



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

Agenda and Meeting Materials
June 10, 2013
1:30 p.m.

via Telephone Conference Call
Dial-in Number: 888-670-3525
Conference Code: 4122150353

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STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

ACTIVITIES
BOARD OF GOVERNORS MEETINGS

June 10, 2013
1:30 p.m.

via Telephone Conference Call

Dial-in Number: 888-670-3525; Participant Code: 4122150353#

All participants using this code will be muted at dial-in.

Strategic Planning Committee	5
Chair: Mr. John D. Rood; Vice Chair: Ms. Patricia Frost	
Members: Chopra, Colson, Lautenbach, Morton, Webster	
Audit and Compliance Committee	13
Chair: Mr. Alan Levine; Vice Chair: Mr. Ed Morton	
Members: Carter, Kuntz, Lautenbach, Webster	
Trustee Nominating and Development Committee	21
Chair: Mr. Mori Hosseini; Vice Chair: Mr. Tom Kuntz	
Members: Colson, Link, Rood, Tripp, Webster	
Board of Governors - Regular Meeting	25
Chair: Mr. Dean Colson; Vice Chair: Mr. Mori Hosseini	
All Board members	

Please note that this schedule may change at the Chair's privilege.

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STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA
Strategic Planning Committee
By Telephone Conference Call
Tallahassee, FL
June 10, 2013
1:30 p.m.

Dial-in Number: 888-670-3525
Conference Code: 4122150353

Chair: Mr. John D. Rood; Vice-Chair: Ms. Patricia Frost
Members: Chopra, Colson, Lautenbach, Morton, Webster

- | | |
|--|--------------------|
| 1. Call to Order and Opening Remarks | Governor John Rood |
| 2. Designation of Preeminent State Research Universities | Governor Rood |
| 3. Institute for Online Learning | Governor Rood |
| 4. Next Steps and Closing Remarks | Governor Rood |

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
June 10, 2013**

SUBJECT: Designation of Preeminent State Research Universities

PROPOSED COMMITTEE ACTION

Consideration of the designation of the University of Florida and Florida State University as preeminent state research universities

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Subsection 1001.7065, Florida Statutes, and Chapter 2013-27, Laws of Florida

BACKGROUND INFORMATION

The 2013 Legislature enacted, and the Governor approved, CS/CS/SB 1076, codified as Chapter 2013-27, Laws of Florida, which, among other things, created the preeminent state research universities program in section 1001.7065, Florida Statutes. Effective July 1, 2013, section 1001.7065 establishes 12 academic and research excellence standards and provides for the Board of Governors to designate each state research university that meets at least 11 of the 12 standards as a preeminent state university. The University of Florida is the only university that meets all 12 of the standards, and Florida State University is the only university that meets 11 of the 12 standards.

The university that meets all 12 of the standards, as verified by the Board of Governors, is required to submit a 5-year benchmark plan with target rankings on key performance metrics for national excellence to the Board for approval. Once approved, the Board will award the university an amount specified in the General Appropriations Act. The 2013-2014 GAA includes, within the university's lump sum appropriation, \$15 million designated for this purpose in legislative work papers. Upon the university's meeting the benchmark plan goals annually, the Board shall award an amount specified in the GAA throughout the 5-year period.

In addition, the law specifies that a state research university that meets 11 of the 12 academic and research excellence standards, as verified by the Board of Governors, must submit a 5-year benchmark plan with target rankings on key performance metrics for national excellence to the Board. Upon meeting the goals in the plan annually, the Board will award the university an amount specified in the GAA annually for the five-year period for the purpose of recruiting National Academy Members, expediting the provision of a master's degree in cloud virtualization, and instituting an entrepreneurs-in-residence program throughout its campus. The 2013-2014 GAA includes, within the university's lump sum appropriation, \$15 million designated for this purpose in legislative work papers.

