

INDEX OF MINUTES  
BOARD OF GOVERNORS  
STATE UNIVERSITY SYSTEM OF FLORIDA  
TURLINGTON BUILDING  
TALLAHASSEE, FLORIDA  
SEPTEMBER 27, 2007

<u>ITEM</u>	<u>PAGE</u>
1. Call to Order and Chair’s Report.....	1
2. Approval of Minutes of the Meeting held August 9, 2007.....	3
3. Chancellor’s Report.....	3
4. Ratification of Appointment of New President, FGCU.....	4
5. Consideration, SUS Undergraduate Tuition Increase.....	5
6. Presentation, Developing a Long-Term Master Plan for the State University System.....	6
7. Presentations, University Operational Efficiencies.....	15
8. Action Items/Status Reports, Board Committees	
A. Student Affairs; and Approval of Board of Governors Regulations: 6C-6.001, General Admissions; 6C-6.002, Undergraduate Admission of First-time, Degree-seeking Freshmen; and 6C-6.009, Admission of International Students to SUS Institutions.....	15
B. Research and Economic Development Committee.....	16
1. Approval, Notice of Intent to Amend Board of Governors Regulation, Institutes and Centers.....	17
2. Approval, Repeal, Board of Governors Regulation, Incentive/Efficiency Program.....	17
C. Facilities Committee; and Approval, 2008-2009 Fixed Capital Outlay Legislative Budget Request.....	18
D. Budget Committee	
1. Approval, 2008-2009 State University System Legislative Budget Request.....	18
2. Approval, 2007-2008 State University System Operating Budgets.....	19

3.	Approval, Notice of Intent to Amend or Promulgate Board of Governors Regulations: 6C-9.0x, Operating Budgets; 6C-9.0x, Auxiliary Facilities with Outstanding Revenue Bonds Operating Budgets; 6C-9.0x, Preparation of University Financial Statements; 6C-9.0x, SUS Consolidated Financial Statements; 6C-3.0075, Security of Data and Related Information Technology Resources; 6C-3.007, Management Information System; and 6C-3.0x, University System Data Requests.....	19
E.	Task Force on FAMU Finance and Operational Control Issues.....	20
9.	Adjournment.....	21

MINUTES  
BOARD OF GOVERNORS  
STATE UNIVERSITY SYSTEM OF FLORIDA  
TURLINGTON BUILDING  
TALLAHASSEE, FLORIDA  
SEPTEMBER 27, 2007

The Chair, Carolyn K. Roberts, convened the meeting of the Board of Governors, State University System of Florida, in Room 1721, Turlington Building, Tallahassee, Florida, at 11:05 a.m., September 27, 2007, with the following members present: Sheila McDevitt, Vice Chair; Commissioner Jeanine Blomberg; Dr. Arlen Chase; John Dasburg; Ann Duncan; Charlie Edwards; Dr. Stanley Marshall; Ryan Moseley; Lynn Pappas; Ava Parker; Tico Perez; Gus Stavros; John Temple; and Dr. Zach Zachariah. Mr. Frank Martin participated in the meeting by telephone conference call.

1. Call to Order and Chair's Report

Mrs. Roberts said this meeting had been scheduled to be held at UNF. She said it had been moved to Tallahassee because of the initial schedule for the Special Session. She apologized for the tight fit in the meeting room, but noted that this move did save the Board money. She welcomed Senator Oelrich to the Board meeting.

Mrs. Roberts expressed the sympathies of the Board on the death of Rachel Futterman, a student at USF, from bacterial meningitis. She said she wanted to be sure there were appropriate policies in place to assure the health of university students. She noted that the Florida Health Alliance, the Directors of the Student Health Centers, had made initial recommendations to the Student Affairs Committee and would continue to work on these policies.

President Genshaft said this was a terrible tragedy, especially as a loss which could have been prevented. She said students should be properly vaccinated, especially in a close community such as a university campus.

Mrs. Roberts said she was pleased to report Governor Crist's recent appointment of Mr. Dean Colson to serve as his Special Advisor for Higher Education. She said this put a spotlight on higher education and was an opportunity to gain the Governor's support. She welcomed him to the meeting.

Mr. Colson said he was pleased to join the Board members. He said it was an honor to serve the Governor in this manner, and a testament to his interest in higher education. He said the Governor wanted the State University System to be better when his term ended than when he started in office. He said he was familiar with the

“vocabulary” of higher education and that there was no shortage of opinions on improvements for higher education. He said he was optimistic about this assignment; nobody believed that the status quo was acceptable. He said he understood the need for a funding system and the need for predictability in funding so the universities could plan. He said he looked forward to working with Board members, University Trustees and University Presidents. He thanked both the Chair and the Chancellor for the discussions he had already had with them. He said he would do his best to help.

Mrs. Roberts said she believed Mr. Colson agreed with this Board that it was not possible to have a great state without a great State University System.

