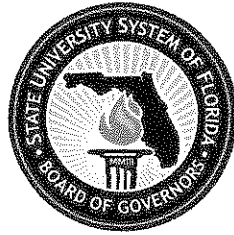




STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

Agenda and Meeting Materials
June 22-23, 2011

Traditions Hall
Gibbons Alumni Center
University of South Florida
Building #ALC 100
4202 East Fowler Avenue
Tampa, Florida 33620



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA

June 23, 2011, Upon Adjournment of Previous Meetings
University of South Florida
Traditions Hall, Gibbons Alumni Center
4202 E. Fowler Avenue, #ALC 100
Tampa, Florida 33620

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(N.B.: As to any item identified as a "Consent" item, any Board member may request that such an item be removed from the consent agenda for individual consideration.)

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011

SUBJECT: Chair's Report to the Board of Governors

PROPOSED BOARD ACTION

For Information Only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Not Applicable

BACKGROUND INFORMATION

The Chair, Ava Parker, will convene the meeting with opening remarks.

Supporting Documentation Included: None

Facilitators/Presenters: Chair Ava Parker

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**
June 23, 2011

SUBJECT: Approval of Minutes of Meeting held March 24, 2011; and Conference Call held May 18, 2011

PROPOSED BOARD ACTION

Approval of Minutes of the Meeting held March 24, 2011, at the Florida State University, Tallahassee; and Minutes of meeting held by telephone conference call May 18, 2011.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

N/A

BACKGROUND INFORMATION

Board members will review and approve the Minutes of Meeting held March 24, 2011, at Florida State University, Tallahassee; and Minutes of meeting held by telephone conference call May 18, 2011.

Supporting Documentation Included: Minutes: Board Meeting March 24, 2011;
Conference Call May 18, 2011

Facilitators/Presenters: Chair Ava Parker

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STATE UNIVERSITY SYSTEM OF FLORIDA
FLORIDA STATE UNIVERSITY
BALLROOM, ALUMNI CENTER
TALLAHASSEE, FLORIDA
MARCH 24, 2011

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MINUTES
BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
FLORIDA STATE UNIVERSITY
BALLROOM, ALUMNI CENTER
TALLAHASSEE, FLORIDA
MARCH 24, 2011

The Chair, Ava L. Parker, convened the meeting of the Board of Governors, State University System of Florida, in the Ballroom, Alumni Center, Florida State University, Tallahassee, Florida, March 24, 2011, at 10:30 a.m., with the following members present: Dean Colson, Vice Chair; Dick Beard; Ann Duncan; Charlie Edwards; Gallop Franklin; Pat Frost; Mori Hosseini; Dr. Stanley Marshall; Frank Martin; Tico Perez; John Rood; Commissioner Eric Smith; Gus Stavros; John Temple; Norman Tripp; and Dr. Rick Yost.

1. Call to Order and Opening Remarks

Ms. Parker extended sincere thanks to President Barron for hosting this Board meeting. She also thanked the FSU staff who had provided excellent support both before and during the meeting.

Ms. Parker noted that the day had begun very early with a meeting with Governor Scott. She said he had complimented the universities for their partnerships with the private sector. He had noted that he was interested in the universities' efforts with shared services and purchasing consortia. He said he was committed to making it easier for the universities to do their work and creating job opportunities in the state. He said he welcomed suggestions for ways to save money.

Ms. Parker said that Senate President Mike Haridopolos had also visited with the Board. She said he had spoken about the importance of higher education in Florida. He said the Senate was carefully reviewing the state budget to determine what was essential and what was not essential, and whether there were programs that had outlived their usefulness. He said he appreciated the Senate's partnership with the State University System.

Ms. Parker said that both Governor Scott and Senator Haridopolos had stayed and answered questions and heard comments from the Board members and the University Presidents. She said Speaker Cannon would also attend the Board meeting. She noted that this was the first time that all these State leaders had visited a meeting of the Board of Governors.

Ms. Parker extended congratulations to President Hitt and UCF which had recently been classified as a Research University with Very High Research Activity.

President Bense indicated that UWF was hoping to correct its re-classification, as the new category established measures and benchmarks which were not compatible for UWF.

Ms. Parker noted that earlier in the week, Commissioner Smith had advised the State Board of Education that he would resign as Commissioner in June, at the end of the school year. She thanked him for his service on this Board. She noted that the Commissioner had worked tirelessly to improve the readiness of students in the K-12 pipeline for post-secondary work and he had consistently reminded this Board that the SUS needed to be prepared for this huge enrollment "tidal wave." She read the following Resolution.

WHEREAS, the Honorable Eric Smith has provided dedicated service as a member of the Florida Board of Governors, during his term as Commissioner of Education, from December 2007, to June, 2011; and

WHEREAS, Commissioner Smith has been an effective member of this Board and has used his position to remind the Board of the increasing talent coming from the K-12 "pipeline," the result of a robust high school curriculum and continued emphasis on student achievement; and

WHEREAS, under Commissioner Smith, student achievement has increased, graduation rates have improved, and the achievement gap has narrowed; and as Commissioner, Florida was successful in competing for and winning "Race to the Top" funding; and

WHEREAS, during his tenure on the Board, and as a member of the new Higher Education Coordinating Council, Commissioner Smith has worked hard to build bridges among all the education sectors, creating a seamless system for students to navigate and to complete the degrees they seek; and

WHEREAS, to all his activities as Florida's Commissioner of Education, Eric Smith has brought his leadership and his steady advocacy that every child can learn and that every school must be accountable for the education it provides; now therefore

BE IT RESOLVED that the members of the Board of Governors, meeting on the campus of Florida State University, in Tallahassee, on this twenty-fourth day of March, 2011, do hereby commend Commissioner Smith for his contributions to the Board of Governors and to the State University System of Florida, and do wish him well; and

BE IT FURTHER RESOLVED that the resolution be presented to Commissioner Smith as a token of the Board's appreciation and thanks.

Commissioner Smith thanked the members of the Board. He said a huge transformation was occurring in Florida with a wave of students ready for college. He said it was essential to Florida's children to have a seamless education pipeline available from K-12 into higher education. He said it was also important to protect university relationships with state colleges which provided broad access to post-secondary education.

Ms. Parker also commended Gallop Franklin. She said he was definitely in the top tier of students in the System. She thanked him for his outstanding service on this Board and read the following Resolution.

WHEREAS, Gallop Franklin has provided dedicated service to the State of Florida as the representative of the Florida Student Association on the Board of Governors, State University System of Florida, from May 2010 to May 2011; and

WHEREAS, Mr. Franklin has been an effective member of this Board and has used his position to encourage discussion and interest in the issues affecting students in the State University System, and has been articulate in expressing the students' reservations to the universities' proposals for increases in tuition and fees; and

WHEREAS, as the student member of the Board of Governors, Mr. Franklin has displayed an understanding of the issues and the areas in which this Board can offer leadership and vision for all the universities in the System, and has reminded the Board of its responsibilities to the 321,503 students enrolled in Florida's public universities; and

WHEREAS, during his tenure on the Board, Mr. Franklin has worked effectively to bring the state university student body presidents to the table, embracing the System's legislative agenda, recognizing that there is strength in a unified student voice; and

WHEREAS, Mr. Franklin has now completed his service as the Chair of the Florida Student Association, and will now yield his seat on this Board to his successor; now therefore

BE IT RESOLVED that the members of the Board of Governors, meeting on the campus of Florida State University, in Tallahassee, on this twenty-fourth day of March, 2011, do hereby commend Gallop Franklin for his contributions to the Board of Governors and to the State University System of Florida, and do wish him well; and

BE IT FURTHER RESOLVED that the resolution be presented to Mr. Franklin as a token of the Board's appreciation and thanks.

Mr. Franklin thanked the members of the Board for this wonderful experience. He also thanked the members of the Florida Student Association for their support. He said they helped keep him organized and focused on the needs of the students in the University System.

2. Approval of Notes of the Meeting of the Board of Governors held January 18-19, 2011; Minutes of the Meeting of the Board of Governors held January 20, 2011; and Minutes of the Meeting of the Board of Governors held February 17, 2011, by telephone conference call

Mr. Perez moved that the Board approve the Notes of the Meeting of the Board of Governors held January 18-19, 2011; the Minutes of the Meeting of the Board of Governors held January 20, 2011; and the Minutes of the Meeting of the Board of Governors held February 17, 2011, by telephone conference call, as presented. Mr. Rood seconded the motion, and members of the Board concurred.

3. Chancellor's Report

Chancellor Brogan thanked President Barron and the staff at FSU for hosting this Board meeting. He said he was especially appreciative for all the behind-the-scenes work in preparing for Board meetings.

Chancellor Brogan also thanked Mr. Colson and the members of the Legislative Affairs Committee, as well as University Presidents, for the time they had spent in Tallahassee visiting Legislators. He noted that all 11 universities had been represented at the "Rally in Tally." He thanked FIU for making a bus-stop at FAU to pick up FAU students for the event.

Chancellor Brogan also thanked Mr. Franklin for his exceptional year of service to this Board. He noted that Mr. Franklin had the ability to see the big picture. He also commented on Commissioner Smith's resignation, noting that he and the Commissioner had regular opportunities to talk and to work together. He said the Commissioner had worked on a number of national initiatives with the goal of creating better prepared high school students and increasing the number of college-ready students in Florida. He thanked Commissioner Smith for his dedicated service.

Chancellor Brogan recognized Mr. Adam Geary, one of 13 Gubernatorial Fellows, who was spending this year working in the Department of Education. He said each of the Fellows spent one year working in a state agency. He noted that Mr. Geary was a UCF student and was observing the Board today. He added that Mr. Franklin was also a Gubernatorial Fellow who was working at the Agency for Health Care Administration.

Chancellor Brogan said the SUS was very concerned about the tsunami and nuclear tragedy in Japan. He said the System had been collecting information about SUS students and faculty who were in Japan. He said the Department of State had called for them to return home. He said there were 31 students and five faculty in Japan; he said he believed they had all returned. He said there were also 139 Japanese students in the SUS.

The Chancellor said he had spent an hour discussing Medicaid with the Governor. He said Florida had made an unparalleled commitment to medical students in the state. He said the state's medical schools received about \$100 million in federal matching funds. He said the medical schools provided the safety net of health care to Medicaid patients who otherwise had difficulty finding medical care providers. He noted that medical schools needed to be able to continue their fee for service models while they sought a federal waiver to allow supplemental payments under a fee per patient Medicaid system. He said he also continued the ongoing discussions regarding residency slots.

He reported that the Higher Education Coordinating Council continued to meet. He said all the education sector representatives were at the table and continued their conversations. He said they were now assembling an inventory of all the degrees being offered across the state.

4. Remarks, Representative Dean Cannon, Speaker of the House

Speaker Cannon thanked members of the Board for their work. He said he appreciated their work and was pleased with the vastly improved relationship of this Board and members of the Legislature. He said they were working on broader common goals. He said in working on its budget proposal, the House was reducing funding to some programs to protect or to enhance others. He said that education was one of the most important areas to be funded.

Speaker Cannon said the budget was particularly challenging as this Legislature was really the first to deal with the revenue losses. In previous years, Legislators had federal stimulus funds to fill in some of the gaps. He said they would look to Board members and the State University System to help solve some of the state's problems. He said they were funding people over things, and essentials over non-essentials. He said the House was contemplating a five percent increase in base tuition for university students and was also considering elevating the test scores for Bright Futures recipients.

Speaker Cannon said he was interested in suggestions from Board members. Mr. Edwards said the Facilities Committee had discussed waiving certain expenditure requirements to allow universities to reserve some portion of existing PECO maintenance appropriations for emergency repairs, to give the universities some additional flexibility.

Mr. Stavros explained that he had long been involved with university foundations. He said they had been very successful in raising funds with the programs which matched state funds to private funds. He said these matching programs were very appealing to donors. He said these funds were critical to building great universities, and he encouraged the Speaker to provide the matching funds.

Ms. Duncan said the Academic and Student Affairs Committee was working on a project to coordinate academic program offerings across the System. She said that from 2007 to 2009, 100 centers had been closed and numerous academic programs had been terminated. She said campus administrators were making tough decisions. She said they were trying to take a balanced and System approach to programs offered in multiple places. She noted that the System was actively working on achieving efficiencies across the System. Speaker Cannon said that in choosing the cuts, House members were studying the programs that provided real value.

Mr. Rood said he was impressed by how the universities were working together. He said Board members were evaluating the Board's relationship with the universities. He said the Board was looking at what the Legislature was requiring of the University System and how this contributed to the excellence of the System. He said Board members had also discussed whether there might be differences among universities in base and differential tuition. He said there might be opportunities for discussion. Speaker Cannon said the House was looking at the value of a university degree, and recognized that each university was unique. He said the House was also looking at issues of access and quality. He commented that there was room to raise tuition.

Mr. Hosseini said that his main interest was quality. He said the best ranking for an institution in the System was at 17th. He said his goal was to have at least one university ranked in the Top 10. He said he was confident this would bring jobs and prestige to the state. He said quality cost money. He noted that Florida ranked 48th among the states in the tuition it charged in-state students. He said that almost all of the students at UF paid nothing for tuition because of their Bright Futures scholarships. He noted that the Board was looking at ways to increase funding to the universities in order to make a multi-year commitment to the universities and allow them to plan more long-term.

Speaker Cannon said it would be useful for the universities to chart five to ten year plans, although the Legislature could only appropriate funds annually. He said this was a good subject for the Board to discuss with the universities.

Mr. Colson said that advancing a good engineering program to a great program was expensive. He said the universities would attain greatness with better state support. He noted that this Board should bring forward to the Legislature the plans which would help the universities achieve greatness. Mr. Beard suggested that with the Board's new Strategic Plan, the Legislature could buy into the long-term plans for the

universities. Speaker Cannon said it would be helpful for the universities to have rolling 10 year plans which could be adjusted annually.

Mr. Temple commented that he had always advocated for increasing tuition. He inquired whether the Legislature had considered adding a means test for the Bright Futures Scholarships. Speaker Cannon said the Legislature was looking at several possibilities regarding the Bright Futures program.

Mr. Tripp said he had voted against tuition increases last year. He said he was always concerned about students with financial need. He said he hoped universities would consider needs-based aid when they proposed tuition increases. He said it was time to consider the universities differently and that one-size tuition might no longer be valid. He said he was now willing to consider charging the tuition the market would bear, and he was confident the universities would price their tuition correctly. He noted that the state colleges were open and available to all students and he was confident the "2-plus-2" policy would never change. He said he wanted the whole University System to achieve greatness. Speaker Cannon cautioned that there needed to be a balance between raising tuition and maintaining access to higher education.

Chancellor Brogan said the Board was interested in developing a plan for how the System would look in the long term. He said over the course of the year, he would be working with this Board, with the State Board of Education and with the Higher Education Coordinating Council in developing the plan for Florida higher education for the next 25 years. He said the Legislature was a critical partner in this process.

5. Strategic Planning Committee: Discussion, The Board of Governors' State University System Strategic Plan

Ms. Parker said Board members had expressed an interest in having time for important discussions at Board meetings, and the development of the Consent Agenda would allow that opportunity. She said it was particularly important that all the Board members give guidance to the Strategic Planning Committee as it developed the framework for the Board's Strategic Plan.

Mr. Martin noted that the comments from the State's leadership emphasized the importance of planning. He said the plan should have a 20- to 25-year focus, with a five-year strategic action plan. He said the Board would complete this plan by December 2011. He said the Board needed to understand population trends and employment trends which would have an impact on the educational system. He said the Board also needed to understand key industries in Florida, both existing and emerging industries. He said the Board needed to consider the preparation of SUS students for work in a global economy. He said the Board should evaluate the impact of the medical schools on the System, and the impact of research. He said he hoped the Board would engage in this discussion in a pro-active way.

Dr. Minear said that in developing an updated Strategic Plan for the State University System the Board should consider the System's evolving mission in the 21st Century and its role in preparing for the knowledge economy. She said the focus of this discussion would be on educational attainment and the talent supply. Dr. Minear provided comparison information showing the earnings and tax payments of workers over the age of 25, by educational level, noting that the higher the educational attainment, the higher the earnings. She said the national goal for 2018 was to have 33 percent of the population with a bachelor's degree or higher. She noted that increased educational attainment benefited the individual, but also had societal and economic benefits. She said the System needed to produce baccalaureate degrees and higher for existing and emerging workforce needs. She said there would be increased student demand for the baccalaureate as more students complete high school ready for college, as more students complete A.A. degrees, and as more students seek to transfer into the SUS by other paths.

Dr. Minear said the Board also needed to consider the capacity and structure for the SUS to meet the needs for additional baccalaureate degrees. She explained some basic assumptions: maintain quality and continuous improvement even as volume increases; focus on closing the gaps in the supply of graduates for the high-demand areas of strategic emphasis; acknowledge the demographic changes in Florida's future workforce, and focus on closing the educational attainment gaps for students from traditionally underrepresented groups; and assume that a highly educated workforce will attract high-skill, high-wage jobs to the state and help position Florida to excel in an increasingly competitive knowledge-based economy.

Dr. Minear said that in 2008-09, Florida ranked forty-first out of the 50 states, with 12.3 percent bachelor degrees awarded per 1000 18 to 44 year olds. Two-thirds of these degrees were awarded by the SUS. She said that about 1,000 baccalaureates were awarded by the Florida College System; this number should grow to about 10,000 per year over time. She said that baccalaureate degree production in the SUS should grow to about 69,800 in the year 2019-20, based on the national average as currently projected. She noted that college completion was on the national agenda for numerous foundations, as well as with the Obama Administration. Based on national goals, Florida would have to increase its baccalaureate degree production by 64 percent to get to 87,400 degrees by 2019-20.

Dr. Minear also reviewed information detailing the more rigorous high school graduation requirements to be phased in by 2013. She noted that Florida's Race to the Top Goals would double the percent of ninth graders earning a year's worth of college credit by 2019. She also presented projections of SUS First Time in College students, and the percentage of graduates eight years after beginning college, and projections of SUS student progression for other students entering the universities in other ways. She noted that several states had begun programs targeting adults who had left school several credits short of completing the baccalaureate degree.

