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STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BALLROOM, 3rd FLOOR, WEST BUILDING
STUDENT UNION COMPLEX
UNIVERSITY OF NORTH FLORIDA
JACKSONVILLE, FLORIDA
JANUARY 22, 2015

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

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1. Call to Order and Governor Rick Scott's Remarks

Chair Mori Hosseini convened the meeting at 1:05 p.m., on January 22, 2015, with the following members present and answering roll call: Vice Chair Tom Kuntz; Dick Beard; Matthew Carter; Stefano Cavallaro; Dean Colson; Dan Doyle; Patricia Frost; H. Wayne Huizenga, Jr.; Ned C. Lautenbach; Alan Levine; Wendy Link; Ed Morton; Dr. Katherine Robinson; and Norman Tripp.

Chair Hosseini welcomed Governor Rick Scott to the meeting and thanked him for his tremendous support and the work he has done to keep higher education affordable. Governor Scott in turn thanked the Board members for their efforts and noted that as a result of those efforts and that of the business community, jobs have been added to Florida's economy and the State's budget is growing again. Governor Scott said he is focused on ensuring that when students complete their education, they will be able to live the dream which, for most people, is the dream of a job.

When he first took office, the State had a \$4 billion dollar deficit, but now that the budget has improved, Governor Scott emphasized the importance of spending the money wisely. This year, the State will have the highest per pupil funding for K-12, and he wants to eliminate the state sales tax on textbooks and make funding available for Bright Futures scholarships in the summer. Governor Scott commented on the success of performance funding, pointing to the increase in graduation rates, and said he is looking at a similar model for the Florida College System.

Governor Scott thanked the Board members and the members of the university boards of trustees for working to make an impact on higher education. He expressed optimism and excitement about where the State is headed, stating there is no reason, with the State's resources and workforce, why Florida shouldn't be first in the world in job creation. Governor Scott concluded his remarks by thanking everyone for their help and support over the last four years.

After Governor Scott's departure, Chair Hosseini thanked Chair Greene and President Delaney for hosting the meeting and congratulated President Delaney on his new role as chair of the JaxChamber and as outgoing chair of the JAXUSA Partnership. President Delaney said that every school has a niche and the University of North Florida is akin to a small, private liberal arts college, with four professional schools that focus on meeting the cultural and workforce needs of the region. UNF has also been named a Best Value College by Princeton Review and a Best Graduate School by U. S. News and World Report. He noted UNF made targeted improvements in its online educational offerings and is now ranked 55 out of 1200 distance education programs by U.S. News and World Report. Finally, he stated the UNF Board of Trustees is focusing on quality, in terms of what they measure, and the quality of the educational experience provided to their students.

2. State of the System Address

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

3. Recognition of President Machen

Chair Hosseini recognized outgoing President Bernard Machen for his dedicated service to the University of Florida and the accomplishments of his presidency. President Machen's efforts have put the University of Florida on the path to national preeminence and on the cusp of becoming a top ten public institution. He oversaw the incredibly successful \$1.7 billion capital campaign and establishment of the Beijing Center for International Studies. Under President Machen's leadership, research funding climbed to new heights, including receipt of the largest grant ever received by the university for the Institute on Aging.

In 2006, President Machen created the Florida Opportunity Scholarship Program, which supports academically-talented students who may not otherwise attend the university because of financial barriers. In recognition of President Machen's commitment to making higher education accessible for more students, Chair Hosseini presented President Machen with over \$20,000 in donations for the Florida Opportunity Scholarship Program from Board members. President Machen said recognition of the Florida Opportunity Scholarship Program by the Board members is the greatest honor he and his wife have ever received. He emphasized the importance of providing need-based financial aid to the many talented individuals in this state who could not otherwise afford a postsecondary education.

President Machen stated he has watched the Board of Governors grow in importance and in stature as it has accepted responsibility to lead our state in higher education, which he noted was a tribute to the people who serve on the Board and the people who have appointed them. In closing, President Machen said the future of higher education is dependent upon the continued success and evolution of the Board of Governors and he appreciates all that the Board has accomplished so far.

4. Approval of Meeting Minutes

A. Board of Governors Meeting held November 6, 2014

Mr. Lautenbach moved the Board approve the Minutes of the meeting held on November 6, 2014, as presented. Mr. Tripp seconded the motion, and the members concurred unanimously.

