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 STATE UNIVERSITY SYSTEM OF FLORIDA
 BOARD OF GOVERNORS
 GRAND BALLROOM
 H. EFFERSON MANNING STUDENT UNION BUILDING
 FLORIDA A&M UNIVERSITY
 TALLAHASSEE, FLORIDA
 MARCH 30, 2017

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

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MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
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H. EFFERSON MANNING STUDENT UNION BUILDING
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
TALLAHASSEE, FLORIDA
MARCH 30, 2017

1. Call to Order and Chair's Remarks

Chair Thomas Kuntz convened the meeting at 1:05 p.m., on March 30, 2017, with the following members present: Dick Beard; Jacob Hebert; Darlene Jordan; Sydney Kitson; Alan Levine; Wendy Link; Edward Morton; Pam Stewart; Norman Tripp; and Dr. Gary Tyson. Patricia Frost and Dr. Fernando Valverde participated by phone, and Ned Lautenbach joined by phone at 2:10 p.m.

Chair Kuntz thanked President Larry Robinson and Chair Kelvin Lawson for hosting the meeting, and extended a special thanks to the staff at the Florida Agricultural and Mechanical University for their efforts in connection with the meeting. President Robinson and Chair Lawson welcomed the Board, the Chancellor, the university presidents, the FAMU Board of Trustees members and guests to FAMU. Chair Lawson likewise expressed appreciation to the FAMU staff for their assistance with the meeting.

Chair Kuntz announced U.S. News and World Report had recently named Florida the "Best State for Higher Education," based on the state's significant achievements in the areas of graduation rates, low student debt at graduation, and low tuition and fees. He said it is a reflection of much hard work by the Board, the Governor, the Legislature, and the universities and colleges to keep higher education affordable for Florida families.

He also shared great news from the 2015-2016 Annual Accountability Report. The new Cost to the Student affordability metric shows the average cost of earning a bachelor's degree is less than \$15,000 after financial aid is included, and there is a trend of decreasing costs for students at eight universities. In addition, the Report demonstrates the State University System is producing more graduates with STEM or health degrees: at the baccalaureate level, STEM and health degrees have grown by 31% and 52%, respectively; and at the graduate level, STEM and health degrees have grown by 1% and 24%, respectively.

On the research side, Chair Kuntz noted the State University System surpassed Pennsylvania in research expenditures. This reflects considerable progress in one

academic year and he commended the Vice Presidents for Research for improving the System's research portfolio.

In closing, Chair Kuntz indicated there are a few areas requiring some clarification with regard to presidential contracts, renewals, and voting, which he had been waiting to address when there were no ongoing presidential searches. He asked Chancellor Criser to work with the Board's General Counsel, Ms. Shirley, to make some tweaks to the Board's processes so everyone is on the same page when it comes to presidential contracts, renewals, and voting.

2. Minutes of Board of Governors Meeting

A. Board of Governors Meeting held January 26, 2017

Mr. Tripp moved approval of the Minutes of the meeting held on January 26, 2017, as presented. Mr. Morton seconded the motion, and the members concurred unanimously.

3. Visit from the Honorable Joe Negron, President of the Florida Senate

The Honorable Joe Negron, President of the Florida Senate, addressed the Board during a break in the Audit and Compliance Committee meeting, starting at 10:52 a.m. on March 30, 2017. Chair Kuntz thanked President Negron for his support and personal commitment to enhancing the State University System. President Negron commented on the great ranking recently released by U.S. News and World Report and commended the universities for the success they have achieved to date with modest support from the Legislature.

He said it was great to be back at FAMU. He visited FAMU on the first day of his university listening tour and was impressed with the talented students and FAMU's commitment to increasing its graduation rate. He explained the Legislature, through performance funding, is looking to incentivize the four-year graduation rate and he appreciates the work of this Board and the universities in trying to make that happen. He believes encouraging students to take 15 hours per semester and funding Bright Futures scholarships for summer terms will make an enormous difference in graduation rates. He credited Governor Scott for including Bright Futures scholarship funding for summer terms in the Governor's recommended budget.

President Negron complimented UWF's work with their part-time students to help them graduate in four years without debt. He said increasing the four-year graduation rate will enhance our national reputation. In the Senate budget, there is an 80% increase in merit-based financial aid, together with a proposal to fund Bright Futures scholarship funds at 100% with a \$300 textbook and instructional materials stipend. There is also an

increase proposed for Florida Student Assistance Grants to help students with financial need. He recognizes some students will need to work, but the goal is to help students graduate in less than six years. President Negron noted that although the number of students increased by 50,000 over the last decade, state funding only increased by \$142 million. As a result, tuition was increased to pay for the additional students and he agrees with Governor Scott that the cost of tuition should be held down. He also believes the state should pay its fair share and the Senate budget includes funds for recruiting faculty and for graduate or professional programs in law, business and medicine, which should assist with enhancing the State University System's national reputation and attracting talented faculty and students.

