

1 **FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES**

2
3 **Thursday, October 27, 2016**

4
5 **Board of Governors Chair and Vice Chair**
6 **Workshop with Florida Gulf Coast University Board of Trustees**

7
8 **Marieb Hall, Room 402**
9 **Florida Gulf Coast University**

10
11 **Meeting Minutes**

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14 **Florida Board of Governors/State University System of Florida**

15 Governor Thomas Kuntz - Chair; Governor Ned Lautenbach - Vice Chair; and State
16 University System of Florida Chancellor Marshall Criser

17
18 **Florida Gulf Coast University Board of Trustees:**

19 *Present:* Trustee Dudley Goodlette – Chair; Trustee Shawn Felton – Vice Chair;
20 Trustee Darleen Cors; Trustee Thieldens Elneus; Trustee Joe Fogg; Trustee Leo
21 Montgomery; Trustee Kevin Price; Trustee Robbie Roepstorff; and Trustee Kenneth
22 Smith.

23
24 *Not Present:* Trustee Russell Priddy; Trustee Christian Spilker; and Trustee Blake
25 Gable

26
27 **Others:**

28 *Staff:* President Wilson Bradshaw; Provost and Vice President for Academic Affairs
29 Ron Toll; Vice President for Administrative Services and Finance and Executive Director
30 of FGCU Financing Corporation Steve Magiera; Vice President for Student Affairs Mike
31 Rollo; Vice President for University Advancement and Executive Director of FGCU
32 Foundation Chris Simoneau; Vice President and Chief of Staff Susan Evans; Vice
33 President and General Counsel Vee Leonard; Director of Government Relations
34 Jennifer Goen; Senior Associate Provost and Associate Vice President for Academic
35 Affairs Paul Snyder; Director of Media Relations Lillian Pagan; Executive Assistant to
36 the Vice President and Chief of Staff Tiffany Reynolds; and Project Manager Danielle
37 O'Brien.

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39
40 **Item 1: Call to Order**

41 At 12:05 p.m., FGCU Board of Trustees Chair Dudley Goodlette welcomed Florida
42 Board of Governors Chair Thomas Kuntz, Vice Chair Ned Lautenbach, and State
43 University System Chancellor Marshall Criser. He expressed appreciation to the Board
44 of Governors (BOG) for appointing the newest member of the FGCU Board of Trustees,
45 Leo Montgomery.

- 47 Chair Goodlette highlighted some of the accomplishments of Florida Gulf Coast
48 University including:
- 49 • Great Community Engagement and Support for our Region.
 - 50 ○ Over 2 million hours of student service in the last 20 years to over 250
 - 51 organizations and agencies in our region.
 - 52 ○ Athletic programs have gained national recognition and the support of the
 - 53 community.
 - 54 • Bachelor degree production has increased by nearly 50% since 2010.
 - 55 • FGCU has the smallest program inventory within the State University System
 - 56 (SUS).
 - 57 • Over 50% of FGCU students graduate with no debt.
 - 58 • Our Health programs first-time licensing pass-rates are consistently more than
 - 59 90%.
 - 60 • FGCU ranks first within the SUS for post-graduation employment and/or students
 - 61 continuing their education within Florida both at the bachelor's and master's
 - 62 levels.
 - 63 • FGCU is among the leaders within the SUS for the percentage of students
 - 64 graduating without excess credit hours.
 - 65 • FGCU is among the most efficient institutions within the SUS with the lowest cost
 - 66 per-credit-hour delivered:
 - 67 ○ Almost 80% of instruction is provided by full-time faculty.
 - 68 ○ FGCU has one of the best space-utilization records within the SUS.
 - 69 ○ Actual funding per Full Time Enrollment (FTE) is the lowest in the SUS.

70
71 Chair Goodlette encouraged the FGCU Board of Trustees' members to express their
72 views during the workshop, and emphasized that the meeting was intended to be a
73 dialogue and exchange of ideas.