Mrs. Roberts said that all through the meetings of the summer, the Board had discussed the value of the State University System and the System’s importance to the continued economic well-being of the State. She said the Board made a stand for quality when it decided to freeze freshman enrollment growth and address a tuition increase. She said the Chancellor had routinely demonstrated how per-student funding had declined over the past 15 years and that Florida now had the worst student-faculty ratio in the country. She said this was not what this Board wanted for the State University System.

Mrs. Roberts said the Board today would be discussing a report containing recommendations to advance higher education in Florida. This was the result of a great deal of work by Chancellor Rosenberg, Mr. Dasburg and the Board’s consultant, Dr. Alceste Pappas. She stressed that this was just the beginning of the Board’s conversation on this important topic. She said all the Board members needed to provide their input on this important topic prior to any final approval. She commented that this would be the most significant work the Board would do to position the University System to meet the needs of this state in the future.

Mrs. Roberts reported that over the past several weeks, the Governor and Legislative Leadership had been discussing the budget shortfall of over \$1 billion. The Governor had made his recommendations for the budget cuts. She said the Special Session had now been scheduled for October 3-12, 2007. She encouraged everyone to speak with one voice about the needs of the State University System.

Mrs. Roberts noted that there had recently been some discussion about the tuition increase the Board had approved in July. At that time, the Board had indicated that it would wait to see the size of the cuts before determining the percentage amount of the tuition increase for implementation in the Spring 2008 semester. She said the Board needed to make this recommendation today to remove any uncertainty about the amount and the implementation date so students and parents could plan their budgets.

Mrs. Roberts recognized and congratulated Ms. Pappas who was featured on the cover of this month’s Jacksonville Lawyer Magazine with a nice article about her law

practice. She also recognized Ms. Lillian Rivera, Deputy Health Officer with the Florida Department of Health in South Florida. President Maidique said the Miami-Dade Health Department was relocating its offices to the FIU Medical Center Complex. He said FIU had an accredited public health program, so it was excellent to have the Department of Health co-located on the campus. Ms. Rivera said she was delighted with this move. She said she had worked on this move for the past three years, and she thanked FIU administrators for their help. She said by pairing together these two public agencies, both benefit from the education connection. She said this was excellent for training students in population-based medicine, and provided a scientific base for public health decision-making. This co-location would assure an increase in the number of people who understood public health and services at the local level. She thanked FIU for its support of this endeavor. Mrs. Roberts said that this was a testimony to the value of partnerships.

2. Approval of Minutes of the Meeting held August 9, 2007

Dr. Chase moved that the Board approve the Minutes of the meeting held August 9, 2007, as presented. Mr. Stavros seconded the motion, and members of the Board concurred.

3. Chancellor's Report

Chancellor Rosenberg thanked Governor Crist for the appointment of Mr. Colson. He said he was optimistic about their prospects for working together. He also thanked the Governor's Chief of Staff, George LeMieux, for his "open door" to the Chancellor. He said they had had some productive discussions about ways to improve higher education in Florida. He noted that university students had met with the Governor to discuss tuition and other matters. He said he was proud of the students and the decisiveness of their commitment to quality. He said the SUS faced a number of challenges, not just the budget cuts. He said the Board needed to talk about managing the present circumstances and moving forward. He thanked Senator Lynn and Representative Pickens for their commitments to entrepreneurship. He commented that there would be a series of discussions over the next year on how the System moved Forward by Design.

Dr. Rosenberg said there were many good things happening throughout the State University System. He said UWF was celebrating its 40<sup>th</sup> anniversary; 35 years ago, in 1972, UNF opened its doors. Other universities were engaged in seeking new partnerships for research opportunities, such as the efforts by FAU with the Max Planck Institute.

He said the Board's Trustee Nominating Committee was seeking applicants to fill 10 University Trustee positions, for Trustees whose terms ended January 6, 2008. He said the Committee would interview the applicants in an open session later in the fall.

He said these vacancies gave the Board a significant opportunity to exercise its governance responsibilities.

4. Ratification of Appointment of New President, FGCU

Mrs. Roberts welcomed Mr. Scott Lutgert, Chair, FGCU Board of Trustees. She said he was doing an excellent job as Chair. She said she appreciated his support of the work of this Board. Mr. Lutgert said it was a pleasure to be here. He thanked Chancellor Rosenberg, the Chancellor's staff, and Mrs. Roberts for their help and support. He said he was delighted to introduce Dr. Wilson G. Bradshaw, the unanimous selection of the FGCU Board to be the third president of Florida Gulf Coast University. He reviewed the timeline of the search and screen activity. The FGCU Board had appointed a Presidential Search and Screen Committee comprised of a representative group of faculty, staff, students, and community members. He said the Committee had invited an initial group of 10 semi-finalists for "airport interviews." The Committee had then advanced six candidates for on-campus interviews in August. Following these interviews, the Committee recommended three finalists to be interviewed by the Board of Trustees on August 25, 2007.