President Negron discussed expanding the National Merit Scholarship program. When Senator Benacquisto approached him three years ago, Florida had no National Merit Scholars. Working with then Senate President Andy Gardiner and former Senator John Thrasher, they created a scholarship fund, named after Senator Benacquisto, to attract National Merit Scholars. Today, an estimated 932 National Merit Scholars are expected to attend a Florida university next year and he hopes that number will exceed 1,000 by the end of his term as Senate President.

In conclusion, President Negron thanked the Board for the opportunity to speak with them and thanked those members who attended the listening sessions on his university tour. He is proud of what the universities are doing and their role as key economic drivers for the state.

4. Chancellor's Report

Chancellor Criser introduced Mr. Brian Logan, the new Assistant Vice Chancellor of Public Policy and Advocacy, to provide a legislative overview. Mr. Logan thanked Mr. Tim Jones, Vice Chancellor of Finance and Administration, for presenting an overview of the proposed legislative budget in the Budget and Finance Committee meeting, stating he would be focusing on policy issues. Senate Bill 2 and House Bill 3 address the Board's priority to extend Bright Futures scholarships to students attending summer terms. Senate Bill 2 passed and has been sent to the House and House Bill 3 has two more committee stops, which they are monitoring closely. They are also actively engaged on bills that would authorize Florida and Florida institutions to participate in a nationwide reciprocity agreement known as the State Authorization Reciprocity Agreement (SARA). The bills are moving through both chambers with unanimous support and they are working with all stakeholders to address any issues.

Similarly, he stated bills that would provide a public records/open meetings exemption for information technology security measures are moving through both chambers with unanimous support. They are also monitoring the computer coding bills, which would require universities to accept high school credits in computer coding as a substitute for

foreign language admission requirements. Mr. Logan explained they are working with the bill sponsors on a holistic approach designed to reach an amicable solution that will work for the State University System. Likewise, they are actively engaged on the Civics literacy bill in an effort to maintain consistency with the ongoing efforts in the System.

Chancellor Criser said Mr. Logan joined the Board staff this year and he and Ms. Renee Fargason, Assistant Director of Public Policy and Advocacy, have been working tirelessly all session. He stated the Board office will be losing Ms. Paige Beles, our University Trustee Coordinator, who is getting married, but has gained Ms. Cora Merritt as the new University Trustee Coordinator, who was previously with the Florida College System.

He directed members to a document placed at their seats which contains a compilation of information on each of the 12 universities. The document was produced in response to a query Governor Jordan received and shows how the universities contribute to improving student life, Florida's economy, and making Florida a great place to raise a family. He thanked Ms. Emily Sikes, Director of Workforce Education and Economic Development, for compiling the information.

Chancellor Criser recognized the students employed by the Board office who were in attendance at the meeting. In an effort to broaden their work experience at the Board, he asked Ms. Kristie Harris, Director of University Budgets, to develop a Student Leadership Program to increase their understanding of the work of the Board and its impact on the State University System. He also thanked Lauren Sumners, one of the student interns, for her work on the "Safer, Stronger, Smarter" campaign. Ms. Sumners led the development of a promotional video for that campaign, which was then played for members and the audience.

5. Think Florida

Chair Kuntz introduced the distinguished panel for the Think Florida feature which included Ms. Cissy Proctor, the Executive Director of the Florida Department of Economic Opportunity (DEO), Mr. Mark Wilson, the President and CEO of the Florida Chamber of Commerce, and Mr. Bob Ward, the President and CEO of the Council of 100. He said the intent of the panel is to be interactive and turned to Chancellor Criser as the moderator for the panel.

Chancellor Criser asked the panelists to provide their view of how the State University System could better assist them in fulfilling the charge of their respective organizations. Ms. Proctor pointed to a project spearheaded by the DEO's Bureau of Labor Management Statistics, which is designed to measure the gap between the skills Florida employers need and available talent in Florida. During the pilot program which covered Broward County, they found a large gap in the soft skills employers are

looking for such as understanding the supervisory structure and being punctual. DEO is now expanding the survey statewide and requiring a 70% response rate to increase the confidence in the survey findings. Once the survey is completed, the results will be distributed to the Board of Governors, the Council, and the Chamber to identify the gaps and ways to fill them.

Chancellor Criser next asked Mr. Wilson to update the Board on the progress the Chamber is making on its 2030 Jobs Report and what we can do to support the Chamber's initiative. Mr. Wilson said Florida's population is at approximately 20 million people and expected to increase by another six million over the next 13 years. To remain at the 5% unemployment rate, Florida will need to add two million new net jobs, recognizing that over the next 13 years, Florida will lose one million jobs to automation and increases in productivity. In his view, Florida needs to "back plan" in 2017 in order to be globally competitive in 2030.