74
75

76 **Item 2: Discussion of Performance-Based Funding Metrics and Emerging** 77 **Preeminent Institution Metrics**

78 Florida Board of Governors Chair Thomas Kuntz expressed his appreciation for the
79 workshop and reiterated Chair Goodlette's sentiment that the workshop was intended to
80 be a conversation. He stated that he had participated in workshops of this type in the
81 last few years where informal discussions had taken place regarding performance
82 funding, performance metrics, preeminence, and emerging preeminence. Chair Kuntz
83 said he had found that sometimes the Boards of Trustees were not completely aligned
84 and connected with the Board of Governors (BOG) in terms of how these issues were
85 perceived. He said the idea was to discuss the metrics and consider a number of
86 Florida Gulf Coast University's "brag points" from a different perspective.

87

88 Florida Board of Governors Chancellor Marshall Criser pointed out that there were two
89 documents shared: (1) a Performance Data Comparison that presented Florida Gulf
90 Coast University in the context of the State University System (SUS) average, as well
91 as the System goal, and (2) a document highlighting the 12 Preeminent Metrics, as
92 opposed to the 10 Performance Funding Metrics.

93
94 Florida Board of Governors Vice Chair Ned Lautenbach said it was important that
95 everyone be in agreement concerning performance metrics because it was a good way
96 for schools to be held accountable and improve.

97
98 Chair Kuntz shared a brief history of performance funding and performance metrics. He
99 explained the thinking was that universities should no longer be funded on how big they
100 were, but rather how good they were, and this idea evolved into performance funding
101 becoming law.

102
103 Chair Kuntz explained that the 10 metrics were developed by input from the 11
104 universities, the Governor's office, and the legislature. He said the system works by
105 rewarding schools for excellence and improvement. He explained the bottom three
106 schools in the ranking were not granted any new money from the legislature for that
107 year, and if a university fell below 50 points on a scale of 0-100, it would not receive any
108 new money, and, in addition, a large piece of their existing budget could be taken away.

109
110 Chair Kuntz expressed concern over the lack of positive momentum on excellence
111 points at Florida Gulf Coast University. He explained that Florida Gulf Coast University
112 was not competing against the other universities in terms of where it excels, and he
113 emphasized each university has its own unique mission. He said points were scored by
114 each university competing against itself; however, if a university did not improve as fast
115 as the others, it could be one of the bottom three.

116
117 FGCU BOT Chair Goodlette asked if the metrics have changed since first adopted.
118 Chair Kuntz responded that the metrics themselves have not changed, but there have
119 been modifications made to the metrics. He explained that it is a living system that may
120 need to be modified from time to time.

121
122 FGCU BOT Chair Goodlette said the reason he asked the question about changing
123 metrics was that in a conversation recently at the University of South Florida, modifying
124 five or six metrics this year was mentioned. Chair Kuntz said the Board of Governors
125 was considering modifying the metric on employment, the metric on wages that is
126 changed by legislative demand, and cost per degree, Metric 3.

127
128 FGCU BOT Chair Goodlette asked about Metrics 9 and 10, the choice metrics. Chair
129 Kuntz stated Metrics 9 and 10 would not be modified this year, and Metric 3 was the
130 only metric where significant change was being contemplated.

131
132 FGCU BOT Chair Goodlette said the FGCU Board of Trustees agreed that the
133 modifications being considered for Metric 3 was not what they would like to have in
134 place. He stated the BOT agrees that metrics needed to be revisited, reviewed, and
135 improved upon, but it does have concerns about the proposed changes to Metric 3 and
136 the negative impact it might have on Florida Gulf Coast University funding.