Mr. Lutgert said Dr. Bradshaw had served as the President of Metropolitan State University in St. Paul, Minnesota, since 2000, and as Provost and Vice President for Academic Affairs at Bloomsburg University of Pennsylvania from 1995 to 2000. He said he had an energetic personality and was a creative administrator who had demonstrated ways to save money and to develop effective partnerships. He said Dr. Bradshaw had grown up in Palm Beach. He had earned his baccalaureate and master's degrees at Florida Atlantic University, and had served as the Dean of Graduate Studies at FAU. He commented that Dr. Bradshaw had real knowledge of the University System in Florida. He said the Trustees had selected Dr. Bradshaw unanimously and with great enthusiasm. They sensed that he would have great rapport with the students and a real commitment to bringing FGCU to greater heights.

Mrs. Roberts recognized Mr. Ken Jessell, Vice President for Administration, FAU. Mr. Jessell said he wanted to add FAU's enthusiastic support for Dr. Bradshaw's appointment as the new FGCU President, as one of FAU's own. He strongly recommended the Board's ratification of the appointment. He said he felt tremendous pride for Dr. Bradshaw, as a friend, a FAU alumni and former colleague. He said he was a "favorite son of FAU," and well prepared for leadership positions. He noted that Dr. Bradshaw was widely admired during his years at FAU, which he left in 1990 to become a Vice President and Dean at Georgia Southern University. He said he was an accomplished scholar and had a collegial style of leadership. He said he would make a wonderful President at FGCU. He welcomed him back home.

Mr. Edwards said he had a special fondness for FGCU as a Fort Myers resident and as a member of the Board of Regents when that Board picked the site for the new

university to be built in Fort Myers. He commented that Dr. Bradshaw was the first university president in Florida to have matriculated through Florida's "2-plus-2" system. Mr. Edwards moved that the Board ratify the appointment of Dr. Wilson G. Bradshaw as President of Florida Gulf Coast University, as recommended by the Board of Trustees of Florida Gulf Coast University. Ms. Parker seconded the motion, and members of the Board concurred.

Mrs. Roberts congratulated Dr. Bradshaw and invited him to address the Board. She noted that Mrs. Bradshaw was also present. Dr. Bradshaw said he and Jo Anna were very happy to be "home." He noted that he was selected as President on the tenth anniversary of FGCU. He said he was honored and humbled by his selection, and that he was looking forward to working with the Board members. He said he had worked with Dr. Roy McTarnaghan, FGCU's Founding President, and was acquainted with the Florida higher education landscape. He said he had read Dr. McTarnaghan's book, On Task and On Time, which detailed the early years of the institution which became FGCU. He expressed his great appreciation for this new position, and said his last day at Metropolitan State University would be October 25, 2007.

5. Consideration, SUS Undergraduate Tuition Increase

Mrs. Roberts asked Dr. Rosenberg to present his recommendation on a tuition increase. Chancellor Rosenberg recommended that the Board mandate each university to raise undergraduate tuition five percent (\$3.68 per credit hour), effective with the Spring 2008 term, beginning January 2008. Further, he recommended that a minimum of 30 percent of the revenues generated by this tuition increase should be allocated to need-based financial aid to help students cover the increase. Mr. Edwards moved that the Board adopt the Chancellor's recommendation, as presented. Dr. Chase seconded the motion.

Mr. Dasburg said he was concerned about dragging a specific allocation along with the proposed tuition action. He said his concern about designating purposes for the money put this Board in the position of micro-managing. He said he would prefer the Board simply approve the tuition increase. He said the Board could always provide its views to the Presidents about its concerns. He said he was not in favor of the motion, as articulated. He said he would amend it to delete the directions as to the application of the funds. He said the Minutes would show the sense of this Board that the universities be attentive to the Board's position on need-based aid.

President Machen concurred with Mr. Dasburg's comments. He said UF would cover need-based aid. He said he believed there was still not enough need-based aid provided. He said that flexibility was important, particularly in a year of budget cuts. President Hitt agreed with Dr. Machen, although he said he agreed in spirit with the Chancellor. He noted that if 25 to 30 percent of the new revenues were allocated to

financial aid, this would neutralize the impact of the tuition increase on students with real financial need.

Mr. Edwards said it was clear that need-based aid should be allocated a portion of the new revenues, but he agreed to the proposed amendment to remove that part of his motion. Dr. Chase, who seconded the motion, accepted the amendment.

Ms. Duncan inquired about the increase being mandatory. President Brogan said there was some confusion because the Board had used language in July about an increase "up to" a certain percentage. He said he had been unsure about the Board's direction. Dr. Rosenberg said there was value in sticking together, as all the institutions were in financial stress and struggling to maintain graduation rates. He said the universities needed the revenue. As a System, he said it was useful to stick together on this matter.