Supporting Documentation Included: Academic and Research Excellence Standards

Facilitators/Presenters: Jan Ignash

2013 Preeminence Measures (SB1076)

CRITERIA	MEASURE	SOURCE	YEAR	BENCHMARK	UF	FSU
A	Average GPA and SAT Score for incoming freshman in Fall semester	Board of Governors	Fall 2012	4.0 GPA 1800 SAT	4.3 1927	4.0 1839
B	Public University Ranking (in more than one national ranking)	Determined by BOG and Legislative staff	various	Top 50	4	3
C	Freshman Retention Rate (Full-time, FTIC)	I.P.E.D.S.	2010-11	≥ 90%	95%	92%
D	6-year Graduation Rate (Full-time, FTIC)	I.P.E.D.S.	2005-11	≥ 70%	84%	74%
E	National Academy Memberships held by faculty	Top American Research Universities	2010	6	23	7
F	Total Annual Research Expenditures (Science & Engineering only)	National Science Foundation	2010-11	≥ \$200M	\$686 M	\$217 M
G	Total Annual Research Expenditures in Diversified Non-Medical Sciences (Science & Engineering only)	National Science Foundation	2010-11	≥ \$150M	\$508 M	\$208 M
H	National Ranking in Research Expenditures in at least 5 STEM disciplines as reported by NSF (includes public & private institutions)	National Science Foundation	2010-11	Top 100	8	7
I	Patents Awarded (over 3 year period)	US Patent Office	2009-11	≥ 100	139	66
J	Doctoral Degrees Awarded Annually (Does not include Professional degrees)	Board of Governors	2011-12	≥ 400	713	428
K	Number of Post-Doctoral Appointees	Top American Research Universities	Fall 2009	≥ 200	597	258
L	Endowment Size	Board of Governors	2010-11	>\$500 M	\$1.3 B	\$525 M
TOTAL CRITERIA MET:					12	11

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
June 10, 2013**

SUBJECT: Institute for Online Learning

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Subsection 1001.7065, Florida Statutes, and Chapter 2013-27, Laws of Florida

BACKGROUND INFORMATION

The 2013 Legislature enacted, and the Governor approved, CS/CS/SB 1076, codified as Chapter 2013-27, Laws of Florida, which, among other things, created the preeminent state research universities program in section 1001.7065, Florida Statutes.

The law specifies that a university that meets all 12 of the academic and research excellence standards, as verified by the Board of Governors, is to establish an institute for online learning. The institute is to “establish a robust offering of high-quality, fully online baccalaureate degree programs at an affordable cost in accordance with this subsection.” The University of Florida is the only institution that meets all 12 standards.

The Board is required to convene an advisory board by August 1, 2013, to offer advice to the university in its development and implementation of a business plan to expand the offering of fully online baccalaureate degree programs; to advise the Board on the release of funding for the plan; and to monitor, evaluate, and report on the implementation of the plan to the Board, the Governor, the President of the Senate, and the Speaker of the House of Representatives.

By September 1, 2013, the designated university must submit the comprehensive plan to expand fully online baccalaureate programs to the advisory board. Upon

recommendation of the plan by the advisory board and approval by the Board of Governors, the Board shall award the university \$10 million in nonrecurring funds and \$5 million in recurring funds for fiscal year 2013-2014 and \$5 million thereafter, subject to appropriation in the General Appropriations Act (GAA). The 2013-2014 GAA includes, within the university's lump sum appropriation, \$15 million designated for this purpose in legislative work papers.

Supporting Documentation Included: None

Facilitators/Presenters: Nancy McKee



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA
Audit and Compliance Committee
By Telephone Conference Call
Tallahassee, FL
June 10, 2013
Upon Adjournment of Previous Meeting

Dial-in Number: 888-670-3525
Conference Code: 4122150353

Chair: Mr. Alan Levine; Vice-Chair: Mr. Ed Morton
Members: Carter, Kuntz, Lautenbach, Webster

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|----|---|------------------|
| 1. | Call to Order | Governor Levine |
| 2. | Approval: Long-Term and Annual Audit Plan | Mr. Derry Harper |
| 3. | Concluding Remarks and Adjournment | Governor Levine |

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
June 10, 2013**

SUBJECT: State University System of Florida Board of Governors Long-term and Annual Audit Plan for Fiscal Year 2013-2014

PROPOSED COMMITTEE ACTION

Discussion and approval of the State University System of Florida Board of Governors Long-term and Annual Audit Plan for Fiscal Year 2013-2014.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The State University System of Florida Board of Governor's Inspector General and Director of Compliance, Derry Harper, will present members with the proposed State University System of Florida Board of Governors Long-term and Annual Audit Plan for Fiscal Year 2013-2014. He will describe the risk assessment process and recommended audit-related activities based on the results of that process.