5. Chancellor's Report

Chancellor Criser said he is honored to have been in this position for a little over a year and will provide members with a report shortly that will describe the activities the office has been working on over the past year.

6. Public Comment

Chair Hosseini 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 were received.

7. Higher Education Coordinating Council (HECC) Report

Chair Hosseini recognized Mr. Kuntz for a report on the work of the Higher Education Coordinating Council (HECC). Mr. Kuntz explained the HECC was created by the Legislature to bring all the education delivery systems together in order to break down the silos and eliminate long-standing tension. During the past four years, the model has proved successful with greater information being shared among the sectors. More recently, the Legislature expanded the membership of the HECC so that it now consists of representatives from the public and private higher education sectors, Enterprise Florida and CareerSource Florida, and three members from the business community. He noted that the broader representation is already making a difference.

Mr. Kuntz reported that the HECC recently issued recommendations to the State Board of Education, this Board, the Legislature and the Governor. The recommendations focus on four key issues: performance and accountability, incentivizing higher education institutions to increase the number and proportion of transfer students receiving credit, expanding collaboration between the business community and the education system, and aligning funding to meet industry talent needs. He encouraged members to review the report, noting the HECC is becoming the “go to” organization for the views of all sectors of higher education.

8. Health Initiatives Committee Report

Chair Hosseini recognized Mr. Morton for the Health Initiatives Committee report. Mr. Morton reported the Health Initiatives Committee held a workshop on a number of relevant topics, including holistic admissions criteria for medical school candidates. Committee members heard a presentation on assessing candidates in light of changes in health care delivery systems and methodology from a representative from the Max Planck Institute in Germany. Mr. Morton explained the future of medicine lies not in the decisions or actions of individual physicians, but rather through team-oriented clinical decision-making and care, not just for medical students but for all students in the health sciences.

Members also heard a presentation from Ms. Beaven regarding workforce gaps for specific health occupations and were advised of additional, contextual factors that may impact supply and demand for health professionals. He reported that the information and observations at the workshop will be further refined for the next iteration of the report to assist the Committee with arriving at the most accurate supply and demand numbers.

Finally, members received feedback on the market demand for three practice-oriented, health-related doctorates that will be considered by the Academic and Student Affairs Committee in March. Extensive discussion was had about doctoral programs being driven more by supply than demand and the challenges associated with that, although Mr. Morton stated that as to clinical nutrition and nurse practitioners, there seems to be a growing demand. He noted that with respect to the profession of nursing, the committee would hold a separate meeting to address the nursing challenges facing the state.

9. Innovation and Online Committee Report

Chair Hosseini recognized Mr. Lautenbach for the Innovation and Online Committee report. Mr. Lautenbach reported Pam Northrup, the Executive Director of Complete

Florida, presented the report on distance learning costs that was submitted to Chancellor Criser and Chancellor Hanna of the Florida College System. Chancellor Criser shared the three recommendations he and Chancellor Hanna made to the Legislature for the Complete Florida Program. The recommendations include allowing flexibility in the assessment of fees for activities and services not directly benefiting students, researching the potential for charging fixed or block tuition for competency-based programs, and planning for the development and delivery of shared distance learning programs for Complete Florida. Dr. Northrup also made a presentation on competency-based education to the committee.

10. Academic and Student Affairs Committee Report

Chair Hosseini recognized Mr. Tripp to report on the Academic and Student Affairs Committee. Mr. Tripp stated the committee considered a legislative budget request and discussed reports related to Bright Futures funding for summer term, today's research climate and the role of faculty in research, and the State University System Developmental Research Schools. The committee also heard an update on the Targeted Educational Attainment Grant program.

The committee recommended a legislative budget request to the Budget and Finance Committee to provide additional funding for the Clearinghouse for Applied Research at Florida State University. The Clearinghouse provides online resources for the State University System, which includes ExpertNet and TalentNet. The request is for \$222,644, of which \$175,200 is recurring and \$47,444 is non-recurring.