Ms. Duncan said she had hoped to tie any dialogue about a tuition increase with systemwide-level efficiencies. She said she hoped the Board would continue those conversations. She said the Board should tackle the efficiencies as well as the need for additional revenue. Mrs. Roberts said she hoped the University Boards would continue to work with this Board on these issues, but she was hesitant to make that a part of any tuition increase.

Mr. Dasburg called the question on the motion, as amended. The Board concurred unanimously.

6. Presentation, Developing a Long-Term Master Plan for the State University System

Mr. Dasburg said this Board had spent a great deal of time and effort discussing the proposed Master Plan. Board members had received a transmittal letter from the Chancellor with a summary describing "Key State University System Initiatives to Advance Florida's Higher Education." He said the Board Foundation had engaged the Pappas Consulting Group to assist in this project. He reviewed the chronology of events, discussions, and public hearings over the past year. He said these initiatives would guide the State University System for the next decade. He said the recommendations were reasonable and possible and could make the SUS better. He said to achieve the Board's strategic initiatives, the University System needed a blueprint and dependable funding at adequate levels. He said the Board owed the Legislature a strategy against which funding for the System was provided.

Mr. Dasburg presented several critical strategic initiatives for Board decision. He said the University System would continue, as at present, with the ten currently existing universities offering graduate degrees. He said these institutions were situated in good geographic locations around the state. To address the need for baccalaureate degrees,



new institutions would be established as baccalaureate-degree awarding institutions only, until the Board amended this strategy. He said that retention and graduation rates at the existing universities for undergraduate degrees needed to improve, and significantly. He said there was also the whole issue of funding. He said he hoped this Board would agree to some form of incentive funding to achieve improved sophomore retention rates and baccalaureate graduation rates. He said the Board's method of funding for the universities should reward those which produce graduates important to the state in the disciplines the Board had previously identified. He said the other issues identified were means to the end.

He said the report included several appendices, including an approval process for new Ph.D.'s. He said this would help get to the notion of focus for the universities. He said that as the state grew and population shifted, there would be some duplication in program offerings. He explained the appendix which compared the Florida institutions with those in the University of California System. He said this comparison was made because Florida would soon be the third most populous state. He said that California had been successful in achieving quality for its senior universities. He commented that out of nine universities, seven were ranked very high. He said California provided a good comparison for Florida. He noted that most had more or less restricted undergraduate enrollment; none had huge numbers of undergraduate enrollments. He said the Board needed to be alert to the pressure for access and baccalaureate degrees, which could be met by new baccalaureate institutions. He said the strategic initiatives could be summarized as improving quality by assuring focus at the universities; approving criteria for new Ph.D. programs; and improving graduation rates by improving undergraduate retention. In the future, new institutions would be built as baccalaureate-degree institutions.

He said the document described these initiatives in full. He said there was also a proposal that this Board approve the master's as well as the Ph.D. degree programs. He said if the Board reviewed and approved the master's and knew the proposal to grow to the Ph.D., it would remove the "stürm und drang" on approval of the Ph.D. He said it was in the universities' best interests if this Board were involved earlier in the process. He said as the Board altered the process for the approval of new Ph.D. programs, and had the same process for the review of the master's, the proposals would come to the Board consistent with its criteria.

Dr. Rosenberg said the report focused on three initiatives: improving quality; increasing baccalaureate degree production; and providing appropriate and predictable funding, as an approach to its Strategic Plan. Dr. Rosenberg said the Board had been focusing on improving quality for the past two years. The Strategic Plan was about getting to quality for the State University System. He suggested that the Board might want to begin conversations with the universities about compacts. At present there was no way for the Board to know what the institutions were doing on an annual basis; compacts would help, and would move forward toward university missions being

consistent with the Board's Strategic Plan. This would also assist the universities to focus on their mission strengths. He said there was a mistaken belief that all the universities were mimicking one model. The Board should focus on limiting duplication by strengthening program review, and eliminating unproductive programs. By focusing on achieving quality, there were different directions for the Board to move.

Dr. Rosenberg said that in regard to baccalaureate degree production, the Board should fund performance in degree production. The Board should talk about performance and be committed to degree production. The Board should also establish the criteria for new baccalaureate degree institutions, whether these were new institutions or community colleges becoming full-service baccalaureate institutions. He said the Board also needed to work better and more collaboratively with the community colleges and with the ICUF institutions. He said the state did not have a Strategic Plan for baccalaureate degree production. As a result, the various entities debated what different institutions should be doing. He noted that by 2027, Florida would need an additional one million baccalaureate degrees for the business community to have the skill sets it needed to be competitive in the global economy. The Board also needed to focus on student readiness for college and success of minority students, and address closing the achievement gap between non-minority and minority students. He said the Board also needed to improve its efforts in distance education. He noted that many of the universities were making strides in distance education; he said the System needed to do better.