Dr. Minear also presented longer-term projections out to the year 2024-25 and the implications of these projections on building capacity to accommodate these numbers of students.

Mr. Martin said the Board had a number of decision points. The Board needed to determine the number of baccalaureate degrees to be awarded by the SUS, the numbers of master's and doctoral degrees, and the best structure for the System to achieve these goals. The Board should also consider the needs for technology and the policies that would encourage students to complete a degree.

Mr. Hosseini said he would hope students could graduate in four years or less by making maximum use of summer semesters. Chancellor Brogan said there might need to be changes in the way the System and the universities were organized. Mr. Hosseini inquired whether a mix of regular on-campus courses and e-learning courses would reduce the time needed to earn a degree and whether this might give the universities more capacity. Chancellor Brogan said the Board needed to look at the entire System for ways to maximize space, to benefit from e-learning, and to assure the efficiencies of the curriculum. He said he was unsure where all this would go, including effects on facilities funding.

Mr. Perez inquired about the goal of striving to reach the national average. He wondered why the System was not seeking to be in the top quartile, rather than chasing the national average. He said that quality metrics should also be in place, not just numerical targets. Mr. Martin said he viewed "average" as a benchmark. Commissioner Smith said that with the new high school standards, the Board of Education was projecting huge increases in the numbers of students scoring 3 or above on AP exams. He said he also anticipated increases in dual enrollment credits. He noted that more high school graduates were going into the state colleges. He commented that Florida was becoming a majority-minority state.

Mr. Colson commented that 64 percent might be too high a percentage for the SUS production of baccalaureate degrees. He said that number should perhaps be 50 percent. He said he would be interested to know what the universities wanted. Ms. Frost inquired how the 64 percent for the SUS related to the baccalaureates from the new state colleges.

Ms. Duncan said she was interested in building in the on-line component. She said she was also interested in cost-modeling. She said the Board had often heard that bigger was better, but perhaps it was also true that a mid-sized university might be more cost-effective. She said she was interested in attracting people to complete degrees who might already have over 90 credit hours.

Ms. Parker said she was inclined to retain the four-year experience. She said that the Board should not establish a three-year graduation goal, as there was value in the

four-year experience. President Saunders commented that students had multiple paths to complete degrees, noting that there were compressed five-year programs for combined baccalaureate-master's degrees. She said that some programs were extended by licensure requirements, e.g., physical therapists, occupational therapists. President Barron said universities also had to be concerned with students who "fell off the track." He noted that first-year retention had improved at FSU as a result of investments in mentoring and coaching students. He said this effort was to make sure students were taking advantage of the right opportunities and were not wasting their time in college.

Mr. Tripp said that if high school students were better prepared, then better students would be entering the Florida College System and earning the associate degrees. He said these students would then want to enter the SUS. He said he was concerned about the commitment of this Board to A.A. students who would be enrolling in the SUS. President Delaney noted that there were nine universities in the System who enrolled 50 to 75 percent of their students part-time who would not complete their degrees in a four-year timeframe.

Mr. Beard said he was interested to know the cost to double baccalaureate degree production in 20 years. Mr. Temple said he did not believe the state was growing, and the plan should be realistic about anticipated population growth. Mr. Franklin said he would want to know the industries planning to come to Florida and what students needed to be prepared to enter the new workforce.

Chancellor Brogan said the Higher Education Coordinating Council was working with workforce data to understand existing industries, evolving industries, and emerging industries. He said this information would be helpful as the Board discussed how to organize the State University System and how to push economic development.

Mr. Edwards said it was important that the System Strategic Plan include cost figures. He said the System could not produce all these new degrees without knowing the cost. He said the System might also need to look for new sources of funding, such as gambling.

President Rosenberg said the Board had identified cost figures for the production of additional baccalaureate, master's and doctoral degrees in the Strategic Plan adopted in 2005. He said that until the System knew where it wanted to go to educate Florida's students, it was difficult to know how to get there.

President Hitt said that if UCF encouraged students to carry a five-course load, the University could not accommodate them. He said each one of these policy decisions carried many nuances.

Mr. Rood said that he had reviewed strategic plans from other states, and that Ohio, Indiana, and Arizona had great plans. He said he envisioned a potential crisis looming in the demand for degrees. He said that if the state wanted to be competitive, the state needed to invest in higher education. Commissioner Smith noted that the state colleges were well beyond capacity; the universities should be prepared for a large influx of students.

Mr. Martin said he hoped to develop an outline for the Strategic Plan during the next month. He said he was encouraged about the end product.

6. Legislative Affairs Committee Report

Mr. Colson reported that the Legislative Session was in its third week. He thanked members of his Committee – Norm Tripp, Dick Beard, Ann Duncan, Gallop Franklin, and Mori Hosseini – for coming to Tallahassee and meeting with members of the Legislature. He said they were doing a great job. He noted that Board members were treated with respect in their meetings. He said the Board members were keenly aware of the discussions about Medicaid Reform and the impact on medical education. He said they were also focused on replacing the federal stimulus money in the Board Office budget. He said with Senators, they had been discussing \$20 million for facilities funding and scholarships targeting the STEM disciplines.

Mr. Colson noted that the House had proposed legislation to reduce the maximum salaries paid to presidents and administrators from state funds to \$200,000. He noted that the legislation would allow the university foundations to pay the salary difference, but that many of the foundations did not have sufficient funds to cover the salaries of all the administrators affected. He said the comparable legislation in the Senate prohibited the foundations from covering the difference. He said the proposed Senate budget for the Board Office eliminated the \$1.5 million in federal stimulus funding and included a further reduction of \$300,000, for a total reduction of 17 positions. He noted that the Senate proposed to leave the tuition differential at 15 percent.

Mr. Colson said that Senator Oelrich's bill, which included the Board's substantive legislative issues, had passed in the Senate. The House version, introduced by Rep. Larry Metz, included some portions of the Board's issues. He said he was pleased to report that SB 234 no longer included a provision that would allow carrying concealed weapons on campuses.

Mr. Colson noted that in their conversations with Legislators, Board members had provided information about the Chancellor's Office, noting that the SUS was the second largest System in the country, and had the smallest staff of any System Office. He said the Office had 53 authorized positions, of which only 45 were filled. He added that Chancellor Brogan was also the lowest paid System head in the country.

Mr. Tripp commented that he had also had good meetings with Legislators. He said when he asked if they wanted a "top 10" university, they had responded positively. He said his goal was to help Legislators see that the SUS was a great university system. He said he was very concerned with the proposed salary cap of \$200,000. He said this sent the wrong message about Florida. He said Board members were received by Legislators as speaking about the SUS, not about the Board.

Mr. Hosseini said it was the Board's job to take the universities forward. He said he hoped that at some point, the Board would be able to stop dealing with the "small stuff" and work on the bigger issues. He said the members needed to explain how they would get a university to the "top 10." He added that he felt Legislators were listening, and that Board members were having better success since the Governance Agreement which had been signed the previous year.

Ms. Parker agreed that there were numerous issues affecting the University System which were being considered by the Legislature. She encouraged members of the Board to continue visiting with Legislators. She said she would emphasize that the Board had the metrics in place to show the universities were accountable with their resources and were embarked on many innovative projects. She said she hoped that as university presidents and university trustees visited Legislators, that they would also discuss the needs of the System.

7. Budget and Finance Committee Report

- A. Notice of Intent to Promulgate Board Regulations: Regulation 9.001, Definitions; Regulation 9.002, Recording and Marking of Property; Regulation 9.003, Property Inventory; and Regulation 9.0031, Disposition of Property

Mr. Perez explained that currently, university property management followed state agency requirements developed by the Department of Financial Services, and established pursuant to Chapter 273, F.S. The statutes and rules were developed for state agencies using the state's accounting system. The universities now used their own enterprise resource planning systems; many of the specific rule requirements were inapplicable.

He said that the new regulations closely paralleled the existing rules, but included increased threshold limits. The regulations were also more streamlined. He noted that the regulations had been developed in conjunction with university staff.

Mr. Perez moved that the Board approve the Notice of Intent to Promulgate Board Regulations 9.001, Definitions; 9.002, Recording and

Marking of Property; 9.003, Property Inventory; and 9.0031, Disposition of Property; as presented, for publication on the Board of Governors web site, pursuant to the Board's regulation development procedure. Mr. Temple seconded the motion, and members of the Board concurred.

B. Notice of Intent to Amend Board Regulation 10.001, Self-Insurance Programs

Mr. Perez said Board Regulation 10.001, Self-Insurance Programs, was being amended to authorize a self insurance program for the FAU College of Medicine and to establish a self-insurance program council.

Mr. Perez moved that the Board approve the Notice of Intent to Amend Board Regulation 10.001, Self-Insurance Programs, as presented, for publication on the Board of Governors web site, pursuant to the Board's regulation development procedure. Mr. Temple seconded the motion, and members of the Board concurred.

C. 2012-13 Legislative Budget Request Guidelines

Mr. Perez said the agenda included the annual Legislative Budget Request Guidelines. He noted that the Board was approving these guidelines earlier than in past years so the universities would have this information as they prepared their annual work plans, which would be discussed at the Board's June meeting. He said the guidelines had no substantive changes.

Mr. Perez moved that the Board approve the 2012-2013 Legislative Budget Request guidelines for the operating and fixed capital outlay budget, as presented, and authorize the Chancellor to make technical adjustments based on the final 2011-2012 Legislative appropriations. Mr. Beard seconded the motion, and members of the Board concurred.

D. Auxiliary Facilities that have Bond Covenants requiring Approval of Estimated 2011-12 Operating Budgets

Mr. Perez said that certain auxiliary facility bond covenants required the Board to approve 2011-2012 operating budgets at least 90 days prior to the beginning of the fiscal year. He noted that this was a standard review and approval done each year. He said Board members had received information on an additional FIU auxiliary budget that was not included in the agenda. He said the universities had indicated sufficient revenues to meet the estimated level of operational expenditures and debt service payments for fiscal year 2011-2012.

Mr. Perez moved that the Board approve the estimated 2011-2012 operating budgets for auxiliary facilities that have bond covenants requiring Board approval, as presented. Mr. Temple seconded the motion, and members of the Board concurred.

E. Consideration of University Fee Proposals

Mr. Perez said that the Budget and Finance Committee had met at UCF on February 10, 2011, to review all the proposed fees. He said six universities had requested one new fee; one university had requested two new fees; one university had requested an increase to an existing fee that had a statutory cap. He said the Committee had made a recommendation on each fee proposal. He said that for background information, the Committee had asked for four year projections of tuition and fee collections. He said that all the universities proposed a 15 percent tuition differential increase for fall 2011 and all of them were proposing increases to existing fees. He commented that the proposed tuition differential and fee increase would add \$483 - \$631 for 30 credit hours; the new fees would add an additional \$30 - \$143 for 30 credit hours. He said that undergraduate tuition and fees had increased by \$1500, a 40 percent increase, since 2007-08. Mr. Perez noted that the national average for undergraduate tuition and fees was \$7605; Florida ranked 48th with an average undergraduate tuition and fees of \$4886.

Mr. Perez explained that Board Regulation 7.003 outlined the information to be submitted in university fee proposals. He said that revenue generated by these fees could not be transferred to an auxiliary enterprise or to a DSO and could not be used to secure debt. He said the boards of trustees were to review the fees every five years. He noted that decisions to decrease fees or to continue the fee were delegated to the trustees; requests for increases were required to be submitted to this Board. He said that if this Board denied a fee request, there was an appeals process with final consideration by a Board Committee, which included all Board of Governors Committee Chairs.

Mr. Perez said he would address each fee proposal individually. He said the Committee had been concerned about some of the fees, recognizing that approval of the fees would set a precedent going forward. He said the Committee had asked Ms. Shirley and Mr. Jones to meet with legislative staff to explore legislative intent.

Ms. Shirley said she and Mr. Jones had met with legislative leadership and staff for the House and Senate Higher Education Committees. Based upon these discussions and the language in the

statute, the new fee authority delegated to the Board is intended to apply to new services or activities that address a demonstrative student-based need. Pursuant to the statute, these fees cannot be transferred to an auxiliary or a DSO and cannot be used to secure debt. She noted that both UWF's proposed Student Life and Services Facility Fee and FGCU's proposed Recreation Fee were for services already covered by A & S or CITF fees. She said that given the language of the statute, she did not believe these were the type of fee proposals within the Board's delegated legislative authority. New fees cannot be used to secure debt, and the proposed FGCU fee would have permitted an increase in the University's bonding capacity.

1. University of South Florida

a. Global Experience Fee

Mr. Perez said the Committee had not supported this fee. He said the Committee had been concerned about a fee charged to all students from which only a small percentage of students would benefit. He said that since the Committee meeting, USF had withdrawn its request for this fee.

President Genshaft said she appreciated those who had supported the fee and understood the reason for the fee. She said that many business people had asked why students were not being trained in multi-cultural settings.

Mr. Hosseini said he agreed with President Genshaft about the value of an international experience. He said the world was getting smaller.

b. Green Fee

Mr. Perez said this Green Fee was a per credit hour fee not to exceed \$1 that would be charged to students on the Tampa and St. Petersburg Campuses this fall, with the other campuses having the option to charge the fee in later years. He noted that USF students had been advocating for this fee since 2008. He said there had been two non-binding student referenda that showed student support. He said the fee would be used to establish or improve the use of renewable energy technologies or energy efficiencies that lowered the university's greenhouse emissions. He reported that the Committee felt that this was a new initiative,

supported by the students, and that after three years the student government association would conduct another referendum to gauge students' interest in continuing the fee. He said the Committee had voted to approve the fee by a vote of three in favor and one opposed.

Mr. Perez moved that the Board approve the USF Green Fee, as presented. Ms. Duncan seconded the motion, and members of the Board concurred.

2. New College of Florida, Sustainability "Green" Fee

Mr. Perez said New College had also proposed a Green Fee of \$1 per credit hour. He noted that New College students had been advocating for this fee since 2007. He said there had been one non-binding student referendum that showed student support of 85 percent and a recent student survey that showed 73 percent support. The fee would be used to support initiatives that reduced campus greenhouse gas emissions. He reported that the Committee had felt this was a new initiative with significant student support. He said the Committee had voted in favor of this Green Fee by a vote of three in favor and two opposed.

Mr. Perez moved that the Board approve the New College Green Fee, as presented. Mr. Colson seconded the motion, and members of the Board concurred.

3. Florida Gulf Coast University, Recreation Fee

Mr. Perez said that since the Committee meeting, FGCU had withdrawn its request for the Recreation Fee.

4. University of West Florida

a. Student Life and Services Facility Fee

Mr. Perez said that since the Committee meeting, UWF had withdrawn its request for the Student Life and Services Facility Fee.

b. Orientation Fee

Mr. Perez said that UWF had brought forward a request to increase the Orientation Fee charged to new

students from \$35 to \$50. He said this fee had had a statutory cap of \$35 since the mid-1980s. He said this was a one-time fee charged to new students that covered a comprehensive orientation program designed to acclimate students and parents to UWF. He noted that the fee covered materials, supplies, staffing and other associated expenses. He commented that all these costs had increased over time. He said the proposed fee increase would assist the university in providing the appropriate orientation experience for new UWF students. He said the Committee had voted in favor of this fee by a vote of four in favor and one opposed.

Mr. Perez moved that the Board approve the UWF Orientation Fee, as presented. Ms. Duncan seconded the motion, and members of the Board concurred.

5. University of North Florida, Student Life and Services Fee

Mr. Perez said UNF had requested a Student Life and Services Fee of \$4.78 per credit hour. He said the Board's regulation stated that new fees that were required as a part of registration, and approved by this Board, could not exceed 10 percent of tuition. He said this fee was five percent of tuition. He explained that the fee would support transformational learning opportunities, activities that allowed students to engage in exceptional educational experiences, e.g., faculty-mentored student research; community-based learning projects.

Mr. Perez said that UNF hoped that this fee would help to improve their retention rates, particularly the transition from freshman to sophomore and sophomore to junior years, and six-year graduation rates. He said the Committee had been pleased to see that UNF was focusing this fee on retention and graduation rates. He said the Committee had voted to approve this fee by a vote of five in favor and none opposed.

Mr. Perez moved that the Board approve UNF's Student Life and Services Fee, as presented. Ms. Duncan seconded the motion, and members of the Board concurred.

6. Florida State University, Student Safety and Security Fee

Mr. Perez said that since the Committee meeting, FSU had withdrawn its request for a Student Safety and Security Fee.

7. Florida International University, Test Preparation Fee

Mr. Perez said FIU had requested a Test Preparation Fee that would initially be for students in the College of Law. He said this fee was not part of registration for a course, so it was not subject to the 10 percent limitation. He noted that students sitting for the Bar exam generally took a test preparation course. Instead of students working on their own to take the course and paying the vendor directly, he said that FIU believed that by working with vendors or a particular vendor, the vendor would offer the students a volume discount. He said FIU viewed this as a cost saving measure for students taking the test preparation course. He noted that FIU would not retain any of the fee. He said that at the time of the Committee meeting, FIU had not settled on a vendor or price. He said that the Committee had voted to approve the Test Preparation Fee by a vote of six in favor and none opposed.

Mr. Perez moved that the Board approve the FIU Test Preparation Fee, as presented. Mr. Hosseini seconded the motion.

Ms. Frost noted that students attending law schools in the SUS had an excellent pass rate on the Florida Bar exam. She inquired whether this fee would be a required fee or an optional fee. Provost Doug Wartzok said it would be a required fee, but there would be an option to waive the fee. He said that as a required fee, it could be included within the calculation for student financial aid. He said that a committee of students and faculty were evaluating vendors. Ms. Frost said she was concerned about the ability of a private vendor to deliver the product.

There were no further questions, and members of the Board concurred in the motion.

Mr. Perez thanked Mr. Jones and staff for their work in helping the Committee and the universities work through this process. He said it had been a lengthy process which had begun last summer with the development of the regulations.

Mr. Colson said he had attended the Committee meeting. He said he was concerned whether there was enough guidance about fees provided to the universities for them to determine whether a fee would or would not be approved. He suggested that there should be further information provided as to the use for a new fee. He said he would also be interested in what other states were doing with additional fees. He noted that unlike the differential fee, the universities had no obligation to set aside dollars for need-based aid. He said the Board should provide better guidance so that approval of a fee would be more predictable.

