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 BOARD OF GOVERNORS  
 STATE UNIVERSITY SYSTEM OF FLORIDA  
 FLORIDA GULF COAST UNIVERSITY  
 COHEN CENTER BALLROOM  
 10501 FGCU BLVD SOUTH  
 FORT MYERS, FLORIDA  
 JANUARY 16, 2014

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 and its Committees are accessible at <http://www.flbog.edu/>.*

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1. Call to Order and Chair's Remarks on the State of the University System

Chair Mori Hosseini convened the meeting at 10:01 a.m., on January 16, 2014, with the following members present and answering roll call: Vice Chair Tom Kuntz; Dick Beard; Dr. Manoj Chopra; Dean Colson; Carlo Fassi; Pat Frost; H. Wayne Huizenga, Jr.; Ned C. Lautenbach; Ed Morton; and Norman Tripp. Wendy Link joined the meeting at 10:03 a.m. Matthew Carter participated in the meeting by phone.

Chair Hosseini thanked Chair Robbie Roepstorff, President Bradshaw, and Florida Gulf Coast University for hosting the meeting. President Bradshaw welcomed the members and Chancellor Criser. President Bradshaw presented a short video highlighting Florida Gulf Coast University. Chair Hosseini thanked President Bradshaw for showcasing his university.

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

2. Approval of Meeting Minutes

A. Board of Governors Meeting held November 20-21, 2013

Mr. Kuntz moved that the Board approve the Minutes of the Meeting held on November 20-21, 2013, as presented. Mr. Beard seconded the motion, and the members concurred unanimously.

3. Chancellor's Report

Chair Hosseini called on Chancellor Criser for his report. Chancellor Criser thanked Dr. Jan Ignash, Tim Jones, and the staff at the Board office for serving the state so well. He thanked former Chancellor Brogan for assembling the team. He recognized the Board office's new Director of Communications Brittany Davis.

Chancellor Criser thanked the university presidents, the chairs of the university boards of trustees and the university provosts for their insight and their commitment to their institutions. He commented that he looked forward to working with them in the future.

Chancellor Criser stated that the Board of Governors would be working hard to get the revenue and capital that will allow the System, the institutions and the faculty needed to serve the students and the State. He said that he planned to leverage the Board members in working with the elected officials.

Chancellor Criser recognized the work of the Commission on Access and Attainment. He reminded the System that the deadline for grant applications is February 3<sup>rd</sup>. He looked forward to the continued work of the Commission in serving the needs of the State.

Chancellor Criser recognized Florida State University for winning the National Championship. He commended the University of Central Florida for earning a berth to a BCS Bowl.

Chancellor Criser applauded Florida A&M University, Chair Solomon Badger, and President Robinson for the very positive SACS report. He said that he looked forward to receiving Dr. Elmira Mangum at a meeting of the Board of Governors for consideration of her confirmation as the next president at Florida A&M University.

Chancellor Criser thanked the Governor, the Legislature and the University of Florida for the launch of UF Online on a short timeline. He commented that Florida is the first state to successfully launch an undergraduate completely online degree program in the country. He said that UF Online and the new Innovation and Online Committee will position Florida to play offense and not defense in online efforts.

Chancellor Criser encouraged the universities to participate in the Sunshine State Scholars Conference on February 13<sup>th</sup>-14<sup>th</sup> in Orlando. He said that the conference recognizes the top STEM student in their junior year from each Florida school district and recruits those students to pursue their postsecondary education in Florida.

Chancellor Criser commented that it is a privilege to be the Chancellor. He looks forward to working with the System and the Board of Governors.

#### 4. Public Comment

Chair Hosseini asked the Board's General Counsel Vikki Shirley if there are any requests for public comment for items on the Board's agenda. Ms. Shirley stated that no requests for public comment were received.

Provost Douglas Wartzok commented that Florida International University received the most visible progress award for its progress six-year graduation rate (50%) at the Association of Public and Land-grant Universities conference in December.

5. Confirmation of Reappointment of President for University of North Florida

Chair Hosseini informed members that the Board of Trustees of the University of North Florida on September 10, 2013 re-appointed John A. Delaney to serve as the president of UNF through May 31, 2018. He reported that Bruce Taylor, the past chair of the UNF Board of Trustees, submitted a request that the Board of Governors confirm Mr. Delaney's re-appointment. He stated that the consideration of confirmation of the reappointment of the president at the University of North Florida was originally on the Board's agenda in November but was postponed. He reported that UNF's Board of Trustees elected Hugh Greene as its new chair in January 2014.

