

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
STRATEGIC PLANNING COMMITTEE
VIA TELECONFERENCE
October 4, 2023

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1. Call to Order and Opening Remarks

Chair Alan Levine convened the meeting on October 4, 2023, at 2:06 p.m. with the following committee members present: Levine, Phalin, Hitchcock, and Frost. A quorum was established. Governors Silagy and Cerio were also present on the call.

2. Discussion of Feedback Related to New College of Florida's Business Plan

Chair Levine began the meeting by remarking that the Board was provided anonymous feedback from faculty at the University of Florida (UF) regarding New College of Florida's (New College) business plan.

Chair Levine reminded the committee that at the June Board of Governors meeting, the Board discussed New College's failure to achieve performance funding and that in the previous year, it had failed to meet the performance metrics, with a significant number of metrics lagging. This performance required New College to submit a student success plan. He noted that with a new president and leadership in place inheriting such challenges, some members of the Board wanted insight into New College's direction, and Governor Silagy requested New College to submit a business plan. Chair Levine reported that President Corcoran was given under a month to draft the plan. He said that typically, in preparing business and strategic plans, you would engage with the university community, faculty, students, and donors to provide input to build a plan. Chair Levine commented that the business plan was an opportunity to see the vision of the President of New College and the board of trustees moving forward. He noted that the work product submitted by President Corcoran is what the Board asked for and does not think it is a final product.

Chair Levine explained that the Board has regulations that require accountability plans, campus master plans, and student success plans in circumstances where an institution may fall short on performance funding. He further explained that in each of these regulations, the Board provides specificity on what is required in those plans. Chair Levine stated that these regulations were discussed amongst Board members and university presidents with open and transparent dialogue when they agreed on these regulations. He confirmed that this was not done in this case and remarked that, to some degree, that was unfair. He explained that the Board asked for a business plan but did not specify the minimum criteria that the plan should include.

Chair Levine stated that when the Board is confronted with capital projects or legislative budget requests, institutions are expected to provide business plans to support those initiatives. He added that the legislature has its process for evaluating funding and making decisions. He reiterated that asking for a business plan was the right thing but would like to consider that there are accountability plans that the Board is still working on, a student success plan in front of the Board, and a campus master plan that requires updating. These documents were referenced in the business plan, though not to the depth you would expect, given the amount of time to draft a business plan.

Chair Levine mentioned that in addition to the UF faculty critiquing the business plan, he wanted to discuss a general governance issue. He commented that he believes every member of the Board operates with good intentions and stated that the Board often meets with presidents and chairs in the open in public meetings with open dialogue. He added that though they may not always agree with each other, everyone has a chance to provide input, which he believes contributes to the success of the State University System. He added that the Board acts as a body, not as individuals, and when the Board agrees to look into a university, they will typically direct staff to assemble the right people, which may include staff from various universities or outside consultants.

Chair Levine explained that in this case, a member of the Board of Governors, on their own, sought input from faculty at one institution and engaged the faculty to opine on the plans of another institution. Chair Levine commented that while he supports any member of the Board of Governors' right to seek input to inform their decisions, this case was different. In this instance, a Board member went to anonymous faculty members at the University of Florida, sought input on a plan that was submitted to the Board, and sent the information to the Board. Under the Sunshine Law, members of the Board cannot respond to the e-mail. He continued to explain that an article was posted in the newspaper outlining UF's faculty's statements about the New College plan. Chair Levine noted that he did not think that UF would want another Board member to call anonymous faculty friends at another state university to provide opinions about UF's plans in Jacksonville and then send those plans to the Board of Governors with no chances to interact, engage or ask questions and then for those opinions to appear in the media. Chair Levine remarked that it is not a best practice in governance for Board members to share information in a manner where the Board cannot engage, which is why he asked to convene the committee.

Governor Silagy commented that the Board needs to follow the outlined process and that it is important to maintain a collaborative and constructive dialogue to work through these issues. He added that dialogue cannot be shared like it is in the private sector because of the Sunshine Law. Governor Silagy iterated that he did not like being surprised, reading things in the newspaper, or receiving a report with no ability to ask questions or respond before it suddenly became public. He stated that he hoped the members of the Board are trying to ensure New College is successful because it is important to the students and the state.

