



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA

Board of Governors Meeting
Grand Ballroom, Student Union
Florida A&M University
Tallahassee, Florida
March 28, 2013
Upon Adjournment of Previous Meetings

1. **Call to Order and Chair's Report:** *Chair Dean Colson*263

2. **Approval of Board of Governors Meeting Minutes:**265
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 - B. Minutes, February 21, 2013

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4. **Viva Florida 500:** *Honorable Ken Detzner, Secretary of State;
and Mr. Steve Seibert, Treasurer, Florida Humanities Council*291

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ii. 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 International University to finance construction of a parking garage
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9. **Trustee Nominating and Development Committee Report:**
Governor Mori Hosseini
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11. **Concluding Remarks and Adjournment: Chair Colson**

(N.B.: As to any item identified as a "Consent" item, any Board member may request that such an item be removed from the consent agenda for individual consideration.)

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STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2013

SUBJECT: Chair's Report to the Board of Governors

PROPOSED BOARD ACTION

For Information Only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Not Applicable

BACKGROUND INFORMATION

The Chair, Dean Colson, will convene the meeting with opening remarks.

Supporting Documentation Included: None

Facilitators/Presenters: Chair Dean Colson

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2013**

SUBJECT: Approval of Minutes of Meeting held January 17, 2013 and February 21, 2013

PROPOSED BOARD ACTION

Approval of Minutes of the meeting held on January 17, 2013, at the University of Florida, Gainesville, and the meeting held via telephone conference call on February 21, 2013.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Board members will review and approve the Minutes of the meeting held on January 17, 2013, at the University of Florida, Gainesville, and the meeting held via telephone conference call on February 21, 2013.

Supporting Documentation Included: Minutes: January 17, 2013; February 21, 2013

Facilitators/Presenters: Chair Dean Colson

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 STATE UNIVERSITY SYSTEM OF FLORIDA
 UNIVERSITY OF FLORIDA
 EMERSON ALUMNI HALL
 GAINESVILLE, FLORIDA
 JANUARY 17, 2013

*Video or audio archives of the meetings of the Board of Governors
 and its Committees are accessible at <http://www.flbog.edu/>.*

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MINUTES
BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
UNIVERSITY OF FLORIDA
EMERSON ALUMNI HALL
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Chair Dean Colson began the meeting at 9:55 a.m., on January 17, 2013, with his State of the System Address. The meeting continued at 10:06 a.m., with the following members present: Vice Chair Mori Hosseini, Dick Beard, Matthew Carter (participating by phone), Dr. Manoj Chopra, Pat Frost, H. Wayne Huizenga, Tom Kuntz, Ned C. Lautenbach, Alan Levine (participating by phone), Wendy Link, Ed Morton, John D. Rood, Norman Tripp, Elizabeth Webster, and Cortez Whatley.

1. State of the System Address

Chair Colson delivered the State of the System Address. A copy of the address as prepared is attached to the minutes.

2. Chair's Report

Chair Colson thanked the University of Florida and President Machen for hosting the meeting. President Machen welcomed the members of the Board of Governors to the campus.

Chair Colson welcomed and introduced the new members of the Board of Governors. H. Wayne Huizenga, Jr. is the president of Rybovich Boat Company and Huizenga Holdings, Inc. Ned Lautenbach is a retired partner from Clayton, Dubilier & Rice who spent 30 years with IBM. Alan Levine is the senior vice president and Florida president of Hospital Management Services of Florida Inc. who previously served on the University of Florida Board of Trustees. Wendy Link is an attorney and managing partner with Ackerman, Link & Sartory, P.A. Ed Morton is a partner with Wasmer Schroeder & Co. and previously served on the Florida Gulf Coast University Board of Trustees. Chair Colson also introduced Commission Tony Bennett who was not able to join the meeting.

Chair Colson recognized former members of the Board of Governors: Joseph Caruncho, Ava Parker, Tico Perez, Gus Stavros, and John Temple. Resolutions were prepared for each of the former members. Mr. Hosseini moved that the Board approve resolutions thanking former members Joseph Caruncho, Ava Parker, Tico Perez, Gus Stavros, and John Temple. Mr. Beard seconded the motion, and the members concurred. Chair Colson specifically mentioned the memorial service for John Temple's granddaughter and extended his thoughts to the Temple family.

Chair Colson asked Dr. Chopra and Florida A&M University Board of Trustees Chair Chuck Badger to provide an update on the presidential search. Dr. Chopra reported the Marketing and Communications sub-committee met with stakeholders and developed criteria and qualifications. On October 31, 2012, the sub-committee hired Greenwood, Asher, & Associates to craft a position announcement and description. The online position was posted on December 21, 2012, and will run through February 2013 in four publications. Anyone wanting to apply can find information on Florida A&M University website. Dr. Chopra commented that the search is robust, and he is encouraged by the open discussions.

Chair Badger reported that the Presidential Search Committee includes members of the Board of Trustees, the Board liaison to the Florida A&M University Foundation, the president of the national alumni association, and Governor Chopra. Chair Colson and former President Frederick Humphries serve as advisors to the search committee. Former Board of Trustees Chair Bill Jennings serves as an advisor to the executive search firm. Trustee Karl White is Chair of the Search Committee, and Spurgeon McWilliams is the Vice Chair. The three sub-committees went immediately to work, and the search is well under way. The Search Committee is confident that the search will be completed before the next academic term begins.

3. Approval, Minutes of Meeting held November 8, 2012

Mr. Kuntz moved that the Board approve the Minutes of the Meeting held on November 8, 2012, as presented. Mr. Hosseini seconded the motion, and the members concurred.

4. Chancellor's Report

Chancellor Brogan thanked President Machen and the staff at UF for the outstanding coordination of the meeting. He discussed the cost-to-degree work group that he recently created to develop a single cost-to-degree formula for the System. The work group will be headed by Tim Jones and Dr. Jan Ignash and will report through the Budget and Finance Committee. The work group will reach out to the Legislature and the Governor for input.

Chancellor Brogan commended the universities who were named to the Kiplinger list of affordable institutions. He commented that all of the universities in the System deal with the same budgetary issues and ought to be on the Kiplinger list.

Chancellor Brogan recognized Dr. Autur Kaw – a USF engineering professor who was named Professor of the Year by the Carnegie Foundation. The Carnegie Foundation named only four undergraduate faculty members. President Genshaft commented that Dr. Kaw is the first faculty member in Florida to receive the award.

Chancellor Brogan remarked that President Donal O’Shea’s inauguration will be held on February 15th.

5. Update, Florida State University’s Bachelor of Fine Arts in Animation and Digital Arts

Chair Colson recognized President Barron for an update on Florida State University’s Bachelor of Fine Arts in Animation and Digital Arts. He said that the Board would not take action today; instead, Chair Colson will appoint a three member committee to delve down into the issue with FSU and make a recommendation to the Board.