Supporting Documentation Included: State University System of Florida Board of Governors Long-term and Annual Audit Plan for Fiscal Year 2013-2014

Facilitators/Presenters: Derry Harper

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Office of the Inspector General and Director of Compliance**

LONG -TERM AND ANNUAL AUDIT PLAN

Section 20.055, Florida Statutes, specifies that the Inspector General develop long-term and annual audit plans based on the findings of periodic risk assessments and that the plan show the individual audits to be conducted during each year and related resources to be devoted to the respective audits. By statute, the plan is submitted to the Audit and Compliance Committee, the Board of Governors and the Chancellor for approval. A copy of the approved plan is submitted to the Auditor General and the Chief Inspector General.

Overview of Methodology Used to Determine Areas Selected for Audit

The Inspector General's Office conducted an assessment that included each of the organizational units within the Board of Governor's (Board) office, including the Board's Foundation. We reviewed operational manuals and handbooks, Board regulations, applicable laws, financial records, organizational charts, various reports including prior audit reports, and other available data. We surveyed management regarding the complexity of their operations and obtained insight into operations.

Additional operational or programmatic information was obtained from the Regulation Compliance Review Project (RCR Project). In the fall of 2009, the Board office undertook a comprehensive review of the Board's regulations to determine, among other things, whether additional procedures would be effective in monitoring the implementation of regulations promulgated by the Board. The RCR Project was designed by the Inspector General as a key component in the overall risk assessment process. Appropriate staff conducted an analysis of each regulation. The primary objective was to determine what action or conduct the subject regulation required on the part of the Board or the universities. In addition, staff was asked to describe the existing processes and procedures utilized to implement the regulation.

We ranked the information based on the unit's relative risk factors such as: complexity and decentralization of operations, existence of certain internal control elements such as policies and procedures or monitoring systems, and existence of prior audits by the Inspector General, the Auditor General, or other oversight authority. We also considered the potential for loss or theft of assets, possibility of not meeting operational or program objectives, and whether or not there was any health, safety or welfare issues for the public, employees, clients, users, or recipients of program benefits.

Results of the Periodic Risk Assessment

<u>CALCULATION OF AVAILABLE HOURS</u>	Total Hours
Direct Hours - Assurance services include internal audits, consulting services, management reviews, audit follow-up, and review of external audits from SUS and Auditor General.	750
Direct Hours - Other initiatives include compliance, preliminary investigative responsibilities for consumer complaints, Committee and Board meeting preparations, and performing other related duties.	1745
Total Indirect Hours - Miscellaneous projects, administrative activities, conduct internal training (internally), receive professional training, authorized holidays and leave.	1665
Total Available Hours - (52 weeks x 40 hours x 2 positions)	4160

Audit Plan for Fiscal Year 2013-2014

Based on the results of our assessment, the following areas were identified as audit priorities for this year and **750 staff hours** have been allocated to the following assurance services:

<u>TOTAL ASSURANCE SERVICES</u>	Estimated Hours
Internal Audits	
Tuition Differential / Tuition and Fees Program(s)	350
Institutes and Centers	350
Audit Follow-Up	
None scheduled during this time period	
Coordination of External Audits	
Office of Program Policy Analysis and Government Audits - Six- and 18- Month Follow-up Reports	10
Auditor General's 2014 Operational Audit of the Board Office	40
Direct Hours - Assurance Services	750

We have reserved **1745 staff hours** to be allocated to the following initiatives, projects and reports:

<u>OTHER DIRECT SERVICES</u>		Estimated Hours
Special Projects		
2014-2015 Risk Assessment and Audit Plan		200
Inspector General's 2012-2013 Annual Report (Section 20.055(7), Florida Statutes)		100
Regulation Compliance Review Project-Phase III		150
FAMU Corrective Action Plan/Follow-up: Anti-Hazing Investigation		210
Clean up of Data Request System for Collection of SUS External and Internal Audit Reports		40
Development of Robust Trend Tracking System for AG audits, OPPAGA reports, and SUS and Board External and Internal Audit Report Findings and Follow-up		150
Other Projects as Assigned		100
Investigative		
Complaints/Investigations/Preliminary Inquiries		550
Complaints/Investigations/Preliminary Inquiries - Administrative Support		245
Direct Hours - Other Direct Services		1745
Direct Hours - Assurance Services		750
Total Direct Hours		2495