Mr. Tripp commented that members of the Legislature were happy with the Board's fee recommendations, and with the way in which the Board had handled this new responsibility. He said they felt the Board had come pretty close to what it should be doing in reviewing these new fee requests.

Ms. Parker also thanked Mr. Perez and members of the Budget and Finance Committee for their commitment of time to review these fee requests and their thoughtful consideration of each proposal.

8. Facilities Committee Report

- A. Amended 2011-2012 SUS Fixed Capital Outlay Legislative Budget Request, including PECO

Mr. Edwards moved that the Board approve the 2011-2012 SUS Fixed Capital Outlay Legislative Budget Request, as amended, and further, authorize the Chancellor to make technical changes as necessary. Mr. Beard seconded the motion, and members of the Board concurred.

- B. Resolution requesting the Division of Bond Finance of the State Board of Administration of Florida to Issue Revenue Bonds on behalf of the University of Central Florida to Finance the Construction of Student Residences and Related Improvements on the Campus, UCF

Mr. Edwards moved that the Board adopt the resolution approving the issuance of fixed rate bonds, by the Division of Bond Finance on behalf of the University of Central Florida, in an amount not to exceed \$55 million for the purpose of financing the construction of the Academic Village and Greek Park expansions, the addition of a central chiller plant for the University's Housing System, and other general capital improvements of the existing Housing System, all of which would be or were located on the University's main campus, as presented. He noted that Board staff and staff of the Division of Bond Finance had reviewed

the resolution and all supporting documentation. Based on that review, it appeared that the proposed financing was in compliance with Florida Statutes governing the issuance of university debt and the Board's debt management guidelines. Mr. Temple seconded the motion, and members of the Board concurred.

- C. Resolution requesting the Division of Bond Finance of the State Board of Administration of Florida to Issue Revenue Bonds on behalf of the University of Central Florida to Finance the Construction of a Parking Garage on the Campus, UCF

Mr. Edwards moved that the Board adopt the resolution approving the issuance of fixed rate parking facility revenue bonds, by the Division of Bond Finance on behalf of the University of Central Florida, in an amount not to exceed \$12 million for the purpose of financing Parking Garage VII on the main campus of the University of Central Florida, as presented. He noted that Board staff and staff of the Division of Bond Finance had reviewed the resolution and all supporting documentation. Based on that review, it appeared that the proposed financing was in compliance with Florida Statutes governing the issuance of university debt and the Board's debt management guidelines. Mr. Temple seconded the motion, and members of the Board concurred.

- D. Resolution approving the Issuance by the University of South Florida Financing Corporation of Debt to Finance Improvement and Renovation of the Existing Arena and Convocation Center Located on the Main Campus, USF

Mr. Edwards reported that the Facilities Committee had an extensive discussion of the proposed financing for the Sun-Dome project. He moved that the Board adopt the resolution approving the issuance of debt by the University of South Florida Financing Corporation in an amount not to exceed \$26,500,000 for the purpose of financing a major renovation of the USF Arena and Convocation Center, currently named the USF Sun-Dome, located on the Tampa campus of the University of South Florida, as presented, contingent on the USF Foundation setting aside \$20 million in a restricted account to guarantee principal and interest payments on the debt. He said the understanding was that the University of South Florida could return to the Board of Governors in the future if and when they had financial information which would support the reduction of the \$20 million set-aside. He noted that Board staff and staff of the Division of Bond Finance had reviewed the resolution and all supporting documentation. Based on that review, it appeared that the proposed financing was in compliance with Florida Statutes governing the

issuance of university debt, but did not comply with the Board's debt management guidelines. Mr. Colson seconded the motion.

Mr. Kinsley clarified that the Division of Bond Finance had reviewed the proposed financing, but had not provided a recommendation. Mr. Perez said he had voiced his concerns during the Committee meeting that the proposal had not been in compliance with the Board's regulation requiring an analysis from an Independent Financial Advisor.

Mr. Tripp said the Board should be cautious about proceeding to act on so many emergencies from USF. He said it was important that the universities follow the prescribed process, so that the universities were not treated differently. He said it was not difficult to find a Financial Advisor and this should have been a part of the presentation.

Members of the Board concurred in the motion, with Mr. Perez voting no.

E. Use of PECO Funds

Mr. Edwards said the Committee had also discussed PECO funding for emergency repairs and maintenance, as there were projections of no funding for new projects for 2011-12 and 2012-13. He said the Committee had recommended that the Board seek a waiver of the requirements of Section 216.301, F.S., for one year to provide additional time to expend fixed capital outlay appropriations; allow the reversion and re-appropriation of PECO funds to provide for maintenance needs; and provide authority for the Legislative Budget Commission to authorize fixed capital outlay appropriations for repair and maintenance of existing facilities. He moved that the Board authorize the Legislative Committee to seek action on these legislative changes this Session. Mr. Perez seconded the motion, and members of the Board concurred.

Mr. Edwards said the Committee had also discussed action the Board could take. He moved that the Board direct staff to review Board of Governors regulations to provide broader funding authority to effect emergency repairs. Mr. Temple seconded the motion, and members of the Board concurred.

9. Academic and Student Affairs Committee Report

Ms. Duncan said the Academic and Student Affairs Committee had held a Workshop on E-Learning the previous afternoon. She said it had been most

informative. She said she would continue working with the Distance Learning Consortium and the distance learning experts in the System to determine whether System policies were needed.

Ms. Duncan reported that Provost Wilcox and the Provosts continued to work on the academic coordination project. She said this was a huge undertaking, and this was the group most familiar with academic programs at all the universities. She said they were working hard to get this project done and had a deadline to report to the Board by May 23, 2011.

She reported that the Board had heard about veterans who were enrolled as students in the System and the services provided to them by the universities in March 2009. She noted that the numbers of veterans in the System were increasing. She said that USF had hosted a Best Practices Seminar and the Student Affairs Vice Presidents were continuing to work with their veteran students. She said they planned to implement a leadership scholarship program for them.

Mr. Franklin reported on the "Rally in Tally" which had been held Tuesday, March 22, 2011. He said all 11 student body presidents had met with Governor Scott that day. He noted that several student leaders were at this meeting, including Helena Ramirez, FIU; Mike Kilbride, UCF; Michael Long, New College; Oliver Pecham, New College; and Kimberly Diaz, FGCU. He said that Chancellor Brogan had spoken at the Rally. He noted that FSA would elect new officers on June 4, 2011. He noted that 10 of the 11 SUS institutions were now dues-paying members of FSA, and he hoped to keep moving its agenda forward.

Ms. Duncan thanked Mr. Franklin for his leadership of the FSA, and expressed the hope that FSA would soon include all 11 institutions.

A. Organizational Structure and Governance of the Florida Distance Learning Consortium

Ms. Duncan said the Florida Distance Learning Consortium organizational structure and governance plan was responsive to statutory language making the State Board of Education and the Board of Governors responsible for the Consortium. She said that the proposed plan had been crafted jointly by the higher education chancellors in conjunction with Consortium representatives. She said the plan had been approved by the State Board of Education on March 12, 2011.

Ms. Duncan moved that the Board approve the organizational structure and governance plan for the Florida Distance Learning Consortium, as presented. Dr. Yost seconded the motion, and members of the Board concurred.

B. Amended Board Regulation 7.005, Residency for Tuition Purposes

Ms. Duncan said the Board had approved the notice of the amendments to Regulation 7.005, Residency for Tuition Purposes, at the Board's meeting on January 20, 2011. The amendments were to conform the regulation to legislative changes, to streamline the regulation for purposes of clarity, and to differentiate between the process for initial residency determinations and the process for handling requests for residency reclassification. She said the comment period had now expired.

Ms. Duncan moved that the Board approve amended Board Regulation 7.005, Residency for Tuition Purposes, as presented. Mr. Franklin seconded the motion, and members of the Board concurred.

C. New Board Rule 72-1.001, Residency for Tuition Purposes

Ms. Duncan said the legislation which included the new residency requirements required that the Board proceed with rulemaking to adopt these changes. She said Board Rule 72-1.001, Residency for Tuition Purposes, had language identical to Board Regulation 7.005, Residency for Tuition Purposes. She said the proposed new rule had been through all the required steps in the rulemaking process, and was now before the Board for final approval.

Ms. Duncan moved that the Board adopt Board Rule 72-1.001, Residency for Tuition Purposes, as presented. Dr. Marshall seconded the motion, and members of the Board concurred.

D. Amended Board Regulation 8.011, Authorization of New Academic Degree Programs and Other Curricular Offerings

Ms. Duncan said the Board had approved the notice of the amendments to Regulation 8.011, Authorization of New Academic Degree Programs and Other Curricular Offerings, at the Board's meeting on January 20, 2011. The amendments were to conform the regulation to legislative changes, to clarify the roles of the universities and Board staff in the program approval process, and to strengthen language that supported the partnership between the State of Florida and the Office for Civil Rights. She said the regulation had also been reorganized to differentiate between academic degree programs and other curricular offerings. She said the comment period had now expired.

Ms. Duncan moved that the Board approve amended Board Regulation 8.011, Authorization of New Academic Degree Programs and

Other Curricular Offerings, as presented. Dr. Yost seconded the motion, and members of the Board concurred.

- E. Request for Limited Access, Exercise Science concentration/track, Bachelor of Health Science, UNF

Ms. Duncan said UNF had requested limited access status for the Exercise Science track within the B.S. in Health Science program because of limited faculty resources. She moved that the Board approve the request for Limited Access for the Bachelor of Health Science Concentration in Exercise Science at the University of North Florida, CIP 51.0000, as presented. Mr. Franklin seconded the motion, and members of the Board concurred.

- F. Request for Limited Access, B.S., Dietetics, FSU

Ms. Duncan said FSU had requested Limited Access status for the Bachelor of Science in Dietetics in order to align with required program accreditation student-faculty ratio standards, and because of limited faculty and instructional facilities.

Ms. Duncan moved that the Board approve the request for Limited Access status for the Bachelor of Science in Dietetics at Florida State University, CIP 51.3102, as presented. Dr. Marshall seconded the motion, and members of the Board concurred.

10. Concluding Remarks and Adjournment

Ms. Parker said the Board had a scheduled telephone conference call meeting on May 5, 2011. She said the Board meeting on June 22-23, 2011, would be at the University of South Florida, Tampa.

Having no further business, the Chair adjourned the meeting of the Board of Governors, State University System of Florida, at 2:35 p.m., March 24, 2011.

Ava L. Parker,
Chair

Mary-Anne Bestebreurtje,
Corporate Secretary

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STATE UNIVERSITY SYSTEM OF FLORIDA
BY TELEPHONE CONFERENCE CALL
TALLAHASSEE, FLORIDA
MAY 18, 2011

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MINUTES
BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
BY TELEPHONE CONFERENCE CALL
TALLAHASSEE, FLORIDA
MAY 18, 2011

The Chair, Ava L. Parker, convened the meeting of the Board of Governors by telephone conference call, from Tallahassee, at 9:00 a.m., May 18, 2011, with the following members present: Dean Colson, Vice Chair; Dick Beard; Ann Duncan; Charlie Edwards; Gallop Franklin; Patricia Frost; Mori Hosseini; Frank Martin; Tico Perez; John Rood; Gus Stavros; John Temple; Norm Tripp; and Dr. Rick Yost.

Ms. Parker thanked the members for their participation on the call. She said she appreciated the time they were giving to service on this Board. She said this Session had been very interesting. She extended sincere thanks to Vice Chair Dean Colson and the members of the Legislative Affairs Committee for their work and tireless advocacy to ensure that the State University System and the Board Office were treated fairly. She said that other members of the Board had also participated during Session with visits and numerous telephone calls. She said with the tough economic climate, the System came out pretty favorably. She also thanked Rick Maxey and his team of university lobbyists for their hard work. She thanked the lobbyists for making things happen for the System; she said this Session demonstrated the value of working together.

Ms. Parker said the Governor had now received the budget. She noted the reports that he was going over the budget carefully and considering vetoes. She said she was preparing a letter to the Governor emphasizing the importance of the allocations to the System. She said she had asked Chancellor Brogan to work with the Governor's Office to address the Governor's concerns.

She said the Board and the State University System had been given a lot of work with a variety of deadlines over the coming year. She said she was convinced she was working with the best university system board in the country and she thanked all for their commitment to this Board.

1. Chancellor's Report

Chancellor Brogan also thanked everyone for their hard work this Session. He said the Session had been fascinating. He expressed appreciation for the work of the Board's Legislative Committee under the leadership of Mr. Colson. He commented that the entire Board staff was engaged during the Session in responding to requests for information and preparing presentations for various legislative committees. He

thanked the staff for all the extra effort. He said many others were involved and advocating on behalf of the University System.

Chancellor Brogan said that advocating for the System's budget had been particularly challenging this year because of the loss of federal stimulus funds. He said he would continue to work with the Governor's Office and provide any needed information.

Chancellor Brogan reported that the Higher Education Coordinating Council continued to meet. Co-chairs Jon Moyle and Marshall Criser were keeping the Council on track. He noted that legislation passed this Session provided greater clarity to the duties of the Council.

Chancellor Brogan said this Board's strategic planning efforts would be strenuous for the remainder of 2011. He noted that the June Board meeting would be important as all the universities would be presenting annual work plans and proposals for tuition differential fees. He said the staff was also planning to hold orientation sessions for new trustees as a part of both the June and September Board meetings.

Chancellor Brogan noted that Commissioner Smith would soon be leaving office as Commissioner. He thanked the Commissioner for his service and for his expertise. He said the State Board planned to name a new Commissioner this summer. The Chancellor said earlier in the week, the State Board had elected Ms. Kathleen Shanahan as its Chair and Mr. Bobby Martinez as its Vice Chair.

Chancellor Brogan said this would also be Mr. Franklin's last Board meeting. He noted that Mr. Franklin was in Miami doing his clinical rotations for his pharmacy degree. He thanked him for his truly outstanding service as a member of this Board. He commented that he had been at the event recognizing the Gubernatorial Fellows which Mr. Franklin had not been able to attend. He said he had been pleased to speak with his mother and his grandparents about his remarkable achievements.

Mr. Franklin said serving on the Board had been a remarkable experience. He thanked everyone for helping him understand all the complexities of the University System.

2. Update, 2011 Legislative Session

Mr. Colson thanked the Chair for her leadership during the Session. He said the 60-day Session had been a challenge. He thanked the members of the Board who had also risen to the challenge. He noted that Mr. Hosseini and Mr. Tripp had been in Tallahassee constantly to meet and visit with Legislators. He thanked Senate President Mike Haridopolos and Speaker Cannon for their leadership and for their support of the State University System. He thanked Chancellor Brogan who had been at the Capitol

for days and hours on end. He said the System budget had included \$140 million in federal stimulus funds, which nobody had expected would be replaced. He said he was grateful for the proposed Appropriations Bill, which seemed to have a minimum negative impact on the universities. He said he was very thankful for the outcome of this Session. He said the SUS had achieved much of its proposed legislative agenda.

Mr. Tim Jones said the agenda materials included budget spreadsheets for the State University System, for the Board office and for PECO projects. He said the total 2011-12 SUS budget was \$3.48 billion. He said this was four percent less than the 2010-11 budget of \$3.62 billion, a difference of \$140 million. He commented that the \$140 million was primarily the loss of federal stimulus funds. He noted that if one compared the 2011-12 budget to the 2010-11 recurring budget, i.e., the budget less federal stimulus and other non-recurring funds, there was a 1.3 percent increase in the budget.

He noted that there was a \$67 million reduction for the Florida Retirement System. Employees would now be required to contribute three percent towards their retirement. Previously, the state contributed these funds, and the universities made these payments for the employees.

Mr. Jones explained that a \$152 million General Revenue base budget cut was offset by \$53.6 million in lottery money and other General Revenue, for a net reduction of \$98 million. He said the budget included Plant, Operation and Maintenance funds of \$19.9 million. He noted that there had been a late addition to this amount to cover additional facilities which would be opening this year. Chancellor Brogan commented that these additional dollars were an example of the coordinated lobbying effort.

Mr. Jones said the budget included continued phase-in funding of \$4.4 million for the UCF and FIU medical schools. He said the Legislature had assumed a base undergraduate tuition increase of eight percent, for \$42.3 million, and had also assumed a seven percent tuition differential increase, for \$35 million. He said the Legislature had also assumed an eight percent resident graduate/professional and an eight percent non-resident undergraduate increase, for \$34 million. He said the budget also included a reduction of \$1.5 million for the reduction in state support of salaries for presidents and administrators, and a reduction of \$1.2 million for the Florida Center for Library Automation.

Mr. Jones said the total Board Office budget was \$5.7 million, down 7.6 percent from the prior year. He noted that the office was losing one position and \$475,000.

Mr. Jones said a total of \$137 million was appropriated for PECO, of which \$26 million was for Utilities Infrastructure and \$13.8 million for Maintenance/Repair/Renovation/Remodeling.

Mr. Rick Maxey said the System had also had success with its substantive legislative agenda. He said the Senate had considered and confirmed 15 university trustees appointed by the Board of Governors. The Senate had not considered for confirmation one appointee at the University of North Florida and one appointee at Florida International University. The Senate had also confirmed 10 of the Governor's appointees.

Mr. Maxey said that, at present, up to \$225,000 in state funds could be used for presidents' salaries. He said this limit had been lowered to \$200,000. He noted that the provision now also applied to university administrators, but as to both presidents and administrators only for one year, until June 30, 2012. He said that a specific appropriation in the budget limited the state funded portion of the salary of any employee of the Board of Governors to no more than \$200,000, a limit that would expire June 30, 2012.

Mr. Maxey explained that on the issue of concurrency, the Board had sought to restore the funding source. He said the funding source had not been restored, and the Trust Fund had been eliminated. He said the Board had also sought several statutory changes to recognize the Board's regulation process in lieu of rulemaking as outlined in the Board's governance agreement. Eight of the ten recommended changes had been approved; two, relating to personnel and child care, were withheld pending further review.

