

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA BOARD OF GOVERNORS
Teleconference Meeting
May 10, 2023

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1. Call to Order

Chair Lamb called the meeting to order. The following Governors were present: Lamb, Silagy, Cerio, Diaz, Frost, Gabadage, Haddock, Jones, Jordan, Levine, Mateer, Michael and Oliva. A quorum was confirmed.

2. Chair's Report to the Board of Governors and Remarks

Chair Lamb started off with a few remarks. Presidential Search update being timely – three searches in process right now (FGCU, FAU and New College). FGCU selected Dr. Aysegul Timur recently and she will come to the Board in June. He paused and asked for questions or comments on this search.

Governor Diaz commented regarding the process of Presidential searches and the contention surrounding the decisions when they are “close calls”. His comments are related to some of the points Governor Oliva made at the beginning of the process where he embarked on highlighting the contract process and the process of getting President’s contracts and hiring confirmed by this Board and the clear oversight role. When he looks at a process like the one that took place at FGCU, and it is such a tight process, Governor Diaz asked how do we advise, or what kind of comments do we make when we are not opposing? Rather this looks like a situation where this contract—and not addressing amounts—should be a case where the institution should take baby steps. This was a tenuous decision. In those instances, he would prefer to air on the side of caution and enter into a shorter contract to assure that the candidate—even if they are qualified and well liked on campus—(and noted that there were several well qualified candidates with track records) but, that here is an opportunity for the Board of Trustees to set expectations to allow the new president to meet those expectations before going into a longer contract. He was concerned at how tight the vote was in this particular situation. He felt performance should dictate longer contracts.

Chair Lamb thanked Governor Diaz for his candor and perspective. The Chair called on Governor Jordan.

Governor Jordan stated that she looked at the process a little differently than Governor Diaz. She thought the process at FGCU went well and there were many great candidates and that is why the vote was close. She thought the process was open and there was great consideration of every candidate. She thought the search committee listened to one another when they put those candidates through to the trustees and the Board of Trustees had difficult choices. She was happy to see a lot of discussions there and not just a candidate pushed through. The Chair thanked her for her role in the process. They had to restart from the very beginning and re-evaluate the search firm and go through the entire process again. She thought the search committee was very engaged in the search to find the right candidate both the first and second search each time.

Governor Diaz commented that he watched the processes and there were good candidates. He was going by the discussions that the Board has had in the past and the Board of Governors should have oversight opinion and share opinions. It is more of a word of caution from him. He seeks to have the Board of

Governors strike the balance for clear oversight and clear guidance and opinion without trampling on the Board of Trustees.

Chair Lamb called on Governor Silagy. Governor Silagy reflected on Governor Diaz's comment regarding fine lines. The oversight of the Board of Governors is very different than trying to impose a will on the Board of Trustees for every decision. We have a Board of Trustees at each of these universities because they are responsible for the oversight of that university and managing those processes including the selection of their top people. Going back to the previous discussion, the Board is now looking at language because of a process that fell out of the norm, in at least so far as the timing. If there is a cautionary tale when the process goes out of the norm is when the Board of Governors should intervene and slow things down. He felt that the closeness of the vote meant that is an indicator of engagement. He wanted to find a balance of not micro-managing the work of the Board of Trustees – if so then why have them. It is not healthy for the university system for the Board to micromanage the universities and not in their purview. Chair Lamb agreed.

Chair Blake Gable shared that as someone who has been involved from the beginning, he wanted to give his perspective on a few things. He felt like there is a great dialogue and a lot of engagement and open communications through the process. Through this process he always felt he could freely call the Chancellor or the Board of Governors Chair. He followed up on 2 points – he was very proud to be there in the room with the Board of Trustees because they had great candidates. He felt like the other 3 candidates will be Presidents at some point and that all 13 of the Board of Trustees had many sleepless nights going into the meeting, the choice was very tough to make. He expects everyone to be very impressed by Dr. Timur.