The Chamber's new "Florida Jobs 2030" report is based on the Chamber's six pillars – with the talent pillar being the most important. The report highlights a few key areas the state needs to work on. First and foremost, the business community needs to do a better job of communicating its needs over the next ten years. Second, statewide career awareness and counseling needs to improve. He commented on how difficult it is for students and parents to find information about job and career opportunities. In addition, employers need to provide students with work experience earlier, starting with high school. He believes a public dashboard should be developed for students, parents, employers and policymakers that forecasts what the jobs of the future will look like and the pathways to get there.

Chancellor Criser thanked Mr. Ward for the Council's involvement in statewide policy-making and its appreciation of the universities' role in that process. Mr. Ward said the Council's mission is to create a better Florida that benefits all Floridians. Two years ago, the Council polled employers on their workforce needs to understand whether that pipeline is being filled. The poll showed that employers are providing remediation to employees so they possess the basic skills needed for the workforce. Mr. Ward said the universities need to be appropriately equipped to give students the skills and training necessary to adequately prepare them for the workforce. The Council is also looking at research and development at our universities. Of the twelve universities, five of them are hard drivers of research (UF, USF, FSU, UCF, and FIU). Mr. Ward believes their successes must be replicated across the System in order to compete globally.

Mr. Kitson thanked the panelists for their focus on job creation and championing higher education in Florida. Noting that 1 in 10 jobs are created in Florida and that we have lower unemployment, lower taxes and lower regulation, he asked the panelists to describe the headwinds facing the state. Ms. Proctor responded we need to maintain the focus on keeping the state competitive for businesses, and at the state agency level,

that means responding to businesses promptly when issues arise. She indicated we also need to maintain a diversified economy and champion Enterprise Florida's efforts to grow businesses in Florida. Unlike the rest of the country, Florida is experiencing growth in advanced manufacturing jobs and the state needs to continue to invest in this type of strategic business growth.

Mr. Levine commented that given the influx of new residents to Florida in the next six years, Florida could end up with a larger service sector unless the state produces a more skilled workforce. He explained the Higher Education Coordinating Council (HECC) established an educational attainment goal of 55% for persons between the ages of 25 and 64 who should possess a two or four year degree or a high quality certificate. He invited the panelists to let him know how HECC could help with their initiatives. Mr. Levine also referenced a recent recommendation of the Select Committee on 2+2 Articulation for the creation of a one-stop website to provide information to high school students to assist with articulation and developing clear pathways. Mr. Levine said this website could be expanded to provide students with information Mr. Wilson had described previously regarding job opportunities.

Mr. Levine asked what the colleges and universities are doing to assess the needs by business sector and how that information is being communicated to students. Ms. Stewart responded that K-12 and Florida College System schools do a good job meeting with businesses to make sure they are preparing students for the workforce. She commented on the difficulty of assessing training needs eight years into the future and remarked on the importance of being nimble. Ms. Link indicated the colleges are positioned to quickly respond to local workforce needs based on available data in their communities.

Mr. Hebert pointed out the gap between what a student learns as part of a baccalaureate degree program in Computer Science or Information Technology and the skills a student needs for jobs in those fields. He inquired what could be done to connect students with more entry level jobs in those areas. Mr. Wilson responded it may be necessary to rethink how we teach and suggested including a position within a company as part of the curriculum for a degree. Mr. Ward commented that one area the System may want to focus on is looking at particular skillsets that are needed but have yet to be developed in Florida.

Ms. Jordan mentioned the success of Northeastern University's Co-op Program and challenged the presidents and the provosts to think about developing a similar program that would benefit both students and businesses. Dr. Tyson added at the university department level, the departments have relationships with local businesses and frequently discuss what skillsets are needed for those businesses.

Chair Kuntz thanked the panelists for their valuable insights and asked the Chancellor to provide more opportunities for ongoing dialogue with representatives from the Department of Economic Opportunity, the Florida Chamber, and the Council of 100.

6. Public Comment

Chair Kuntz asked Ms. Shirley if there were any requests for public comment for items on the Board's agenda. Ms. Shirley stated no requests for public comment had been received.

7. Consideration of Amendments to the Board of Governors Operating Procedures

Chair Kuntz referred to Ms. Shirley for an explanation of the amendments to the Board's Operating Procedures. She stated the Operating Procedures are being amended to transfer the responsibilities of the Health Initiatives Committee to the larger Strategic Planning Committee in light of the Board's adoption of the Strategic Plan for Health. The implementation and monitoring of that plan will become the responsibility of the Strategic Planning Committee.