Dr. Rosenberg said that it was critical to the University System to achieve appropriate and predictable funding. The Board should expand need-based financial aid to eligible students to improve access and affordability. He said the Board should increase undergraduate in-state tuition to the national average and use the additional revenue to improve the quality of undergraduate education. He said this might move the SUS out of the "basement" of the student-faculty ratio and the "basement" of per-student funding nationally, and might lead to adequate numbers of courses and advisers to facilitate timely graduation. He said he would recommend increasing in-state tuition to the national average. He said the national average tuition was \$5800; currently, Florida's annual tuition and fees was \$3300. He commented that Florida's low-cost tuition made Florida higher education almost unaffordable because there was not enough need-based financial aid for the students who could least afford the costs of higher education. He said the Board should develop a revised funding formula to focus on outcomes that included a performance component focusing on retention and graduation. He noted that the Legislature had been creative and helpful in its support of the SUS, but the prospects of more state support were not great. He said the Board should develop a compact with the Governor and Legislature and get on with the business of graduating students. He said the Board should develop a funding plan for targeted state investment in graduate programs, research and commercialization based on the state's economic development plan and the Board's strategic plan for advanced degree production in the sciences, technology, engineering and mathematics.

Dr. Rosenberg recommended that the Board adopt, in concept, the following three strategic initiatives as the core of its master plan: 1. Improve Quality; 2. Increase Baccalaureate Degree Production; and 3. Provide Appropriate and Predictable Funding; and further, direct the Chancellor to bring back to the Board, in December, a detailed implementation plan that included specific action steps, timelines, responsible parties, metrics for accountability, and costs or savings estimates.

Mr. Dasburg clarified that the Board discussion focus, and adopt, the following: 1. agree on freezing the existing 10 universities where they were at this moment, and prospectively, any new institutions be baccalaureate-degree awarding institutions only; 2. adopt the appendix describing the criteria for approving the Ph.D.; 3. approve that this Board approve new master's degrees at the universities; and 4. instruct the staff to go forward with compacts with the universities, and bring back to this Board the compacts reached with each university, for today and for a period of the next five years, to improve baccalaureate production. He said these would be the actions for the Board to move on the Board's strategy.

Dr. Chase said he was concerned about limiting new graduate program approval. He suggested that staff should go back and investigate programs which might be duplicates. He said some duplication was necessary for a university to achieve quality. Mr. Dasburg said he was not saying there could be no duplication. He recognized that in some areas, there must be duplication.

Mr. Edwards commented that this had been an interesting and rewarding year with the work on this report, the various meetings and public hearings. He thanked and congratulated Mr. Dasburg for this work. He said the Board was beginning to see changes in the method the SUS operated. He said the Board knew that it needed to increase the number of baccalaureate degrees by 35,000 per year to meet the goals of the economic community. He noted that at the current funding levels, that would be difficult. He recalled the commercial jingle that "you could be anything you wanted to be." He said it was his view that the universities could not be anything they wanted to be. He said he did not blame the presidents for wanting their universities to be the best at everything and pursuing that goal. He said this was what had seemingly occurred, with 11 institutions going in 11 different directions. He said in the 1990's the SUS was the fifth or sixth best System in the country; now the System was no longer in the top 25. He said this had to change. He said the state did not have the funds for all the universities to be the best at everything. He said these initiatives were the right direction for the Board.

Mr. Perez said he believed the initiatives were moving in the right direction. He inquired about the reactions from the members of the University Boards of Trustees and from the University Presidents. He said the Board should have their feedback before proceeding too far. He said he wanted to understand where there were disagreements. Mrs. Roberts said she was interested first in the sense of this Board to these initiatives.

President Hitt said he appreciated the opportunity for dialogue with Mr. Dasburg. He said he felt these initiatives were heading in the right direction and he was generally supportive. He noted that some of the materials were fairly recent and he commented that he had not given any thought to the Board of Governors approving masters degrees. He said he would need to understand the procedures and was not ready to take a position on this Board's approval of the masters. He said he agreed with the proposals directionally, but that he was not sure about the specific procedures.

Mrs. Roberts said the Board all agreed on where the SUS wanted to go. She commented that from her perspective it appeared that once there were many students in a masters program, there was a special urgency about the Board's approval of the Ph.D. She said the approval of the Ph.D., at the Ph.D. level, put the Board in a difficult position in the conversation about duplication of Ph.D. programs.

Mr. Moseley agreed with the general direction of the initiatives. He said he needed a better understanding of the concept of "getting tuition to the national average." He said the goal was right, but from the student perspective it should be about improving services, not a goal as to a certain amount of tuition to be charged. He said tuition needed to be related to the services students received. He suggested that the Board's goal should relate to student services, not to a specific dollar amount.