Chair Lamb wrapped up the presidential search portion by commenting on FAU. AGB is the search firm that will assist with the process. He spoke with Governor Levine and they have approved the presidential profile and marketing plan. He assumes there will be a number of candidates applying through May 16, 2023. Chair Brad Levine chimed in and May 16th is for best consideration for clarification. The second presidential search committee meeting will be May 19, 2023, to begin reviewing candidates.

Governor Michael spoke on the contract questions. She feels like when a contract is offered to a President it is unknown how they will do so it is necessary to show great faith in that person. She has experienced a search where there was great faith and they did another search a few years later. She felt like the faith an institution shows for its leader could be reflected back to them in their confidence level. She wanted to point out that we do not have crystal balls so we have to approach the contract with our trust in the trustees.

Chair Lamb provided an update on New College. Their presidential search committee met April 27 at the direction of the committee and staff. They are working on their position criteria and hope to get a compensation analysis shortly and get it to their committee in the month of May. He will stay close to all the chairs during this process and encourages the Board of Governors to reach out and ask questions regarding any of these processes to the chairs.

Chair Lamb mentioned the June 21st and 22nd Full Board of Governors meeting. He thanked President Law and Chair Weatherford for hosting and looks forward to coming to Tampa. He expects a robust meeting and we will be sending out meeting details very soon.

He yielded the floor to the Chancellor and congratulated him on an incredible legislative session.

3. Chancellor's Report

Chancellor Rodrigues spoke on the outcome of legislative session and indicated his report is divided into 2 parts: Budget and Policy. Taking up budget first, noting it is not final until it is signed by the Governor.

Chancellor Rodrigues reported: This was a historic session for higher education here in Florida. Our Legislative Budget Requests asked for \$350M in performance-based funding, we asked for \$100M in preeminence funding, \$100M performance-based funding around excellence and \$25M performance-based funding around improvements. That was a significant increase from the prior year. We were able to obtain \$350M for performance-based funding which was \$85M over what we were given last year and the first increase since for performance-based funding since 2018. We were successful in getting the \$100M for preeminence which has not been increased since 2018. We did not get the \$100M and the \$25M for the new performance-based programs, however we did get \$100M for performance-based improvements and retention which was the Governor's budget request for the state university system and the proviso language will use the appropriations method that we would have utilized for the excellence metric in performance-based funding. The line item was not funded but the amount was funded and but will be allocated via the methodology via the formula in our Legislative Budget Request.

On top of that the State University System received \$389M in operational enhancements and support for each of our institutions. Something that is important and should be recognized that the Board of Governors legislative requests were closed out in the first round of the budget conference meaning the Higher Education Appropriations Sub Committee chairs closed out our budget requests before it got bumped to the full committee chairs. The operational enhancements emerged either at the appropriations level or presiding officer level as it all closed out.

So we are looking at an increase of E&G appropriation \$677,584,015, pre-veto. On top of that is our fixed capitol outlay budget requests. We asked for \$74,115,429 for State University projects that were on our list following the PECO list that was established in statute we were appropriated \$421,714,697. We asked for \$40M for continuing state university system projects that had begun as legislative proposals, we were appropriated \$260,480,000. So in total in fixed capital outlay we received \$726M in appropriations. When you look at, strictly looking at "new dollars", strictly, the \$677,584,015 in operations and the \$726M in fixed capital outlay, the system will have over \$1.4B with a B, dollars in new money if these survive the veto.

To put this in perspective, this is not an apples-to-apples comparison, the report that was pulled from the state higher education executive officers association, only includes tax appropriations and not fixed capital outlay. But, for perspective, the \$1.4B in new money that will come into our system is greater than the tax appropriations for higher education in total named this year by 28 of the 50 states. The state higher education executive officer's association projected this to be a banner year for higher education appropriations. By banner year nationally they projected a 6% increase. Their projection includes 3 metrics – appropriations and institutions, merit based financial aid to students and state need based financial aid to students. Florida has one of those three metrics identified, appropriations and institutions and our increase will be 24%. So the increase coming into operation is 4xs greater than the increase the nation will be looking at as their average. When you consider the trend lines for bright futures and the trend lines on our state need-based financial aid, it is safe to say that Florida's increase is projected to be 4-5xs higher than the national average and increase on higher education funding. That is a very big deal.