Governor Silagy explained that he asked New College for a business plan, and every effort was made to allow President Corcoran and his staff an opportunity to be successful. He mentioned that he had suggested and encouraged New College to hire a third-party consultant to help them with that. He recognized that due to an early legislative session, New College would need to put a plan together as soon as possible so that the legislature could have a clear road map in understanding the fiscal needs. Chair Silagy recognized that these long-term strategic solutions take years to implement and resources, and he wanted the plan to show that. He stated there were many additional meetings, and due to the Sunshine Law, they were one-on-ones conducted with Board of Governors office staff and President Corcoran to give feedback on the plan. He added that there was quite a bit of feedback from Board staff and New College administration to try to sharpen the output of the business plan to set them up for success. Governor Silagy expressed that business plans are dynamic and living documents. He stated that this is why he specifically asked for a one-year, three-year, five-year, and ten-year view, knowing that the one-year and three-year plans would need to specify necessary appropriations. Governor Silagy reiterated that the goal is to set New College up for success and not to be surprised by what fiscal resources New College may need. He added that New College is an honors college, and the goal of attracting and retaining the best and brightest will not be met when facilities are in disrepair. Governor Silagy concluded that the business plan was to provide a clear and concise plan for New College, the Board of Governors, the Governor's office, and the legislature on how they want to get from today to where they want to be tomorrow.

Chair Levine stated that New College had reached out to him and other members for input and believed the plan included the near-term strategies, what the Board will be asked to fund, and the path ahead for New College. Governor Levine stated that the people who criticized the plan did not understand what the Board had requested or why it was asked.

Governor Silagy clarified that at the meeting in June, he expressed concerns about one of the business plan proposals regarding the suspension of measurements. After consulting with the Board staff, he stated his concern was whether they had the authority to do that given the statutory requirements. He noted that his solution was to continue with the measurements and suspend the student success plan to avoid running afoul of what the Board holds accountable for all the other universities. He concluded by stating that the intent was to allow New College to focus on its plan of success rather than putting together student success plans every year when it will take a couple of years to work through a whole cohort to start hitting the metrics, similarly to what was done at Florida Polytechnic University.

Chair Levine agreed and stated that New College is challenged with identifying the market for honors and liberal arts colleges and how that should be measured. He stated that if the goal is for New College to be one of the best honors colleges in the country, it is a legitimate discussion for the Board to have on whether to ask the Florida legislature about comparing New College to some of the best honors colleges in the country.

Governor Tim Cerio commented that there is a reason why there is a careful vetting process when hiring outside consultants to critique work and that there is a governance responsibility. He added that there is thorough vetting by staff, avoiding conflicts and the appearance of conflicts. Governor Cerio remarked that it was not a best practice for the Board to take advice from anonymous sources. He added that universities critiquing one another is fraught with peril, and the Board needs to be very careful. He asked if the anonymous faculty were paid for their work and if anyone else was paid for this review.

Governor Amanda Phalin apologized for the way the information came about. She stated it was not her intent for it to be relayed or received in the way it was. She added that she views herself as a fiduciary of the System and that her intent was to ensure the money was being spent in the best way possible. Governor Phalin stated that she wants New College to be the best at what it is, which is the goal of the legislature, state leaders, and the Board of Governors. She reiterated that she intended to provide helpful information from experts that could be used to improve the product.

Chair Levine commented that he appreciated Governor Phalin's endeavor to get the best information for herself and reiterated that no one on the Board thinks that anything was done intentionally.

Chair Levine stated that since the feedback from the UF faculty members was shared in a news story, he wanted to respond to those on the record. He started by citing faculty member number one's comment, "I reviewed it as I would with any start-up plan in our student competitions." Chair Levine responded by stating that New College is not a start-up. He added that New College has \$60 million of deferred maintenance. He added that its dorms were uninhabitable with mold. The institution has also struggled over the previous decade with student retention and recruiting of new students, with an admission rate of 75%. Governor Levine explained that this is not a start-up and should not be viewed as a start-up, which he stated tainted the rest of the faculty member's comments.

Next, he cited faculty member one's statement, "I did not see a clear problem outline, the demand for a liberal arts degree is X, and there is clearly not enough supply...and further comments to the effect that the business plan must prove there is a need." Chair Levine stated he interpreted this as the member wanting a demonstration of the need for New College in the market, which he stated was not requested by the Board. New College was not asked to justify its existence or to do a review of the marketplace. He noted that the president was building a plane as he was flying it, which is how it should be viewed.