137

138 Chair Kuntz stated he realizes that every university will not be happy with the metrics.
139 He said that he wanted to hear the FGCU Board of Trustees' feedback and that
140 changes have been made based on feedback, although it is not a promise.
141
142 FGCU BOT Chair Goodlette requested that if Metric 3 was going to be changed in a
143 way that would dramatically impact FGCU, that it be changed next year so the university
144 would have more time to adjust to the changes.
145
146 Governor Lautenbach said the change for Metric 3 would be in effect next year.
147
148 Governor Lautenbach stated there was a workshop that every university was invited to
149 attend to consider the changes to Metric 3, and many felt that the current metric was
150 open to a great deal of manipulation.
151
152 Chair Kuntz stated four years ago he was of the opinion that Metric 3, Cost Per Degree,
153 was the easiest one to consider. He explained that the total degrees conferred by the
154 university and the total amount of money spent by the university would be divided into
155 another and that amount would equal the cost per degree. He stated that it was an
156 excellent lesson, because the calculation did not always represent an accurate figure.
157
158 FGCU BOT Chair Goodlette said a relevant point made by Florida Board of Governors
159 member Edward Morton at the last Board of Governors meeting was that Florida Gulf
160 Coast University receives less in tuition dollars than any other institution in the State
161 University System. He said he felt that should be factored into the equation. Chair
162 Kuntz suggested a solution for Florida Gulf Coast University would be to lower student
163 population.
164
165 FGCU BOT Chair Goodlette stated he thinks Florida Gulf Coast University is very happy
166 with the student population and the quality of its students. Chair Kuntz stated that some
167 of the other universities have partnered with the State College System, enhanced their 2
168 + 2 program and put caps on their enrollment.
169
170 FGCU Trustee Robbie Roepstorff said she was a believer in the 2 + 2 program, but the
171 metrics did not give universities the incentive to bring in transfer students because there
172 was no credit given for those students. She said she was in agreement that there was
173 value in 2 + 2, but wondered if there was any counter offset to that. Chair Kuntz stated
174 that there is a committee looking at the 2 + 2 program to find ways to encourage it.
175
176 Chair Kuntz explained the reason Florida Gulf Coast University was grouped with the
177 other four universities on the Performance Data Comparison document was because
178 the University deemed itself to be an Emerging Preeminent aspirant, which he would
179 argue was not the right decision.
180
181 FGCU Trustee Ken Smith took exception and pointed out that if Florida Gulf Coast
182 University said it wanted to double research dollars or raise SAT scores and GPA at the
183 end of five years there would be no issue with that. He said that it is concerning that

184 Florida Gulf Coast University never said it was going to do this in five years. He stated
185 that Florida Gulf Coast University is 20 years old and developing its identity. He used
186 the example of starting a business, and said that what the University is talking about
187 doing in its strategic plan has very little correlation to the University getting there any
188 time soon. He stated that he thinks there was a misconception about what Florida Gulf
189 Coast University was trying to do. He said that he is concerned because he feels Florida
190 Gulf Coast University is getting negative feedback on something that was not any
191 different from what they were being asked to do anyway.

192
193 Chair Kuntz stated if Florida Gulf Coast University was to say its goal was to be an
194 emerging preeminent university, he would say the University was spending its time
195 unwisely because it is so far away from that category. He said there were two sets of
196 metrics, performance funding metrics and preeminence metrics. He said he viewed the
197 performance funding metrics as the foundation, and the preeminence metrics as the
198 structure. He said that structure cannot be put into place unless the foundation is laid.
199 He stated that there are things that Florida Gulf Coast University does really well, and
200 encouraged focusing on what it does "good" to become "great." He stated the
201 foundational metrics were the key to excelling and would propel Florida Gulf Coast
202 University to becoming a much better university, whether or not it is a preeminent
203 university. He encouraged Florida Gulf Coast University to focus on the foundation
204 metrics and getting better at the things it is already good at.

205
206 Chancellor Criser said one thing different from what was typically seen regarding
207 performance metrics was that the data was not a combination of excellence and
208 improvement scores; it was strictly the excellence scores, or the "state of the state" for
209 where each university is currently. He stated that if the question is changed, sometimes
210 the answer has to be calibrated, and gave illustrations of same.

211
212 Chancellor Criser said his caution to himself and others most often is that one needs to
213 focus as much attention to the answer as to the question, and align the two properly so
214 that an artificial lowering or raising of the bar does not occur. He explained that the
215 Performance Data Comparison aligned Florida Gulf Coast University against the
216 universities that are emerging and preeminent universities.

217
218 Chancellor Criser stated there are only about 66 Association of American Universities
219 (AAU) in the United States, and anticipated that there would never be more than 100.
220 He pointed out that to aspire to be an AAU member would mean to be part of a group
221 that is not intended to be all inclusive. He said that to some extent when the Florida
222 Legislature created the notion of preeminence, it was to recognize that there was a
223 category of universities that would be at that level, and it was not the intent to drive all
224 universities toward becoming preeminent institutions. He said more recently the
225 conversation had begun to include emerging preeminence, which was a cluster of
226 universities that were viewed as being the most likely to accomplish preeminence in
227 Florida.