Chair Hosseini recognized Mr. Greene to present President Delaney for confirmation. Mr. Greene stated that the UNF Board of Trustees, the university, and the Jacksonville community are proud to have Mr. Delaney as president because he understands the region and what is needed for its growth. He elaborated that a clear understanding of the unique mission of UNF as a regional comprehensive university par excellence – one that responds to regional needs while performing at a national level – had occurred under President Delaney's leadership. President Delaney's accomplishments include raising the profile of freshmen students to ensure that the region has a supply of high-quality graduates who will contribute to the regional economy. President Delaney has also developed flagship programs including nursing, coastal biology, transportation and logistics, and international business which are related to regional businesses. Mr. Greene commented that President Delaney is a visionary who is committed to student engagement and improving graduation rates. Under his leadership, UNF has moved from being a commuter campus to a campus with a vibrant student life. President Delaney also played a unique role in creating the Jacksonville Commitment program which provides support to need-based students. Mr. Greene requested that the Board of Governors confirm the re-appointment of President John A. Delaney.

Chair Hosseini recognized President Delaney for comments. President Delaney stated that UNF feels that its niche is to be relevant to the region and benchmark itself against regional institutions across the country. He said that the UNF Board of Trustees relies heavily on metrics as does the Board of Governors. He appreciated working with the Board of Governors and the UNF Board of Trustees.

Mr. Tripp moved that the Board of Governors confirm the re-appointment of John A. Delaney as the president of the University of North Florida. Mr. Colson seconded the motion, and the members of the Board concurred unanimously.

Chair Hosseini congratulated President Delaney.

6. Facilities Committee Report

Chair Hosseini called on Mr. Huizenga for the Facilities Committee report. Mr. Huizenga reported that the committee heard a presentation on how universities are becoming more efficient with their use of electricity and reviewed the major projects completed in 2013. He reported that the committee had two action items.

A. Florida Gulf Coast University Educational Plant Survey Validation

Mr. Huizenga moved that the Board approve the Florida Gulf Coast University Educational Plant Survey. Mr. Colson seconded the motion, and the members of the Board concurred unanimously.

B. Amend the 2014-2015 SUS Fixed Capital Outlay Legislative Budget Request

Mr. Huizenga reported that the committee approved amendments to the Fixed Capital Outlay Legislative Budget Requests to reduce the general revenue and the PECO requests. He elaborated that the reductions reflect discussions at the October facilities workshop as well as the reduction of the State's official PECO forecast. He reported that the committee's amended LBR emphasizes maintenance, renovation, and completion of projects with partial funding.

Mr. Huizenga moved that the Board approve the amendment to the Fixed Capital Outlay Legislative Budget Request to fund \$321 million for maintenance, renovation, and completion projects. Mr. Colson seconded the motion, and the members of the Board concurred unanimously.

Mr. Huizenga moved that the Board approve an amendment to the Fixed Capital Outlay Legislative Budget Request to fund \$15.6 million for Priority D projects. Mr. Beard seconded the motion, and the members of the Board concurred unanimously.

Mr. Huizenga reported that the committee authorized building projects from non-state sources. He elaborated that the universities would return to the budget committee in future years to seek utilities and custodial costs to the extent used for educational purposes if these buildings are constructed. Mr. Huizenga moved approval for universities to seek Legislative authorization for projects on Attachment V for 2014-15 Fixed Capital Outlay POM. Mr. Beard seconded the motion, and the members of the Board concurred unanimously.

Mr. Huizenga clarified that the 3-2-1 plan includes only maintenance, renovation, and completion projects; however, the Board's Legislative Budget Request includes new projects and the student's CITF requests.

7. Select Committee on Florida Polytechnic University Report

Chair Hosseini called on Mr. Kuntz for the Select Committee on Florida Polytechnic University report. Mr. Kuntz reported that the newly constituted Select Committee had no action items. He stated that the Select Committee asked Florida Polytechnic to provide the following items: (1) a projection of student enrollment and the costs associated with student enrollment to see how the cost per student would be lowered over time and (2) a green-yellow-red report to be presented at each meeting that mirrors the statutory requirements in areas to be achieved by December 31, 2016. Mr. Kuntz reported that the Select Committee feels that progress is being made but recognizes that the deadline is approaching and will be monitoring progress through the requested status reports.