The last thing that he added on the budget report is that there has been proviso language included, the Senate and the House have directed the Board of Governors to work on a funding formula that incorporates our performance-based funding metrics to submit to them by November. If you look at the Education silo

within the state legislature the K-12 Education has a set formula, and the Florida College System has a set formula. They would like us to have a set formula in addition to the performance-based model that we have created, but they are supporters of performance-based funding model. They want to see that incorporated. So that is what our staff will be working on between now and November. We will be working with each of the institutions on that model.

He also noted that if you look at the increase in appropriations every university has benefitted from it. Every university has received a substantial increase in appropriations that has been recommended. In February the Chronicle of Higher Education did a story and reported nationally what is happening across this country with flagship institutions and regional institutions. The thrust of the story was that flagships were thriving both in terms of enrollment and appropriations, and regionals were suffering in terms of enrollment and appropriations. That is not the case here in Florida, in Florida a rising tide is lifting all of our ships and we are benefitting from flagships to regionals and specialty universities as well. That is in both enrollment and appropriations. I am proud of the session and success we have had.

Chancellor Rodrigues had been asked recently—because the U.S. News and World Report ranking had come out—about what makes Florida successful, why are we different, and how we have done it. He noted that a few points drive this. Clearly having a Governor who is focused on keeping higher education accessible and affordable has played a role. But that does not work if you do not have a legislature that is willing to support our higher education system, not just in words but also in deeds meaning appropriating the funds to the system that is necessary and we have been blessed with that in Florida.

The state university system working with universities played a role by changing our appropriations process away from the model that is common nationally, which is input based, depending on how many students are enrolled, to performance-based funding which is output based, centered around our student's success, that has given the legislature the confidence to continue to invest in our system. But a couple of things that do not really get noticed that are intangible, but just as important, is that we have a Chair, Chair Lamb, who has actually served on a Board of Trustees and been a Chair on a Board of Trustees so he has brought a perspective to the Chairmanship to the Board of Governors that has been well received by the Board of Trustees and has been necessary here at the Board of Governors to have the insight and someone who understand the impact of over regulation and the importance of trusting our trustees. Another thing that is just as critical, is we have the Chair of our Board of Trustees at one of our flagships UF, Chair Hosseini, who has been a Board of Governors Chair before he went to UF to serve on the Board of Trustees. So, he not only understands advocating for his institution but the importance of supporting the system as well. The two of them have been very effective working together on that.

Part of the reason that our regionals are benefiting and not suffering like we see in other states is that we have the chairs of our flagships walking the halls of the capital working for their institutions but also supporting the system as a whole and advocating for the system as a whole. So, if you go back and read that Chronicle of Higher Education article there is a quote in there from one of the experts that says if you look at most states with flagships and regionals it would remind you of the *Hunger Games*, that is not the case here in Florida. There is absolute teamwork between the Board of Governors and Board of Trustees and teamwork within our Board of Trustees with each other and our students benefit from that. So the challenge before us is to maintain that level of team work and to continue to deliver the results that our legislature is looking for, if we do that they will continue to invest in the system.

Chancellor Rodrigues moved to the second point on policy – discussing a few of the policy bills. The first is higher education finances. Higher education finances, which was passed off the legislature that is a bill near and dear to the Chancellor because I worked on it when I was in a member of the legislature and could not get it passed through both chambers. What that bill will do, is give the institutions, flexibility around your carry forward dollars. It will allow institutions to spend those dollars on maintenance and it will

remove the hard caps that were placed in statute and then made obsolete because of inflation. The institutions will still have to continue reporting so we maintain the accountability and transparency. But institutions will get the ability to spend the money and address the needs of their institution. The biggest item in that Bill, is it removes the prohibition on considering cost as a factor when your selecting the vendors to do the engineering, architecture and construction of your buildings. That is now a factor that can be considered. And so the belief is that it is going to enable building to be done more efficiently and less expensive than the old model which did not allow cost consideration until after a vendor was selected. That is a big deal and has been a fight for a number of years in the legislature. The Chairs of the Board of Trustees were very effective in working on that. Chancellor Rodrigues commended the Chairs for that because without their efforts leading into that it may have been untenable for the bill to have passed in both chambers. The chairs of the flagships of both institutions were working with both of our presiding officers and were quite effective.

