentic settings. The University has provided data that demonstrate the need for more doctoral-level graduates in biomedical engineering, evidence of anticipated demand, and a demonstration of program alignment with the Board's strategic plan. The Agenda included detailed cost and program information.

Ms. Pappas moved that the Board authorize implementation of the PH.D. in Biomedical Engineering, CIP 14.0501, at the University of South Florida, as presented. General Heiser seconded the motion, and members of the Board concurred.

D. Authorization to Implement Doctor of Physical Therapy (DPT), USF

The request from the University of South Florida to authorize the implementation of the Doctor of Physical Therapy is the first of several which may come forward in coming months. Seven of the state universities currently offer master's level physical therapy programs, UF, FAMU, USF, UCF, FIU, UNF, and FGCU. The desire to move to the doctoral level is driven in part by the national trend towards more autonomous practice by physical therapists and the desire to remain competitive in the recruitment of new students, many of whom are choosing institutions that offer the DPT. The Agenda included detail about the proposal and explanation of the new program.

Ms. Parker moved that the Board authorize implementation of the Doctor of Physical Therapy, CIP 51.2308, at the University of South Florida, as presented. Ms. Moll seconded the motion, and members of the Board concurred.

E. Authorization to Implement Doctor of Public Health (DrPH), FAMU

Florida A & M University seeks to implement the Doctor in Public Health to prepare students for careers in public health professional practice, teaching or research. Graduates will be oriented toward applied research in development, implementation and evaluation of public health programs and will be employed by government, private, or volunteer agencies at the local, state, national or international levels, as well as in colleges and universities. This will be the first DrPH program in Florida, and it will strive to fill three recognized gaps in the public health workforce: preparing professionals for leadership positions in public health practice rather than in academic settings, addressing health disparities among the poor and disadvantaged, and addressing the recognized lack of minority public health professionals and paucity of doctoral level African Americans in schools of public health and public health agencies. The Agenda included information about the program, its cost and curriculum.

Ms. Moll moved that the Board authorize implementation of the Doctor of Public Health (DrPH), CIP 51.2201, at Florida A & M University, as presented. Ms. Bilbrey seconded the motion, and members of the Board concurred.

F. Consideration of Further New Doctoral Degree Programs

Dr. Austin said that she and the Chair had discussed new doctoral degree programs proposed by the universities. She said they had agreed that no further doctoral degrees should be brought forward for Board consideration and approval until the Board's Strategic Plan was in place. She said she knew of several degree proposals which were already in the pipeline; these would not be affected by this temporary moratorium. Dr. Bryant inquired whether the format of the proposals might change once the Board had adopted its Strategic Plan. The Chancellor concurred that the format would change. Mrs. Roberts added that once the Strategic Plan was in place, these proposals would first be reviewed by the Board's Strategic Planning/Educational Policy Committee, now chaired by Mr. Dasburg.

11. Consideration of 2004-2005 State University System Operating Budget

Dr. Austin explained that the Agenda included the operating budget for the University System for the current year, 2004-2005. These budgets, for each campus, had already been approved by the University Boards of Trustees and were presented to this Board for approval because of the requirement for approval of the operating budgets contained in the Board's Statement of its Master Powers and Duties.

Ms. Moll inquired how these had been vetted within the context of the universities' strategic planning processes. Dr. Austin said such discussions had been relatively minimal as the universities' strategic plans were still being developed. Ms.

Pappas noted that as the Board adopted its Strategic Plan and processes, these would similarly be more connected.

General Heiser moved that the Board approve the 2004-2005 State University System Operating Budget, as presented. Ms. Billbrey seconded the motion. Mrs. Roberts stated that approval of these operating budgets, as shown in the Agenda, did not imply approval of any academic programs at the universities at the doctoral or professional level. She said there was \$9 million included in FSU's operating budget that may be for a Chiropractic School or for some other program. She said by this action approving the operating budgets, this Board was not approving the Chiropractic School degree programs. Any professional or doctoral program must be approved by this Board prior to implementation. She noted that the funds for this program may be embedded in the operating budget, but this did not imply any Board approval of the program.

There were no further comments. Members of the Board concurred in the motion unanimously.