8. Strategic Planning Committee Report

Chair Hosseini called on Mr. Colson for the Strategic Planning Committee report. Mr. Colson reported that the committee reviewed the annual accountability report on the progress made toward Board of Governors Strategic Plan goals. He elaborated that the report includes information and metrics regarding enrollments, degrees awarded, retention and graduation, e-learning, degree productivity in key discipline areas, academic program quality, research and commercialization, funding and expenditures, and other efficiency metrics and activities. He reported that the committee was pleased with the progress that the System is making.

A. 2012-2013 State University System Accountability Report

Mr. Colson moved that the Board approve the 2012-13 Annual Accountability Report. Mr. Kuntz seconded the motion, and the members of the Board concurred unanimously.

9. Innovation and Online Committee Report

Chair Hosseini called on Mr. Lautenbach for the Innovation and Online Committee report. Mr. Lautenbach reported that the committee had an extensive discussion of the recommendations included in the Final Report of the Task Force on Postsecondary Online Education in Florida and endorsed the staff's proposed implementation plan for those recommendations.

A. Task Force on Postsecondary Online Education in Florida Final Report

Mr. Lautenbach moved that the Board approve the implementation plan for the Task Force on Postsecondary Online Education in Florida Final report. Mr. Tripp seconded the motion, and the members of the Board concurred unanimously.

10. Budget and Finance Committee Report

Chair Hosseini called on Mr. Kuntz for the Budget and Finance Committee report. Mr. Kuntz reported that the committee has three action items.

A. Task Force on Postsecondary Online Education in Florida

Mr. Kuntz moved that the Board amend the 2014-2015 Board of Governors Legislative Budget Request to reflect \$250,000 for a lead institution to coordinate the development, delivery, and marketing of at least three for-credit Massive Open Online Courses for use by the State University System and to incorporate a quality framework, effective practices, and competency-based assessments. In addition, the lead institution, in collaboration with the Board of Governors staff, would lead a statewide working group to draft a statewide MOOC strategy to recommend to the Board of Governors, including guidelines for evaluating non-credit MOOCs. Mr. Tripp seconded the motion, and the members of the Board concurred unanimously.

B. 2013 New Fees and Tuition Differential Reports

Mr. Kuntz moved that the Board approve the 2013 New Fees and Tuition Differential Reports and direct staff to transmit the reports to the Legislature and the Governor. Mr. Beard seconded the motion, and the members of the Board concurred unanimously.

C. Performance Funding Model

Mr. Kuntz moved that the Board approve the performance funding model for implementation. Implementation is dependent upon the appropriation of new state monies for Fiscal Year 2014-15 to fund the model, and a grant of authority to reallocate a like amount of funds that the universities receive as part of their base funding through the General Appropriations Act. Mr. Colson seconded the motion. The motion passed 12-1 with Mr. Fassi voting no.

11. Concluding Remarks and Adjournment

Chair Hosseini said that he wanted to make sure that the Board is up to speed on current presidential searches. He called on Dr. Chopra to provide a report on the Florida A&M University Presidential Search. Dr. Chopra's reported that the Florida A&M Presidential Search was disbanded on March 22, 2013 to allow the university to

direct its attention to accreditation. He said that Florida A&M University Board of Trustees Chair Solomon Badger asked the Search Committee to reconvene on October 3, 2013 after the SACS review was completed. Dr. Chopra further reported that the Committee held a number of meetings. He stated that the Committee met on October 17, 2013 and asked that the position be re-advertised for at least thirty days. He said that the Committee met on December 23, 2013 and received new applications from the search firm. He reported that the Committee met by conference call on December 27, 2013 to review and provide input into the process. He informed members that the Committee met by conference call on January 3, 2014 to review forty-nine applications and agreed to invite six candidates to interview in Orlando. Dr. Chopra reported that four candidates were interviewed in person by the Committee on January 6, 2014, and the committee forwarded two finalists to the Florida A&M University Board of Trustees. He stated that the Florida A&M University Board of Trustees interviewed the finalists on January 8, 2014 and took public comment. He stated that the Florida A&M University Board of Trustees voted on January 9, 2014 to select Dr. Elmira Mangum as the candidate for president. He reported that Dr. Mangum has significant executive higher education management. Dr. Chopra concluded that he feels that the process was followed and resulted in finding a suitable candidate.