Mr. Morton moved to approve the amendments to the Board of Governors Operating Procedures as presented. Dr. Tyson seconded the motion, and the members concurred unanimously.

8. Confirmation of Reappointment of the President for the University of South Florida

Chair Kuntz said on March 9, 2017, the University of South Florida Board of Trustees unanimously reappointed Dr. Judy Genshaft to serve as the president of USF. The appointment extends Dr. Genshaft's contract through June 30, 2018. Chair Kuntz turned to Mr. Lamb, the Chair of the University of South Florida Board of Trustees, to present President Genshaft for confirmation.

Mr. Lamb stated the USF Board of Trustees unanimously supported an extension of President Genshaft's contract as she enters her 17th year with the university. While her accomplishments are included in the Board's agenda packet, he wanted to share his perspective on the growth of USF under Dr. Genshaft's leadership. USF's vision is to become an AAU member and the university is well on its way toward achieving that goal. USF's growth in research, its access and student successes, the substantial growth in student graduation rates, its consistent performance in the top quartile of the performance funding model, and the university's enhanced national recognition have all been accomplished under President Genshaft's leadership.

He explained the USF Board of Trustees spent much time reviewing the new contract and that it is consistent with the Board's one-year renewal expectation. While the contract includes a compensation increase, it ties a higher percentage of compensation to performance on the preeminence and performance-based funding metrics. Mr. Lamb asked for the Board's support in confirming President Genshaft's reappointment.

Mr. Morton moved approval of the reappointment of President Genshaft for the University of South Florida. Mr. Beard seconded the motion, and the members concurred unanimously. President Genshaft said it is very confirming to have the support of this Board and her board, and she looks forward to working together for continued success.

9. Confirmation of Appointment of the President for Florida Gulf Coast University

Chair Kuntz stated the next item for consideration is the confirmation of the appointment of the President of Florida Gulf Coast University. On February 28, 2017, the Florida Gulf Coast University Board of Trustees selected Dr. Michael Martin to serve as its next president. On behalf of the FGCU Board of Trustees, Chair Goodlette submitted a letter requesting confirmation of Dr. Martin, and information concerning the appointment is contained in the agenda packet.

Chair Kuntz outlined the process for the confirmation hearing. First, Mr. Morton, as the Board's representative on the FGCU Presidential Search Committee, will discuss the search process and provide his perspective; second, members will hear from Chair Goodlette and Dr. Martin; and third, there will be a discussion about the proposed employment contract.

Mr. Morton said the search process, which began over a year ago, initially culminated in only two candidates being forwarded to the FGCU Board of Trustees, which did not satisfy the Board of Governors' requirement to forward more than two candidates. Subsequently, the search committee cast a wider net and additional applications were reviewed by the committee, which then narrowed the pool to ten applicants. Following interviews of the applicants, the search committee forwarded a number of candidates to the FGCU Board of Trustees for consideration. Mr. Morton indicated he attended the FGCU Board of Trustees meeting where, after a thorough vetting of the candidates, Dr. Michael Martin was unanimously selected by the board. Mr. Morton endorsed Dr. Martin's selection, citing Dr. Martin's impressive experience, enthusiasm, and his ability to connect with faculty and students.

Chair Goodlette thanked the Board for the opportunity to present Dr. Martin for confirmation and also thanked President Bradshaw for his leadership over the last ten years. He expressed appreciation for the diligent work of the FGCU Presidential Search

Committee, Mr. Morton's dedicated service on the search committee, and the Chancellor and Ms. Shirley for their insight and input.

Chair Goodlette provided an overview of Dr. Martin's distinguished career in higher education, which spans over 40 years. Dr. Martin is currently the Chancellor Emeritus and Senior Fellow of the Colorado State University System and previously served as the Chancellor of the Colorado State University System and the Louisiana State University. He also served as the President of New Mexico State University; the Vice President for Agriculture and Natural Resources, University of Florida; and the Vice President for Agricultural, Food, and Environmental Sciences, University of Minnesota. Chair Goodlette stated Dr. Martin's leadership and talents will benefit FGCU and the State University System, and he respectfully requested confirmation of Dr. Martin as the next president of FGCU.

Chair Kuntz recognized Dr. Martin for his comments. Dr. Martin thanked Chair Goodlette, the FGCU Board of Trustees, and Mr. Morton for their support. He has spent 46 years in public higher education and while he has much to learn about FGCU, he commended President Bradshaw for positioning the university well for the future. Dr. Martin next outlined the credo that guides his actions. First, he is committed to affordable access and student success, with a focus on retention, graduation, placement and permanent connectivity, which is critical to building a workforce with sufficient higher education attainment. Second, he values diversity in all of its forms because diversity is a necessary component of a great university. Third, excellence is a journey that must be pursued daily in order to progress. Fourth, transparency and accountability are necessary to maintain student and public support. Fifth, it is important to reward and acknowledge those who serve the institution well and to be responsive and sensitive to the community the university serves. He said he is honored to have the opportunity to become a part of FGCU and to participate in that most interesting experiment. Dr. Martin committed to work hard to carry on the progress made by President Bradshaw.