President Barron recognized Chair of the Florida State University Board of Trustees Allan Bense. Chair Colson welcomed Chair Bense.

President Barron began by saying that FSU will accept the advice of the Board of Governors in determining the outcome for this major. The FSU Board of Trustees unanimously asked President Barron to present the data on the program.

President Barron reviewed five points about the program: (1) the quality of the program and the faculty involvement in industry, (2) the changing industry presents an economic opportunity for the state of Florida, (3) the industry partners are essential to the program as currently defined, (4) Florida State is taking care of students above all else, and (5) summary of Florida State’s proposal.

President Barron pointed out that FSU’s film school is ranked in the top 25 in the world. The faculty are connected to the industry and have 400 feature films, including many nominated for Oscars. FSU students have earned 8 student Oscars and 30 student Emmys. The program was created by the Florida Legislature in 1989 to connect students with the film industry. Over 95% of all graduates since the program’s inception are employed in the film industry.

President Barron said that the industry is changing. While the industry is centered in New York and Los Angeles, advances in digital media provide the opportunity to locate anywhere near a major airport. Film is the biggest employer, but medicine and the

military also provide employment opportunities. The program was launched in 2010 to co-locate students with industry for joint training and research as well as to attract industry to Florida. FSU has spent 18 months developing a highly-coupled program.

President Barron reported that FSU began with Digital Domain as an industry partner. Sadly, Digital Domain filed for Chapter 11 bankruptcy. He pointed out that it was never the intent to have only one industry partner. He reported that FSU is currently in active discussions with four companies about partnering in West Palm Beach: (1) Olympusat, a media and entertainment company, and its CEO Chuck Mohler, (2) Sierra Nevada Corporation, a high tech electronics, engineering, and manufacturing firm, and its Director of Advanced Progress Technology Mark Covey, (3) Watermark, a healthcare information technology company, and its CEO Sean Heyniger and Chair John Sculley, and (4) a group that is protected under Chapter 288 while negotiating the potential to come to Florida with the code name POD 15 which is a producer of high-end visual effects for a wide variety of applications.

President Barron reported that FSU is taking care of its students. The faculty will not sacrifice the quality of the education or the connection to industry. They have taken two steps. First, the program hired Jonathan Stone who has over 20 years of visual effects experience including working with Pixomondo Global on films including the Academy Award winning visual effects film *Hugo*. Second, the program hired Chuck Williams an animation filmmaker who worked with Walt Disney Feature Animation for 20 years on films such as *The Little Mermaid* and *Aladdin*. Both provide students with the opportunity to train with industry experts as faculty.

President Barron reported that five factors went into FSU's decision to remain in West Palm Beach. The faculty want a city such as Miami, Tampa, or Orlando with easy transportation to places like New York City and Los Angeles. The program has a head start in West Palm Beach because four companies have indicated an interest in co-locating as partners. Continued community interest in West Palm Beach is another factor. Neither faculty member would move to Tallahassee, and only one student is willing to move to Tallahassee. At a minimum, the program needs to remain in West Palm Beach for three years for SACS accreditation to conduct a teach out.

Chair Colson stated that he will make three appointments immediately because the Board must move quickly on this issue.

6. Facilities Committee Report

Chair Colson recognized Mr. Beard to report on the Facilities Committee. Mr. Beard reported that the Committee did not have a quorum, so it did not take any action; however, there is one item that needs action by the full Board.

A. Approval, Amended 2013-2014 SUS Fixed Capital Outlay Legislative Budget Request

Mr. Beard moved that the Board approve the amended portion of the 2013-2014 SUS Fixed Capital Outlay Legislative Budget Request pertaining to the request for legislative authorization for State University System projects requiring general revenue funds to operate and maintain and authorize the Chancellor to make necessary revisions. Mr. Carter seconded the motion, and members of the Board concurred.

7. Audit and Compliance Committee Report

Chair Colson reported that the Audit and Compliance Committee has no action items to bring to the full Board. Yesterday, the Board's Inspector General Derry Harper provided a presentation about the findings and recommendations from the Preliminary Report of Investigation on the Florida A&M University Anti-hazing Program, and Chancellor Brogan discussed recommendations and suggestions for next steps. Florida A&M University's written response to the Inspector General's Report is due by January 23, 2013. The Audit and Compliance Committee will hear a final report at our next meeting.

8. Strategic Planning Committee Report

Chair Colson recognized Mr. Rood to report on the Strategic Planning Committee. Mr. Rood reported that the Committee had an informative conversation on online education and further reported that the Strategic Planning Committee will have a meeting on February 13, 2013, to continue the discussion.

Mr. Rood reported that the Committee has only one action item.

A. Approval, 2011-2012 State University System Annual Accountability Report

Mr. Rood moved that the Board approve the 2011-2012 State University System Annual Accountability Report. Dr. Chopra seconded the motion, and members of the Board concurred.

9. Budget and Finance Committee Report

Chair Colson recognized Mr. Kuntz to report on the Budget and Finance Committee. Mr. Kuntz reported that there were three action items

A. Public Notice of Intent to Amend Regulation 18.001 Purchasing

Mr. Kuntz moved that the Board approve public notice of intent to amend Regulation 18.001 Purchasing. Mr. Beard seconded the motion, and the members concurred.

B. Approval, 2012 Tuition Differential Report

Mr. Kuntz moved that the Board approve the 2012 Tuition Differential Report. Mr. Tripp seconded the motion, and the members concurred.

C. Approval, University Awards for the Technology Performance Funding Pilot

Mr. Kuntz moved that the Board approve awarding \$3.75 million each to Florida International University, University of Central Florida, University of West Florida, and University of Florida under the Technology Performance Funding Pilot project. Mr. Tripp seconded the motion, and the members concurred.

10. Trustee Nominating and Development Committee Report

Chair Colson recognized Mr. Hosseini to report on the Trustee Nominating and Development Committee. Mr. Hosseini reported that there were a number of names to bring forward for trusteeship and that all will be required to attend an orientation if the person has not attended an orientation in the past twelve months.

A. Florida Atlantic University (1 vacancy)

Mr. Hosseini moved that the full Board re-appoint Thomas Workman, Jr. to the Florida Atlantic University Board of Trustees for a term beginning January 17, 2013, and ending January 6, 2018. The appointment is subject to confirmation by the Senate and to Mr. Workman attending an orientation session if he has not attended a Board orientation in the past year. Mr. Tripp seconded the motion. Members concurred in the motion unanimously.

B. Florida Gulf Coast University (1 vacancy)

Mr. Hosseini moved that the full Board appoint John Dudley Goodlette to the Florida Gulf Coast University Board of Trustees for a term beginning January 17, 2013, and ending January 6, 2018. The appointment is subject to confirmation by the Senate and to Mr. Goodlette attending an orientation session. Mr. Kuntz seconded the motion. Members concurred in the motion unanimously.