Long-Term Audit Plans for Fiscal Years 2014-2015 and 2015-2016

For Fiscal Year 2014-2015, we plan to allocate a total of **700 staff hours** to audit activities that include the following:

- *Audit of Process for Establishment of Educational Sites [350 staff hours]*
- *Audit of University Work Plans Process [350 staff hours]*

For Fiscal Year 2015-2016, we plan to allocate a total of **700 staff hours** to audit activities that include the following:

- *Audit of State University System of Florida Board of Governors Foundation [350 staff hours]*
- *Audit of Residency for Tuition Purposes [350 staff hours]*

The long-term plans are subject to change based on the results of the periodic risk assessment conducted in accordance with Section 20.055, Florida Statutes, and in order to be responsive to requests made by the Board of Governors or Chancellor to evaluate particular programs.

Respectfully Submitted by: _____ Date: _____

Inspector General

Audit Plan Approved by: _____ Date: _____

Chancellor

Audit Plan Approved by: _____ Date: _____

Chair, Audit and Compliance Committee

Audit Plan Reviewed by: _____ Date: _____

Chair, State University System of Florida Board of Governors



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA

Trustee Nominating and Development Committee

By Telephone Conference Call

Tallahassee, Florida

June 10, 2013

Upon Adjournment of Previous Meetings

Dial-in Number: 888-670-3525

Conference Code: 4122150353

Chair: Mori Hosseini; Vice Chair: Tom Kuntz

Members: Colson, Link, Rood, Tripp, Webster

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|----|--|------------------------|
| 1. | Call to Order | Governor Mori Hosseini |
| 2. | Re-appointment of University Trustees:
Florida Polytechnic University | Mr. Hosseini |
| 3. | Concluding Remarks and Adjournment | Mr. Hosseini |

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Trustee Nominating and Development Committee
June 10, 2013**

SUBJECT: Consider re-appointment of University Trustees: Florida Polytechnic University

PROPOSED COMMITTEE ACTION

Re-appointment of University Trustees.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution.

BACKGROUND INFORMATION

Members of the Boards of Trustees appointed by the Board of Governors are subject to confirmation by the Florida Senate. During the 2013 Regular Session of the Legislature, the Florida Senate took no action on the following Trustees appointed by the Board of Governors: (1) William M. Brown, Florida Polytechnic University Board of Trustees, (2) Sandra Featherman, Florida Polytechnic University Board of Trustees, (3) Richard P. Hallion, Florida Polytechnic University Board of Trustees, (4) Frank T. Martin, Florida Polytechnic University Board of Trustees, and (5) Donald H. Wilson, Florida Polytechnic University Board of Trustees.

Paragraph (1)(e) of Section 114.05, Florida Statutes provides that a vacancy exists in the office when the Senate fails to take action on an appointee prior to adjournment sine die; however, an appointee may hold over for a period not to exceed forty-five days and may be reappointed. Adjournment sine die occurred on May 3, 2013; therefore, the Board of Governors has until June 17, 2013, to consider re-appointments.

The Committee will consider re-appointment of the Trustees and make recommendations to the Board.

Supporting Documentation Included: None

Facilitators/Presenters: Governor Hosseini

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STATE
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of FLORIDA
Board of Governors

AGENDA

By Telephone Conference Call
Tallahassee, Florida
June 10, 2013
Upon Adjournment of Previous Meetings

Dial-in Number: 888-670-3525
Conference Code: 412150353

1. **Call to Order:** *Chair Dean Colson*
2. **Strategic Planning Committee Report:** *Governor John D. Rood*
Action:
 - A. Designation of Preeminent State Research Universities
3. **Audit and Compliance Committee Report:** *Governor Alan Levine*
Action:
 - A. State University of Florida Board of Governors Long-term and Annual Audit Plan for Fiscal Year 2013-2014
4. **Trustee Nominating and Development Committee Report:**
Governor Mori Hosseini
 - A. Re-Appointment of University Trustees: Florida Polytechnic University
5. **Concluding Remarks and Adjournment:** *Chair Dean Colson*

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**
June 10, 2013

SUBJECT: Designation of Preeminent State Research Universities

PROPOSED BOARD ACTION

Consider for approval the Strategic Planning Committee's recommendation concerning the designation of the University of Florida and Florida State University as preeminent state research universities