Chair Kuntz opened the floor to members for questions or comments. Mr. Levine said he worked with Dr. Martin in his capacity as the Chancellor of Louisiana State University when Mr. Levine served as the Secretary of Health in Louisiana and together they accomplished a lot. He described Dr. Martin as a "no nonsense" person and said he is enthusiastic about the selection. He asked Dr. Martin if he was committed to FGCU being compliant with the direction of the Board of Governors' Strategic Plan and if he is prepared to lead the university and its board toward those objectives. Dr. Martin responded affirmatively, stating they will revisit the university's Strategic Plan to ensure it fully aligns with the larger objectives of public higher education in the state.

Mr. Kitson said he first met President Bradshaw ten years ago and thanked him for all he has done for the university and for Southwest Florida. Mr. Kitson asked Dr. Martin

what he meant by the word “experiment”? Dr. Martin said he views all universities as being experiments from the standpoint that if you invest in the intellectual capability of individuals, the larger society advances.

Mr. Tripp asked Dr. Martin to describe where he sees the university heading in the next five to ten years, noting his concern over conversations at the FGCU trustee level about the university opening professional schools, especially given the university’s struggle to perform at the highest level on the performance funding metrics. Dr. Martin responded that first the university must perform well on what is core to its mission and focus on significantly improving the outcomes of its students. In his view, a university should not start new programs until it is fully capable of managing its existing programs. He indicated that for now, FGCU is a regional institution with an important role to play in the region, and it needs to focus on new programs or growing existing programs that are responsive to the region. He sees more opportunity to develop additional undergraduate and some graduate programs which fit that niche. He acknowledged professional schools are wonderful to have but faculty and facilities for those schools are unique and a university cannot get there until it performs well on its current path. He plans to focus on programs that fit within the unique nature of Southwest Florida for the next five years and explore ways to ensure students remain in the region and have productive careers.

Mr. Tripp described the State University System as being unique and working best when each university plays an appropriate role in making the System strong. He asked Dr. Martin to explain how he views his role in the System and how he will approach working with the other presidents. Dr. Martin indicated he knows several of the presidents and as a cooperative and collaborative person, he looks forward to working with them as a team. His practice is to engage in collaboration with other institutions for the mutual benefit of the students they serve. While at New Mexico State, he worked with the community colleges to reduce redundancy and strengthen programs.

Mr. Tripp asked for his view on the 2+2 system with the Florida College System and how FGCU could bring more transfer students into the university. Based on his work in community, 4-year and graduate colleges, Dr. Martin believes the 2+2 system is right for certain students and emphasized that the corridor for articulation should be as simple and fluid as possible. He cited, as an example, his work with the former president of the Baton Rouge Community College to create a “Bears to Tigers” track for students to move from the community college into LSU. He attributed the defined corridor for improving the enrollment of students at both institutions.

Chair Kuntz next turned to the issue of the proposed employment contract. After noting the Board’s charge for oversight of the university, he indicated he had conversations with Chair Goodlette about the proposed contract. One aspect of the contract he found troubling was the potential for an additional \$700,000 bonus to be

paid out in the fifth year at the discretion of the FGCU Board of Trustees. He said the rest of the terms were fairly consistent in terms of the dollar amounts with other presidents' contracts. He advised Chair Goodlette he was uncomfortable with the FGCU Board of Trustees having the discretion to award, in addition to the salary, the annual bonus, and the housing allowance, an additional \$700,000 bonus because that placed the amount of compensation out of the norm of other institutions. They discussed a compromise such that any bonus approved by the FGCU Board of Trustees that exceeded \$350,000 would come to the Board of Governors for approval. He noted this seemed appropriate, particularly in light of the recent legislative hearing on executive compensation in the State University System because it would provide an additional degree of oversight. However, when the FGCU Board of Trustees voted on the proposed contract, they amended the language of the contract to remove the requirement that the Board of Governors would have to approve any bonus over \$350,000. While Chair Kuntz is very comfortable with Dr. Martin as the next president, he is not comfortable with the contract as written and believes it would be appropriate to condition confirmation of Dr. Martin on the FGCU Board of Trustees changing the contract so that any FOCUS bonus over a particular amount would require Board of Governors' approval.

Chair Goodlette acknowledged the conversations, but emphasized the FOCUS bonus is "up to" \$700,000, which means it could be far less. He also recalled the result of their conversations was for the Board of Governors to be consulted if the FGCU Board of Trustees recommended more than \$350,000. Chair Kuntz responded the conversations started with the Board of Governors having approval authority and while he reached the point where he could accept a consultative role for the Board, he now feels more strongly about requiring Board of Governors' approval.