Mr. Maxey said the Board had also sought legislation which would allow universities to require summer term attendance of students who had earned nine or more credits through accelerated mechanisms such as AP, IB and others. He said the bill containing that provision also authorized a pilot at UF which would admit students to an alternate academic year consisting of a spring and summer term. He noted that students who qualified for Bright Futures who were admitted to this pilot program could have their Bright Futures awards applied to their summer term attendance. He said at this time, the pilot was only for UF.

Mr. Maxey said that beginning July 1, 2011, the state match for facilities and operating challenge grant programs would be suspended. He said the program would resume once \$200 million of the eligible donations were matched. He noted that existing eligible donations would remain eligible for future match. He said the SUS would continue to talk about the importance of these programs.

Mr. Maxey said legislation passed which would authorize a university board of trustees to expend carry-forward balances from prior year operational appropriations on legislatively approved fixed capital outlay projects which had been authorized for the establishment of a new campus.

He said that a proposed Constitutional amendment giving the Governor the authority to appoint a student member of the Board of Governors had failed. This would have eliminated student involvement in this process as the current student member from the Florida Student Association was selected by the student members of the FSA. He said there had been legislation proposed which would have allowed guns on campus. He said the university police chiefs had been concerned about this bill and had come to committee meetings to explain their public safety concerns. The provision relating to university campuses had been removed.

Mr. Maxey said that legislation had passed providing more specificity to the work of the Higher Education Coordinating Council. The Council report, outlining its recommendations on a list of projects affecting higher education, was to be submitted to the Governor, the President of the Senate, the Speaker of the House, the Board of Governors and the State Board of Education by December 31, 2011.

Mr. Maxey said the universities had obtained additional fee flexibility. He said they would be allowed to use any unused portion of the 30 percent of tuition differential that had been set aside for need-based aid for other undergraduate purposes if the university had met all of the other tuition and fee needs of resident students who applied for and received a Pell grant. He said that legislation had passed to allow the SUS and the Florida College System to work on a joint library organization that would replace the Florida Center for Library Automation and the College Center for Library Automation. He said that the State Board of Education and the Board of Governors had been directed to identify utilization of higher education classroom facilities to accurately determine space needs. The report was to be submitted to the Governor, the Senate and the House by January 15, 2012.

Mr. Colson thanked Mr. Jones and Mr. Maxey for their reports. It said it was clear that the legislative leadership, in both the Senate and the House, were supportive of higher education. Mr. Stavros also commended all who had participated in advocating for the University System. He said he would continue to plead for support of the matching programs, as these were so critical to successful fund-raising.

Chancellor Brogan said he knew it was dangerous to single out individuals for thanks, as he would likely miss someone, but he thanked Senators Alexander, Lynn, Negron, Oelrich, and Thrasher, and Representatives Dorworth, Gibbons, Grimsley, Metz, O'Toole, Proctor, Stargel, and Weatherford, for their leadership and their support for higher education. He said they had been true champions during the Session.

Ms. Parker noted that the 2012 Session began in January. She said the Board would need to begin working early to prepare its System priorities and goals.

3. Final Approval, Board Regulations

Mr. Perez explained that currently, university property management followed state agency requirements developed by the Department of Financial Services, and established pursuant to Chapter 273, F.S. The statutes and rules were developed for state agencies using the state's accounting system. The universities now used their own enterprise resource planning systems; many of the specific rule requirements were inapplicable.

He said the new regulations closely paralleled the existing rules, but included increased threshold limits. The regulations were also more streamlined. He noted that the regulations had been developed in conjunction with university staff. He said these regulations had been approved for notice in March and there had been no comments during the comment period.

A. Board Regulation 9.001, Definitions

Mr. Perez moved that the Board approve Board Regulation 9.001, Definitions, as presented. Mr. Beard seconded the motion, and members of the Board concurred.

B. Board Regulation 9.002, Recording and Marking of Property

Mr. Perez moved that the Board approve Board Regulation 9.002, Recording and Marking of Property, as presented. Mr. Colson seconded the motion, and members of the Board concurred

C. Board Regulation 9.003, Property Inventory

Mr. Perez moved that the Board approve Board Regulation 9.003, Property Inventory, as presented. Mr. Colson seconded the motion, and members of the Board concurred.

D. Board Regulation 9.0031, Disposition of Property

Mr. Perez moved that the Board approve Board Regulation 9.0031, Disposition of Property, as presented. Mr. Beard seconded the motion, and members of the Board concurred.

Mr. Perez reported that the Budget Committee had reassembled the Fee Working Group to work through the fee process and to develop additional guidelines for the universities in presenting the next round of fee proposals for Committee and Board consideration.

4. Status Report, Audit and Compliance Committee, Approval of Audit Plan

Mr. Tripp reported that the Audit and Compliance Committee met on May 12, 2011, by conference call. He reported that the Board's Inspector General, Derry Harper, had presented the proposed Annual Audit Plan for Fiscal Year 2011-2012, a copy of which had been sent to all Board members. He said the Audit Committee had approved the Plan.

Mr. Tripp said that in accordance with law and the Committee's Charter, Mr. Harper was required to develop an annual audit plan for the review and approval of the Chancellor and the Board's Audit Committee. He said the proposed Annual Audit Plan had been developed from findings of a systematic risk assessment and review of the Board office's organizational units, including the Board Foundation. He said the staff had relied on other resources, including the Regulation Compliance Review database and responses to the Risk Assessment Questionnaire as well as Auditor General reports.

Mr. Tripp said that each auditable unit or activity had been ranked based upon a number of risk factors, including complexity and decentralization of operations; status of certain internal control elements such as policies and procedures or monitoring systems; and the financial impact. He said that based on the results of the risk assessment and additional input from the Chancellor and senior staff, the following audit priorities had been identified: Institutes and Centers; Ethics Climate; Tuition Differential/ Tuition and Fees Programs; and Board of Governors Foundation.

Mr. Tripp said the Board had delegated to the Audit Committee the duty to review and approve the annual audit plan. He said that Board action was not necessary, but that the Committee was presenting to the Board the proposed Annual Audit Plan for Fiscal Year 2011-12.

Ms. Parker thanked him for the report from the Audit Committee.

5. Status Report, Trustee Nominating Committee

Mr. Hosseini reported that the Trustee Nominating Committee had been working hard to fill the open positions on the 11 university boards of trustees. He noted that more than half of the appointments had been made in January. He said there were still positions to fill on the UF, UCF, UWF, UNF and FIU boards.

He said he had been pleased to work with Governor Scott and to share the applicants who had applied to fill Board of Governor vacancies. He said the Governor had been interested in these applicants. Mr. Hosseini said he intended to continue to share these files.

He said that because several new vacancies had occurred and several of the Board's applicants had been appointed to university boards by Governor Scott, the application period had been re-opened for trustee vacancies at UF, UCF, UNF and FIU. He noted that because there had been no changes to the applicant pool at UWF, he had asked the Board members who had the UWF applications to proceed with their reviews and interviews.

Mr. Hosseini explained that the Board's Application and Selection Procedure called for a 30-day application period. He said that notice of this application period had been posted on Monday, May 16, 2011. The 30-day period ended on June 15, 2011. He said he would ask the members of the Trustee Nominating Committee to review applications as they were submitted, to make decisions about interviews and to proceed with these interviews during the 30-day period, recognizing that there might be excellent candidates who submitted their applications on the last day of the application period. He said he hoped to complete Committee work and to bring recommendations to the full Board at the June meeting to fill all these trustee positions. He said he was aware that this was an ambitious schedule, but that he was committed to filling all these vacancies as soon as possible.

He said that Chair Parker and he had discussed an orientation schedule for these new trustees. He said he was recommending that all the new trustees, as well as the ones appointed by this Board for terms beginning January 2010, attend an orientation session, either at the June Board meeting at USF, or at the September Board meeting at FIU. He said that staff would be working on the agenda, and contacting all the trustees to advise them of this opportunity. He said this orientation was extremely important. He strongly urged all of the trustees appointed by this Board attend one of the two orientation sessions, which he believed to be critical to their successful service to their respective universities and to the State University System.

He thanked both Chair Parker and Vice Chair Colson for their leadership this Session and for their commitment to the State University System and to this Board. Ms. Parker thanked him for the work of this important Committee.

6. Closing Remarks and Adjournment

Ms. Parker advised the Board members that the June meeting would have a full agenda; the meetings would take full days both Wednesday, June 22, and Thursday, June 23, 2011. She said the universities would be presenting their work plans in 30 minute time slots on Wednesday. Board committees and the regular Board meeting would take place on Thursday. She suggested that the committees take care of some of their agendas by telephone conference calls prior to the meeting.

Mr. Edwards proposed that the Facilities Committee meet by telephone on Monday, June 20, 2011, or Tuesday, June 21, 2011. He said Mr. Kinsley would be

polling the Committee members for the most convenient time. He said the Committee had three bond proposals to review.

Chancellor Brogan said there had been a preparatory meeting of the Chair and Vice Chair of the Strategic Planning Committee in April to discuss the work of the Committee. He said he had suggested that it might be helpful to divide the universities among the members of the Board and assign each Board member a specific university with which to become familiar. He said this might facilitate the discussions of the university work plans.

Having no further business, the Chair adjourned the conference call meeting of the Board of Governors at 10:05 a.m., May 18, 2011.

Ava L. Parker, Chair

Mary-Anne Bestebreurtje,
Corporate Secretary

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011

SUBJECT: Chancellor's Report to the Board of Governors

PROPOSED BOARD ACTION

For Information Only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Not Applicable

BACKGROUND INFORMATION

Chancellor Frank Brogan will report on activities affecting the Board staff and the Board of Governors since the last meeting of the Board.

Supporting Documentation Included: None

Facilitators/Presenters: Chancellor Frank T. Brogan

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 20, 2011**

SUBJECT: A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance") to issue revenue bonds on behalf of the Florida International University to finance construction of a Student Residence Facility on the main campus of Florida International University

PROPOSED BOARD ACTION

Adoption of a resolution approving the issuance of fixed student residence facility revenue bonds, by the Division of Bond Finance on behalf of the Florida International University (the "University"), in an amount not to exceed \$47,500,00 (the "Bonds") for the purpose of financing a Student Residence Facility on the main campus of Florida International University ("the Project").

Staffs of the Board of Governors, State University System of Florida, and the Division of Bond Finance have reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and complies with the debt management guidelines adopted by the Board of Governors. Accordingly, staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines; Section 1010.62, Florida Statutes; and Article IX, Section 7(d), Florida Constitution

BACKGROUND INFORMATION

The University has submitted a proposal for financing and construction of an expansion of their student housing. The Project will be located in the central, southern area of the Modesto A. Maidique campus of the University. The Project will include approximately 620 beds and 300 parking spaces underneath the facility. The parking spaces at the facility will only be available to facility residents and will not be designated as part of the University's parking system. The project is Phase I of a two-phase project, of which Phase II will provide an additional 620 beds, in approximately

two years. The Project is consistent with the University's Campus Master Plan. The total Project cost is expected to be \$45 million.

The University's Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$47,500,000 of fixed rate tax-exempt revenue bonds to finance a portion of the construction of the Project, fund a debt service reserve fund, capitalized interest and pay costs of issuing the Bonds. The Bonds will mature thirty (30) years after issuance with level annual debt service payments.

The debt service payments will be funded from revenues generated from the operation of the University housing system, after payments of operation and maintenance costs. Operating revenues are generated primarily from housing fees, rental revenues, fines, special rental fees or other charges for housing services. The Bonds will be issued on parity with the outstanding Housing System Revenue Bonds, currently outstanding in the aggregate principal amount of \$74,910,000.

Projections provided by the University indicate that sufficient net revenues will be generated to pay debt service on the Bonds and the outstanding parity bonds.

The University's Board of Trustees approved the Project and the financing thereof at its March 15, 2011 meeting.

Supporting Documentation Included: Located Behind Facilities Committee Tab

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

June 20, 2011

SUBJECT: A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance") to issue revenue bonds on behalf of the Florida International University to finance construction of a Parking Garage on the main campus of Florida International University

PROPOSED BOARD ACTION

Adoption of a resolution approving the issuance of fixed rate parking facility revenue bonds, by the Division of Bond Finance on behalf of the Florida International University (the "University"), in an amount not to exceed \$33,500,000 (the "Bonds") for the purpose of financing Parking Garage VI on the main campus of Florida International University ("the Project").

Staffs of the Board of Governors, State University System of Florida, and the Division of Bond Finance have reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and complies with the debt management guidelines adopted by the Board of Governors. Accordingly, staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines; Section 1010.62, Florida Statutes; and Article IX, Section 7(d), Florida Constitution

BACKGROUND INFORMATION

The University has submitted a proposal for financing and construction of Parking Garage VI. The Project will be located on the southeast quadrant of the Modesto A. Maidique campus of FIU. The Project will contain approximately 2,000 parking spaces, bringing the total number of parking spaces on campus to approximately 17,000. The Project is consistent with the University's Campus Master Plan. The total Project cost is expected to be \$37 million.

The University's Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$33,500,000 of fixed rate parking facility revenue bonds to finance a portion of the construction of the Project, fund a debt service reserve fund, capitalized interest and pay costs of issuing the Bonds. The University also anticipates contributing \$9 million in Parking System cash reserves. The Bonds will mature thirty (30) years after issuance with level annual debt service payments.

The debt service payments will be funded from revenues generated from the operation of the University's Parking System, after payments for operation and maintenance costs. The primary source of revenues being used to pay debt service on the Bonds will be transportation access fees required to be paid by all students, faculty and staff parking decal sales, and fines. The Bonds will be issued on parity with the outstanding Parking Facility Revenue Bonds, currently outstanding in the aggregate principal amount of \$55,430,000.

Projections provided by the University indicate that sufficient net revenues will be generated by the transportation access fees, faculty and staff parking decal sales, fines, and other parking fees to pay debt service on the Bonds and the outstanding parity bonds. The transportation access fee was increased from an average of \$75.00 per semester for the 2009-10 academic year to an average of \$79.00 per semester for academic year 2010-11. The University plans fee increases in Fiscal Years 2012-13 and 2014-15. The planned Fiscal Year 2012-13 rate increase must be adopted prior to bond issuance to comply with bond document provisions for additional bond issuance. The University has represented their intention to take the necessary actions to ensure technical compliance. The university retains the ability to increase student fees, decal rates, fines, meter rates and other sources of revenue.

The University's Board of Trustees approved the Project and the financing thereof at its March 15, 2011 meeting.

Supporting Documentation Included: Located Behind Facilities Committee Tab

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 20, 2011**

SUBJECT: A Resolution of the Board of Governors Authorizing the Issuance by the University of Florida University Athletic Association of Bonds to Finance the Construction, Renovation and Equipping of various Capital Improvements to certain Athletic Facilities on the main campus of the University of Florida

PROPOSED BOARD ACTION

Adoption of a resolution approving the issuance of fixed or variable rate tax-exempt bonds, by the University of Florida University Athletic Association (the "Association"), in an amount not to exceed \$15,000,000 (the "Bonds") for the purpose of financing the construction, renovation and equipping of certain athletic facilities, including the west concourse of Ben Hill Griffin Stadium, the O'Connell Center 1st Floor, the O'Connell Center Gymnastics Studio, covering the tennis courts, renovating the softball batting cages and locker rooms and equipping a new scoreboard control and production room for football/basketball/baseball/softball, all of which will be or are located on the University of Florida's (the "University") main campus ("the Project").

Staffs of the Board of Governors, State University System of Florida and the Division of Bond Finance have reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and complies with the debt management guidelines adopted by the Board of Governors. Accordingly, staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines; Section 1010.62, Florida Statutes; and Article IX, Section 7(d), Florida Constitution

BACKGROUND INFORMATION

The University of Florida has submitted a proposal for financing the construction, renovation and equipping of certain athletic facilities on the main campus of the

University of Florida. The Project will include the renovation of the West Concourse of Ben Hill Griffin Stadium, the renovation of the O'Connell Center 1st Floor, (the renovation of the O'Connell Center Gymnastics Studio, covering the tennis courts, the renovation of the softball batting cages and locker rooms, and equipping a new scoreboard control and production room for football/basketball/baseball/softball. All portions of the Project will be located on the University's main campus. The total Project cost is expected to be \$14,850,000.

The Project is consistent with the University's Campus Master Plan.

The Association, a direct support organization of the University of Florida, proposes to issue up to \$15,000,000 of fixed or variable rate, tax-exempt bonds to finance the Project. The Bonds will mature twenty (20) years after issuance and are anticipated to be amortized on a level principal basis. There will not be a debt service reserve fund.

The Bonds are a general unsecured obligation of the Association payable from available revenues of the Association, including but not limited to, ticket sales, conference revenues, auxiliary sales, sponsorships and such other revenues that may be used, pursuant to Section 1010.62, Florida Statutes to pay and secure debt other than student athletic fees described in Section 1009.24(12), Florida Statutes. The Association revenues are derived from a variety of sources. Operating revenues include ticket sales and conference revenues, auxiliary sales, sponsorships, student athletic fees and other miscellaneous sources. Non-operating revenues are derived primarily from investment earnings and gifts. Student athletic fees are not available to pay debt service, but are available to pay other expenses of the Association. Projections provided by the University indicate growth in operating revenues and growth in non-operating revenues sufficient to pay debt service on the Bonds.

The Bonds will be issued on parity with previously issued bonds of the Association currently outstanding in an aggregate principal amount of approximately \$80 million, 60% of which have variable rates of interest. The Association has approximately twenty years of experience managing its variable rate debt portfolio and has historically generated positive debt service coverage, which is projected to continue based on reasonable assumptions as to revenue and expenditure growth. It appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and the Board of Governors Debt Management Guidelines.

The University Athletic Association Board of Directors, at a meeting June 15, 2011, and the University of Florida Board of Trustees, at its June 10, 2011 meeting, approved the Project and the financing thereof.