Chair Hosseini asked Florida A&M University Board of Trustees Chair Solomon Badger if he had anything to add to Dr. Chopra's report. Mr. Badger reported that contract negotiations are underway with Dr. Mangum. He further reported that he will request confirmation of Dr. Mangum by the Board of Governors when the contract negotiations have concluded.

Chair Hosseini asked Ms. Link to provide a report on the Florida Atlantic University Presidential Search. Ms. Link reported that there were fifteen members on the Florida Atlantic University Presidential Search Committee including three members of the Florida Atlantic University Board of Trustees, a student, and members of the community. She further reported that the Committee received sixty-one applications and chose ten for interviews. She stated that the Committee interviewed nine applicants and advanced three finalists to the Florida Atlantic University Board of Trustees. She said that three finalists had a wide variety of skills - a business school dean, a university vice president, and an attorney who was appointed by former Governor Charlie Crist to the United States Senate. She concluded that these candidates will be interviewed by the Florida Atlantic University Board of Trustees on January 17, 2014, and the Board of Trustees is expected to make a selection at that time.

Chair Hosseini commented that the Board of Governors has the Constitutional responsibility for appointing the university presidents but has delegated that authority to the university boards of trustees. He stated that the Board of Governors will be looking closely at the process for selecting presidential candidates as well as asking questions of candidates brought before the Board of Governors for confirmation.



Chair Hosseini stated that the next meeting on the calendar is scheduled for February 20, 2014 and that the University of South Florida has agreed to host that meeting. He stated that one or both of the presidential candidates may be brought before the Board of Governors for consideration of confirmation on February 20<sup>th</sup>.

Chair Hosseini reminded members that the 2014 Legislative Session begins on March 4, 2014. He also stated that the Board of Governors would be holding an in-person meeting in Tallahassee on March 19-20, 2014 at Florida State University.

Chair Hosseini called on Mr. Fassi to provide the Board with an update on the activities of the Florida Student Association. Mr. Fassi reported that the Florida State Association would be reviewing its Legislative agenda on January 17, 2014 at Florida Gulf Coast University. He stated that the Florida Student Association has a two-tiered agenda. He stated that first is a facilities request that complements the Board's 3-2-1 approach by asking that the System's facilities priorities be funded and that the Capital Improvement Trust Fund be bonded. Mr. Fassi stated that the effort has been dubbed the Hard Hats for Higher Education campaign and would be unveiled at the Capitol on February 5, 2014. Mr. Fassi reported that the second tier is focused on granting in-state tuition rates for certain qualified student groups including veterans. He further reported that February 26, 2014 would be Aim Higher Florida Day and each institution would have a rally focusing on these two priorities. He stated that March 26, 2014 would be the annual Rally in Tally.

Chair Hosseini recognized former Chair Dean Colson for his leadership over the past two years. He presented Mr. Colson with a resolution acknowledging his contributions to the Board of Governors specifically Mr. Colson's commitment to quality through the pre-eminent state research university program, the development of a performance funding model, and the creation of a task force to address the facilities funding crisis.

Chair Hosseini presented Mr. Colson with three books on Florida history - a recent book published by the University Press of Florida and written by Dr. Michael Gannon, Distinguished Service Professor Emeritus of History at the University of Florida as well as a set written in the 1920s by Caroline Mays Brevard, a history professor at the Florida State College for Women (now Florida State University).

Mr. Colson commented that the Board of Governors is a fine group who are generous with their time and commended the staff at the Board of Governors office. He said that the Board has made great progress and that he will be proud to be part of the future progress of the Board.

Chair Hosseini asked if any member had anything for the good of the order. Mr. Colson stated that there was a recent court opinion regarding guns on campus. He

asked the Board's General Counsel Vikki Shirley whether she agreed with his opinion that the corrective action needed was from the Legislature and not the Board of Governors. Ms. Shirley stated that her opinion was that a Legislative resolution was needed. Mr. Colson said that he hoped that the Legislature would take a look at any failings in the current law to assist the university presidents in making sure that the campuses are safe.