Mr. Tripp said he was in Tallahassee several weeks ago and met with a chairperson of an appropriations committee in the House of Representatives. He said it was clear there was concern that the executive salaries and bonuses may seem expensive and somewhat out of line to taxpayers. Mr. Tripp expressed his disagreement with a \$700,000 bonus, stating he could not support that amount, even though the funds will come from the FGCU Foundation. He would prefer to see Foundation funds used for student assistance and hiring high caliber faculty.

Mr. Levine apologized to Dr. Martin, but said this should have been worked out before now. Mr. Levine explained while the Board of Governors delegates authority to the boards of trustees, it does not delegate its responsibility so there is a role for the Board, which is to determine whether it can approve the contract. He said FGCU has had two instances of run-away contracts that Dr. Martin will have to deal with. The recommendation was made to eliminate those agreements and it has not been done. Mr. Levine said he does not think the presidents are paid too much given their expansive responsibilities, but he is inclined to support Chair Kuntz's proposal.

Mr. Lautenbach indicated he had the opportunity to meet with Dr. Martin and believes he will be a great president. But, Mr. Lautenbach agreed with Chair Kuntz that the Board's role should not be consultative, but should be one of approval. Mr. Kitson likewise supported Chair Kuntz's proposal.

Mr. Tripp made a motion to confirm the appointment of Dr. Martin as the next President of Florida Gulf Coast University contingent upon the Florida Gulf Coast University Board of Trustees amending the Employment Agreement to require the Board of Trustees to consult and obtain approval from the Board of Governors if the Board of Trustees seeks to award Dr. Martin a FOCUS Performance Bonus that exceeds \$350,000 prior to awarding any bonus to Dr. Martin. Confirmation will be effective once the Florida Gulf Coast University Board of Trustees submits a revised Employment Agreement to the Chancellor and the Chancellor notifies the Board of compliance with this requirement. Mr. Kitson seconded the motion, and the members concurred unanimously.

10. Higher Education Coordinating Council Report

Chair Kuntz called on Mr. Levine for a report on the activities of the Higher Education Coordinating Council (HECC). Mr. Levine stated the HECC's priority is the educational attainment goal that was discussed earlier during the Think Florida presentation.

11. Innovation and Online Committee Report

Chair Kuntz recognized Mr. Morton for the Innovation and Online Committee report. Mr. Morton presented two action items for Board approval.

A. 2016 Annual Report for Online Education

Mr. Morton moved approval of the 2016 Annual Report for Online Education. Mr. Tripp seconded the motion, and the members concurred unanimously.

B. Implementation of the 2025 Strategic Plan for Online Education

Mr. Morton reported on the recommendations coming forward from the Committee for the implementation of the 2025 Strategic Plan for Online Education which included: creating a statewide approach for providing quality course reviews and designations; creating an online program inventory and mechanisms to encourage sharing programs and courses; increasing usage and reducing costs of open access textbooks; supporting pilot projects for new online education innovations; facilitating system-wide collaboration on software; establishing a proctoring network; ensuring equivalent

access to student services; providing a professional development course for faculty; and referring an issue to the HECC on securing resources for technology for students.

Mr. Morton moved to approve the recommendations for the implementation of the 2025 Strategic Plan for Online Education, which was seconded by Mr. Levine. Dr. Tyson indicated he supports all of the recommendations but has reservations about the implementation of the recommendation that creates a faculty oversight committee, which functions as a course overview committee. He is concerned about how membership of the committee is going to be determined. He noted if this was done at the university level, it would be accomplished through the Faculty Senate. He believes the better way to increase faculty buy-in is for the appointments to come from the various Faculty Senates. Mr. Levine suggested the Presidents be required to consult with their respective Faculty Senates because he agreed there should be collaboration between administration and faculty on this recommendation. Mr. Lautenbach agreed, stating this suggestion will be taken up by the Committee. Having no further discussion on the pending motion, the members concurred unanimously.

12. Budget and Finance Committee Report

Chair Kuntz recognized Mr. Levine for the Budget and Finance Committee report. Mr. Levine presented four action items for Board approval.

- A. Public Notice to Approve Board of Governors Regulation 9.014 Collegiate License Plates Revenues

Mr. Levine moved approval of amendments to Board of Governors Regulation 9.014 Collegiate License Plates Revenues. Ms. Jordan seconded the motion, and the members concurred unanimously.

- B. Auxiliary Facilities that have Bond Covenants requiring Approval of Estimated 2017-2018 Operating Budgets

Mr. Levine moved approval of the estimated 2017-2018 Operating Budgets for auxiliary facilities that have bond covenants requiring approval of the budgets. Mr. Hebert seconded the motion, and the members concurred unanimously.