The last bill mentioned SB596 which is the Office of the Inspector General for the Board of Governors. This bill sought parity for our IG to have subpoena power which exists with every other IG that is in an executive agency and ours was the last one created. It was an oversight to not provide that subpoena power at the creation of the office.

The bill that dominated media coverage is SB266/HB999 which deals with Higher Education accountability. That bill has a number of key points that will require close cooperation between the system and the institutions for implementation and we will get deeper into that bill in future meetings. Chancellor Rodrigues concluded his report and thanked the Chairs and Presidents for their collaborative work during this session.

Chair Lamb remarks on an outstanding report and jokes that he wishes we could do a virtual group hug. The Governor still has to say final grace over the budget but that will be coming soon. After being part of the state university system in some capacity for over 15 years Chair Lamb remarked that this is historic. The soundbite to take away is I felt like everyone advocated for the system when and where they could while making it clear their own needs for their institution and what was important. The Chair yields the floor to Rachel Kamoutsas for introducing public speakers.

4. Public Comment

Rachel introduces the public speakers and opens the meeting for comments.

Mr. Brian Cody – seeking to address the public notice of approval to repeal Board of Governors Regulation 8.015 it appears on the consent agenda. Mr. Cody provided his comment.

Ms. Madison Markham – New College student wishes to comment on Board of Governors Regulation 8.015. Ms. Marham provided her comment.

Chair Lamb thanks them for their timely comments. The Chair yields the floor to Gene Kovacs.

5. Update on Emergency Regulation 3.0075, Security of Data Related Information Technology Resources

**Gene Kovacs
Board of Governors, CIO**

Gene updates the Board on Regulation 3.0075 that was changed in March 2023 due to emergency regulations and the prohibitive technology list and requirements for the institutions to prevent transport over their network or installation on university owned devices. As of today, all 12 universities are

preventing prohibited traffic for listed technologies across their networks. Managed IT devices are under controls for these prohibited technologies and unmanaged devices are being identified and determining controls to manage them. SB258 was passed and is now statute, this will move the requirement from the Board of Governors to Department of Management Services. The statute will require DMS to update the cybersecurity list quarterly. Due to the statute, we will be bringing this issue to the June Board meeting to do a regulation amendment to sync-up with the statute, so we have details for the institutions. Gene closes.

The Chair thanks Gene and moved to the Consent Agenda.

6. Consent Agenda Items for Approval

A. Board Minutes, March 29, 2023

B. Academic and Student Affairs Committee Report

- a. Public Notice of Approval to Amendments Board of Governors Regulation 6.022, Intercollegiate Athletes
- b. Public Notice of Approval of Amendments to Board of Governors Regulation 8.002, Self-supporting and Market Tuition Rate Program and Course Offerings
- c. Public Notice of Approval to Repeal Board of Governors Regulation 8.015, Academic Program Review

C. Budget and Finance Committee Report

- a. Public Notice of Approval of Amendments to Regulation 9.007, State University System Operating Budgets and Requests

D. Nomination and Governance Committee Report

- a. Appointments of University Trustees

The consent agenda items were moved for approval by Governor Cerio and seconded by Governor Frost, and the motion passed unanimously.

7. Concluding Remarks and Adjournment

Chair Lamb very much looks forward to seeing everyone in June in Tampa. President Law and Chair Weatherford will show us a good time. He congratulated Chair Levine and the Florida Atlantic University for their historic run during their basketball season. With that news he closes the meeting.