A. Bright Futures Scholarship for the Summer Term

The committee also approved a policy recommendation to the full Board regarding Summer Bright Futures funding for 2015-2016. Specifically, that the Legislature provide funding for Summer Bright Futures awards in the 2015-2016 General Appropriations Act. Mr. Tripp moved that the Chancellor work with the colleges, universities, and other stakeholders to further define the benefits of Summer Bright Futures for Florida's students and our higher education systems. Mr. Cavallaro seconded the motion and the members concurred unanimously.

B. Board of Governors Regulations

- i. Public Notice of Intent to Approve Amended Board of Governors Regulation 3.006 Accreditation

Mr. Tripp moved that the Board approve the Notice of Intent to Approve Amended Board of Governors Regulation 3.006 Accreditation. Mr. Levine seconded the motion, and the members concurred unanimously.

- ii. Public Notice of Intent to Approve Amended Board of Governors Regulation 8.015 Academic Program Review

Mr. Tripp moved that the Board approve the Notice of Intent to Approve Amended Board of Governors Regulation 8.015 Academic Program Review. Mr. Levine seconded the motion, and the members concurred unanimously.

11. Facilities Committee Report

Chair Hosseini called on Mr. Huizenga for the Facilities Committee report. Mr. Huizenga said the committee considered several items that require Board approval.

- A. Approval, Public Notice of Intent to Amend Board of Governors Regulation 14.020 University Supervision of Construction Program

Mr. Huizenga moved that the Board approve public notice of intent to amend Board of Governors Regulation 14.020 University Supervision of Construction Program. Dr. Carter seconded the motion, and the members concurred unanimously.

- B. Approval, 2015-2016 State University System Fixed Capital Outlay Legislative Budget Request

Mr. Huizenga addressed comments made during the committee meeting as to whether a process was needed for new project approval. He emphasized the Board has an established process that works well, but two of the projects presented during the committee meeting did not fit into the traditional process, those being the UCF and USF projects. He explained that USF has a business plan for both the Heart Health Institute and the Morsani College of Medicine and both facilities had already received a portion of the funds necessary for the projects. He stated what was not appropriately disseminated was how the business plan had changed by moving those facilities downtown. He requested President Genshaft to provide that information to the Board prior to the February meeting.

With respect to the UCF Downtown Presence Project, he thought many of the points raised during the committee meeting were valid and it became clear that more information is needed before a decision can be made. However, because the committee had approved \$10,000,000 in planning funds for the UCF Downtown Project, he explained he was in a quandary on how to proceed in light of the concerns expressed by

other members during the committee meeting and the need for additional information. Governor Beard was recognized by Chair Hosseini and proposed that the Board approve the amendments to the 2015-2016 SUS Fixed Capital Outlay Legislative Budget Request as presented to the committee, except that the Board defer consideration of the UCF Downtown Project to the February 19th meeting so UCF can make a presentation on the project and the Board can determine what should be included in the legislative budget request. Chair Hosseini clarified that Governor Beard was suggesting they remove the \$10,000,000 approved by the committee and reconsider the issue at the February meeting and asked if there was second to that motion. Mr. Morton seconded the motion, and requested for the minutes of the committee meeting to reflect the questions members raised so they could be addressed by the university. Mr. Levine called for a vote and the members concurred unanimously in the motion.

Mr. Huizenga then moved that the Board authorize USF to spend the \$5 million appropriated by the 2014 Legislature for the USF College of Medicine Project and for USF to present a business plan to the Board at its February 19, 2015 meeting. Mr. Beard seconded the motion, and the members concurred unanimously.

C. Approval, University of Florida Educational Plant Survey Validation

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

D. Approval, Florida State University Educational Plant Survey Validation

Mr. Huizenga moved that the Board approve the validation of the Florida State University Educational Plant Survey. Mr. Tripp seconded the motion, and the members concurred unanimously.

E. Approval, Florida State University Housing Bond Issuance

Mr. Huizenga moved that the Board adopt a Resolution requesting the Division of Bond Finance of the State Board of Administration of Florida to issue revenue bonds on behalf of Florida State University to finance construction of a student residence complex on the main campus of the university. Mr. Tripp seconded the motion, and the members concurred unanimously.

F. Approval, Florida International University Housing Project

Mr. Huizenga reported that the committee discussed project approval for the Florida International University Housing Project, but agreed to defer that item to the next meeting.