Supporting Documentation Included: Located Behind Facilities Committee Tab

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**
June 23, 2011

SUBJECT: New Board of Governors Regulation 6.012, Access to Certain Electronic Library Resources by Accelerated Secondary Students

PROPOSED COMMITTEE ACTION

Approve New Board of Governors Regulation 6.012, Access to Certain Electronic Library Resources by Accelerated Secondary Students

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7(c), Florida Constitution

BACKGROUND INFORMATION

New Board of Governors Regulation 6.012, Access to Certain Electronic Library Resources by Accelerated Secondary Students, is being proposed in response to s. 1007.27(1), F.S., which requires that accelerated high school students be given access to electronic materials licensed by the Florida Center for Library Automation (FCLA) and the College Center for Library Automation, FCLA's counterpart in the Florida College System. The corresponding State Board of Education rule was approved at its May 2011 meeting; the rule requires high schools to verify student eligibility and enter required information into the database to be used by university and college libraries. Proposed Board of Governors Regulation 6.012 requires FCLA to host the database.

Pursuant to the Board of Governors Regulation Development Procedure, Regulation 6.012 was posted on the Board's Web site for public comment after consideration of the proposed regulation by the Board at its meeting on November 4, 2010. The comment period has since expired, and Regulation 6.012 is submitted to the Board for approval.

Supporting Documentation Included: Regulation 6.012, Access to Certain Electronic Library Resources by Accelerated Secondary Students

6.012 Access to Certain Electronic Library Resources by Accelerated Secondary Students

(1) Public secondary school students enrolled in the articulated acceleration programs specified in section 1007.27, Florida Statutes, shall be eligible to use electronic library resources funded by the Florida Center for Library Automation (FCLA).

(2) FCLA shall host the Florida Library Access – Pass for Accelerated Secondary Students (FLA_PASS) webpage to allow public secondary schools to input required information, pursuant to State Board of Education Rule 6A-7.077.

Authority: Section 7(d), Art. IX, Fla. Const.; History: New XX-XX-11

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 6.010
Student Affairs Administration

PROPOSED COMMITTEE ACTION

Consider approval of the public notice of intent to amend Board of Governors Regulation 6.010 Student Affairs Administration.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Section 7(d), Art. IX, Florida Constitution

BACKGROUND INFORMATION

An amendment is being proposed to Board of Governors Regulation 6.010 to ensure compliance with a new federal regulation in **§668.43 Institutional Information**. Effective July 1, 2011, institutions of higher education must provide students or prospective students with contact information for filing complaints with the university's accrediting agency and with the Board of Governors. This proposed amendment ensures compliance with this stipulation.

In drafting this regulation, Board staff solicited input from the university general counsels, members of the Council of Academic Vice Presidents, members of the Council of Student Affairs, state university points of contact, and other state university staff. Pursuant to the regulation procedure adopted by the Board at its meeting on March 23, 2006, the Board is required to provide public notice by publication on its Internet Web site at least 30 days before adoption of the proposed regulation.

Supporting Documentation Included: Provided under Committee tab

Facilitators/Presenters: Governor Ann Duncan

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 6.017 -
Criteria for Awarding the Baccalaureate Degree

PROPOSED COMMITTEE ACTION

Consider approval of the public notice of intent to amend Board of Governors
Regulation 6.017 - Criteria for Awarding the Baccalaureate Degree

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Section 7(d), Art. IX, Florida Constitution

BACKGROUND INFORMATION

An amendment is being proposed to Board of Governors Regulation 6.017 that will align with action taken by the 2011 Florida Legislature in Section 8 of CS/HB 7151, which deleted the requirement that undergraduate students achieve certain minimum scores on a nationally standardized examination or a grade point average in specified postsecondary coursework prior to graduation.

The elimination of this particular requirement does not remove the statutory expectation that there will be certain "college-level communication and mathematics skills associated with successful student performance through the baccalaureate level" (Section 15 of CS/HB 7151). Additionally, Section 16 requires the State Board of Education, in conjunction with the Board of Governors, to establish an articulation accountability process that will address the "relationship between student attainment of college-level academic skills and articulation to the upper division in public postsecondary institutions." Recommendations regarding these requirements will be provided to the Board at a future meeting.

In drafting amendments to the regulation, Board staff solicited input from the university general counsels, university provosts, members of the Council of Student Affairs, state university points of contact, and other university staff. Pursuant to the regulation procedure adopted by the Board at its meeting on March 23, 2006, the Board is required to provide public notice by publication on its Internet Web site at least 30 days before adoption of the proposed regulation.

Supporting Documentation Included: Provided under Committee tab

Facilitators/Presenters: Governor Ann Duncan

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011

SUBJECT: State University System Strategic Plan

PROPOSED BOARD ACTION

Endorse the Proposed Outline for the *2012-2025 State University System Strategic Plan – Phase I*.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Section 7(d), Art. IX, Florida Constitution

BACKGROUND INFORMATION

At their meeting in Tallahassee on March 24, 2011, members of the Board of Governors began to discuss topics that they thought needed to be included in an update to the *2005-2013 State University System Strategic Plan*. Subsequent to that meeting, Board staff continued to work with the Board Chair, as well as with the Chair and Vice Chair of the Strategic Planning Committee, to further clarify strategic planning priorities and to identify potential information to include in a written plan.

A proposal emerged to approach the development and implementation of an updated strategic plan in three phases, even as the Board members simultaneously continue to discuss ways and develop policies to organize and expand the System to help address the student access and economic development needs of the State. The first phase would include the development and publication of a vision and overarching goals for the System in the next ten to fifteen years. The second phase would involve developing implementation strategies and initiatives to achieve the identified goals, as well as identifying key indicators against which progress would be assessed. The third (and overlapping) phase would be the actual implementation of those strategies and initiatives, including the monitoring of progress on key indicators.

During their conference call on June 6, 2011, members of the Strategic Planning Committee reviewed a draft outline for Phase I of the Strategic Plan and provided staff with feedback regarding topics that should be included in the initial vision and goals document. Two specific items in the draft outline were discussed in greater detail:

First, in an effort to fulfill its constitutional responsibility, the Board of Governors is advancing efforts to organize and coordinate academic programming in the State University System to ensure its well-planned operation and to avoid any “wasteful duplication.” The question was raised as to whether the Board should include in its Strategic Plan a list of academic degree programs that the Board would approve for exploration in the System (for instance, in the next five years). Such a list would be informed by and would inform the development of individual institutional strategic plans, which, pursuant to subsection (3)(c) of Board of Governors Regulation 1.001 (University Boards of Trustees Powers and Duties), must be approved by the Board. It was suggested that, if the Board chose to develop such a multi-year strategic planning list, the Board could make necessary adjustments to the list to accommodate unique opportunities and identified needs during the Board’s annual review of updates to University Work Plans.

Second, the Chancellor proposed that a series of *New Florida* Strategy Teams be convened to recommend strategies and initiatives to achieve goals identified in the Strategic Plan.

At this meeting, the Strategic Planning Committee will present the proposed outline for the *2012-2025 State University System Strategic Plan - Phase I* to the full Board of Governors. Additionally, the Committee will make a recommendation to the Board whether to recommend that the Board include in its Strategic Plan a list of academic degree programs which the Board would approve for exploration in the System (for instance, in the next five years).

Based on the Board’s guidance, staff will continue to collect and synthesize information about critical contextual factors that will inform the choice of final strategic goals, and will work with the Committee Chair and Vice Chair of the Strategic Planning Committee to draft goals for the Board’s consideration. Additionally, if the Board chooses to develop a multi-year academic strategic planning list, staff will work with the Strategic Planning Committee to propose a process for helping the Board determine which programs would be placed on such a list.

Supporting Documentation Included: Draft Outline for State University System Strategic Plan 2012-2025 - Phase I: Vision and Overarching Goals (included in Strategic Planning Committee Materials)

Facilitators/Presenters: Governor John Rood

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 8.002 -
Continuing Education

PROPOSED BOARD ACTION

Approve Public Notice of Intent to Amend Board of Governors Regulation 8.002 -
Continuing Education

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Section 7(d), Art. IX, Florida Constitution

BACKGROUND INFORMATION

Board of Governors Regulation 8.002, Continuing Education was promulgated in parts from 1970 through 1993 under the governance of the Board of Regents (BOR). As the nature of continuing education continued to change after 1993, and as the governance structure of the State University System changed in subsequent years, the BOR rule was not updated and some of its provisions have become obsolete. This situation has caused some confusion with regard to authority for administering continuing education.

The proposed amendment eliminates the obsolete provisions and puts into place clear guidelines for administering and reporting continuing education activity within the State University System.

In drafting this regulation, Board staff solicited input from the university general counsels, members of the Council of Academic Vice Presidents, academic contacts, and other state university staff. Pursuant to the regulation procedure adopted by the Board at its meeting on March 23, 2006, the Board is required to provide public notice by publication on its Internet Web site at least 30 days before adoption of the proposed regulation.

Supporting Documentation Included: Provided under Committee tab

Facilitators/Presenters: Governor John Rood
Richard Stevens

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011**

SUBJECT: Public Notice of Intent to Promulgate Board of Governors Regulation
8.004 - Academic Program Coordination

PROPOSED BOARD ACTION

Approve Public Notice of Intent to Promulgate Board of Governors Regulation 8.004 -
Academic Program Coordination

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Section 7(d), Art. IX, Florida Constitution

BACKGROUND INFORMATION

Over the past several months, the Board and its Committees have had discussions focusing on better organizing and coordinating efforts within the System. In order to facilitate collaboration, articulation, and coordination of program delivery across the System, this proposed regulation:

- Requires a cyclical review of current academic programs at all levels, as well as those planned for addition or termination;
- Establishes economic development regions, designating each university, or team of universities, as having lead responsibility for working with their community partners to identify specific unmet higher education needs and student demand in their regions, and to coordinate any viable options to offer the needed academic programs in a cost-effective manner. The regions reflect those established by Enterprise Florida; and
- Provides a process for all universities to use when they wish to go into other regions to meet identified needs. The process is established to ensure communication and coordination of academic program offerings across the state.

In drafting this regulation, Board staff solicited input from the university general counsels, members of the Council of Academic Vice Presidents, and university academic contacts. Pursuant to the regulation procedure adopted by the Board at its meeting on March 23, 2006, the Board is required to provide public notice by

publication on its Internet Web site at least 30 days before adoption of the proposed regulation.

Supporting Documentation Included: Provided under Committee tab

Facilitators/Presenters: Governor John Rood
Nancy McKee, Richard Stevens

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011**

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 8.009 -
Educational Sites

PROPOSED BOARD ACTION

Approve Public Notice of Intent to Amend Board of Governors Regulation 8.009 -
Educational Sites

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Section 7(d), Art. IX, Florida Constitution

BACKGROUND INFORMATION

At its June 2010 meeting, the Strategic Planning Committee approved a set of principles to guide the development of State University System policies related to educational sites. The Board's current policies regarding educational sites are assumed to be reflected in Board Regulation 8.009, Definition and Process for Establishing Educational Sites. However, this regulation was initially a rule of the former Board of Regents and, as such, does not reflect the new governance structure of the State University System and does not delineate the planning and approval processes the Board expects of itself and the individual university boards of trustees.

The proposed updates to the regulation address identified gaps by:

- Establishing an updated typology for system structure planning and data reporting;
- Providing a role for the boards of trustees;
- Clarifying approval processes;
- Requiring Board approval prior to branch campuses seeking separate accreditation;
- Providing flexibility for universities to offer lower-level courses on branch campuses, while respecting the partnerships with institutions in the Florida College System.

In drafting this regulation, Board staff solicited input from the university general counsels, members of the Council of Academic Vice Presidents, academic contacts, and other state university staff. Pursuant to the regulation procedure adopted by the Board at its meeting on March 23, 2006, the Board is required to provide public notice by publication on its Internet Web site at least 30 days before adoption of the proposed regulation.

Supporting Documentation Included: Provided under Committee tab

Facilitators/Presenters: Governor John Rood
Nancy McKee, Richard Stevens

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**
June 23, 2011

SUBJECT: Appointment of University Trustees: FIU, UCF, UF, UNF, UWF

PROPOSED BOARD ACTION

Appointment of University Trustees: FIU, UCF, UF, UNF, UWF.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7 (c), Florida Constitution; Board of Governors Trustee Selection and Reappointment Process.

BACKGROUND INFORMATION

The Trustee Nominating Committee began the process of filling university trustee vacancies in the fall of 2010. A number of appointments were made in January 2011. The Committee has continued its work and reviewed applications of candidates being considered for appointment to university boards for FIU, UCF, UF, UNF, and UWF. The Committee members screened applications and are recommending individuals to the Board to fill trustee vacancies at five universities.

Supporting Documentation Included:

Facilitators/Presenters: Chair Mori Hosseini

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011

SUBJECT: Approval of amendment to Regulation 10.001 - Self-Insurance Programs

PROPOSED BOARD ACTION

Approval of amendment to Regulation 10.001 relating to Self-Insurance Programs

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

An amendment to Board of Governors' Regulation 10.001 was approved for public notice at the March 2011 meeting. The amendment provides for the establishment of the Florida Atlantic University College of Medicine Self-Insurance Program and the creation of the FAU College of Medicine Self-Insurance Program Council which will be responsible for administering the program.

Pursuant to the Board's Regulation Development Procedure, the amendment to Regulation 10.001 was posted on the Board's website for public comment. No public comments were received and Regulation 10.001, as amended, is submitted to the Board for approval.

Supporting Documentation Included: Regulation 10.001

10.001 Self-Insurance Programs.

(1) (a) The University of Florida J. Hillis Miller Health Center Self-Insurance Program, the University of South Florida Health Sciences Center Self-Insurance Program, Florida State University College of Medicine Self-Insurance Program, the University of Central Florida College of Medicine Self-Insurance Program, and the Florida International University College of Medicine Self-Insurance Program, and the Florida Atlantic University College of Medicine Self-Insurance Program are established for the purpose of providing comprehensive general liability protection, including professional liability protection, for the Board of Governors, the University of Florida Board of Trustees, the University of South Florida Board of Trustees, the Florida State University Board of Trustees, the University of Central Florida Board of Trustees, the Florida International University Board of Trustees, the Florida Atlantic University Board of Trustees, and other persons and entities as provided by law and as authorized by the Board of Governors, the University Boards of Trustees or the Self-Insurance Programs Councils. The Self-Insurance Programs shall be funded by contributions paid by or on behalf of protected persons and entities. There shall be no funds appropriated to a Self-Insurance Program. The assets of the Self-Insurance Programs shall be deposited outside the State Treasury and shall be used only to pay the administrative expenses of the Self-Insurance Program and any claim, judgment, or claims bill arising out of the activities for which the Self-Insurance Program was created.

(b) The Self-Insurance Programs may not sue or be sued. The claims files of the Self-Insurance Program are the property of the Board of Governors and are privileged and confidential, exempt from the provisions of Section 119.07(1) Florida Statutes, and are only for the use of the Program in fulfilling its claims, underwriting, loss prevention and risk management duties which are separate and distinct from any risk management duties imposed on Self-Insurance Program participants by statute, rule or regulation.

(c) The Self-Insurance Programs shall be administered by the following Councils.

1. The J. Hillis Miller Health Center Self-Insurance Program shall be administered by the J. Hillis Miller Center Self-Insurance Program Council. The Council shall consist of the following officers of UF: Senior Vice President for Health Affairs, who shall serve as Chair; the Senior Associate Dean and Associate Vice President for Health Affairs, who shall serve as Vice Chair; the Vice President for Administrative Affairs; the Dean, College of Medicine; the Dean, College of Dentistry; two Gainesville based members of the faculty of the College of Medicine appointed by the Dean, College of Medicine and two Jacksonville based faculty of the College of Medicine, appointed by the Associate Vice President or Health Affairs/Jacksonville; the University of Florida Vice President and General Counsel; and the Self-Insurance Program Director; and such other persons as from time to time may be appointed to the Council by the Senior Vice President for Health Affairs or the President of UF; and if Shands Teaching Hospital and Clinics, Inc. (Shands Hospital), participates in the Self-Insurance Program: the Chief Executive Officer and one appointee of the Chief Executive Officer; and if Shands Jacksonville Medical Center, Inc. participates in the Self-Insurance Program: the Chief Executive Officer and one appointee of the Chief Executive Officer ~~the Senior VP and General Counsel and three members of the administrative staff of Shands Hospital to be appointed by the Chief Executive Officer, one of whom must be from the Jacksonville campus;~~

2. The USF Health Sciences Center Self-Insurance Program shall be administered by the USF Health Sciences Center Self-Insurance Program Council. The Council shall consist of the following officers of USF: Vice President for Health Sciences, who shall serve as Chair; two officers of the USF Health Sciences Center as designated by the Vice President for Health Sciences; four members of the faculty of the College of Medicine appointed by the Vice President for Health Sciences; the USF General Counsel or his/her designee; the Self-Insurance Program Director; and such other persons as from time to time may be

appointed to the Council by the Vice President for Health Sciences or the President for USF; and if the H. Lee Moffitt Cancer Center and Research Institute, Inc. participates in the Self- Insurance Program, the Center Director (or his/her designee); and

3. The FSU College of Medicine Self-insurance Program shall be administered by The Florida State University College of Medicine Self-Insurance Program Council. The Council shall consist of the following officers of FSU: Dean of the College of Medicine, who shall serve as Chair; Associate Dean for Academic Affairs of the College of Medicine; Director of Community Clinical Relations of the College of Medicine; the FSU General Counsel or designee; and such other persons as from time to time may be appointed to the Council by the Dean of the College of Medicine.

4. The UCF College of Medicine Self-Insurance Program shall be administered by the UCF College of Medicine Self-Insurance Program Council. The Council shall consist of the following: Dean of the College of Medicine, who shall serve as Chair; one appointee of the Chair of the UCF Board of Trustees; one appointee of the President; the Provost or designee; the UCF Vice President for Administration and Finance or designee; the College of Medicine Associate Dean for Administration and Finance; two or more College of Medicine clinical faculty appointed by the Dean; the UCF General Counsel or designee; the Self-Insurance Program Administrator; and such other persons as from time to time may be appointed by the Chair of the Board of Trustees or the President of UCF.

5. The FIU College of Medicine Self-Insurance Program shall be administered by the FIU Self-Insurance Program Council. The Council shall consist of the following officers of FIU: Senior Vice President for Medical Affairs and Dean of the College of Medicine; Executive Associate Dean for Clinical Affairs of the College of Medicine; Executive Associate Dean of Finance and Administration of the College of Medicine; four faculty members appointed by the Dean of the College of Medicine; the General Counsel or his or her designee; and the Self-Insurance Program Administrator; and such other persons as from time to time may be appointed to the Council by the Senior Vice President of Medical Affairs or by the President of FIU.