C. Florida State University (1 vacancy)

Mr. Hosseini moved that the full Board appoint Leslie Victor Pantin to the Florida State University Board of Trustees for a term beginning January 17, 2013, and ending January 6, 2018. The appointment is subject to confirmation by the Senate and to Mr. Pantin attending an orientation session. Mr. Kuntz seconded the motion. Members concurred in the motion unanimously.

D. New College of Florida (1 vacancy)

Mr. Hosseini moved that the full Board appoint George Arthur Skestos to the New College of Florida Board of Trustees for a term beginning January 17, 2013, and ending January 6, 2018. The appointment is subject to confirmation by the Senate and to Mr. Skestos attending an orientation session. Mr. Kuntz seconded the motion. Members concurred in the motion unanimously.

E. University of North Florida (1 vacancy)

Mr. Hosseini moved that the full Board re-appoint Fred D. Franklin to the University of North Florida Board of Trustees for a term beginning January 17, 2013, and ending January 6, 2018. The appointment is subject to confirmation by the Senate and to Mr. Franklin attending an orientation session if he has not attended a Board orientation in the past year. Mr. Kuntz seconded the motion. Members concurred in the motion unanimously.

F. University of South Florida (1 vacancy)

Mr. Hosseini moved that the full Board appoint Stanley I. Levy to the University of South Florida Board of Trustees for a term beginning January 17, 2013, and ending January 6, 2018. The appointment is subject to confirmation by the Senate and to Mr. Levy attending an orientation session. Mr. Beard seconded the motion. Members concurred in the motion unanimously.

F. University of West Florida (1 vacancy)

Mr. Hosseini moved that the full Board appoint Suzanne Lewis to the University of West Florida Board of Trustees for a term beginning January 17, 2013, and ending January 6, 2018. The appointment is subject to confirmation by the Senate and to Ms. Lewis attending an orientation session. Mr. Tripp seconded the motion. Members concurred in the motion unanimously.

11. Select Committee on Florida Polytechnic Report

Chair Colson recognized Mr. Hosseini to report on the Select Committee on Florida Polytechnic. Mr. Hosseini reported that Florida Polytechnic has a full Board of

Trustees, and they are working. He further reported that the Board will ask Florida Polytechnic to provide a full report at the next meeting.

12. Concluding Remarks and Adjournment

Chair Colson thanked members for attending the meeting. He reported that the next meeting would take place on February 21st. Chair Colson would like to hold the meeting telephonically, but the University of North Florida has been kind enough to agree to host if we need to meet in person. He further reported that the Legislative Session will kick off on March 5th, and the Board will meet in person in Tallahassee at Florida A&M University on March 27th and 28th.

Chair Colson said that he will make Committee assignments within the next week. He reported that he intends to appoint a committee to look at what the medical schools are doing. Dr. Chopra and President Hitt offered to host a meeting at the University of Central Florida which would allow members to look at the combined facilities of the University of Central Florida and the University of Florida. Chancellor Brogan mentioned that the System needs to deal strategically with health issues including medical schools, nursing, and the allied health professions.

Having no further business, the meeting was adjourned at 10:59 a.m., January 17, 2013.

Dean Colson, Chair

Monoka Venters,
Corporate Secretary

Talking Points
(As Prepared)
Florida Board of Governors – State of the System Address
Dean Colson
January 17, 2013

The annual State of the System address was started by Ava Parker when she was chair, and is an opportunity to assess where we are as a system and where we need to go at the beginning of each year. Appropriately, the address is timed with the release of our Annual Accountability Report -- a scorecard, if you will -- that tells that same story.

As Governor Scott said when he addressed our Board in November, Florida has a lot to be proud of when it comes to higher education. We provide an affordable, high-quality educational experience. The Governor is right, but I think it is also true that we can and should get better.

Luckily, we have a terrific Board full of talented people – all of whom have been committed to developing a road map to excellence. Looking around the table, there are a number of new faces. I welcome and look forward to working with each of you. This Board operates a lot like a family – we don't agree on every issue, but we respect each other and work well together, even while engaging in robust debates about the future of the System.

Our job, as set out in the Constitution, is to “operate, regulate, control and be fully responsible for the management of the whole university system.” In every action that we take, we must consider the effects -- not just on individual universities, but also on the system as a whole. We must encourage – and at times mandate – system collaboration. Our role and our responsibilities are different than the responsibilities of the university boards.

That spirit of collaboration extends to the Legislature, the Governor, the State Board of Education, the state college system, the private college system, and our state's business leaders. Such collaboration is not always easy, but we are getting better at it. Several efforts that we have undertaken over the past year are indicative of that effort and none better than the Board's Commission on Florida Higher Education Access and Degree Attainment, which was formed last summer to study the statewide need for future baccalaureate degrees.

Representatives on the Access Commission come from the State Board of Education, the Higher Education Coordinating Council, the Legislature, and the Council of 100. Hopefully, by the end of the summer, we will know whether the Board's degree projections are correct, where we need to grow and how we should best

accomplish it. This collaborative effort benefits not only the final work product, but also the way the System, and indeed the State works together to achieve a common goal.

To me, System collaboration is simply another way to think about governance. When I started my term as chair, I included governance as one of the three issues that were most important to me, along with Quality and Affordability. These three areas represent the bedrock of this Board's work in moving toward greatness.

This Board has stood strong on governance issues during the past year, and we have much to be proud of. In addition to serving on two presidential search committees, the Board collaborated with the Legislature to co-develop criteria for the award of performance funding to universities who lead in the number of employed graduates in the computer and information sciences field. This is a significant development in our progress toward lump sum funding to the Board, and a performance-based funding model. I commend Senate President Gaetz for his leadership on this initiative, and it is my hope that lump sum grants continue to be funded and expanded in order to support our work to meet the strategic needs of this state.

During my State of the System address last year, I talked about the Board using its bully pulpit when things go bad. Several times over the past year this Board has had to do exactly that, and I expect that we will continue to do so in the future. We must continue to provide the leadership that the Constitution envisioned for us – the leadership that the citizens of the State of Florida expect from us.

One of the ways in which we can use our bully pulpit is to continue our focus on quality through our strong accountability system. Our accountability system has been heralded as one of the best in the country. Anchored around the 2025 Strategic Plan, our Annual Accountability Report, and our university work plans, this system is designed to drive improvements in academic quality, operational efficiency, and return on investment. Governor Kuntz has been working with Board staff on identifying specific metrics to be used for awarding performance funding in the future and for evaluating potential tuition differential requests. Importantly, the proposed metrics would consider not only standard assessments like retention rates, graduation rates, and post-graduation success, but would also include university-specific metrics driven by each institution's distinct mission.