Having no further business, the meeting was adjourned at 11:32 a.m. on January 16, 2014.

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Mori Hosseini, Chair

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Monoka Venters,  
Corporate Secretary

Talking Points  
(As Prepared)

Florida Board of Governors State of the System Address

Mori Hosseini

January 16, 2014

As I enter my term as Chair of the Board, I want to begin by saying what a privilege it is to serve the State University System of Florida – and what an honor it is to work with the members of this Board. Each of you has demonstrated a deep commitment to higher education and the state of Florida by volunteering on this Board. I look forward to continuing to work over the next 2 years on making our System the best System in the country.

I am fortunate to share that work not only with the members of this Board but also with Chancellor Criser. Our new Chancellor understands the challenges that our System and the State of Florida face. He will effectively advocate for our System; he will carry our message to our State's leadership and fight for our priorities. In his brief remarks at our November meeting, Chancellor Criser talked about our Board ensuring that the students, families, and citizens of Florida know that an investment in our higher education system is the best investment that can be made with public or private dollars.

Now you know that Chancellor Criser and I both started at the beginning of January, so we've only been at these new jobs for a couple of weeks. We thought that we would share with you pictures from each of our first day on the job. Here's what I looked like on my first day as Chair:



If you think that's bad, here's what Chancellor Criser looked like on his first day:



In all seriousness, higher education in Florida is at a critical time. We are on the cusp of greatness....and this Board is prepared to ascend to greatness.

This Board has worked hard over the past few years, and our efforts have paid off. The House, the Senate, and the Governor all trust our Board and our System to provide a high-quality, affordable education. This Board stands ready to move that good work forward.

Today, I will lay out a blueprint for how this Board will be laser-focused over the next 2 years. Laser-focused on 3 critical areas: **(1)** quality, **(2)** funding, and **(3)** System synergy - which is working together to create the best possible system of higher education.

In the area of quality, the Board of Governors must continue to lead...and to lead with focus. Our System has the future of the students - and in many ways of the State - in our hands. Our work will set the future for higher education in this great State, and that is a big responsibility. We must focus on what is good for the future of Florida - an educated and skilled workforce that will create more high-paying jobs is good for Florida. We must focus on attracting companies to Florida - companies that are looking for that educated, skilled workforce. We will build the 21<sup>st</sup> century Florida - a Florida with the most educated work force in the country.

We can harness the entrepreneurship that already exists in the System. Universities have always been incubators of new knowledge - that's the reason that businesses develop around universities. Just look at Stanford, MIT, Harvard, and the Research Triangle in North Carolina. Companies like **Cisco** go to North Carolina to be close to their great universities.

I want businesses to think about Florida's universities in the same way. I want companies across the nation and the world to place Florida at the top of their list of places to create jobs.

Our universities already produce some unbelievable results. We are a good return on the State's investment. For example, we rank 5<sup>th</sup> in the country in bringing in critical research dollars.

Our System contributes 1.8 billion in research dollars to the State – the University of Florida led with 697 million dollars, and the University of South Florida is gaining ground at over 451 million dollars. Our researchers use these dollars to tackle the critical issues facing the world – developing new medicines and new technologies lead the list.

60% of those dollars – more than \$1 billion – comes from private contracts and contracts with the National Institutes of Health, the Department of Defense, the National Science Foundation and other federal agencies. That's a good return on investment.

Our universities have been awarded more patents in the past 5 years than anyone else in Florida. We were awarded 937 patents. Our closest competitor was Siemens Energy – and they were only awarded 356 patents during that five-year span. Another good return on investment.

Since 2003, the state has invested 84.5 million dollars in **11** centers of excellence located in our System. These centers have created jobs, collaborated with private industry, and produced 467 million dollars in competitive grants – that's a collective return on investment of \$5.52 for every state dollar invested. The 495 institutes and centers conducting research in our System average a \$4.85 return on investment for every state dollar invested, proving again that we are a good return on investment.

Look at the University of Florida. Congratulations are in order to Dr. Machen for raising 1.7 billion dollars in 5 years for his university. He also recently announced that he is looking to raise another 800 million dollars for the pre-eminence program over 10 years. And those my friends are a great return on investment. But, we can still get better. And we must.