6. The FAU College of Medicine Self-Insurance Program shall be administered by the FAU College of Medicine Self-Insurance Program Council. The Council shall consist of the following officers of FAU: Dean of the College of Medicine, who shall serve as the Chair; two faculty members from the College of Medicine, appointed by the Dean of the College of Medicine; the Self-Insurance Program Administrator; the Provost or designee; the General Counsel or designee; the Dean of the College of Nursing or designee; the Director of Student Health Services or designee; the Chief Financial Officer or designee; and such other persons as from time to time may be appointed to the Council by the Dean of the College of Medicine or by the President of FAU.

(d) The power and duties of each council shall be:

1. To administer the Self-Insurance Program in accordance with the laws of Florida, and the regulations of the Board of Governors;

2. To develop and implement a financial expenditure policy that recognizes the unique mission, duties, obligations and fiscal responsibilities of the Self- Insurance Program. The Council's financial responsibility policies shall ensure fiscal responsibility and accountability and, to the maximum extent possible, be consistent with recognized practices of the insurance industry;

3. To propose and submit an annual budget for the Self-Insurance Program through the University Board of Trustees to the Board of Governors;

4. To develop and implement a Memorandum of Protection which shall constitute the Self-Insurance Program's coverage document. The Memorandum of Protection shall contain the coverage insuring agreements, exclusions, and other conditions applicable to persons and entities protected and shall be part of this regulation by reference. The Council may extend by resolution the protections described in the Memorandum of Protection to persons and entities as authorized by statute and establish the levels of liability protections extended to such persons and entities;
5. To contract with an independent casualty actuary to establish funding requirements necessary to maintain the fiscal integrity of the Self-Insurance Program;
6. To appoint the Self-Insurance Program Director who shall carry out the policies and directives of the Council;
7. To receive from the University such administrative and logistical support as the Council may reasonably request and to reimburse the University for the cost of such support;
8. To contract with professional consultants, including attorneys-at-law to represent the persons and entities protected by the Self-Insurance Program and perform services which further the interests of the Self-Insurance Program;
9. To establish committees and designate persons as necessary to assist in the performance of its duties, and authorize such committees or persons to act for and on behalf of the Council. In addition to any other committees it may elect to establish, the Council shall establish as a standing committee or committees to conduct investigations and the settlement and defense of claims and actions against protected entities and individuals and to identify risk factors which cause or contribute to such claims and suits and develop and implement risk management programs to reduce or eliminate those risk factors. ~~The Council and such committee or committees shall conduct reviews pursuant to the provisions of Section 766.106, Florida Statutes, and shall be deemed a medical review committee or committees as defined in Section 766.101, Florida Statutes;~~
10. To participate in internal, local, regional, national and/or internal risk management and loss prevention research programs and to develop risk management and loss prevention programs for use by both protected and non-protected entities under such terms, conditions and reimbursement rates as the Councils may deem appropriate;
11. To purchase excess insurance on behalf of persons and entities protected by the Self-Insurance Program for claims which exceed the level of protection provided by the Self-Insurance Program, including claims bills, to award compensation in amounts which exceed the protection provided by the Self-Insurance Program or by commercial insurance; to assist entities not described in Section 768.28, Florida Statutes, which are authorized and approved as allowed by Florida laws to be protected by the Self-Insurance Program, in the procurement of insurance for losses which exceed the levels of protection provided by the Self-Insurance Program as established by the Council, but the Council is not authorized to purchase such insurance with Self-Insurance Program assets;
12. To participate in other self-insuring mechanisms such as Risk Retention Groups or group captive insurance companies, independently or in association with other compatible entities subject to the approval of the Board;
13. To establish an investment policy consistent with Section 215.47, Florida Statutes, which shall be approved by the Board of Governors, and to maintain an investment account which shall optimize income for the support of the Self-Insurance Program as established by a casualty actuary be used to

defray the annual contributions paid into the Program by the entities and persons protected by the Self-Insurance Program;

14. To submit to the Board of Governors for its review an annual post-audit of the Self-Insurance Program's financial accounts conducted by an independent certified public accountant. The annual audit report shall include a management letter and shall be submitted to the Board of Governors for review. Upon request of the Board of Governors the Self-Insurance Program Council or its independent auditor shall provide any detail or supplemental data relative to the operations of the Self-Insurance Program; and

15. To contract with other Self-Insurance Program Councils for the provision of liability protection and administrative, risk management, claims and other related services.

(2) Captive Insurance Companies.

(a) The Council defined in (1)(c)1. is authorized to establish as part of the Board of Governors' Self-Insurance Program a captive insurance company to be named the University of Florida Healthcare Education Insurance Company (HEIC) and the Council defined (1)(c)2. is authorized to establish a captive insurance company to be named the University of South Florida Health Sciences Insurance Company (HSIC). Each captive (HEIC and HSIC) shall be wholly owned by the Board of Governors and established in a domestic or foreign domicile acceptable to the Board of Governors. The Articles of Incorporation and Bylaws of each captive are subject to the prior written approval of the Board of Governors. Each captive shall insure the Board of Governors and the University Board of trustees and may insure any other entity or individual who is authorized by statute to purchase liability protection from a Self-Insurance Program created pursuant to this Regulation.

(b) Each captive shall provide liability protection as authorized by section 1004.24, Florida Statutes. The limits of liability protection to be provided for the Board shall be those described in section 768.28, Florida Statutes, unless otherwise established pursuant to a written endorsement to the insurance policy issued by the captive. The limit of liability protection for insured entities and persons not described in Section 768.28, Florida Statutes, shall be as established by the respective Board of Directors of the captive.

(c) Each captive shall be managed by a Board of Directors.

1. HEIC shall be managed by a Board of Directors, constituted as follows: the Senior Vice President for Health affairs of UF, who shall serve as Chair; the Dean of the College of Medicine; the Senior Associate Dean Jacksonville; the General Counsel of UF; the Self-Insurance Program Director who shall serve as President and Chief Executive Officer; and such persons who from time to time may be appointed by the Senior Vice President for Health Affairs or the President of UF; and if Shands Teaching Hospital and Clinic, Inc. (Shands) is insured, the Chief Executive Officer and one three appointees of the Chief Executive Officer; and if Shands Jacksonville Medical Center Inc. is insured, the Chief Executive Officer and one appointee of the Chief Executive Officer ~~one of whom shall be from the Jacksonville campus.~~

2. HSIC shall be managed by a Board of Directors, constituted as follows: the USF Vice President for Health Sciences of USF (or his/her designee), who shall serve as Chair; two officers of the USF Health Sciences Center as designated by the Vice President for Health Sciences; the Dean of the USF College of Medicine (or his/her designee); the USF General Counsel (or his/her designee); the Self-Insurance Program Director who shall serve as President and Chief Executive Officer; and such persons who from time to time may be appointed to the Board of Directors by the Vice President for Health Sciences or the President of USF; and if the H. Lee Moffitt Cancer Center and Research Institute (Moffitt) is insured, the Center Director of Moffitt or his/her designee.

(d) The Board of Directors of each captive shall carry out the purposes of the entity in compliance with its Articles of Incorporation and Bylaws. The powers and duties of the Board of Directors shall include but not be limited to:

1. To issue policies of insurance protection which shall establish the perils and risks to be protected and the limits of liability protection in excess of those amounts described in Section 768.28, Florida Statutes, to be underwritten by the captive. Such limits of liability protection may supplant or be underwritten by the captive. Such limits of liability protection may supplant or be in excess of those liability protections provided by the Self-Insurance Program(s);
2. To act as the underwriting committee;
3. To contract with the Self-Insurance Program(s) for administrative, risk management, claims and other related services. The Self-Insurance Program(s) and the captive shall share equitably in the administrative costs of the Self-Insurance Programs;
4. To annually assess and collect premiums from insured entities and individuals. All premium income shall be deposited in accounts and managed pursuant to the captive's administrative and investment policies;
5. To propose and submit an annual budget through the University Board of Trustees to the Board of Governors;
6. To establish an investment policy consistent with section 215.47, Florida Statutes, which shall be approved by the Board of Governors, and to maintain an investment account which shall optimize income for the support of the captive;
7. To transfer any risks protected by the captive to commercial insurers through reinsurance, reciprocal or other risk sharing agreements with similar risk bearers;
8. To contract with an insurance management firm licensed in the selected domicile ~~to serve as~~ to serve as the registered office of the captive and to provide such services within the domicile as may be required by the insurance code or law of the selected domicile;
9. To accept the transfer of any contingent losses and loss reserves from the Self-Insurance Program(s) if requested by the Self-Insurance Council(s);
10. To contract with a casualty actuary, as defined by the insurance code or law of the domicile of the captive, to perform an annual review to recommend premium income levels to safeguard the fiscal integrity of the captive;
11. To provide for an annual audit of the captive's financial accounts by independent certified public accountant approved by the selected domicile and the Board of Directors. The annual audit report shall include a management letter and shall be submitted to the Board of Governors for review.

Authority: Section 7(d), Art. IX, Fla. Const., History — Former BOR Rule 6C-10.01, 1-6-88, 10-15-90, 5-30-93, 3-16-95, 11-27-95, 6-22-06, 9-25-08; 6-18-09.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011

SUBJECT: UNF Student Life and Services Fee

PROPOSED BOARD ACTION

Clarify that the new fee approved by the Board in March shall be no more than 5 percent of tuition.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Regulation 7.003

BACKGROUND INFORMATION

In March the Board approved UNF's Student Life and Services Fee to be implemented with the fall 2011 term. There is an ambiguity as to whether the fee was presented and approved as a \$4.78 per credit hour fee or a fee set at 5 percent of base tuition. It was UNF's intention, and approved by their Board of Trustees, that the fee be no more than 5 percent of tuition.

A clarification that this fee is indexed to tuition will avoid UNF from having to come back to this Committee, and ultimately the Board, for any increases to the fee whenever base tuition increases. As required in Regulation 7.003, UNF must establish a fee committee that will make recommendations to the President and Board of Trustees on the fee usage and increases to the fee whenever base tuition increases.

Supporting Documentation Included: None

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 24, 2011

SUBJECT: 2011-12 Tuition Differential Fees

PROPOSED BOARD ACTION

Review and take action on universities' request to implement a tuition differential fee increase of 7 percent effective with the fall 2011 semester.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Regulation 7.001

BACKGROUND INFORMATION

Pursuant to Regulation 7.001 (13) university boards of trustees may submit tuition differential fee proposals to this committee for consideration. The aggregate sum of tuition and the tuition differential fee cannot exceed 15 percent of the total charged for these in the preceding fiscal year. The 2011 General Appropriations Act (SB 2000) approved an 8 percent increase in the base undergraduate tuition. Thus, university Boards of Trustees can only request a tuition differential fee increase up to 7 percent.

Each Board of Trustees has approved and submitted a request to implement a tuition differential fee increase of 7 percent effective with the fall 2011 semester.

If the Board would deny any proposal, the Board of Trustees may file an appeal with the Tuition Appeals Committee pursuant to Regulation 7.001(13)(e).

Supporting Documentation Included: Information located behind the Budget & Finance Committee tab

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011

SUBJECT: Regulation 7.001 - Tuition and Associated Fees

PROPOSED BOARD ACTION

Approve public notice of intent to amend Regulation 7.001.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Board Regulation Development Procedure

BACKGROUND INFORMATION

This regulation has been amended to codify the actions taken by the Legislature during the 2011 session to increase base undergraduate tuition from \$95.67 to \$103.32, an 8 percent increase. In addition, pursuant to Senate Bill 2150, a modification has been made to the tuition differential component of the regulation that will allow excess revenue for need-based financial aid to be spent on other undergraduate education if all tuition and fee needs of resident Pell Grant students have been met.

This regulation has been shared with the universities.

Supporting Documentation Included: Information located behind the Budget & Finance Committee tab

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011

SUBJECT: Regulation 7.003 – Fees, Fines & Penalties

PROPOSED BOARD ACTION

Approve public notice of intent to amend Regulation 7.003.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Board Regulation Development Procedure

BACKGROUND INFORMATION

This regulation has been amended to codify several actions taken by the Board during the March meeting and statutory changes made by the 2011 Legislature.

1. In March the Board approved the creation of several new university fees and an increase to the orientation fee at the University of West Florida. These actions have been added to the regulation.
2. During the Budget and Finance Committee deliberations in February and the full Board discussion in March, members expressed that additional criteria be included in the fee regulation that would guide the universities in the development of new fees that are submitted for Board consideration. To that end, the following criteria has been included:
 - a. The fee cannot be an extension of, or cover the same services, as an existing statutory fee;
 - b. The fee cannot be utilized to create additional bonding capacity in an existing fee;
 - c. The fee cannot be used to support services or activities that have been paid for with education and general funds; and
 - d. The fee should support a service or activity in which a majority of students is able to participate or from which derive a benefit.
3. Senate Bill 2150 authorizes a transient student fee not to exceed \$5.00 per distance learning course for accepting a transient student and processing the student's admissions application.

4. Senate Bill 2150 modifies the existing excess hour fee. All undergraduate students entering for the first time in fall 2011 shall pay an excess hour fee equal to 100 percent (was 50 percent) of the undergraduate tuition in excess of 115 percent (was 120 percent) of the number of credit hours required to complete the baccalaureate degree.

These proposed changes have been shared with the universities.

Supporting Documentation Included: Information located behind the Budget & Finance Committee tab

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011

SUBJECT: Faculty Practice Plan for the Florida Atlantic University College of Medicine and Amendment of Regulation 9.017 relating to Faculty Practice Plans

PROPOSED BOARD ACTION

Approve Faculty Practice Plan for the Florida Atlantic University College of Medicine and an amendment to Regulation 9.017 relating to Faculty Practice Plans

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

A Faculty Practice Plan has been developed for the Florida Atlantic University College of Medicine pursuant to Board Regulation 9.017 and approved by the Florida Atlantic University Board of Trustees. The Faculty Practice Plan establishes the policies for the administration of the Plan and authorizes the formation and operation of a Florida not-for-profit corporation, FAU Clinical Practice Organization, Inc., to support the clinical activities of the College of Medicine, including the orderly collection and administration of income generated from clinical activities. A copy of the Faculty Practice Plan and the Articles of Incorporation and Bylaws for FAU Clinical Practice Organization, Inc., are included for your review.

Regulation 9.017 establishes the basic policy and criteria for the establishment and operation of Faculty Practice Plans and needs to be amended to provide for the establishment and operation of the Faculty Practice Plan for the Florida Atlantic University College of Medicine, upon approval of the Plan by the Board.

Pursuant to the Regulation Development Procedure adopted by the Board at its March 23, 2006, meeting, the Board is required to provide public notice by publication on its Internet website at least 30 days before adoption of the proposed regulation.

Supporting Documentation Included: Faculty Practice Plan; Articles of Incorporation and Bylaws; Proposed Regulation 9.017

Facilitators/Presenters: Vikki Shirley

THE FLORIDA ATLANTIC UNIVERSITY COLLEGE OF MEDICINE FACULTY PRACTICE PLAN

The Florida Atlantic University Charles E. Schmidt College of Medicine (the "College" or the "College of Medicine") provides educationally oriented professional practice settings and opportunities through which faculty members provide professional services, including medical care and treatment to patients, including patients at independent hospitals, other institutions and various clinical sites as an integral part of their academic activities and employment as faculty members. Such faculty practice activities are designed to assure professional and clinical practice opportunities and experiences that are essential in the training of students, residents and other postgraduate health professionals and that will enhance skills and knowledge of faculty members who must teach and train medical students, residents and other health professional students. Participation in such faculty practice activities by members of the faculty of the College of Medicine is vital to the educational mission, the maintenance of skills in the treatment and diagnosis of diseases, and the maintenance of patient management skills, clinical expertise and medical judgment. Such participation is a necessary and essential part of their employment as faculty members.

Because faculty practice activities generate income from a cross section of patients and third party payors that is critical to support the College's mission, the College is authorized, in accordance with Florida Board of Governors Regulation 9.017 and Florida Atlantic University Regulation 9.001, to regulate and collect fees and other income generated from such faculty practice and to develop and maintain a faculty practice plan for the orderly collection, administration and distribution of such fees and other income. The College of Medicine is authorized to form corporate entities as agents to achieve the objectives of the faculty practice plan. The faculty practice plan, any subsequent changes thereto, and any proposed corporate entities must be approved by the Dean of the College of Medicine and the President of the University prior to submission for approval by the FAU Board of Trustees and, as necessary, the Florida Board of Governors. The faculty practice plan must be consistent with, and supportive of, the objectives of the College of Medicine and the University. This document provides a formal statement of such plan for the College of Medicine, to be known as the Florida Atlantic University College of Medicine Faculty Practice Plan (the "Faculty Practice Plan").

Faculty practice income shall include all payments resulting from the clinical or professional services rendered by College of Medicine faculty. Honoraria, royalties, non-clinical consultation fees, or other income derived from outside employment approved by the Dean of the College are not considered to be faculty practice income as described herein.

Faculty members employed by the Florida Atlantic University College of Medicine who engage in the practice of medicine must do so exclusively through the College of Medicine and its Faculty Practice Plan, unless otherwise specifically approved in writing by the Dean of the College. Each member of the faculty will assign to Florida Atlantic University all faculty practice income generated by or on behalf of him or her, and adequate records will be kept of these collections.

In order to achieve the objectives of the Faculty Practice Plan, the University has authorized the formation and operation of a Florida not-for-profit corporation, FAU Clinical Practice Organization, Inc. ("FAU CPO"), as the University's agent to support the clinical and professional activities of the College of Medicine, including the orderly collection and administration of income generated from College of Medicine clinical and professional activities. FAU CPO will be responsible for billing and collections, contracting, and the development and reporting to its various oversight entities appropriate data with

regard to its activities (and may contract with other entities to provide such services). A separate bank account shall be maintained into which all income and fees generated by the College of Medicine faculty practice are to be deposited, which shall be held, administered and distributed by FAU CPO, acting as the University's agent under right of control by the University and the College of Medicine.