- C. Public Notice of Intent to Amend Board of Governors Regulation 9.008 University Auxiliary Facilities with Outstanding Revenue Bonds

Mr. Levine moved to approve the public notice of intent to amend Board of Governors Regulation 9.008 University Auxiliary Facilities with Outstanding Revenue Bonds. Mr. Hebert seconded the motion, and the members concurred unanimously.

D. 2018-2019 Legislative Budget Request Guidelines

Mr. Levine moved to approve the 2018-2019 Legislative Budget Request Guidelines for the operating budget, as submitted. Mr. Hebert seconded the motion, and the members concurred unanimously.

13. Facilities Committee Report

Chair Kuntz called on Mr. Beard for the Facilities Committee report. Mr. Beard stated the Facilities Committee discussed the capital planning process, the P3 Guidelines, and 17 major projects completed in 2016. The Committee asked staff to work with university representatives over the summer to develop recommendations for improvements to the P3 Guidelines for consideration by the Board later this year. Mr. Beard then reported on three action items.

A. 2018-2019 Fixed Capital Outlay Legislative Budget Request Guidelines

Mr. Beard moved approval of the 2018-2019 Legislative Budget Request Guidelines for Fixed Capital Outlay. Mr. Tripp seconded the motion, and the members concurred unanimously.

B. Second Amendment to the 2017-2018 State University System Fixed Capital Outlay Legislative Budget Request

Mr. Beard moved approval of the Second Amendment to the 2017-2018 State University System Fixed Capital Outlay Legislative Budget Request. Mr. Tripp seconded the motion, and the members concurred unanimously.

C. University of Central Florida/Hospital Corporation of America Joint Venture Hospital Proposal

Mr. Beard reported there was extensive discussion about the University of Central Florida/Hospital Corporation of America Joint Venture Hospital Proposal and asked Mr. Chris Kinsley, Assistant Vice Chancellor for Finance and Facilities, to provide an overview of the changes discussed during the Committee meeting. Mr. Kinsley explained the Resolution was revised to insert appropriate references to the "Board of Governors" and the "UCF Board of Trustees" to distinguish between the two different boards; to clarify in Section 2B that Board of Governors' approval is required if the university or any university entity proposes to incur debt as defined in section 1010.62, Florida Statutes, or otherwise pledge or guaranty the repayment of any debt associated

with the Project; to add a new sentence to the end of Section 2D to clarify the university is not precluded from allowing the Joint Venture Company to use equipment, fixtures, buildings, space, or facilities on the university's campus if the Joint Venture Company compensates UCF for its use at fair market value; to revise Section 2E to clarify the Hospital is subject to Certificate of Need approval and must meet all applicable Certificate of Need requirements as determined by the Agency for Health Care Administration; and to make the date of the Resolution effective immediately.

Mr. Beard moved to adopt a Resolution approving a public-private partnership between UCF Academic Health, Inc., and Columbia Park Healthcare System, Inc., a subsidiary of Hospital Corporation of America, to establish a joint venture hospital adjacent to the University of Central Florida College of Medicine at Lake Nona, subject to the terms and conditions contained in the Resolution with the changes as described by the staff. Mr. Tripp seconded the motion, and the members concurred unanimously.

14. Select Committee on 2+2 Articulation Report

Chair Kuntz recognized Mr. Levine for the Select Committee on 2+2 Articulation report. Mr. Levine said the Select Committee heard from Florida Atlantic University President John Kelly and Broward College President David Armstrong, Jr. about the 2+2 articulation program between the two schools.

A. Improving 2+2 Articulation Implementation Plan

Mr. Levine provided an overview of the three strategies recommended by the Committee for improving 2+2 articulation which included: developing a comprehensive web-based 2+2 advising toolkit; encouraging universities to improve and expand existing 2+2 enhancement programs and report back to the Board; and implementing a 2+2 data and information toolkit at both the institutional and System levels. Mr. Levine moved approval of the strategies in the implementation plan. Ms. Link seconded the motion, and the members concurred unanimously.

15. Task Force on University Research Report

Chair Kuntz recognized Ms. Jordan for the Task Force on University Research report. Ms. Jordan said the Task Force heard from Dr. Gary Ostrander, the Vice President of Research at Florida State University, who presented information on the return on investment derived from research activities. Ms. Jordan also presented one action item for approval.

A. Public Notice of Intent to Establish Board of Governors Regulation 10.002 Sponsored Research

Ms. Jordan reported a new regulation pertaining to university sponsored research was drafted by a work group comprised of Board staff, university vice presidents for research, and university general counsels. Ms. Jordan moved approval of the public notice of intent to establish Board Regulation 10.002 Sponsored Research. Mr. Beard seconded the motion, and the members concurred unanimously.