Mr. Dasburg said this was a valid point. He said this discussion was about outcomes. He said the goal should not just be the "national average." He suggested alternative language, that the goal should be baccalaureate degrees achieved. He asked Chancellor Rosenberg to change the language to reflect the goal of achieving quality through baccalaureate degree production. He said tuition should be a derivative of that goal.

Mr. Edwards voiced his opinion that this Board should have masters degree approval, as long as there were reasonable guidelines. He said this was not just about dealing with duplication. He said the System goal was to produce baccalaureates, not masters. If the University Boards approved the award of masters degrees, the universities were not addressing the Board's goal of baccalaureate production. He said this had been done previously.

Ms. Pappas said she was unsure about what the Board was deciding. Mr. Dasburg said the report included a series of directives. He said that as to the compacts, the Board was not yet in a position to approve compacts with the universities. He said that staff could begin to work on these with the universities and bring them back to the Board for approval of their baccalaureate goals, as they were developed. He said the report outlined the steps toward quality. The initiatives before the Board addressed steps to achieve quality, baccalaureate production, and dependable funding. He said he would move that the Board freeze the current number of state universities offering graduate degrees to the current ten, and that future institutions in the state would be

limited to awarding the baccalaureate degree only. He said that was clear in the report. He said he was also ready to move on the masters degree approval, subject to criteria still to be developed with the Presidents. He said he was also prepared to move approval of the criteria for new Ph.D. degree programs, but that he would wait until the Board's December meeting to make that motion. He suggested that Board members advise the Chancellor their opinions on the proposed criteria for the Ph.D. He said he would instruct the Chancellor to begin work on the compacts, and that no later than March 2008, the Board would enter compacts with each university on how they would improve baccalaureate production.

Mr. Dasburg moved that the Board freeze the current number of ten state universities offering graduate degrees, and that prospectively, any new institutions would offer only the baccalaureate degree. Dr. Chase seconded the motion, and members of the Board concurred.

Mr. Dasburg moved that the Board of Governors approve all new masters degree programs. Ms. Parker seconded the motion.

President Delaney said the document appeared to have three main sections: the approval of the masters; a formal declaration about compacts defining university mission and finding niche; and Board elimination of the Ph.D. He said he liked the idea of university compacts which would help continue a university's "niche" in certain areas. He said the shift of authority for the masters programs to this Board should be a topic for discussion with the Trustees, particularly with the Trustee Board Chairs. He said it would be healthy to have some dialogue with the Trustees on many of these issues, as this Board action may seem abrupt to them. Mrs. Roberts said she always welcomed the recommendations of the Trustees.

Ms. McDevitt commented that as to approving compacts and defining distinctive university missions, the Board should get on with that. She said she was particularly interested in the universities looking at their Strategic Plans in conjunction with the System's overall Strategic Plan. She said the Board was wrestling with this as it addressed the issue of performance funding. She said the universities should be working in the directions this Board deemed important, such as baccalaureate degree production and responsiveness to the need for certain programs as articulated by their communities.

Ms. Duncan said she agreed in concept with the proposed initiatives and in the broad philosophies expressed. She said she thought the Board would have additional dialogue regarding these core philosophies and discuss specifics later.

Dr. Chase said action on this motion was premature. He said the Board needed to work with the University Boards of Trustees; this action was proposed without notice to the University Boards. He said this action would damage the recent efforts toward

rapprochement with the Trustees. Mr. Perez agreed that more discussion with the Trustees was needed. Dr. Marshall agreed. He said he was not persuaded that this Board should approve the masters degrees.

Dr. Rosenberg explained that there was a conception on the evolution of degree development that it logically flowed from the bachelors to the masters to the doctorate. He said if the focus were on degree production and to ensure against degree duplication, it would be easier to be thoughtful about that at the masters level. He said he was not comfortable with the proposed approach as he did not believe that the doctorate naturally followed the masters degree. He said he understood the sense of the Board, but that it might be premature to pass the motion. He said he would want to explore further to see if there was a logical relationship in the development of these degrees. He said he would prefer that this Board have further discussions with the Trustees about the relationship of the masters and the doctorate degrees.

Dr. Alceste Pappas said that there was not necessarily a logical progression from the bachelors to the masters to the doctorate. She noted that this, however, was an issue of fundamental governance in Florida, with approval of the masters degree as the sticking point. She said there needed to be dialogue by this Board with the University Board Chairs and the Presidents. She said it was clear that some Board processes needed revision, but this discussion should be held within the broader context of the Strategic Plan. She said the Board needed a thoughtful process for these decisions, layering in the mission of the institutions.

Dr. Chase called the question. The motion failed.