12. Select Committee on Florida Polytechnic University Report

Chair Hosseini called on Mr. Kuntz for the Select Committee on Florida Polytechnic University report. Mr. Kuntz stated the committee received a progress report from President Avent who indicated the university was on track to be fully compliant with all of the requirements established by the Legislature.

13. Budget and Finance Committee Report

Chair Hosseini recognized Mr. Kuntz for the Budget and Finance Committee report. Mr. Kuntz reported that the committee has two items.

A. Approval, 2015-2016 Legislative Budget Request Issue: Clearinghouse for Applied Research

Mr. Kuntz moved that the Board approve an amendment to the Legislative Budget Request to include \$222,644 for the Clearinghouse for Applied Research brought forward from the Academic and Student Affairs Committee. Mr. Huizenga seconded the motion, and the members concurred unanimously.

B. Performance Based Funding Improvement Plans

Mr. Kuntz moved that the Board approve the release of Performance Improvement Plan funds which had previously been withheld in the amount of \$3,476,196 for FAU, \$540,188 for NCF, and \$1,914,784 for UWF. Mr. Tripp seconded the motion, and the members concurred unanimously.

14. Audit and Compliance Committee Report

Chair Hosseini recognized Mr. Levine for the Audit and Compliance Committee report. Mr. Levine reported the committee met on October 8, 2014, and discussed two information items. The first was an update on the FAMU Corrective Action Plan and the second was a status report from the Board's Inspector General about the Performance-based Funding Data Integrity Certification Process.

Florida A&M University has made significant progress on the corrective plan, completing 29 of 30 corrective actions. Mr. Maleszewski recommended additional follow-up in three areas related to the Athletics Department deficit reduction plan, the President's establishment of a stable leadership team, and the results of current reviews of facilities and construction issues. The committee approved Mr. Malezewski's

recommendation and a report on the follow-up to those areas will be presented at a future committee meeting.

Mr. Maleszewski also briefed the committee on the progress of the Performance-based Funding Data Integrity Certification Process. Each university chief audit executive has an audit underway regarding the university's data collection and verification. The results of those audits will allow university presidents and boards of trustees chairs to certify the accuracy of the data before it is submitted to the State University System office.

Mr. Maleszewski reported on a recent meeting with the State University System Compliance Consortium. The Consortium is comprised of compliance officers and representatives from each university. Six of the 12 universities were represented at the meeting and Mr. Levine said he would like to see greater participation in the future.

During today's committee meeting, Mr. Levine said the chair of the State University System Compliance Consortium briefed the committee on the Consortium's activities and compliance issues. Mr. Levine explained that only four universities have separate ethics and compliance officers. Additionally, the Board does not have a regulation that requires boards of trustees to implement formal compliance programs. He stated the committee voted to have Mr. Maleszewski work with the universities to develop a regulation based on best practices that will require the universities to have a formal compliance program that includes processes for reporting, investigations, board oversight, and for validating that an effective compliance program is in place.

15. Strategic Planning Committee Report

Chair Hosseini called on Mr. Colson for the Strategic Planning Committee report. Mr. Colson reported the committee dealt with two issues.

A. Approval, State University System 2013-2014 Annual Accountability Report

Dr. Ignash presented the 2013-2014 Annual Accountability Report, which includes information on our twelve universities and the System. Mr. Colson moved that the Board approve the State University System 2013-2014 Annual Accountability Report. Mr. Tripp seconded the motion, and the members concurred unanimously.

B. State University System Affordability

The committee also had a discussion on affordability in our System. The committee is taking that subject on and Chancellor Criser gave a very informative report on issues

involved in this discussion and the work that needs to be done over next year, beginning with a workshop at our March meeting.

16. Nomination and Governance Committee Report

A. Approval, Amendments to University Board of Trustees Selection and Reappointment Process

Chair Hosseini moved that the Board approve amendments to the Trustee Selection and Reappointment Process. Mr. Beard seconded the motion, and the members concurred unanimously.

17. Concluding Remarks and Adjournment

Chair Hosseini reported that the next full meeting of the Board is scheduled for February 19, 2015, at Tallahassee Community College.

Having no further business, the meeting was adjourned at 2:34 p.m. on January 22, 2015.

Mori Hosseini, Chair

Vikki Shirley,
Corporate Secretary