228

229 Chancellor Criser said universities should be careful not to run to the preeminence
230 definition of success or thinking about what the definition of success is for other
231 universities or other clusters of universities. He explained there is a path forward for
232 creating a new or differentiated value proposition that does not rely on matching up
233 against somebody else's yardstick.

234
235 Chancellor Criser stated Florida Gulf Coast University's scores on the Performance
236 Data Comparison were excellent in some areas, particularly in graduate programs and
237 aligning graduate degrees around the programs of strategic emphasis. On the other
238 hand, he stated that the six-year graduation rate and the retention rate are what stood
239 out. He explained that the success of students in achieving a degree, and to some
240 extent, getting through the first year are directly correlated. He stated these are
241 significant challenges based on the numbers for Florida Gulf Coast University.

242
243 Chancellor Criser stated that until about 2008, universities were rewarded for larger
244 numbers; now they are rewarded for better quality. He said he prepared an analysis
245 that showed what the state investment and the tuition investment was for each of the
246 universities in 2013-2014 and 2014-2015, and broke it out for Florida Gulf Coast
247 University as compared to 2007-2008. He pointed out Florida Gulf Coast University's
248 enrollment of students has grown since 2008 from 7,700 students to 12,000 students.
249 He explained state funding has not maintained an FTE comparison and, therefore, the
250 retention side and graduation side could prevent a challenge for Florida Gulf Coast
251 University. He stated it was essential to examine the headcount, recognizing that the
252 state has changed the funding, analyzing how best Florida Gulf Coast University could
253 focus its resources.

254
255 Chair Kuntz stated he knows many universities' Board meetings focus primarily on the
256 10 metrics. He said the universities that do this are not surprised by their scores at the
257 end of the year. He suggested that holding the administration accountable for specific
258 actions on the metrics and making sure it talks to the Board about metrics performance
259 at every meeting is important.

260
261 FGCU BOT Chair Goodlette stated that the metrics performance was important to
262 Florida Gulf Coast University's Board of Trustees, and that the Board when presenting
263 its Work Plan indicated it would provide an improvement plan to the Board of
264 Governors, which it did, and is proud of the plan.

265
266 Governor Lautenbach suggested that Florida Gulf Coast University should spend time
267 with Florida Atlantic University (FAU) and learn what it has done to accomplish its
268 significant improvement and discover if it was something that could be applied at Florida
269 Gulf Coast University.

270
271 FGCU BOT Chair Goodlette stated he has spent a great deal of time with Anthony
272 Barber, Chair of the FAU Board of Trustees, and agrees FAU is an excellent model. He
273 asked if money would be available if Florida Gulf Coast University moves in the
274 direction of preeminence, but in a different way; for example, degrees of excellence,

275 focusing on its strengths, its programs of excellence such as environmental studies,
276 paraprofessionals, the business school and entrepreneurship.

277
278 Trustee Smith said he agreed with what Chair Kuntz and Chancellor Criser said. He
279 stated that Florida Gulf Coast University cannot keep enrolling the number of students it
280 has been because the money being raised, even at a maximum amount, is not
281 sufficient. He stated the long-term effects created by the metrics are being evidenced,
282 but the alternative that the Board of Governors is suggesting is to add more science,
283 technology, engineering and math (STEM) degrees or areas of interest. He said the
284 issue is that those are the costliest programs to deliver. He said a balance needed to
285 be found in this issue.

286
287 Governor Lautenbach stated there would be more money available to Florida Gulf
288 Coast University just by improving the graduation rate.

289
290 Trustee Smith asked what the maximum was that Florida Gulf Coast University could
291 earn in a year if it hit the metric perfectly.

292
293 Provost and Vice President for Academic Affairs Ron Toll said it would be 3.2% of
294 overall distribution to the State University System.

295
296 Governor Lautenbach added it depended on how much money the legislature
297 appropriated.

298
299 Trustee Smith stated after doing the math, if Florida Gulf Coast University maxed out
300 versus the current rate, the gain would not be enough.

301
302 Governor Lautenbach commented \$500 million was given out, so the amount would be
303 \$15 million.

304
305 Trustee Smith said he was referring to new dollars.

306
307 Chair Kuntz stated he was sure there were programs that could be discontinued and the
308 money applied elsewhere.