Ms. Duncan moved that the Board adopt the conceptual ideas and the following three strategic initiatives as the core of its master plan: 1. Improve Quality; 2. Increase Baccalaureate Degree Production; and 3. Provide Appropriate and Predictable Funding; and further, direct the Chancellor to bring to the Board at its December meeting a detailed implementation plan for these initiatives, including specific action steps, timelines, responsible parties, metrics for accountability, and costs or savings estimates. Dr. Chase seconded the motion.

Ms. Parker said she agreed on the direction, but that she was not sure the motion did anything. Mr. Dasburg said the Board did not need a motion to continue discussing these issues.

Ms. Pappas said she was unclear whether BOG approval of the masters should be an all or nothing proposal. She said there might be masters programs on which this Board should act. She said it would be helpful to hear a more detailed discussion. She commented on the proposed compacts, noting that inevitably the emphasis would be on funding. She said she was concerned whether the Board was providing appropriate funding for the institutions focusing on baccalaureate degree production and was

recognizing that important mission. She wondered whether the Board was funding institutions for attractive doctoral programs, and not just for performance. She said the Board should remember that the missions of some of the smaller institutions were just as important to the System as those with the more elaborate programs. She commented that as the Board talked a program of predictable funding, it should as a System also be demonstrating System efficiencies and accountability. The Board should demonstrate that it was being efficient with the dollars appropriated. Mr. Dasburg said the Board should show System efficiencies and effectiveness in the context of its Legislative Budget Request. Mrs. Roberts said it was not easy making the tough decisions. Universities were expert at lobbying their needs and desires. All of the universities wanted to be everything. She commented that during her visits with editorial boards around the state, they had made it clear that they expected this Board to make the hard choices, and not just keep talking. She said the Board needed a timeframe for this discussion.

Mr. Perez said he concurred with the sense of the Board and the direction of the proposed initiatives, but that the Board also needed to hear from Trustees and Presidents. He said he supported talking to a time certain. He suggested that the Board have discussions and bring the issue regarding the masters program approval to the December meeting for serious discussion and a vote. He suggested that March might be a reasonable time for the Board to discuss university compacts. Mrs. Roberts commented that the compacts should not be difficult following Board approval of Mr. Dasburg's first motion.

Mr. Edwards said the language of the Constitutional Amendment was clear. He said the Board's responsibility was to the people of Florida, not to any one university. He recognized that some of the universities might not be happy. He said the Amendment said this Board was to govern the State University System; the Board of Trustees was to administer its university. He said the Trustees were to administer the policies set by this Board for the entire state. He said he felt the University System had become a disaster since the abolition of a strong centralized Board.

Ms. McDevitt said there were many things this Board could do. She said there were opportunities to work with the State Board of Education to improve graduation rates. She said she did not think the Board should delay these important discussions on all the issues. Ms. Duncan said the Board could proceed on all the issues in the motion as well as continue the dialogue with the Trustees and Presidents.

Ms. Duncan said to her original motion, it appeared the sense of the Board to discuss approval of the masters programs at the December meeting, as well as the criteria for the Ph.D. program approval at that time.

Mr. Perez suggested that the Chancellor continue to work with the Trustees and the Presidents and that he advise them of the Board's intention to act on these

proposals, including masters degrees and compacts, at its December meeting. Ms. Parker said there were still a number of pieces on which the Board had not acted which should be completed prior to taking action on the whole.

Ms. Duncan explained her motion that the Board was to take action conceptually on these 3 items, as outlined, and that there were actions pending additional input in December.

Mr. Dasburg said the Board had adopted the motion to freeze the current institutions authorized to award graduate degrees, and that prospectively, new institutions would award only the baccalaureate degree. He said this was a big decision. He said it was clear to him from the comments of the Board members that nothing else would pass. Further actions would require more conversations. He said the Board needed time at the December meeting to move down the list and all the pieces within the initiatives and vote serially to approve or disapprove each piece. Mr. Perez and Ms. Duncan concurred. Mrs. Roberts clarified that the Board would review, and act on, the complete report in December. Ms. Parker said this put everyone on notice about the proposed subjects under discussion. Mr. Perez suggested the discussion be held in a Committee of the Whole session. Mr. Dasburg said the better approach should be a one-time discussion by the full Board in regular session.

President Machen said it was critical to the System and to a governance system to include the University Boards of Trustees in any discussion of governance in Florida. He said it was important to articulate clearly the role of the Trustees in the System and in university governance.

Mrs. Roberts said they all shared a goal for greatness, but there were differing opinions about the missions of the universities in the System. She said the public, and the Legislature, expect this Board to make these decisions.

Ms. Parker said her support for the Strategic Plan or for the approval of masters degrees did not mean that she thought there were fewer responsibilities for the Trustees. She said this discussion should not be viewed as a statement of support, or not, of the University Boards of Trustees. She noted that in developing its strategic plan, this Board had the responsibility for decisions about maximizing resources. This might mean that decisions were made to make better use of resources. On some issues, it was advantageous to bring issues back for further discussion. She said she recognized the role of the University Boards of Trustees.

