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STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
BY TELEPHONE CONFERENCE CALL  
TALLAHASSEE, FLORIDA  
MAY 9, 2017

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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

Chair Thomas Kuntz convened the meeting at 2:00 p.m., on May 9, 2017, with the following members present and answering roll call: Vice Chair Ned Lautenbach; Dick Beard; Patricia Frost; H. Wayne Huizenga, Jr.; Darlene Jordan; Sydney Kitson; Ed Morton; Pam Stewart; Norman Tripp; and Dr. Gary Tyson.

Chair Kuntz stated the purpose of the call is to provide members with a legislative update. He described the session as being positive overall and thanked Chancellor Criser and his team for their efforts to keep him informed of developments during session.

2. Public Comment

Chair Kuntz asked the Board's General Counsel Vikki 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.

3. Legislative Update

Chancellor Criser thanked the staff for their hard work during session. He reported that all of the university trustees going through the confirmation process were confirmed by the Senate last week and that Senate Bill 374, which came out of the legislative budget conference process, passed yesterday. Chancellor Criser categorized Senate Bill 374 by three broad topics related to students, research, and additional accountability. With regard to students, he said the bill increases the amount of the award to students receiving scholarships under the Florida Academic Scholars program; provides funding for Bright Futures scholarships for summer terms; doubles the state match for First Generation scholarships; and expands the scope of the Benacquisto National Merit Scholarship to out-of-state National Merit Scholars as a recruitment tool for Florida institutions. The bill also creates the Florida Farmworkers Scholarship to assist students who may not otherwise have a financial pathway into a Florida college or university and requires boards of trustees to develop proposals for block tuition that will encourage students to take additional credit hours across the

academic year. In addition, Senate Bill 374 includes language to strengthen 2+2 articulation between Florida colleges and universities.

The bill also revises two metrics in the performance-based funding model: graduation rate is changed from six years to four years and access rate is revised to require the Board to establish benchmarks to reward institutions with access rates at 50% or higher. He noted the bill delays implementation of those changes until 2018 so the current performance-based funding metrics will be applied for this year. The graduation rate metric for preeminent state research universities was also revised from a six year graduation rate of 70% to a four year graduation rate of 60%. Like the changes to the performance-based funding metrics, the change to the preeminence graduation rate metric is not effective until next year.

With regard to research, Chancellor Criser explained the bill establishes two new programs: the World Class Faculty & Scholar Program and the State University Professional and Graduate Degree Excellence Program. The World Class Faculty & Scholar Program is targeted to all of the universities and awards \$70 million to the universities to reinforce faculty for research. The Professional and Graduate Degree Excellence Program targets programs in medicine, law, and business and awards \$50 million to universities that qualify. Chancellor Criser stated both programs will raise Florida's prominence nationally.

The Legislature also acted upon the Board's proposal to elevate the status of New College of Florida by providing an additional \$5.4 million in funding; although the related capital request was not funded.

With regard to accountability, Chancellor Criser noted the bill specifies new requirements for direct support organizations related to the use of state funds, financial disclosure, and governance. Under the new language, each board of trustees' chair is required to appoint at least one member to a direct support organization's board of directors and executive committee.

Chancellor Criser said we were successful in our endeavor to seek additional funding for the performance-based funding model. The Legislature added \$20 million to performance funding for a total of \$520 million. The Legislature also appropriated \$13.3 million for university developmental research schools, which is important to the success of our K-12 students.

Chancellor Criser explained he will work with staff and the universities over the summer to examine block tuition, stating there is no requirement to have only one plan for the State University System. He emphasized the underlying impetus is to eliminate financial barriers for students who want to complete an undergraduate degree in four years. Mr. Kitson asked if other states have block tuition. Chancellor Criser said North

Caroline and Michigan do, and Florida did in the 1990s, and they will look at what other states have adopted.

Chair Kuntz expressed appreciation to the Legislature for acting on two of the Board's greatest priorities over the last two years: performance-based funding and research. He views this as an excellent opportunity to advance the State University System. He also noted while the Legislature did not fund the Board's request for additional mental health counselors and security measures, he wants to discuss strategies to address these two areas of need at the June board meeting.

Chancellor Criser reported under Senate Bill 374 the Board is required to conduct a study to look at different methodologies for allocating the state's investment in performance-based funding. The study is due to the Legislature by December 1, 2017, and he plans to look at various methodologies over the summer.

Mr. Chris Kinsley, the Assistant Vice Chancellor of Finance and Facilities, provided a report on legislative funding for fixed capital outlay projects. Mr. Kinsley reported 21 projects received funding from a combination of Public Education Capital Outlay and General Revenue funds. Of those projects, 8 of the 10 projects on the Board's primary list of approved projects received funding, and 9 of the 16 projects on the Board's supplemental list received funding. Total funding equaled approximately \$264 million, with \$160.7 million appropriated for named projects; \$45.6 million for renovations and remodeling; \$45 million for Capital Improvement Trust Fund projects; and \$13.3 million for university developmental research schools. Chair Kuntz inquired whether funding was appropriated for any projects that were not on the Board's lists. Mr. Kinsley responded in the affirmative and described the four projects that received funding which were not considered by the Board.

Mr. Brian Logan, the Assistant Vice Chancellor of Public Policy and Advocacy, reported on the substantive bills filed during the session. House Bill 501, which provides public records and open meetings exemptions for university information technology security plans, policies, audits, and risk assessments, passed unanimously. Similarly, House Bill 859, which provides authorization for the state to join a nationwide reciprocity agreement for distance education, passed unanimously. In addition, House Bill 1079, which provides public records and open meetings exemptions for university emergency management plans passed. Mr. Logan explained language that was in the Civics bill was added to House Bill 7069 which passed, and Senate Bill 396, which requires universities to provide students with certain information on their student loans, also passed. Bills that did not pass include a bill that would have authorized persons to carry firearms on university campuses; a bill that would have reduced the excess hour surcharge; and a bill that would have impacted the use of state funds.

Mr. Beard inquired about the University of South Florida's preeminence status. Chair Kuntz explained in order to be designated as a preeminent university, the university has to meet 11 of the 12 preeminence metrics. The University of South Florida currently meets 10 of the 12 metrics. One of the metrics requires a six year graduation rate of 70%, which USF has not met. During session, language was proposed to revise the graduation rate from six years to a four year rate of 50%. Chair Kuntz stated President Negrón did not consider a four year graduation rate of 50% as sufficient for preeminence so the final bill contained a four year graduation rate of 60%. Chair Kuntz further explained that USF only would have been preeminent this year had the graduation rate been changed to four years at 50% and if the change in the metric been effective for implementation this year. Mr. Beard thanked him for the explanation.

Chancellor Criser advised members he would be sending a legislative summary to members shortly.

4. Concluding Remarks and Adjournment

Chair Kuntz reported the next in person meeting of the Board is scheduled for June 20-22, 2017, at the University of South Florida.

Having no further business, the meeting was adjourned at 2:58 p.m. on May 9, 2017.

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Tom Kuntz, Chair

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Vikki Shirley,  
Corporate Secretary