Faculty practice income shall be distributed to appropriate funds of Florida Atlantic University to be used for the support and advancement of the academic mission of the College of Medicine and the University. The University shall distribute such funds for purposes that may include, but are not limited to, the payment of clinical practice expenses and faculty and staff salaries and benefits. The assets and activities of FAU CPO will be managed and directed by a Board of Directors in accordance with the Articles of Incorporation and Bylaws of FAU CPO.


FAU CPO shall serve as the administrative services supporting organization for the Faculty Practice Plan and shall not be involved in the delivery of medical services; the maintenance of any medical facilities; the employment, control or compensation of medical doctors or other health professionals; or the determination, control, or evaluation of any medical procedures or standards for any medical doctor, other health professional or medical facility.

The Faculty Practice Plan operating budget will be prepared at least annually and submitted to the Dean of the College of Medicine for approval. The budget shall then be recommended by the Dean of the College of Medicine and the President of the University to the FAU Board of Trustees. An annual financial audit and management letter for the Faculty Practice Plan and FAU CPO shall be conducted and prepared by an independent outside certified public accountant or firm, submitted to the Dean of the College of Medicine, and forwarded to the President of the University, FAU Board of Trustees and the Florida Board of Governors for review and oversight.

The Faculty Practice Plan, including FAU CPO, shall at all times comply with applicable regulations, rules, policies and procedures of the University and the Florida Board of Governors. All agreements and contracts involving the Faculty Practice Plan or FAU CPO shall be submitted to the FAU Office of the General Counsel for prior review.

This plan shall become effective on the date approved by the Dean of the College of Medicine, the President of the University, the FAU Board of Trustees, and the Chancellor of the Florida Board of Governors.

APPROVED:



Dean, College of Medicine

Date



President, Florida Atlantic University

Date



Chair, Florida Atlantic University Board of Trustees

Date

Chancellor, Florida Board of Governors

Date



FLORIDA DEPARTMENT OF STATE
Division of Corporations

May 3, 2011

AUDRA K. LAZARUS, FLORIDA ATLANTIC UNIVERSITY
777 GLADES ROAD
ADM 370
BOCA RATON, FL 33431

The Articles of Incorporation for FAU CLINICAL PRACTICE ORGANIZATION, INC. were filed on May 3, 2011 and assigned document number N11000004327. Please refer to this number whenever corresponding with this office regarding the above corporation.

The certification you requested is enclosed.

PLEASE NOTE: Compliance with the following procedures is essential to maintaining your corporate status. Failure to do so may result in dissolution of your corporation.

To maintain "active" status with the Division of Corporations, an annual report must be filed yearly between January 1st and May 1st beginning in the year following the file date or effective date indicated above. **It is your responsibility to remember to file your annual report in a timely manner.** A Federal Employer Identification Number (FEI/EIN) will be required when this report is filed. Contact the IRS at 1-800-829-4933 for an SS-4 form or go to www.irs.gov.

Should your corporate mailing address change, you must notify this office in writing, to insure important mailings such as the annual report notices reach you.

Should you have any questions regarding corporations, please contact this office at (850) 245-6973.

Claretha Golden, Regulatory Specialist II
New Filing Section

Letter Number: 711A00010686

www.sunbiz.org

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

State of Florida



Department of State

I certify from the records of this office that FAU CLINICAL PRACTICE ORGANIZATION, INC. is a corporation organized under the laws of the State of Florida, filed on May 3, 2011.

The document number of this corporation is N11000004327.

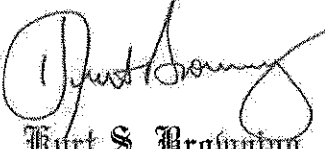
I further certify that said corporation has paid all fees due this office through December 31, 2011, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Third day of May, 2011



CR2EO22 (01-07)


Kurt S. Brumby
Secretary of State

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of FAU CLINICAL PRACTICE ORGANIZATION, INC., a Florida corporation, filed on May 3, 2011, as shown by the records of this office.

The document number of this corporation is N11000004327.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Third day of May, 2011



CR2EO22 (01-07)

Just S. Branning
Just S. Branning
Secretary of State

ARTICLES OF INCORPORATION
OF
FAU CLINICAL PRACTICE ORGANIZATION, INC.
(A Not-for-Profit Corporation)

FILED

11 MAY -3 AM 10: 54

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned hereby adopts the following Articles of Incorporation and hereby certifies as follows:

ARTICLE I
Name and Address

The name of this corporation shall be FAU CLINICAL PRACTICE ORGANIZATION, INC. For convenience, the corporation shall be referred to herein as the "Corporation." The address of the Corporation's principal office and registered office is Florida Atlantic University, 777 Glades Road, Boca Raton, Florida, 33431.

ARTICLE II
Purpose, Powers and Dissolution

Section 1. Purposes and Powers.

The Corporation is organized as a not-for-profit corporation under Chapter 617, Florida Statutes. The Corporation shall be organized and operated exclusively for scientific, educational and charitable purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, including any future Code or Treasure Regulations (the "Code") and not for pecuniary profit, and exclusively for the support and benefit of Florida Atlantic University (the "University") as its agent and instrumentality of the State of Florida. The Corporation shall possess all powers and authority as are now or may hereafter be granted to not-for-profit corporations under the laws of the State of Florida. The specific purposes for which the Corporation is organized shall include, but not be limited to, the promotion and support of medical education, research, and patient care, including the collection, receipt, management, administration and distribution of funds, exclusively for support of the mission and objectives of the University and its Charles E. Schmidt College of Medicine (the "College of Medicine"), in accordance with the College of Medicine Faculty Practice Plan adopted pursuant to Florida Board of Governor's Regulation 9.017 or corresponding provisions of any subsequent laws, rules or regulations.

Section 2. Limitation on Actions.

All the assets and earnings of the Corporation shall be used exclusively for the exempt purposes set forth herein, including the payment of expenses incidental thereto. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes as set forth in these Articles of Incorporation. No

substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for political office.

No employee of the Corporation shall engage in the practice of medicine. The Corporation shall serve as the administrative services supporting organization for the Florida Atlantic University College of Medicine Faculty Practice Plan. The Corporation shall not be involved in the delivery of medical services; the maintenance of any medical facilities; the employment, control or compensation of medical doctors or other health professionals; or the determination, control, or evaluation of any medical procedures or standards for any medical doctor, other health care professional or medical facility.

Notwithstanding any other provisions of these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

Section 3. Dissolution.

In the event of dissolution of the Corporation, the winding up of its affairs, or other liquidation of its assets, the Corporation's property shall not be conveyed to any organization created or operated for profit or to any officers or directors of the Corporation or any other individual, and all assets remaining after the payment of the Corporation's debts shall be conveyed or distributed to the University Board of Trustees, for use only by the College of Medicine or in such other manner as the Board of Directors of the Corporation may specify, or if such organization has ceased to exist, to such other organization or organizations that are exempt from federal income tax under Section 501(c)(3) of the Code as directed by the Board of Governors of the State of Florida.

ARTICLE III
Membership

The Corporation shall have no members and shall be managed by its Board of Directors.

ARTICLE IV
Terms of Existence

The Corporation shall have perpetual existence unless it shall be dissolved according to the laws of the State of Florida.

ARTICLE V
Board of Directors

The property, affairs and activities of the Corporation shall be managed by the Board of Directors, who shall be designated or elected as provided in the Bylaws of this Corporation, and who shall serve without compensation.

ARTICLE VI
Officers

The Board of Directors shall elect officers as described in the Bylaws of the Corporation.

ARTICLE VII
Stock and Dividends Prohibited

The Corporation shall have no capital stock, pay no dividends, and distribute no part of its net income to its members, directors or officers. The private property of its members, directors and officers shall not be liable for the debts or obligations of the Corporation.

ARTICLE VIII
Amendment

Amendments to these Articles of Incorporation may be proposed and adopted by a vote of two-thirds (2/3) of all members of the Board of Directors. All amendments hereto shall be provided to the President of the University and subject to the prior approval of the University's Board of Trustees.

ARTICLE IX
Incorporator

The name and the street address of the incorporator for these Articles of Incorporation is

Michael L. Friedland, M.D.
Vice President for Medical Programs
Dean, Charles E. Schmidt College of Medicine
Florida Atlantic University
777 Glades Road, Bldg. 71-Room 239
Boca Raton, Florida 33431

ARTICLE X
Registered Office and Registered Agent

The Corporation hereby designates its Registered Office to be located at Florida Atlantic University, Office of the General Counsel, 777 Glades Road, ADM 370, Boca Raton, Florida 33431, or such other place as it may from time to time designate, and the General Counsel of the

University as its Registered Agent. In accordance with the Bylaws, the General Counsel, David Kian, shall serve as the Registered Agent of the Corporation, to accept service of process within this State, and to serve in such capacity until a successor is selected and duly designated.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation on the _____ day of April 27, 2011.

Incorporator



Name: Michael L. Friedland, M.D.

Title: Vice President for Medical Programs
Dean, Charles E. Schmidt College of
Medicine, Florida Atlantic University

CERTIFICATE OF ACCEPTANCE AS REGISTERED AGENT

Having been named as the Registered Agent in the Articles of Incorporation of FAU Clinical Practice Organization, Inc., being familiar with the obligations of that position, I hereby accept and agree to act in this capacity.

Dated: April 27, 2011


Name: David Kian, Registered Agent

FILED
19 MAY - 3 AM 10: 54
SECRETARY OF STATE
STATE OF FLORIDA

**BYLAWS
OF
FAU CLINICAL PRACTICE ORGANIZATION, INC.
(A Not-for-Profit Corporation)**

ARTICLE I

Name

The name of this corporation shall be FAU CLINICAL PRACTICE ORGANIZATION, INC., a Florida not-for-profit corporation (the "Corporation"). The Corporation shall maintain a registered office in the State of Florida and a registered agent at such office.

ARTICLE II

Purpose

The Corporation is organized as a not-for-profit corporation under Chapter 617, Florida Statutes. The Corporation shall be organized and operated exclusively for scientific, educational and charitable purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, (the "Code") and not for pecuniary profit, and exclusively for the support and benefit of Florida Atlantic University (the "University") as its agent and instrumentality of the State of Florida. The Corporation shall possess all powers and authority as are now or may hereafter be granted to not-for-profit corporations under the laws of the State of Florida. The specific purposes for which the Corporation is organized shall include, but not be limited to, the promotion and support of medical education, research, and patient care, including the collection, receipt, management, administration and distribution of funds, exclusively for support of the mission and objectives of the University and its Charles E. Schmidt College of Medicine (the "College of Medicine"), in accordance with the College of Medicine Faculty Practice Plan adopted pursuant to Florida Board of Governor's Regulation 9.017 or corresponding provisions of any subsequent laws, rules or regulations.

ARTICLE III

Membership

The Corporation shall have no members and shall be managed by its Board of Directors.

ARTICLE IV

Board of Directors

Section 1. General Powers. The business, property, affairs and funds of the Corporation shall be managed, supervised and controlled by its Board of Directors (the "Board of Directors" or the "Board"), subject to delegation by the Board to others. The Board of Directors shall serve without compensation, subject only to applicable law and the limitations contained in the Articles of Incorporation of the Corporation, these Bylaws, and the powers and duties reserved to the Board of Trustees of the University and the President of the University or the President's designee in regards to the Corporation. The Board of Directors shall have the

authority to adopt policy for the Corporation, consistent with the Articles of Incorporation and these Bylaws. The Board of Directors shall have the power to hold and to invest and reinvest any monies it receives and to hold any property, to sell or exchange the same, and to invest and reinvest the proceeds of any sale or other conversion of any such property, for the purpose of earning income, which income, less operating expenses of the Corporation, shall be used to further the specific purposes of the Corporation and the University. The Corporation shall have the power and authority to borrow money by issuing long or short term notes, bonds, or debentures and to pledge its assets within the discretion of the Board of Directors, subject to the policies of the University and its Board of Trustees and the laws of the State of Florida.

Section 2. Membership on the Board of Directors. The Board of Directors shall be approved by the University's Board of Trustees and shall consist of:

- (a) A designee of the University Board of Trustees.
- (b) The Dean of the College of Medicine.
- (c) The Provost of the University or designee.
- (d) The Chief Financial Officer of the University or designee.
- (e) A member of the College of Medicine senior leadership team appointed by the Dean of the College of Medicine.
- (f) Three (3) members of the clinical faculty in the College of Medicine, one (1) of whom shall be a departmental chair, elected by the clinical faculty.
- (g) One (1) community representative elected annually by the Board of Directors.

Section 3. Reserved Powers. The President of the University, or the President's designee, and the University's Board of Trustees shall have the following specific powers and duties with regard to the Corporation:

- (a) To monitor and control the use of the University's resources and the University's name by the Corporation;
- (b) To assure that the Corporation's activities are consistent with and supportive of the mission of the University and the College of Medicine;
- (c) To supervise the Corporation and monitor its compliance with federal and state laws and applicable rules, regulations, policies and contracts;
- (d) To recommend an annual budget for the Corporation to the University's Board of Trustees;

(e) To review and approve annual expenditure plans of the Corporation and to review all financial records of the Corporation;

(f) To approve salary, benefits and other compensation or benefits paid to employees of the Corporation and/or to University faculty and staff from the Corporation's assets, consistent with applicable policies and procedures of the University;

(g) To ensure that the Corporation enacts a policy on ethics and conflicts of interest; and

(h) To ratify all nominees and appointees to the Board of Directors.

Section 4. Term of Office. *Ex officio* members of the Board of Directors shall serve as directors of the Corporation, pursuant to sections 2(b), (c), and (d), for such time as they continue to serve in their positions with the University. Directors appointed or elected pursuant to sections 2(a), (e) and (f), shall serve for terms of three (3) years commencing at the annual meeting of the Board of Directors or until their successors shall be duly appointed or elected and qualified; any such appointed or elected director may be appointed or elected to succeed himself/herself. The terms of the elected clinical faculty directors shall be staggered so as to expire at different times. Community representatives elected pursuant to section 2(g) shall serve for one (1) year terms, commencing at the annual meeting of the Board of Directors, and may be elected for successive terms.

Section 5. Vacancies, Resignation, and Removal of Directors. A vacancy shall exist on the Board of Directors upon the death, resignation, or removal of a director, upon the disability of a director that renders him or her permanently incapacitated or unable to serve, or when a director is no longer qualified to serve as a director. Whenever any vacancy occurs in the Board of Directors by death, resignation or otherwise, it shall be filled without undue delay. In the case of elected clinical faculty members serving on the Board of Directors, the vacancy shall be filled by an election held by the clinical faculty. Other vacancies on the Board shall be filled by a majority vote of the remaining members of the Board at a special meeting, which shall be called for that purpose. The person so chosen to fill the vacancy shall hold office for the duration of the previous director's term. A director may be removed by the President of the University at any time, upon written notice, with or without cause. A director may also be removed from the Board by the affirmative vote of a majority of the remaining directors at a properly called meeting of the Board. A Director may resign at any time by submitting a written resignation to the Chairperson of the Board of Directors. Unless otherwise specified in the notice, the resignation shall take effect upon receipt. The acceptance of a resignation shall not be necessary to make it effective.

Section 6. Conflict of Interest and Code of Ethics. Directors stand in a fiduciary relationship to the Corporation and the University. Therefore, directors shall act in good faith, with due regard to the interests of the Corporation and the University, and shall comply with the fiduciary principles and law set forth in the Code of Ethics for Public Officers and

Employees, Chapter 112, Part III, Florida Statutes. Directors shall comport themselves in accordance with the statutory Code of Ethics and the Conflict of Interest Policy attached to these Bylaws as Appendix "A". Each director shall annually complete and sign a disclosure form as required by said policy.

Section 7. Meetings. Following proper notice, an annual meeting of the Board of Directors shall be held within the State of Florida for the receiving of annual reports of officers, directors and committees, and the transaction of other business. Following proper notice, regular meetings of the Board of Directors may be held, at such time and place as from time to time shall be determined by the Chairperson of the Board of Directors. Special meetings of the Board of Directors may be called by (a) the Chairperson of the Board of Directors, (b) the Secretary of the Corporation, or (c) any two officers or directors. Proper notice of the time and place of such special meetings of the Board of Directors shall be given to each director, along with all materials needed for the meeting. Upon establishment of physical quorum, any other members of the Board may participate by telephone conference or similar communication facilities, in the same manner as if the meeting were held in person, if the Chairperson determines it is appropriate and if all persons participating in such meetings are able to hear each other as if the meeting were held in person, and if proper notice is provided.

Section 8. Quorum. At all meetings of the Board of Directors, the physical presence of a majority of the Board of Directors shall be necessary and sufficient to constitute a quorum. A quorum must be present to transact the business of the Corporation at a meeting.

Section 9. Voting. Each director shall have one vote. All questions shall be decided by the act of a majority of the directors participating in the meeting, except as otherwise provided in these Bylaws, the Articles of Incorporation, or Florida law. Proxies, general or special, shall not be accepted for any purpose in the meetings of the Board or committees.

ARTICLE V Officers

Section 1. Officers. The officers of this Corporation shall be a Chairperson, a Vice Chairperson, a Secretary, a Treasurer and such other officers as may be determined by the Board of Directors. The offices of Secretary and Treasurer may be consolidated and held by a single person. Only directors of the Corporation may be elected to the office of Chairperson and Vice Chairperson of the Corporation from nominations submitted to the directors by the Nominations Committee or from nominations from the floor. The Board of Directors may select an executive director of the Corporation and may delegate to the executive director the responsibility for the day-to-day management and operation of the Corporation. The officers shall receive such salary or compensation as the Board may determine, pursuant to the policies and regulations of the University and its Board of Trustees. All officers shall have such authority and perform such duties as described below:

(a) Chairperson. The Chairperson shall preside at all meetings of the Board of Directors and shall do and perform such other duties as may be assigned by the Board of Directors. The Chairperson may execute all documents in the name of the Corporation, with the Secretary attesting, including but not limited to all contracts, deeds, notes, certificates, leases and other documents or legal instruments authorized or issued by the Board of Directors, subject to the policies and regulations of the University and its Board of Trustees, the Florida Board of Governors, and the laws of the State of Florida. The Chairperson shall perform all duties as the Board of Directors shall designate and may delegate certain duties with the Board's approval.