This Board will partner with the universities to hold the System accountable for creating a high-quality educational experience. This Board will hold the universities accountable – and we will hold ourselves accountable.

We have already done great work in the area of accountability. Our strong 3-pronged accountability system –

- our 2025 Strategic Plan,
- our Annual Accountability Reports, and
- our university work plans –

focuses on measures critical to improving Florida: operational efficiency, return on investment, and academic quality. That's why we are recognized nationally as a leader for our accountability work.

Our accountability report has shown us areas where the System excels. For instance, our System, compared to other systems, does an incredible job of getting students out of college in 6 years. And we continue to improve – graduating more students sooner – students who can go out and contribute to Florida's economy.

Our latest data show that 6-year graduation rates are up for all types of students – first-time-in-college and transfer students alike. In fact, we rank third among the 10 largest public university systems on our FTIC 6-year graduation rate at 68%. And over the last 4 years, this rate went up by 4%. Clearly we are heading in the right direction.

That said, 32% of our FTIC students do not graduate in 6 years. That does not tell the whole story. 6-year graduation rates in our System range from a high of 86% at UF to a low of 39% at FAMU and 40% at FAU. That is unacceptable. Just think what our overall system 6-year graduation rate *could* be if the universities with the lowest graduation rates increased their graduation rate. Think about how much better we can be. Wouldn't it be great to be ranked first in the U.S.?

Who said that we should *only* pay attention to 6-year graduation rates? What happened to graduating in 4 years? Most parents expect their children to graduate in 4 years! Why is our current 4-year graduation rate for the system 42%? 4-year graduation rates range from a high of 66% at UF to a low of 8%. That is completely unacceptable and obviously we have work to do here, too.

I also want this Board to do its due diligence. I want the Audit and Compliance Committee to take on new responsibilities. They will be the Board's vehicle for ensuring that the Board has undertaken its due diligence on the accuracy of data, especially data related to performance funding.

I want this Board and its committees to be held accountable and that's us! I expect each of the committees to come before the Board in March with a 2-year plan outlining how that committee expects to contribute to this blueprint. Only by holding our System and ourselves accountable will we be able to succeed for our students and our State. We owe them our very best.

Now I want to turn to funding. Our Board has developed a performance funding model that will incentivize quality by assessing items like retention rates, graduation rates, and post-graduation success as well as providing university-specific metrics targeted to each institution's distinct mission.

We are fortunate to have leaders in this State who are supportive of our System and who care about the students. We understand their goals for our System. We want to be affordable, but we also want to meet the needs of our students – to provide them with the best education possible so that they can be productive citizens with good jobs. We know that we can rely upon the Governor, the Senate, and the House to support our System in achieving these goals by providing our universities with adequate funding for operations and facilities. The Governor and the Legislature prudently took \$300 million dollars from us when the economy was in dire straits. They had to balance the budget like any other business in the state. Now that the economy is growing again and unemployment is down, we need the State to fund us.

We desperately need funding for our 3-2-1 plan for facilities. What is the 3-2-1 plan? Very simple. We need 321 million dollars for facilities – that's the 3-2-1 plan. The 3-2-1 plan does not include a penny for new construction.

We need 87 million dollars for maintenance, 189 million dollars for completion, and 45 million dollars for renovation. The 3-2-1 plan supports facilities that the Legislature has already supported with partial funding. Our Board is focused on completing these crucial projects.

Compared to other Systems across the country, Florida invests relatively little in facilities. For instance, the New York System has spent 550 million dollars for the past 5 years on maintenance alone. Texas spent 475 million dollars on facilities for the University of Texas and Texas A&M systems. The University of California System issued 860 million dollars in century bonds in 2012 – topping MIT's record investment of 750 million dollars in its facilities.

Our 3-2-1 plan will be our countdown for success. This Board is not just asking for money.

We are looking for efficiencies and demanding collaboration. Our universities have taken up this challenge and made difficult choices to close 197 low-performing programs since 2008. Our 2 pre-eminent universities are leading the way in this effort. Florida State has terminated 55 programs since 2008, 36 of which were terminated in the Spring of 2013, and the University of Florida has terminated 30 programs. And the universities continued to look for efficiencies even after the economic picture started to improve.

I am proud of the universities for focusing on these efficiencies. FSU is receiving national recognition for its focus on balancing quality with efficiency. In fact, it was recently named as the "most efficient high-quality university in the country" by US News and World Report – for the second year in a row. Thank you Dr. Barron.