Chair Levine moved on to his third point relating to the first faculty member's comments, summarizing their question about the dollars committed to marketing and mentioning the value proposition. Chair Levine points to page 14 of the business plan that specifically outlines the comparison of cost per student of the top institutions, citing that New College ranked sixth on the U.S. News and World Report's Liberal Arts rankings.

He noted that the value proposition of New College is plainly on display in the business plan with a discussion on their 20% enrollment from the Sarasota area but no presence of enrollments from other states. He gathered from the plan that the vision of the current president and Board is to present New College as a destination institution.

Chair Levine then went to the next comment and quoted the anonymous faculty member, "Maybe it is better to sell or liquidate all the assets." Chair Levine responded that that is a decision for the Board of Governors and the legislature.

Chair Levine moved to faculty member number two's comments, citing their question, "The plan and the branding repeatedly refers to New College as the honors college. What makes New College an honors college, especially since they accept 75% of the applicants?" Chair Levine responded to the question and stated that New College is an honors college because that is in law and that the only body to change that would be the Board of Governors under the constitution. He added that one reason behind having a new board of trustees, a new president, and the Board reevaluating the accountability plan and business plan was to address the 75% admission rate.

Chair Levine moved to another critique, quoting the second faculty member, "It seems that the plans to increase enrollment are focused entirely on the Freedom Institute and three new academic programs." Chair Levine responded to this critique, stating that the section of the business plan that the faculty member refers to was titled "Growth Programs" and had nothing to do with plans to increase enrollment. He explained that other sections of the plan identified growth in enrollment, such as the athletic plan citing ways to get new students through athletics. Chair Levine cited the faculty member who said, "While athletics will appeal to some students...at most 36% of students might be involved in athletics, so that means 54% of students are not being addressed by athletics." Chair Levine stated that athletic programs can contribute to student life and campus loyalty, and while not everyone may participate in athletics, it still contributes to student life. He stated that President Corcoran pointed out in the business plan that student retention is low because of student life, and the plan is trying to enrich the student experience.

Next, Chair Levine provided another critique from the second faculty member: "The plan in its current state is not financially viable." Chair Levine responded that this is the same conclusion reached by the legislature when the college failed as a private institution and was taken on by the state. He added that the business model is not sustainable and that there is no guarantee that the new business plan will be successful. Chair Levine commented that he believed the president would engage with community and university partners when developing various plans to address issues.

Chair Levine moved on to the final criticism from the UF faculty members, citing that one of the faculty members suggested looking at top business schools in the state, like UF, as a model for the goal of becoming a destination campus. Chair Levine noted that this could become a conflict.

Chair Levine stated that the plan touched on issues such as student retention, housing, food service, and student fees. The plan also mentioned relevant key performance indicators, such as customer acquisition costs. He remarked that he was impressed with the measurements and benchmarks in the plan to ensure the cost of student acquisition was not out of line.

Chair Levine concluded his comments by recognizing the faculty members' effort in providing feedback and stated that he believed that the business plan ties together the accountability plan, the student success plan, and the campus master plan. Chair Levine stated that this plan met the goals of Governor Silagy's request and that there is better visibility of where New College is going. He reiterated that President Corcoran intends to develop a proper strategic plan with the university community's input.

Governor Jack Hitchcock stated he felt it was essential for those in his role, given his representation of students and Governor Phalin's role, to reach out to people externally. He added that he believed Governor Phalin did a great job with that and that he has done this numerous times considering issues around New College. He noted that if he were to ask students, it would not have been appropriate to share their opinions as they are not experts in university administration. However, he mentioned that it is important to get opinions when considering what to do on the Board. Governor Hitchcock agreed with Governor Levine's statements that the success of the business plan submitted by New College is not guaranteed. He added that some of the concerns in the anonymous faculty document were accurate. Governor Hitchcock stated it might be useful for New College to look at IMG Academy and its growth in sports.

Governor Silagy added that while Governor Hitchcock is a member of the Board representing students, he also represents Florida taxpayers and the System. He noted that getting the best information from sources is not only a best practice but also an obligation; however, how that information is disseminated can be productive or not productive, especially in a manner that does not violate the Sunshine Law. Governor Silagy stated he has also collected information in the past and will give that to respective Board staff so that it can be included in the process productively. He concluded his remarks by stating that it is a good reminder for all that Board staff are the experts in this process to help us all make better decisions and end up being as helpful as possible to the System.

8. Concluding Remarks and Adjournment

Chair Levine concluded the meeting at 3:00 p.m.

Alan Levine, Chair

Erica Vander Meer, Director of Academic and Student Affairs