(b) Vice Chairperson. The Vice Chairperson shall act as Chairperson in the Chairperson's absence or unavailability, and shall do and perform such other duties as may be assigned by the Board of Directors.

(c) Secretary. The Secretary shall keep full and accurate minutes for all meetings of the Board of Directors. The Secretary shall transmit all notices required by the Bylaws of the Corporation, as the same may be amended from time to time. The Secretary may attest to documents with the Chairperson in the name of the Corporation and, when required, shall affix thereto the seal of the Corporation. The Secretary shall have charge of all official records of the Corporation that shall be at all reasonable times open to examination of any director, and shall in general perform all duties incident to management of the office of Secretary for the Board of Directors.

(d) Treasurer. The Treasurer shall be a member of the Finance and Audit Committee. The Treasurer shall prepare the annual budget and present the financial statements of the Corporation to the Board of Directors at each regular meeting of the Board of Directors and at such other times as the Board of Directors may determine. The Treasurer shall ensure that all financial reports and expenditure plans are filed in a timely manner in accordance with applicable law. The Treasurer shall ascertain that a full and accurate account is made of all monies received and paid out on accounts administered by the Corporation in accordance with guidelines or directives established by the Board of Directors, and shall in general perform all duties incident to management of the office of Treasurer for the Board of Directors, including, but not limited to, the following:

The deposit of all monies, checks, and other credits to the account of the Corporation in such bank or banks or other depositories as the Board may designate; the review of all receipts and vouchers for payment made to and all vouchers and checks made by this Corporation; rendering to the Board an account and statement of all the Treasurer's transactions at each meeting of the Board and at such other times as the Board may determine; and the preparation of a quarterly expenditure plan to be reviewed and approved quarterly by the President of the University or his or her designee who shall be a Vice President or other senior officer of the University reporting directly to the President. The plan shall separately delineate planned actions which result in a commitment of University resources or which represent significant

commitment of the resources of the Corporation. The Treasurer shall give to the Corporation such security for the faithful discharge of his/her duties as the Board of Directors may direct.

(e) Executive Director. The Board of Directors may appoint an executive director to serve at the pleasure of the Board or for such other term as fixed by a contract between the Corporation and the executive director. The executive director shall be an *ex officio* non-voting member of the Board of Directors and all committees appointed by the Board of Directors. The executive director shall be accountable directly to the Chairperson and may hold the office of Treasurer if approved by the Board of Directors. The executive director shall also serve as the chief administrative officer of the Corporation and, as such, shall be responsible for the day-to-day management and operation of the Corporation.

Section 2. Appointment and Term of Office. The Chairperson of the Corporation shall be the Dean of the College of Medicine. The other officers of the Corporation shall be elected as necessary by majority vote of the Board of Directors at the annual meeting.

Section 3. Removal. Any officer may be removed with or without cause by a two thirds (2/3) vote of the Board of Directors.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal or otherwise may be filled by a vote held at a meeting of the Board of Directors.

Section 5. Compensation of Officers. The officers shall receive such salary or compensation as the Board may determine, pursuant to the policies and regulations of the University and its Board of Trustees.

ARTICLE VI Committees

Section 1. Creation of Committees. The Chairperson of the Board of Directors may appoint such committees as the Chairperson may deem necessary and advisable to assist in the conduct of the Corporation's affairs, each to consist of one or more of the directors of the Corporation. Such other committees shall have such functions as may lawfully be delegated by the Board of Directors to the extent provided in the resolution or resolutions creating such committee or committees. The actions of any committee shall be subject to review and approval by the Board of Directors, except when the power to act is specifically granted to a committee by the Board of Directors. Each committee shall keep approved minutes and submit them to the Board of Directors for review. Individuals other than directors shall be eligible to serve on committees. However, the Chair of each committee shall be a director.

Section 2. Nominations Committee. The Board may appoint a Nominations Committee of at least three (3) members, whose duty it shall be to nominate candidates to fill vacancies of elected directors and officers of the Corporation. The Board shall name the Chair of the Committee, who shall be a director. The slate of nominations will be submitted to the Board of Directors for consideration at its next ensuing meeting.

Section 3. Finance and Audit Committee. The Board may establish a Finance and Audit Committee of at least three (3) members. The Finance and Audit Committee shall address and oversee financial and administrative policy matters for the Corporation and shall be responsible for the preparation and periodic review of the Corporation's financial statements, the annual budget and an annual audit to be made by an independent certified public accountant or firm of the books of the Corporation as soon as possible after the close of the fiscal year of the Corporation. The Finance and Audit Committee shall, subject to guidance from the Board, establish a billing and collection policy. The College's Assistant Dean for Finance, or similar position, shall be an *ex officio* non-voting member of the Finance and Audit Committee.

Section 4. Meetings of Committees. Following proper notice, regular meetings of committees may be held at such time and at such place as shall from time to time be determined by the Board of Directors or the chairperson of the committee. Upon establishment of physical quorum, any other members of the committee may participate in committee meetings by telephone conference or similar communication facilities, in the same manner as if the meeting were held in person, if the chairperson of the committee determines it is appropriate and if all persons participating in such meetings are able to hear each other as if the meeting were held in person. The physical presence of a majority of any committee of the Corporation shall constitute a quorum for the transaction of business.

Section 5. Vacancies on Committees and Removal. Vacancies on any committees shall be filled by a majority vote of the Board of Directors then in office at any regular or special meeting. A committee member may be removed by the President of the University or the Chairperson of the Board at any time, upon written notice, with or without cause. A committee member may also be removed by the affirmative vote of a majority of the Board of Directors at a properly called meeting of the Board.

ARTICLE VII **Indemnification**

The Corporation shall indemnify each director, officer, employee and agent of the Corporation, and may indemnify any other person, to the full extent permitted by applicable law. The rights conferred by this Article VII shall not be exclusive of any other right that any director, officer, employee, agent or other person may have or hereafter acquire under the Florida Not For Profit Corporation Act, any other statute or agreement, pursuant to a vote of disinterested directors, or otherwise.

ARTICLE VIII **Amendment**

Section 1. Amendments to Bylaws. These Bylaws may be amended by a two-thirds (2/3) vote of the Board of Directors at any meeting called for that purpose. Copies of these Bylaws and all amendments thereto shall be provided to the President of the University and subject to the prior approval of the University's Board of Trustees.

Section 2. Requirements of Florida Law. All amendments to the Bylaws and Articles of Incorporation of the Corporation shall comply with Florida law and appropriate state rules and policies.

ARTICLE IX
Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Corporation shall be consistent with the fiscal year of the University.

Section 2. Checks and Depositories. Except as may otherwise be specified in these Bylaws, the Board shall determine by resolution which officers or directors or other designees are authorized to draw checks on the accounts of the Corporation and may impose any reasonable terms, conditions or limitation on such authority.

Section 3. Seal. The seal of this Corporation shall bear the words "FAU Clinical Practice Organization, Inc."

Section 4. Distribution of Net Receipts. The accumulation, expenditure, and distribution of all funds of the Corporation shall be exclusively for the support of the mission and objectives of the University and the College of Medicine and shall be made in accordance with University and College of Medicine policies and procedures, subject to any agreements outstanding between the Corporation, the College of Medicine and/or the University.

Section 5. Affairs and Operations. Notwithstanding any other provision of these Bylaws to the contrary, the affairs and operations of the Corporation shall be conducted in compliance with the applicable rules, regulations, policies and procedures of the Florida Board of Governors and Florida Atlantic University, including regulations governing the Florida Atlantic University College of Medicine Faculty Practice Plan, and any agreements and related policies adopted and/or approved between the Corporation, the College of Medicine and/or the University.

Section 6. Financial Audits and Reports. All financial records of the Corporation shall be available to the appropriate personnel of the University from time to time designated by the Dean of the College of Medicine, the President of the University, or the Chair of the University's Board of Trustees. The Board shall engage an independent certified public accountant or firm to perform an annual audit of the Corporation's books, with the objective being to render an opinion on the Corporation's financial statements. The cost of the audit shall be borne by the Corporation as an operating expense. Copies of each annual audited financial report shall be provided to the Dean of the College of Medicine, the President of the University, the University's Board of Trustees, and the Florida Board of Governors for their review and oversight and, ultimately, to the Auditor General. The audit will be conducted in accordance with rules promulgated by the University Board of Trustees and the policies adopted by the Auditor General.

ARTICLE X
Parliamentary Rules

The most recent edition of "Roberts Rules of Order" shall be followed in conducting the meetings of the Board of Directors, unless otherwise provided in these Bylaws.

These Bylaws of the Corporation were approved and adopted by the Incorporator on May 18, 2011 and approved and adopted by the Corporation's Board of Directors on May 18, 2011.



Michael L. Friedland, M.D.
Chairperson, Board of Directors
Vice President for Medical Programs
Dean, Charles E. Schmidt College of Medicine

APPENDIX A: CONFLICTS OF INTEREST POLICY

FAU CLINICAL PRACTICE ORGANIZATION, INC.

PURPOSE

The purpose of this conflicts of interest policy is to protect the interests of FAU Clinical Practice Organization, Inc. (referred to herein as the "Corporation") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an interested person of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable laws governing conflicts of interest applicable to nonprofit and charitable corporations such as the Corporation.

POLICY

I. DEFINITION OF TERMS

Interested Person: Any director, officer, member of a committee with board-delegated powers, administrator or faculty member who has a direct or indirect financial interest, as defined below, is an interested person with respect to the Corporation. If a person is an interested person with respect to any entity related to the Corporation, he or she is an interested person with respect to the Corporation.

Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

1. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
2. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A financial interest is not necessarily a conflict of interest. As provided below, a person who has a financial interest may have a conflict of interest only if the appropriate body for this purpose determines that a conflict of interest exists.

II. DUTY TO DISCLOSE

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and all related material facts on a disclosure statement that must be updated annually. Any conflicts must be presented to the directors and members of committees with Board delegated powers to consider the proposed transaction or arrangement.

III. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

After disclosure of the financial interest and all related material facts, and after any discussion with the interested person, the interested person shall leave the Board or committee meeting while the determination of such conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

IV. PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST

1. An interested person may make a presentation at the Board or committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and vote on, the transaction or arrangement that results in the conflict of interest.

Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

1. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
2. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A financial interest is not necessarily a conflict of interest. As provided below, a person who has a financial interest may have a conflict of interest only if the appropriate body for this purpose determines that a conflict of interest exists.

II. DUTY TO DISCLOSE

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and all related material facts on a disclosure statement that must be updated annually. Any conflicts must be presented to the directors and members of committees with Board delegated powers to consider the proposed transaction or arrangement.

III. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

After disclosure of the financial interest and all related material facts, and after any discussion with the interested person, the interested person shall leave the Board or committee meeting while the determination of such conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

IV. PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST

1. An interested person may make a presentation at the Board or committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and vote on, the transaction or arrangement that results in the conflict of interest.

2. The Chairperson of the Board or chair of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

V. VIOLATIONS OF THE CONFLICT OF INTEREST POLICY

1. If the Board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
2. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

VI. RECORDS OF PROCEEDINGS

The minutes of the Board and all committees with Board-delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board or committee's decision as to whether a conflict of interest in fact existed, and
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record or any votes taken in connection therewith.

VII. COMPENSATION MATTERS

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. A person related to such member is also precluded from voting on that member's compensation.

VIII. ANNUAL STATEMENTS

Each director, principal officer and member of a committee with Board-delegated powers shall annually sign a statement which affirms that such person:

1. Has received a copy of the conflicts of interest policy;
2. Has read and understands the policy;
3. Has agreed to comply with the policy; and
4. Understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

IX. PERIODIC REVIEWS

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum include the following subjects:

1. Whether compensation arrangements and benefits are reasonable (for example, based on competent survey information) and are the result of arm's-length bargaining; and
2. Whether partnerships, joint ventures and arrangements with management organizations conform to written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further the Corporation's charitable purposes and do not result in increment, impermissible private benefit or in an excess benefit transaction.

X. USE OF OUTSIDE EXPERTS

In conducting the periodic reviews provided for the above, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

9.017 Faculty Practice Plans

- 1) *Basic Policy.* The J. Hillis Miller Health Center at the University of Florida, the Health Sciences Center at the University of South Florida, the Florida State University College of Medicine, the Florida International University College of Medicine, and the University of Central Florida College of Medicine, and the Florida Atlantic University College of Medicine, respectively, provide educationally oriented clinical practice settings and opportunities, through which faculty members provide health, medical and dental care and treatment to patients, including patients at independent hospitals, other institutions, and various clinical sites as an integral part of their academic activities and their employment as faculty. Such faculty practice activities are designed to assure clinical practice opportunities and experiences that are essential in the training of students and postgraduate health professionals and that will enhance skills and knowledge of faculty members who must teach and train medical and other health professional students. Participation in such faculty practice activities by members of the faculty of this State's colleges of medicine, dentistry, health professions, and veterinary medicine is vital to the educational mission, the maintenance of skills in the treatment and diagnosis of disease, and the maintenance of patient management skills, clinical expertise, and medical judgment, and is a necessary and essential part of their employment as faculty. Because these faculty practice activities generate income from a cross section of patients served by faculty members, these colleges are authorized to regulate fees generated from faculty practice, and to develop and maintain Faculty Practice Plans for the orderly collection and distribution of such fees. Colleges are authorized to form corporate entities to achieve the objectives of the Faculty Practice Plans. The Faculty Practice Plan, when developed, and subsequent changes therein, must be approved by the dean of the college, the vice president of the health center, as applicable, and the president of the university, and the university board of trustees prior to filing for approval of the Board of Governors Chancellor. Faculty Practice Plans must be consistent with, and supportive of, the objectives of the college, the health center, as applicable, and the university.
- 2) Each Faculty Practice Plan shall include and/or provide for:
 - (a) A written document which describes the university's policies and procedures pertaining to faculty practices activities and the resulting professional fees.
 - (b) Articles of Incorporation and Bylaws.
 - (c) A separate bank account into which all faculty practice fees are to be deposited, which shall be held and administered by the respective university or faculty practice organization.
 - (d) An operating budget, prepared at least annually and recommended by the dean of the college, vice president of the health center, as applicable, and university president to the Board of Governors for review and oversight.
 - (e) An annual audit and management letter, which shall be forwarded to the Board of Governors for review and oversight.

Authority: Section 7(d), Art. IX, Fla. Const.; History--Former BOR Rule 6C-9.017, 6-12-75, Amended 6-2-87, 10-17-89, 6-6-90, 12-9-91, 10-2-94, 4-16-96, 6-22-06, 1-24-08, 5-8-08.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011**

SUBJECT: Collegiate License Plate Revenue Expenditure Plans

PROPOSED BOARD ACTION

Consider approval of expenditure plans for funds received from the sale of collegiate license plates for Florida Gulf Coast University and New College of Florida, and a revised plan for Florida A&M University.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Section 320.08058(3), Florida Statutes

BACKGROUND INFORMATION

Section 320.08058(3)(b), Florida Statutes, states that the Board of Governors shall require each state university to submit a plan for approval of the expenditure of all revenues collected from the sale of collegiate license plates. The funds may only be used for academic enhancement, including scholarships and private fundraising activities. During fiscal year 2009-10 over \$6.3 million was generated from the sale of collegiate license plates for the universities.

	Gross Revenues
FAMU	\$519,550
FAU	\$63,175
FGCU	\$41,525
FIU	\$72,325
FSU	\$1,814,225
NCF	\$18,050
UCF	\$374,575
UF	\$2,925,750
UNF	\$44,750
USF	\$412,069
UWF	\$45,500

On March 15, 1996 the Board of Regents approved expenditure plans for nine universities. These expenditure plans indicated the percentage of funds that would be expended for scholarships, fundraising and academic enhancements. These plans would be in effect indefinitely unless the university wished to deviate from the approved plan.

	Scholarships	Fundraising	Academic Enhancement
FAMU	85%	15%	
FAU	75%	25%	
FIU	75%	25%	
FSU	18%	82%	
UCF*	20%	30%	50%
UF	60%	40%	
USF	20%	66%	14%
UNF	70%	30%	
UWF		100%	

*UCF's expenditure plan was modified in March, 2002.

A review of the records shows that Florida Gulf Coast University and New College of Florida expenditures plans have not been officially approved in accordance with statute. The following represents the percent these two institutions have been spending on these activities:

	Scholarships	Fundraising	Academic Enhancement
FGCU	100%		
NCF	50%	10%	40%

On February 10, 2011, the Florida A&M University Board of Trustees approved a modification to their expenditure plan:

	Scholarships	Fundraising	Academic Enhancement
FAMU - Current	85%	15%	
FAMU - Proposed	25%	75%	

Supporting Documentation Included: Information located behind the Budget & Finance Committee tab

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
June 23, 2011

SUBJECT: Florida International University Self-Insurance Program Investment Policy

PROPOSED BOARD ACTION

Approve Florida International University Self-Insurance Program Investment Policy.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Board Regulation 10.001

BACKGROUND INFORMATION

Pursuant to Board Regulation 10.001, the Florida International University Board of Trustees has adopted an Investment Policy to define the management process for capturing investment opportunities and to establish parameters by which the FIU Self-Insurance Program Council will exercise its fiduciary responsibility and oversight for the prudent investment of funds held by the FIU Self-Insurance Program in an investment custody account.

The Investment Policy creates an Investment Committee comprised of no less than three members appointed by the Council, the University Chief Financial Officer, the University Treasurer, and the Executive Associate Dean for Finance and Administration for the Wertheim College of Medicine. All members must possess demonstrable knowledge and experience with financial investments and portfolio management. The Investment Policy delineates the Investment Committee's responsibilities and establishes the parameters for defining and disclosing a substantial existing or potential conflict of interest and providing for the Council to determine the appropriate action to take in light of the conflict.

The Investment Policy also establishes investment guidelines consistent with the statutory investment criteria set forth in Section 215.47, Florida Statutes.

Supporting Documentation Included: Information located behind the Budget & Finance Committee tab