In the area of quality, the State University System is already a leader in many respects. The System continues to be ranked in the top ten nationally for six-year graduation rates. We continue to be ranked in the top five states for public university R&D expenditures with \$1.76 billion in research expenditures. We are also ranked 3rd among all university systems in the US for undergraduate STEM degree production, and STEM degree production increased almost 30% in the past four years. As a

System, we have an annual statewide economic impact of \$80 billion – contributing more than 7% to the state’s gross domestic product and helping fuel more than 770,000 jobs. Our System is clearly providing a good return on investment for the state.

But all is not great. Even though our System stands at 66% for six-year graduation rates, half of our institutions have six-year graduation rates below 50%. Our System continues to lag behind on the number of national academy members. As a state, we rank 17th -- well below the top public institutions. To give you an idea, Berkeley is ranked #1 and has 226 national academy members while all of our universities added together have only 38. If you want our system truly to serve as an economic engine for the state, we must have the resources to recruit the best and the brightest. Simply being “good” is not good enough.

I want to take a moment and share some personal comments about the Humanities and a liberal arts education. Everyone in the state, including me, has been pushing our universities to produce more STEM graduates. From my viewpoint, that is not to suggest that the humanities are not important. I don’t think anyone is interested in raising a generation that has no appreciation for literature, history or the arts. No one wants to live in a state without museums, orchestras, ballets or operas. No one wants to educate a generation of elected officials that don’t understand the difference between Thomas Jefferson’s view of democracy and Alexander Hamilton’s view. Most importantly, can you imagine a state without lawyers, real estate developers, or bankers – now maybe you can imagine that – but how about a state without the reporters that are here today covering our work or the teachers that we leave our children with every day – because most of the people in these professions majored in something other than STEM.

We need to strongly support the Humanities, but we should also provide our students and parents the information they need on future job prospects so that if they decide to travel that path they are doing so knowing what lies ahead. I also believe that all Humanities graduates should have a basic grounding in STEM, and all STEM graduates should have a basic grounding in Humanities. That’s why the work that we’re doing with the Florida College System to implement a common, general education core of courses that all undergraduates in Florida’s public colleges and universities must take is so important.

Before I end this address, I should note that our University System remains very affordable, with the 10th lowest tuition in the country. For the second year in a row, half of our universities are ranked among the top values by Kiplinger’s Personal Finance magazine. UF is currently ranked as the 3rd best value for public universities, and New College is the 7th best value. FSU comes in at 26th while UCF, USF, and UNF fall between 40th and 65th.

Remaining affordable is crucial, but this Board must be mindful of how it affects quality. Our students are the key to Florida's future economic success. An investment in the System is really an investment for us all.

Given the difficult economic climate, support for higher education has been declining precipitously over the past several years. In the last six years, state support per student has dropped from 70% to 44% for the System – which translates to a loss of more than a billion dollars, including \$300 million this year alone. We have been able to recoup \$745 million mainly through tuition increases, but there remains a gap of \$291 million.

These cuts have been taking place while the System has answered the call for increased access to higher education. Over those same six years, System enrollment grew by 9% -- an increase of over 35,000 students. In essence, our System has grown by the equivalent of a sizable university while losing enough state funding to support an entire university. We are obviously doing more with less. We are more efficient than ever. But it can only go so far. This decline in funding is not sustainable.

The bottom line is, under the circumstances, we are doing well, and we are getting better, but we are not yet great. We need to continue to collaborate, we need to remain transparent, and we must remain affordable. We are fortunate to have a Governor and leaders in the House and Senate who care greatly about what we do. They all have very talented staffs who work with us every day. And, luckily, everyone involved wants to make the State University System the best System of higher education in the country.

Thank you.

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BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
BY TELEPHONE CONFERENCE CALL
TALLAHASSEE, FLORIDA
FEBRUARY 21, 2013

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MINUTES
BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
BY TELEPHONE CONFERENCE CALL
TALLAHASSEE, FLORIDA
FEBRUARY 21, 2013

Chair Dean Colson convened the meeting of the Board of Governors, State University System of Florida by telephone conference call from Tallahassee at 1:05 p.m., with the following members present and answering roll call: Vice Chair Mori Hosseini, Dick Beard, Pat Frost, Tom Kuntz, Alan Levine, Wendy Link, Ed Morton, Norman Tripp, and Elizabeth Webster. Due to technical issues, Commissioner Tony Bennett, Matthew Carter, and Manoj Chopra were on the conference line but could not be heard during roll call. Dr. Chopra's technical issues were resolved, and he could be heard beginning at 1:26 p.m. Both Commissioner Bennett and Mr. Carter were present for the meeting and are included in the vote count.

1. Call to Order

Chair Colson thanked members for participating in the conference call.

2. Report, Trustee Nominating and Development Committee

Chair Colson asked Mr. Hosseini to report out from the Trustee Nominating and Development Committee. Mr. Hosseini moved that the full Board appoint David Marion Thomas to the University of Florida Board of Trustees for a term beginning February 21, 2013, and ending January 6, 2018. This appointment would be subject to confirmation by the Senate and to Mr. Thomas attending an orientation session. Mr. Kuntz seconded the motion. Board members voted on the motion, and it carried unanimously.

3. Report, Select Committee on Florida State University Academic Film Program Offerings in West Palm Beach

Chair Colson reminded members that he had established the Select Committee on Florida State University's Academic Film Program Offerings in West Palm Beach made up of Governor Hosseini as Chair, Governor Kuntz, and Governor Morton. Chair Colson asked Mr. Hosseini to report from the Select Committee on Florida State University's Academic Film Program Offerings in West Palm Beach.

Mr. Hosseini reported the Select Committee held a three-hour meeting on February 8th. He reported that the Select Committee heard not only from Florida State University Provost Garnett Stokes and Dean of the College of Motion Picture Arts at FSU but also

from faculty with the program in West Palm Beach as well as Mayor Jeri Muoio and her staff from West Palm Beach.

Mr. Hosseini reported that the Select Committee felt that there was still too much uncertainty for the students surrounding the program in West Palm Beach. The Select Committee was still left wondering how much more the program would cost for the students and what the return on that investment would be for them. He reported that the Select Committee felt that Florida State University needed to develop a clear plan for moving the program back to Tallahassee where the students would have access to the full resources of FSU's world-class film school - its faculty, staff, facilities, and other students. He further reported that the Select Committee unanimously voted to recommend to the full Board that Florida State University initiate the process to transfer the Animation and Digital Arts major back to the main campus in Tallahassee.

Mr. Hosseini moved that Florida State University:

- (1) initiate the process to transfer the Animation and Digital Arts major back to the main campus in Tallahassee, and
- (2) develop a plan for teaching out the students who are currently enrolled in the major in the West Palm Beach that complies with SACS accreditation standards, including notifications of affected students, faculty, and staff. The Board further requests that the Board of Trustees for Florida State and the Board of Governors be presented with this plan by May 1, 2013.