Our universities are also working together better than ever before. As just one example, I recently learned about a new initiative from Presidents Rosenberg, Hitt, and Genshaft. FIU, UCF, and USF are building a consortium dedicated to finding the best ways to collectively serve their unique student populations. This partnership among our state's 3 largest metropolitan research universities will ensure access to education that leads to productive jobs by maximizing the resources available in Florida's largest metropolitan centers.

I also want our System to collaborate with the other education sectors. I want to build on the conversations from the last two Academic and Student Affairs Committee meetings between our System and the Florida College System. I am relying on that Committee's Chair Norm Tripp and Vice Chair Wendy Link to ensure that this State's 2+2 System remains the envy of the nation. Thank you Dr. Hitt for having the best 2 + 2 program in our system, called direct connect.

I am also appointing Wendy Link to the Higher Education Coordinating Council. She will serve as our "link" not only to the Florida College System but also to the K-12 sector and the independent colleges in Florida.

I created an Innovation and Online Committee to look at innovations across the country and ensure that our institutions are at the forefront of new technologies. This



Committee is chaired by Ned Lautenbach and held its first meeting yesterday. I expect that committee to act quickly – to assess the potential of new innovations and online learning as well as seek out existing best practices. Most importantly, this Committee will spur new thinking and take the System to the next level of innovation.

Next I want to talk about System synergy – or System teamwork. At the Trustee Summit in November, I talked a lot about creating System synergy, and I want to make that synergy a focus for the Board of Governors, the boards of trustees, and the universities. Our Board must collaborate with the boards of trustees to steer higher education policy for the State. We must continue to carefully select only the best candidates for Trustee positions and then strengthen our relationships with the local boards of trustees. Together, we can create the best System of higher education in the country.

We must, however, have synergy within the System to succeed. Our Board shares responsibility for System governance with the university boards of trustees. As we continuously refine the powers and duties of the Boards of Trustees, we develop our relationship with the members of the university boards. Chair Colson frequently said that many decisions can only be made by the university Boards of Trustees, and I agree with him completely. This Board trusts each university board of trustees to carry out the responsibilities set out for it in the Constitution – and to honor the trust placed in it by the citizens of Florida, the Governor, and our Board.

Two of the major responsibilities of the Board of Governors are to define the distinctive mission of each university and to ensure the well-planned coordination and operation of the State University System. To do this, we need to work even more closely with each university's board of trustees. I am launching a special initiative and calling upon each university's board of trustees to create a special committee to conduct a stress test of the university's operations.

Let me tell you what I mean by a stress test. The goal of the stress test is to review whether the university is financially resilient. We are asking the boards of trustees to conduct a stress test to diagnose how well their institutions are likely to perform in today's challenging environment. The trustees will review every program and every degree to see if students graduate on time without excess hours and get jobs. They will determine whether programs whose students do not graduate on time and get jobs should be closed.

We have recently come through some difficult years because of the economy where we have all had to make some tough choices and decisions. How will institutions react if funding decreases dramatically once again? How can we be assured that our institutions can weather stressful conditions? What strategies would they employ to manage additional budget reductions? ...and What would be the likely impacts and outputs?

Over the course of the next few months, we will be communicating with the boards of trustees about the conditions of the “stress test” that we want you to conduct on your university. We expect that members of the Board of Governors and our staff will have conversations with boards of trustees and campus leadership during this exercise. We will be asking boards of trustees to report the results of the stress test to the Board of Governors in Fall 2014. I want to be clear that this work will be done by the trustees themselves – it will be hard work, but it will result in a better System.

Our Board will no longer accept low graduation rates, high excess hours, or degrees that don't create jobs or address workforce needs. Our Board will continue to demonstrate its ability to lead the System as we advance into the 21<sup>st</sup> century. We will continue to improve. Not only do I want our System to be the best System in the country, I want our System to be one of the best Systems in the world.

Our System has been changing, and we have worked hard on improving over the past few years. We have made great strides. As the American Council of Trustees and Alumni said, “Florida is rising”. We, however, have a long way to go. As I take over the reins, I want each of you to be ready to dig in and prepare for some hard work. We owe nothing less to the students, families, and taxpayers of our great state.

Thank you.