16. Academic and Student Affairs Committee Report

Chair Kuntz recognized Mr. Tripp to report on the Academic and Student Affairs Committee. Mr. Tripp stated the Committee was provided with updated data from Dr. Christy England, Associate Vice Chancellor for Academic Research and Policy, which reflects the increased student demand for mental health counseling services. He reported the State University System Council of Academic Vice Presidents requested, by resolution, a workshop on performance funding and Mr. Tripp referred that request to the Budget and Finance Committee for consideration.

17. Select Committee on Florida Polytechnic University Report

Chair Kuntz recognized Ms. Link for the Select Committee on Florida Polytechnic University report. Ms. Link said the Committee received an update from President Avent. The Southern Association of Colleges and Schools (SACS) Committee site visit for initial accreditation occurred on February 13-16, 2017, and the Committee Report was sent to the SACS Committee on Compliance and Reports and to the university on March 1, 2017. SACS had no recommendations to be addressed by the university and Florida Polytechnic's request for accreditation is on the SACS June agenda. President Avent also provided updates on some outstanding issues raised at a previous meeting of the Committee.

18. Audit and Compliance Committee Report

Chair Kuntz called on Ms. Link for the Audit and Compliance Committee report. Ms. Link reported the Committee discussed the results of the performance-based funding data integrity audits which concluded that university controls adequately ensure the completeness, accuracy and timeliness of data submissions and that the audits provided a reasonable basis of support for the universities' data integrity certifications. Six of the reports contained findings, but none were judged to be material. The Committee also heard an update on the universities' implementation of an effective compliance program, which is to be in place at each university by November 2018. The final item was a presentation by Mr. Joe Maleszewski, the Board's Inspector General, related to a

whistle-blower investigation concerning the Florida Gulf Coast University Board of Trustees.

A. Florida Gulf Coast University Board of Trustees Whistle-blower Report

The complainant levied eight allegations against the FGCU Board of Trustees related to retaliation, harassment, and violations of laws, regulations, and university policies. Some of the findings were sustained and FGCU will provide a written plan of corrective action to address the twelve recommendations in the Report. Two findings required Board action and Ms. Link moved for the chair of the FGCU Board of Trustees to not simultaneously serve as the Audit Chair and that the board of trustees address the best practice that an Audit and Compliance Committee be designated as an autonomous committee; and secondly, that the FGCU Board of Trustees immediately correct the improper election of the Faculty Senate President as its Vice Chair, which was contrary to Board of Governors and university regulations. Mr. Kitson seconded the motion, and the members concurred unanimously.

The Committee also recommended that Florida Gulf Coast University work with the Board of Governors to address continuing concerns with the university's strategic plan. Finally, Ms. Link reported the Committee will meet prior to the June meeting to establish clear expectations of trustees and education that extends beyond the Board of Governors' existing orientation for new trustees; as well as establishing a process to address significant issues that may arise with trustees related to compliance with laws, regulations, policies, and established expectations.

19. Strategic Planning Committee Report

Chair Kuntz called on Mr. Morton for the Strategic Planning Committee report. Mr. Morton stated the Committee heard a presentation on the State University System 2015-2016 Annual Accountability Report, which requires Board approval.

A. State University System 2015-2016 Annual Accountability Report

Mr. Morton highlighted a few key areas from the Report relating to positive trends for four-year and six-year graduation rates; a positive shift toward increasing STEM and Programs of Strategic Emphasis at both the baccalaureate and graduate levels; an increase in the academic progress rates; an increase in students earning degrees without excess hours; an increase in research and development expenditures and executed licenses and options; an increase in the number of bachelor's degrees awarded; and a lower than predicted number of graduate degrees awarded. Mr. Morton moved approval of the State University System 2015-2016 Annual Accountability Report. Ms. Jordan seconded the motion, and the members concurred unanimously.

20. Nomination and Governance Committee Report

A. Recommendation of Candidate to fill Trustee Vacancy

Chair Kuntz moved the appointment of Mr. Dean Colson to serve on the Florida International University Board of Trustees in the seat currently held by Mr. Albert Maury for a term that runs from March 30, 2017 to January 6, 2021. This appointment is subject to confirmation by the Senate and the appointee attending an orientation session conducted by the Board office. Mr. Tripp seconded the motion, and the members concurred unanimously.

21. Concluding Remarks and Adjournment

Chair Kuntz announced the next in-person meeting of the Board is scheduled for June 20-22, 2017, at the University of South Florida. He encouraged members to attend in person because the Board will be considering the annual university work plans.

Having no further business, the meeting was adjourned at 3:22 p.m. on March 30, 2017.

Thomas G. Kuntz, Chair

Vikki Shirley,
Corporate Secretary