Mr. Morton seconded the motion. Chair Colson asked if there was any discussion.

Members of the Board discussed whether the students in West Palm Beach participated in the meeting on February 8th. Mr. Hosseini reported that the students did not ask to participate on February 8th but certainly would have been allowed to participate as the Florida State faculty and representatives from the City of West Palm Beach did.

Members of the Board discussed the role of the universities and the System as partners in economic development in the State of Florida. While our first priority under the Constitution is the students, the parents, and the System, the Board absolutely supports economic development. The Select Committee members stressed that much of the discussion on February 8th concerned economic development, but no plans were concrete enough for the Select Committee to feel like the students should continue in West Palm Beach.

After the discussion, the motion passed on a vote of 12-1 with Dr. Chopra voting no.

4. Report, Strategic Planning Committee

Chair Colson asked Ms. Frost to report out from the Strategic Planning Committee. Ms. Frost reported that the Strategic Planning Committee has held a number of meetings over the past year, including full committee meetings in December, January and February, to discuss online education. The Committee discussed Parthenon's recommendations which range from continuing with the status quo, to increasing institutional collaboration, to designating a lead institution, or creating a new institution. Ms. Frost reported that there was a clear leaning toward a combination of some of these options in the Committee's discussions. The Committee wants to build on the strengths of all of our institutions while better coordinating online degree programs as a System and to capitalize on the global reputation of a single institution in the development of internationally competitive online programs.

Ms. Frost further reported that the Committee is proposing a two-prong approach to better coordinate services and degree programs throughout the System and to designate a preeminent university to focus on providing the highest quality online degree programs for high-performing students. Ms. Frost moved that the full board

- (1) use the Strategic Plan preeminence metrics to designate the university which would create a separate arm to provide online degree programs of the highest quality, and that funds be requested of the Legislature to support such an effort. The preeminence metrics would be those passed by the 2012 Legislature and approved by the Board for use in the 2012-2013 university work plans. Further, the selected university would create an innovation and research center to (a) ensure the State is a leader in the development of cutting-edge technology and instructional design for the online programs and (b) conduct research that would help strengthen online degree programs and the success of online students.
- (2) direct the Chancellor to form a systemwide work group that would report back to the Strategic Planning Committee and continue to work with our colleges and universities and the other delivery systems to determine ways in which services and online degree programs, including market-based job analyses, can be better coordinated to ensure State and student needs are being met in a cost-efficient and effective manner.

Dr. Chopra seconded the motion. Chair Colson asked if there was any discussion.

Members of the Committee discussed the importance of retaining the individual university efforts for online education. The Board will continue to coordinate the System efforts.

After discussion, the members of the Board concurred unanimously in the two motions.

5. Concluding Remarks and Adjournment

Chair Colson reported that the Board's next in-person meeting will be held on March 27th and 28th at Florida A&M University in Tallahassee. The Chair of the Florida

Polytechnic University Board of Trustees will be making a presentation at the meeting. The Board office is also trying to set up an orientation for new members in conjunction with the meeting.

Chair Colson reminded members about the upcoming Legislative Session. He encouraged members to contact Legislators and the Governor to explain how important higher education is to the State of Florida.

Members discussed the letter dated February 18, 2013, from Governor Scott related to using bonds to finance university construction. Chair Colson reported that the Council for Administrative and Financial Affairs (CAFA) met this week and reviewed the letter.

Having no further business, the meeting was adjourned at 1:47 p.m., February 21, 2013.

Dean Colson, Chair

Monoka Venters,
Corporate Secretary

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2013

SUBJECT: Chancellor's Report to the Board of Governors

PROPOSED BOARD ACTION

For Information Only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Not Applicable

BACKGROUND INFORMATION

Chancellor Frank Brogan will report on activities affecting the Board staff and the Board of Governors since the last meeting of the Board.

Supporting Documentation Included: None

Facilitators/Presenters: Chancellor Frank T. Brogan

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2013**

SUBJECT: Viva Florida 500

PROPOSED BOARD ACTION

For Information Only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Not Applicable

BACKGROUND INFORMATION

The State of Florida and the Florida Humanities Council (FHC) will be commemorating Ponce de Leon's landing on the Florida coast with a series of events celebrating Florida's quincentenary (1513-2013). The State's lead official on the quincentenary, Secretary of State Ken Detzner, and FHC Treasurer Steve Seibert, will discuss the great importance of this momentous milestone.

The presentation will explain and emphasize the educational potential of the extraordinary, rare "teachable moment" for Florida. It will also make visible the connections between the quincentenary and the ongoing work of scholars and programs in the State University System. Finally, the presentation will outline the complementary of the Florida Humanities Council in mobilizing scholars to convey the important history of Florida and its place in the Americas and to assist public school teacher of Florida and US history and culture.

Supporting Documentation Included: None

Facilitators/Presenters: Honorable Ken Detzner, Secretary of State; and
Steve Seibert, Treasurer, Florida Humanities
Council

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2013**

SUBJECT: Limited Access Status for the Bachelor of Social Work at the University of North Florida

PROPOSED BOARD ACTION

Consider Limited Access Status for the Bachelor of Social Work at University of North Florida, CIP Code 44.0701.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.013

BACKGROUND INFORMATION

The University of North Florida requests Limited Access status for the new Bachelor of Social Work (CIP 44.0701). The rationale for Limited Access status is that the program's accrediting body, the Council for Social Work Education, requires the faculty to student ratio to not exceed 1:25. Additionally, high student demand, limited number of supervised internship experiences, limited resources, and the desire to deliver a high quality program for the students, are also reasons for requesting Limited Access status for the Bachelor of Social Work.

New admission requirements would be a GPA of 2.5 or better, the completion of common prerequisite courses with a C or better, and the submission of a personal essay describing the applicant's interest in the field of social work.

These requirements will not affect the ability of Florida College System associate of arts degree program graduates to compete for program space. If approved, Limited Access status will be implemented in the fall term of 2013.

Supporting Documentation Included: Located with the Committee Materials

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

March 28, 2013

SUBJECT: Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance") to issue revenue bonds on behalf of Florida State University (the "University") to finance construction of a student residence facility on the main campus of the University

PROPOSED BOARD ACTION

Adoption of a resolution approving the issuance of fixed rate, tax-exempt revenue bonds, by the Division of Bond Finance on behalf of the University, in an amount not to exceed \$51,400,000 (the "Bonds") for the purpose of financing the construction of the New Dorman Complex on the main campus of the University ("the Project").