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Subsection 1001.7065, Florida Statutes, and Chapter 2013-27, Laws of Florida

BACKGROUND INFORMATION

The 2013 Legislature enacted, and the Governor approved, CS/CS/SB 1076, codified as Chapter 2013-27, Laws of Florida, which, among other things, created the preeminent state research universities program in section 1001.7065, Florida Statutes. Effective July 1, 2013, section 1001.7065 establishes 12 academic and research excellence standards and provides for the Board of Governors to designate each state research university that meets at least 11 of the 12 standards as a preeminent state university. The University of Florida is the only university that meets all 12 of the standards, and Florida State University is the only university that meets 11 of the 12 standards.

The university that meets all 12 of the standards, as verified by the Board of Governors, is required to submit a 5-year benchmark plan with target rankings on key performance metrics for national excellence to the Board for approval. Once approved, the Board will award the university an amount specified in the General Appropriations Act. The 2013-2014 GAA includes, within the university's lump sum appropriation, \$15 million designated for this purpose in legislative workpapers. Upon the university's meeting the benchmark plan goals annually, the Board shall award an amount specified in the GAA throughout the 5-year period.

In addition, the law specifies that a state research university that meets 11 of the 12 academic and research excellence standards, as verified by the Board of Governors, must submit a 5-year benchmark plan with target rankings on key performance metrics for national excellence to the Board. Upon meeting the goals in the plan annually, the Board will award the university an amount specified in the GAA annually for the five-year period for the purpose of recruiting National Academy Members, expediting the provision of a master's degree in cloud virtualization, and instituting an entrepreneurs-in-residence program throughout its campus. The 2013-2014 GAA includes, within the university's lump sum appropriation, \$15 million designated for this purpose in legislative workpapers.

The Board will consider the Strategic Planning Committee's recommendation concerning the designation of the University of Florida and Florida State University as preeminent state universities.

Supporting Documentation Included: (Academic and Research Excellence Standards may be found in the Strategic Planning Committee's materials)

Facilitators/Presenters: Governor John D. Rood

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

June 10, 2013

SUBJECT: Audit and Compliance Committee – Status Report: State University
System of Florida Board of Governors Long-term and Annual Audit Plan
for Fiscal Year 2013-2014

PROPOSED BOARD ACTION

Discussion and approval of the State University System of Florida Board of Governors Long-term and Annual Audit Plan for Fiscal Year 2013-2014.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Chair of the Audit and Compliance Committee will report on the results of the Audit Committee conference call held June 10, 2013, which included consideration of the proposed State University System of Florida Board of Governors Long-term and Annual Audit Plan for Fiscal Year 2013-2014.

Supporting Documentation Included: (State University System of Florida Board of Governors Long-term and Annual Audit Plan for Fiscal Year 2013-2014 may be found in the Audit and Compliance Committee’s materials.)

Facilitators/Presenters: Governor Alan Levine

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

June 10, 2013

SUBJECT: Consider re-appointment of University Trustees: Florida Polytechnic University

PROPOSED BOARD ACTION

Re-appointment of University Trustees.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution.

BACKGROUND INFORMATION

Members of the Boards of Trustees appointed by the Board of Governors are subject to confirmation by the Florida Senate. During the 2013 Regular Session of the Legislature, the Florida Senate took no action on the following Trustees appointed by the Board of Governors: (1) William M. Brown, Florida Polytechnic University Board of Trustees, (2) Sandra Featherman, Florida Polytechnic University Board of Trustees, (3) Richard P. Hallion, Florida Polytechnic University Board of Trustees, (4) Frank T. Martin, Florida Polytechnic University Board of Trustees, and (5) Donald H. Wilson, Florida Polytechnic University Board of Trustees.

Paragraph (1)(e) of Section 114.05, Florida Statutes, provides that a vacancy exists in the office when the Senate fails to take action on an appointee prior to adjournment sine die; however, an appointee may hold over for a period not to exceed forty-five days and may be reappointed. Adjournment sine die occurred on May 3, 2013; therefore, the Board of Governors has until June 17, 2013, to consider re-appointments.

The Board of Governors will consider the recommendation of the Trustee Nominating and Development Committee regarding the re-appointment of the Trustees named above.

Supporting Documentation Included: None

Facilitators/Presenters: Governor Mori Hosseini