309
310 Trustee Smith responded that Florida Gulf Coast University had done that more than
311 any other university.

312
313 Chancellor Criser said one of the major budget priorities being proposed this year was
314 cluster hires. He said the Board of Governors was asking for a significant state
315 investment that would allow any university to put forward a proposal to hire faculty,
316 particularly in areas of research, and the proposal would be competitive, vying for
317 money to hire a group of researchers who will bring in research dollars. He said as a
318 result of this investment, for every state dollar the average return would be \$4.75. He
319 stated universities would not only be increasing faculty, but would be increasing the
320 caliber of faculty. He said universities would be looking for faculty who already had

321 funded research. He explained the cluster hire concept was to hire a group of
322 researchers already working together and bring them intact to the university, yielding
323 dollars not only for people but for facilities that go with it. He stated this was a process
324 that a university could use to move from "good" to "great."

325
326 Chancellor Criser addressed the issue of how the dollars were apportioned, and said
327 when the process was started the understanding was that the risk and reward would be
328 balanced. He said that whatever should be able to be gained on the upside is what
329 could be lost on the down side, and if there was disproportionate opportunity to gain,
330 there would also be disproportionate opportunity to lose.

331
332 Chair Kuntz said as performance funding became law, one of the non-negotiables from
333 the legislature and the Governor was that money given to universities would have to be
334 earned and if it was not earned, then there had to be something at risk. He said the
335 legislature has given the State University System a great deal of money that it never
336 would have had, but the return is that there has to be money at risk.

337
338 Chancellor Criser commented that the advantage of cluster hires was that it did not
339 require either Board to define the path forward; it was a construct of taking the "good,"
340 hiring researchers to improve it further, and defining the path to "great."

341
342 FGCU BOT Trustee Kevin Price commented that the State seems to be moving back to
343 a more traditional path of education, whereas the business world seems to be moving in
344 the opposite direction, and asked if funding could be made available for disruptive
345 innovators. He stated that Florida Gulf Coast University was founded to be one of the
346 disruptive innovators in the higher education space, but if there was not funding for this
347 type of institution, then Florida Gulf Coast University may have to go the safe route and
348 become a regional university or a traditional brick and mortar research institution.

349
350 Governor Lautenbach said there was a great deal of online education in the State and
351 statistics showed the more online courses students took, the faster they would
352 graduate. He said there was a great deal of innovation at the universities and he would
353 like to see Florida Gulf Coast University focus more on innovation, for which there is
354 funding.

355
356 Chair Kuntz asked where Florida Gulf Coast University stood on distance learning.

357
358 Trustee Price clarified that he was not just talking about online classes, but more
359 innovations like competency-based learning where students could test in, build their
360 own programs and get through quickly.

361
362 Governor Lautenbach agreed with the importance of innovation, especially for adult
363 learners and people coming out of the military. He said that online learners could be
364 either online and on campus or completely online. He stated Boards need to remember
365 that most students live online.

366

367 Trustee Price stated that literature says that research is revenue, but wondered how
368 Florida Gulf Coast University could become a research institution that focuses on
369 students. He said a great portion of the students do not have exposure to the faculty or
370 staff who are involved in the research.

371
372 Chair Kuntz said that it was the defined mission of Florida Gulf Coast University to be a
373 research university, so it should be chasing research dollars.

374
375 Governor Lautenbach stated that for state schools funded by taxpayers' money, the
376 metrics are right down the middle.

377
378 Chair Kuntz stated that the 10 metrics are basic "blocking and tackling" for universities,
379 which does respect the unique mission of any university. He added that the metrics are
380 not the only thing a university should use in measuring its own unique path.

381
382 Chancellor Criser said that two elements have been the recurring challenge with Metric
383 3: (1) accounting statements of public universities were not following the same format,
384 which caused confusion and more work for the examiner, and (2) there were no
385 improvement points attained on Metric 3. He added there was a separate issue with
386 how faculty reported the time used for various activities.

387
388 Chair Kuntz said that 11 institutions reporting on Metric 3 could all be using different
389 reporting methods, which results in an unfair metric.