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, has reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and the debt management guidelines adopted by the Board of Governors. Accordingly, staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 1010.62, Florida Statutes; and Florida Board of Governors Debt Management Guidelines

BACKGROUND INFORMATION

Florida State University has submitted a proposal for financing and construction of a new Student Residence Facility on the main campus of the University, at the southeast corner of Woodward Avenue and Traditions Way. This site is located in close proximity to academic and student services buildings and completes the chain of residence halls on the east side of campus. The proposed project will consist of two buildings of approximately 193,116 square feet each with approximately 431 beds per building, for a total of approximately 862 beds, arranged in suite-style double rooms

with a connecting bathroom. The Project is consistent with the University's Campus Master Plan. The construction of the proposed residence halls is estimated at a total cost of \$55,500,000. Construction costs are estimated at \$51,198,442 with planning estimated at \$2,971,558 and equipment estimated at \$1,330,000.

The project will be financed with a \$10 million cash contribution from excess funds within the housing system Building Maintenance and Equipment Reserve Fund and a fixed rate, tax-exempt revenue bond issue in an amount not exceeding \$51,400,000 issued by the Division of Bond Finance. The bonds will finance a portion of the cost of the project, fund a debt service reserve account (if necessary) and pay costs of issuance. The bonds will mature twenty (20) years after issuance with level annual debt service payments.

Net housing system revenues will be pledged for the payment of debt service. These revenues are derived primarily from rental income, after deducting operating expenses. The bond series for construction of the new halls will be issued on parity with the outstanding Florida State University Housing Facility and Dormitory Revenue Bonds currently outstanding in the aggregate principal amount of \$128,355,000.

Projections provided by the University indicate that sufficient net revenues will be generated to pay debt service on the Series 2013A Bonds and the outstanding parity bonds.

The Florida State University Board of Trustees, at its January 11, 2013 meeting, approved the Project and the financing thereof.

Supporting Documentation Included: Information is located behind the Facilities Committee agenda

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

March 28, 2013

SUBJECT: A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance") to issue revenue bonds on behalf of the Florida International University to finance construction of a Parking Garage on the main campus of Florida International University

PROPOSED BOARD ACTION

Adoption of a resolution approving the issuance of fixed rate parking facility revenue bonds, by the Division of Bond Finance on behalf of the Florida International University (the "University"), in an amount not to exceed \$33,500,000 (the "Bonds") for the purpose of financing Parking Garage VI on the main campus of Florida International University ("the Project").

Staffs of the Board of Governors, State University System of Florida, and the Division of Bond Finance have reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and complies with the debt management guidelines adopted by the Board of Governors. Accordingly, staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 1010.62, Florida Statutes; and Florida Board of Governors Debt Management Guidelines

BACKGROUND INFORMATION

The University previously submitted a proposal for financing and construction of Parking Garage VI. The Board approved The Project at its meeting held on June 23, 2011. Due to the length of time since the original approval and to address specific metrics before advancing construction projects that require debt financing, The Project is being represented for approval.

The Project will be located on the north side of the Modesto A. Maidique campus of FIU. The Project will contain approximately 2,000 parking spaces, bringing the total number of parking spaces on campus to approximately 17,000 and approximately 8,800 structured parking spaces. The Project is consistent with the University's Campus Master Plan. The total Project cost is expected to be \$42 million.

The University's Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$33,500,000 of fixed rate parking facility revenue bonds to finance a portion of the construction of the Project, fund a debt service reserve fund, capitalized interest and pay costs of issuing the Bonds. The University also anticipates contributing \$9 million from University Parking and Auxiliary fund balances. The Bonds will mature thirty (30) years after issuance with level annual debt service payments.

The debt service payments will be funded from revenues generated from the operation of the University's Parking System, after payments for operation and maintenance costs. The primary source of revenues being used to pay debt service on the Bonds will be transportation access fees required to be paid by all students, faculty and staff parking decal sales, and fines. The Bonds will be issued on parity with the outstanding Parking Facility Revenue Bonds, currently outstanding in the aggregate principal amount of \$47.8 million.

Projections provided by the University indicate that sufficient net revenues will be generated by the transportation access fees, faculty and staff parking decal sales, fines, and other parking fees to pay debt service on the Bonds and the outstanding parity bonds. The transportation access fee was increased in academic year 2012-13 to \$89.00 for the Fall/Spring semesters and \$83.00 for the Summer semester. The 2011-12 academic year rates were \$81.00 for each of the Fall/Spring semesters and \$75.00 for the Summer semester. The university retains the ability to increase student fees, decal rates, fines, meter rates and other sources of revenue as permitted by law.

The University's Board of Trustees approved the original Project and the financing thereof at its March 15, 2011 meeting. Subsequent approval of the revised Project was provided at its March 6, 2013 meeting.

Supporting Documentation Included: Information is located behind the Facilities Committee agenda

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 27, 2013**

SUBJECT: Update, 2013-14 SUS Fixed Capital Outlay Legislative Budget Request

PROPOSED BOARD ACTION

Information; action to be determined

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Board will receive an update regarding the 2013-14 FCO LBR, and if needed, may amend the Board's capital funding request at this time.

Supporting Documentation Included: None

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2013**

SUBJECT: Public Notice of Intent to Amend Regulation 18.001, Purchasing

PROPOSED BOARD ACTION

Approve amended Regulation 18.001.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Board Regulation Development Procedure

BACKGROUND INFORMATION

Regulation 18.001 was approved for public notice of intent to amend at the January 17, 2013 meeting of the Board.

The proposed revision renumbers and consolidates existing critical sections and incorporates the recent changes in law by adding a section guiding the price preference for Florida-Based Vendors, eliminating existing printing reference and strengthening the existing donation language. The proposed language was developed in conjunction with university attorneys, purchasing officials, and a small sub-group of volunteers, headed by Shirley Liu, Assistant General Counsel, FIU and Kathy Ritter, Purchasing Director, UNF. No adverse impact has been identified by adoption of these regulations.

Pursuant to the Board of Governors Regulation Development Procedure, Regulation 18.001 was posted on the Board's Web site for public comment after consideration of the proposed regulation by the Board at the January meeting. The comment period has expired with no public comments submitted.

Supporting Documentation Included: Amended Regulation 18.001

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18.001 Purchasing Regulation

(1) **Authority of the Institutions.** Each university Board of Trustees shall adopt regulations establishing basic criteria related to procurement, including procedures and practices to be used in acquiring commodities and contractual services, as follows:

- (a) Removing any contractor from the University's competitive vendor list that fails to fulfill any of its duties specified in a contract with the University(s) and to reinstate any such contractor when satisfied that further instances of default will not occur.
- (b) Planning and coordinating purchases in volume and negotiating and executing agreements and contracts for commodities and contractual services under which the University may make purchases.
- (c) ~~Evaluating~~Utilizing, and approving, and utilizing contracts let by any State of Florida agency or department, the Federal Government, other states, political subdivisions, not-for-profit cooperatives or ~~consortiums~~consortia, or any independent college or university for the procurement of commodities and contractual services, when it is determined to be cost-effective and in the best interest of the University, to make purchases under contracts let by such other entities. For the 2012-2013 fiscal year, Universities shall review existing consortia and cooperative contracts to identify potential savings and, if there is the potential for savings, enter into new consortia and cooperative contracts to achieve the savings, with the goal of achieving a five-percent savings on existing contract prices.
- (d) Awarding contracts for commodities and contractual services to multiple suppliers, if it is determined to be in the best interest of the University. Such awards may be on a university, regional or State University System-wide basis and the contracts may be for multiple years.
- (e) Rejecting or canceling any or all competitive solicitations when determined to be in the best interest of the University.
- (f) Barring any vendor from doing business with the University for demonstrated cause, including previous unsatisfactory performance.
- ~~(g) Vendors shall be required to identify their principal place of business as defined in subparagraph (3)(d) in response to all forms of competitive solicitations.~~
- ~~(h) Requiring the use of purchasing agreements or state term contracts pursuant to section 287.056, Florida Statutes, or consortia and cooperative agreements to the extent such use would result in net savings of 5% or greater to the university over otherwise available or offered pricing to the university for the exact same good or service. In no instance shall university regulations require the use of state purchasing agreements or state term contracts pursuant to section 287.056 if the university can achieve a lower cost or if a specific commodity or contractual service is not available.~~
- ~~(i) Prohibiting all university personnel, including university support organization personnel, from soliciting information from vendors during the procurement process relating to fundraising or prospective donations to the university or its direct support organization.~~
- (g) Prohibiting University employees and University direct support organization employees participating involved in on a procurement selection committee process for commodities or services from soliciting donations from responding potential vendors

during the selection process, except for donations or other benefits expressly stated in or contemplated by the procurement document that reduce the cost of the commodities or services to the University.

(2) **Competitive Solicitation Threshold.** Each university Board of Trustees shall establish a competitive solicitation threshold not greater than \$75,000 (the “Competitive Solicitation Threshold”) for the purchase of commodities or contractual services.

- (a) When only one response is received to the competitive solicitation ~~threshold~~ for commodities or contractual services that exceeds \$75,000 the Competitive Solicitation Threshold, the University may review the solicitation responses to determine if a second call for a competitive solicitation is in the best interest of the University. If it is determined that a second call would not serve a useful purpose, the University may proceed with the acquisition.
- (b) The purchase of commodities and contractual services shall not be divided to avoid the requirement of competitive solicitation.

(3) **Preferences for Florida-Based Vendors.**

(a) Preferences for Personal Property Commodities. When a University awards a contract to purchase personal property commodities, other than printing, by competitive solicitation pursuant to paragraph (2) of this regulation, a preference shall be provided to vendors with a principal place of business in Florida (such vendors hereinafter referred to as “Resident Vendors”) as follows:

1. ~~If the lowest responsible and responsive bid, or the highest ranked responsible and responsive proposal or reply~~ If the responsible and responsive vendor that submits the lowest bid, the most advantageous proposal, or the best value reply is one from a vendor whose principal place of business is outside of Florida and is in a state or political subdivision thereof that which grants a preference for the same purchase to a vendor in such state or political subdivision, as applicable, then the University shall grant the same preference, as the case may be, to either the responsible and responsive Resident Vendor with the lowest responsible and responsive bid received pursuant to an Invitation to Bid, or the Resident Vendor with the highest ranked responsible and responsive proposal or reply the most advantageous proposal received pursuant to a Request for Proposals, or the best value reply received pursuant to an Invitation to Negotiate.
2. With respect to Invitations to Bid, if the lowest responsible and responsive bid is from a vendor whose principal place of business is in a state that does not grant a preference for the purchase to a vendor in such state, then the University shall grant a preference in the amount of five percent to percent (5%) to the lowest responsible and responsive Resident Vendor.
3. For vendors whose principal place of business is outside of not in Florida, such vendors must, at the time of submitting its bid, proposal or reply, provide a written opinion from a licensed attorney in its state specifying:
 - ~~a(a)(i)~~ the preferences(s) granted by the state or political subdivision, as applicable, under the laws of that state to vendors whose principal place of business is in that state or political subdivision; and
 - ~~b(b)(ii)~~ how the preference is calculated.

The failure to submit the written opinion may be waived as non-material if all vendors responding to the solicitation have principal places of business outside of Florida.

4. The vendor's principal place of business, as represented by the vendor in its bid or reply, may be relied upon by the University without further inquiry. If the University determines that a vendor has misrepresented its principal place of business, the vendor's bid, proposal or reply shall be rejected.
 5. For the purpose of paragraph (3)(a), "personal property" shall be defined as goods and commodities, but not real estate, intellectual property or services.
- (b) Preferences for Printing. When a University purchases printed materials by competitive solicitation pursuant to paragraph (2) of this regulation, a preference shall be provided Resident Vendors as follows:
1. If the lowest responsible and responsive bid received pursuant to an Invitation to Bid is from a vendor whose principal place of business is outside of Florida, then the University shall grant a preference to the lowest responsible and responsive Resident Vendor in the amount of five percent (5%) if the University has determined that the printing can be performed by the Resident Vendors at a level of quality comparable to that obtainable from the vendor submitting the lowest bid whose principal place of business is outside of Florida.
 2. ~~{For purposes of subparagraph 3(b)(1), the level of quality shall be determined by the number of points whether a vendor receives or satisfies the~~ minimum specification requirements as set forth in the Invitation to Bid "Quality" section of its evaluation points.}
- (c) Method of Calculating Five Percent Preference.
1. ~~{If the competitive solicitation is an Invitation to Bid, then an amount equal to five percent of percent (5%) of the total base bid and any alternates shall be added to deducted from the base bid and alternates, as applicable, of the lowest responsible and responsive Resident Vendor's bid/bidder.}~~
- (d) Determining a Vendor's Principal Place of Business. A vendor's "principal place of business" is determined as follows:
1. If the vendor is an individual or a sole proprietorship, then its "principal place of business" is in the state where the vendor's primary residence is located.
 2. If the vendor is a business organization, then its "principal place of business" is in the state where the majority of the vendor's executive officers direct the management of the vendor's business affairs.
- (e) Federally Funded Projects. Purchases made to perform specific obligations under federally funded projects shall not be subject to this ~~the preference requirement to requirement to~~ requirement to the extent the application of a preference is not allowed under applicable federal law or regulation.

(4) **Exceptional Purchases.** Each university is authorized to make exceptional purchases of commodities or contractual services as follows:

- (a) Purchase of Products with Recycled Content. Each University may establish a program to encourage the purchase and use of products and materials with recycled content and postconsumer recovered material.

- (b) Purchase of Private Attorney Services. Written approval from the Attorney General is not required for private attorney services acquired by the University.
- (c) Purchase of Insurance. Each University shall have the authority to purchase insurance as deemed necessary and appropriate for the operation and educational mission of the University.
- ~~(e)~~(d) Purchase of Printing. However, if a University determines that it is in the best interests of the University to purchase printed materials through a competitive solicitation process, the preference provision in paragraph (3)(b) shall apply.