12. Consideration, 2005-2006 State University System Fixed Capital Outlay Legislative Budget Request

Ms. Parker reported that the Facilities Committee had heard a presentation on the proposed 2005-2006 State University System Fixed Capital Outlay Legislative Budget Request that had included information on each of the parts of this budget. She moved that the Board approve the 2005-2006 SUS Fixed Capital Outlay Legislative Budget Request, including:

- The 2005/2006-2007/2008 SUS Three-Year PECO Project Priority List;
- The 2005/2006-2010/2011 SUS Five-Year Capital Improvement Plan Project List;
- The 2005/2006 Alec P. Courtelis Facility Enhancement Challenge Grant Program Project List;
- The 2005/2006 Capital Improvement Trust Fund Project List;
- A Request for Legislative Approval for the State University System to construct facilities from non-PECO sources which may require General Revenue funds to operate;
- 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;
- A Request for Legislative Approval for the financing and acquisition of facilities by Direct Support Organizations of the State University System;
- A Request for PECO Remodeling/Renovation/Repair/Maintenance Formula Funds Appropriation; and
- A Request for Concurrency Trust Fund Appropriation;

excluding the Supplemental Special Request Project List, identified in the Agenda as Exhibit H. Further, she moved that the Board authorize the Chancellor, Division of Colleges and Universities, to make revisions based on updated revenue forecasts and to make technical changes, as necessary. Dr. Bryant seconded the motion.

Ms. Parker noted that this budget recommendation was based on current budget restraints. The proposed budget funded the universities' utilities and infrastructure needs and the completion of Board recommended projects that had received prior funding. No new projects were recommended for funding.

Mr. Dick Beard, Chair, USF Board of Trustees, said he recognized the constraints in the PECO budget, but that he was surprised the Board had not recommended any new projects for USF. He noted that USF was dead last among the institutions in research laboratory space, and the lack of funding for a new research facility would make it difficult for USF to reach its strategic research goals. Ms. Parker said she would get further information from the staff and call Mr. Beard about this specific request.

Ms. Pappas said she was unclear about other funding sources the Florida Institute of Oceanography had pursued for its new Coastal Research Vessel. She noted the dichotomy of a difficult and tight budget with the Board's strategic goal of achieving world-class research. She inquired whether this vessel could qualify for any matching gifts. Dr. John Ogden, Director of the Institute, said that the Institute had a commitment from Rep. Young for \$3 million, if the State provided \$8 million. The Institute had requested full funding from the State for \$11 million. Mrs. Roberts suggested that there was some confusion about this request. She suggested that the Chancellor obtain further information, and bring this issue back to the Board in November for further discussion.

There were no further comments, and members of the Board concurred in the motion, as presented.

13. Approval: Authorize Release of Funds from the University Concurrency Trust Fund, in accordance with the Campus Development Agreement between the University of Florida Board of Trustees, the City of Gainesville and Alachua County

Mr. Uhlfelder moved that the Board approve the allocation and authorize the Deputy Commissioner, Finance and Operations, to release funds in the amount of \$3.5 million to the University of Florida for payments to the City of Gainesville as agreed in the Campus Development Agreement between the University of Florida Board of Trustees, the City of Gainesville and Alachua County, as presented. Dr. Bryant seconded the motion, and members of the Board concurred

14. Status Reports, Board Committees

- A. Performance and Accountability

Mr. Uhlfelder said the Performance and Accountability Committee had met to continue its discussions of accountability. Staff had made a short presentation on SUS Performance Funding. He said the Committee would continue to work and to consider other ideas. He noted that this was a difficult task.

President Machen said it was easy to get sidetracked on these discussions. He said the Board had adopted seven accountability measures, within which there was plenty of room for each university to develop an accountability paradigm. He said the universities would not get more flexibility without accountability and he offered to present a proposed model from UF at the Board's next meeting.

B. Facilities

Ms. Parker said the Facilities Committee had discussed several issues at its meeting. The Committee had continued its discussion of classroom utilization and had received excellent data from the staff. She said following the discussion, the Facilities Committee had moved that the Committee review annually the information on classroom utilization from the campuses. She so moved. Ms. Bilbrey seconded the motion, and members of the Board concurred.

Ms. Parker said the Committee had also discussed three options for funding large fixed capital outlay projects which did not receive full funding in a given year for a project's design or construction phase. As a result of the discussions, she moved that the State University System Fixed Capital Outlay Legislative Budget Request include language in the Implementing Bill authorizing the transfer of appropriated funds between projects funded from the same source of funding at a university, with universities being directed to submit data to the Department of Education justifying transfers prior to the transfer. General Heiser seconded the motion, and members of the Board concurred.

15. Adjournment

Having no further business, the Chair adjourned the regular meeting of the Florida Board of Governors at 2:55 p.m., October 21, 2004.

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Carolyn K. Roberts,  
Chair

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Mary-Anne Bestebreurtje,  
Corporate Secretary