390
391 Chancellor Criser explained that the formula for the proposed metric was to take the
392 total cost of tuition and fees per credit hour plus textbook cost, add a penalty for
393 exceeding 120 hours of time to degree, then subtract from that the Bright Futures
394 scholarships, need-based aid, any university financial aid and waivers. He said this
395 calculation would be the average net cost to the student of a degree.

396
397 Chair Kuntz explained the proposed metric takes the original concept, which was an
398 efficiency measure of the university, and discards it because it did not work. He said
399 the proposed metric would be a measure of the cost to the student to attain their
400 degree.

401
402 Discussion ensued about the metrics as a whole and how to balance them, raise
403 scores, and not lower the funding received.

404
405 Trustee Smith asked Chancellor Criser if the proposed changes to Metric 3 occur, what
406 the biggest driver would be for Florida Gulf Coast University to effectuate change.
407 Chancellor Criser responded that improving the six-year graduation rate should be the
408 biggest driver for all the metrics, not just Metric 3; and if that improves, multiple metrics
409 will improve.

410
411 Trustee Smith asked which universities from the Chancellor's perspective were going to
412 be harmed the most and which would benefit the most by the changes in Metric 3.

413 Chancellor Criser responded that he did not know, and that the Board of Governors
414 attempts to create the metrics without looking at that element.

415
416 Trustee Smith said his concern was that the change in Metric 3 could put Florida Gulf
417 Coast University in the bottom three. He said that until now Florida Gulf Coast
418 University has always ranked in the middle for Performance-Based Funding. He
419 expressed that it seems unfair that one metric would drive Florida Gulf Coast University
420 to the bottom three. He stated there should be a path for Florida Gulf Coast University
421 to get through this dilemma because taking money away from a university at 20 years of
422 age would inhibit growth.

423
424 Governor Lautenbach said that he would like to see Florida Gulf Coast University offer
425 more online education. He said Florida Gulf Coast University was a leader but is not
426 now. He agreed that it did cost money to do this and it actually costs more to develop
427 online courses than traditional courses. He added another area that will be considered
428 are the fees charged by universities. He said they are not uniform amongst the
429 institutions, and the Board of Governors will be discussing this issue.

430

431

432 **Item 3: Concluding Remarks and Adjournment**

433 Chair Kuntz said the Board of Governors wants all of the universities to have the money
434 they desire. He said they are all in this endeavor together, not separately. He stated
435 the goal for the workshop was to have a conversation about things that could help
436 Florida Gulf Coast University become even better, and have the FGCU Board of
437 Trustees to continue to be active.

438

439 FGCU Trustee Joe Fogg commented that he is fairly new to the FGCU Board of
440 Trustees, but his impression is that the Board spends a great deal of time discussing
441 ways to address the issues regarding metrics performance.

442

443 President Bradshaw stated that Florida Gulf Coast University's focus was on the
444 performance-based metrics and the FGCU Board of Trustees was laser-focused on the
445 three areas it acknowledges need improvement. He said that Florida Gulf Coast
446 University has always embraced performance-based funding. He complimented the
447 Board of Governors for being open and willing to reviewing and modifying the formulas
448 based on what is learned.

449

450 Chair Kuntz said that it is the intention of the Board of Governors to be open to
451 feedback because it is an evolving process. He said that he has a very positive feeling
452 for the future of Florida Gulf Coast University because of the level of engagement and
453 the quality of the conversation.

454

455 President Bradshaw said regarding Metric 3, he hopes the Board of Governors
456 exercises caution and gives institutions an opportunity to adjust and respond to changes
457 in the formula.

458

459 The meeting was adjourned at 1:48 p.m.

460

461

462 *Minutes prepared by Transcription Experts, and reviewed and submitted by Tiffany*
463 *Reynolds, Executive Assistant to the Vice President and Chief of Staff.*

464

465

466 Agenda:

467 A. [http://www.fgcu.edu/Trustees/AgendaFile/2016/10-27-](http://www.fgcu.edu/Trustees/AgendaFile/2016/10-27-2016/AGENDA%2010.27.16%20BOG-BOT%20WORKSHOP.pdf)
468 [2016/AGENDA%2010.27.16%20BOG-BOT%20WORKSHOP.pdf](http://www.fgcu.edu/Trustees/AgendaFile/2016/10-27-2016/AGENDA%2010.27.16%20BOG-BOT%20WORKSHOP.pdf)

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