(5) **Purchases from Contractors Convicted of Public Entity Crimes.** A University shall not accept a competitive solicitation from or purchase commodities or contractual services from a person or affiliate who has been convicted of a public entity crime and has been placed on the State of Florida's convicted vendor list for a period of 36 months from the date of being added to the convicted vendor list.

(6) **Competitive Solicitation Exceptions.** The following types of purchasing actions, and commodities and contractual services purchases are not subject to the competitive solicitation process:

- (a) Emergency Purchases. When a university president or his/her designee determines, in writing, that the delay due to the competitive solicitation process is an immediate danger to the public health or safety or the welfare of the University, including University tangible and/or intangible assets; or would otherwise cause significant injury or harm not in the best interest of the University, the University may proceed with the procurement of commodities or contractual services without a competitive solicitation.
- (b) Sole Source Purchases. Commodities or contractual services available from a single source may be exempted from the competitive solicitation process.
- (c) Purchases from Contracts and Negotiated Annual Price Agreements established by the State of Florida, other governmental entities, other Universities in the State University System, or other independent colleges and universities are not subject to further competitive solicitation.
- (d) The following listed commodities and services are not subject to competitive solicitation:
 1. Artistic services;
 2. Academic reviews;
 3. Lectures;
 4. Auditing services;
 5. Legal services, including attorney, paralegal, expert witness, appraisal, arbitrator or mediator services;
 6. Health services involving examination, diagnosis, treatment, prevention, medical consultation or administration. Prescriptive assistive devices for medical, developmental or vocational rehabilitation including, but not limited to prosthetics, orthotics, wheelchairs and other related equipment and supplies, provided they are purchased on the basis of an established fee schedule or by a method that ensures the best price, taking into consideration the needs of the client;

7. Services provided to persons with mental or physical disabilities by not-for-profit corporations organized under the provisions of s. 501(c)(3) of the Internal Revenue Code or services governed by the provisions of the Office of Management and Budget Circular A-122;
8. Medicaid services delivered to an eligible Medicaid recipient by a health care provider who has not previously applied for and received a Medicaid provider number from the Department of Children and Family Services. This exception will be valid for a period not to exceed 90 days after the date of delivery to the Medicaid recipient and shall not be renewed;
9. Family placement services;
10. Training and education services;
11. Advertising;
12. Services or commodities provided by governmental agencies, another University in the State University System, direct support organizations of the university, political subdivisions or other independent colleges and universities;
13. Programs, conferences, workshops, continuing education events or other university programs that are offered to the general public for which fees are collected to pay all expenses associated with the event or program;
14. Purchases from firms or individuals that are prescribed by state or federal law, or specified by a granting agency;
15. Regulated utilities and government franchised services;
16. Regulated public communications, except long distance telecommunication services or facilities;
17. Extension of an existing contract;
18. Renewal of an existing contract if the terms of the contract specify renewal option(s);
19. Purchases from an Annual Certification List developed by each University;
20. Purchases for resale;
21. Accounting Services;
22. Contracts or services provided by not-for-profit support and affiliate organizations of the University, direct support organizations, health support organizations and faculty practice plans;
23. Implementation/programming/training services available from owner of copyrighted software or its contracted vendor; or
24. Purchases of materials, supplies, equipment, or services for instructional or sponsored research purposes when a director of sponsored research or designee certifies that, in a particular instance, it is necessary for the efficient or expeditious prosecution of a research project in accordance with sponsored research procedures or to attain the instructional objective.

(7) Vendors Excluded from Competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, ~~Invitations to Bid and/or~~ ~~Request for Proposals and/or~~ ~~Invitations to Negotiate~~ shall be excluded from competing for such procurements.

(8) **Standard of Conduct.** It shall be a breach of ethical standards for any employee of a University to accept, solicit, or agree to accept a gratuity of any kind, form or type in connection with any contract for commodities or services. It shall also be a breach of ethical standards for any potential contractor to offer an employee of a University a gratuity of any kind, form or type to influence the development of a contract or potential contract for commodities or services.

Authority: Section 7(d) Art. IX, Fla. Const.; History—New 3-27-08; amended 3-28-13

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2013**

SUBJECT: Auxiliary facilities that have bond covenants requiring approval of estimated 2013-2014 operating budgets

PROPOSED BOARD ACTION

Approve estimated 2013-2014 operating budgets for auxiliary facilities that have bond covenants requiring Board approval.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Subsection 7, Florida Constitution; Regulation 9.008

BACKGROUND INFORMATION

An auxiliary enterprise, as defined by the National Association of College and University Business Officers (NACUBO) in the College and University Business Administration Manual, is “an entity that exists to furnish a service to students, faculty, or staff, and that charges a rate directly related, but not necessarily equal, to the cost of the service”. One of the distinguishing characteristics of auxiliary enterprises is that they are managed as self-supporting activities. Some examples of auxiliary enterprises are housing operations, university bookstores, food services, student health centers, parking services, and continuing education. Many auxiliary enterprises have debt service commitments for the construction of facilities that must be repaid from pledged revenues from operations.

Section 1010.60, Florida Statutes, authorizes the issuance of bonds or other forms of indebtedness pursuant to the State Bond Act to finance or refinance capital projects authorized by the Legislature. Specific covenants, as set forth in the authorizing resolutions of certain bond issues, require approval of estimated operating budgets for the upcoming fiscal year at least ninety (90) days preceding the beginning of the fiscal year. The state universities historically submit annual operating budgets for their auxiliary operations approximately forty-five (45) days after the beginning of the fiscal year; therefore it is necessary for each affected institution to develop and submit, in advance, an estimated operating budget for all facilities with outstanding bond issues containing the operating budget approval covenant language.

The following universities have outstanding bond issues that require Board of

Governors approval: the University of Florida, Florida State University, Florida A&M University, the University of South Florida, Florida Atlantic University, the University of Central Florida, and Florida International University.

A review of each university's information for auxiliary facilities affected by the specific bond covenants indicates that there will be sufficient revenues to meet the estimated level of operational expenditures and debt service payments for fiscal year 2013-2014.

Supporting Documentation Included: Information located in the Budget & Finance Committee material

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2013

SUBJECT: Florida Polytechnic University Report

PROPOSED BOARD ACTION

For Information Only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX Section 7, Florida Constitution

BACKGROUND INFORMATION

On February 20, 2013, Chair Colson requested that Florida Polytechnic University update the Board of Governors on its progress toward established benchmarks. Those benchmarks include expectations regarding accreditation, academic programming, staffing, student enrollment, and facilities.

Florida Polytechnic University Board of Trustees Chair Rob Gidel will provide the report.

Supporting Documentation Included: To be provided

Facilitators/Presenters: Chair Rob Gidel, Florida Polytechnic
University Board of Trustees