Mr. Edwards said he was not calling for the abolition of the Boards of Trustees. He said he was discussing the Constitutional role of this Board, which he believed was clear.



Mr. Edwards asked the Chancellor for further information on several matters. He said he had been a part of several presidential searches, and that there seemed to be some confusion about Government in the Sunshine as this related to the University Boards of Trustees. He asked the Chancellor for a position paper describing the application of the Government in the Sunshine law to the Board of Governors, to the University Boards of Trustees and to the Direct Support Organizations, including any statutory exemptions. He said it was his opinion that the DSO's were a part of the System and were, therefore, subject to the Government in the Sunshine law. He also asked the Chancellor to look into the selection of institution presidents by university systems similar to this System.

Ms. McDevitt asked that Mrs. Roberts proceed to meet with Mr. T. Willard Fair, Chair of the State Board of Education, to create a Task Force with appropriate staff to look at improving graduation rates from Florida's high schools and to address the pipeline issues. Commissioner Blomberg noted that this was a regular part of the discussions of the Go Higher, Florida! Task Force. She said she would like some discussion about performance, noting that funding drove behavior, and the use of performance-based funding.

Dr. Marshall said his comment did not relate to governance, but to degree production. He said that it was important to collaborate with the Independent Colleges and Universities in Florida (ICUF) on degree production. Ms. McDevitt concurred and said staff and ICUF staff could develop some creative models.

7. Presentations, University Operational Efficiencies

Chancellor Rosenberg asked the University Presidents to submit one page written summaries of the operational efficiencies they had implemented, rather than making individual presentations to the Board.

8. Action Items/Status Reports, Board Committees

- A. Student Affairs; and  
Approval of Board of Governors Regulations: 6C-6.001, General Admissions, 6C-6.002, Undergraduate Admission of First-time, Degree-seeking Freshmen, and 6C-6.009, Admission of International Students to SUS Institutions

Ms. McDevitt reported that the Student Affairs Committee met in conjunction with the Performance and Accountability Committee to discuss Undergraduate Performance Measures. There had been considerable discussion, but the work on these Measures would be completed at a later time.

Ms. McDevitt said the Committee had reviewed and approved the amendments proposed to three Board of Governors regulations relating to admissions which had been approved for public notice at the August Board meeting. Mr. Edwards moved that the Board approve: Regulation 6C-6.001, General Admissions; Regulation 6C-6.002, Undergraduate Admission of First-time, Degree-seeking Freshmen; and Regulation 6C-6.009, Admission of International Students to SUS Institutions; as presented and amended. Ms. Parker seconded the motion, and members of the Board concurred.

Ms. McDevitt said the Committee had also reviewed the budget request item for Graduate Student Support and had recommended to the Budget Committee the inclusion of \$16.8 million in the 2008-2009 SUS Legislative Budget Request. She reported that the Committee had also heard remarks from the Florida Health Alliance. The Alliance would bring back recommendations on an appropriate vaccination policy for students in the State University System.

B. Research and Economic Development Committee

Ms. Duncan said she had reported to the Committee on the Florida Chamber's "Imagining an Innovative Economy" meeting, held in Orlando, September 6-7, 2007. She said there had been approximately 300-400 statewide leaders present, including Chancellor Rosenberg, Dr. Chase, Mr. Perez and University Presidents. She said there seemed to be a clear appreciation by these business leaders of the importance of the State University System to the economic health of Florida. She said the Chancellor continued to work with the Florida Chamber.

She reported that Dr. LeMon had briefed the Committee on the status of the 21<sup>st</sup> Century legislation and the \$100 million appropriated this Session for the Centers of Excellence. She said the Florida Technology, Research and Scholarship Board would meet in Tampa on October 22, 2007, to begin to review proposals for funding new and existing Centers.

Ms. Duncan said the Committee had reviewed a number of funding issues for inclusion in the 2008-2009 SUS Legislative Budget Request. The Committee had approved and forwarded to the Budget Committee, recommendations to fund the Florida Center for Library Automation, the University Press of Florida, the Florida Initiative for Global Education and some Distance Learning Initiatives. The Committee had not recommended funding for the Florida Institute of Oceanography, but had

recommended a review of Florida's fleet responsibilities, capabilities and opportunities.

Ms. Duncan said the Committee was interested in university laboratory and equipment efficiencies, noting that lab equipment was very expensive. She said staff had surveyed the universities and had found increased collaboration by the universities on research projects. The Committee had asked for further study of opportunities for collaboration which might yield further equipment efficiencies for the System.

1. Approval, Notice of Intent to Amend Board of Governors Regulation, Institutes and Centers

Ms. Duncan said the Committee had reviewed a proposed new Board Regulation on Institutes and Centers. She said this regulation included language previously found in a policy directive. She said the Committee had commented on other institutes within the University System for which this Board had some budget and accountability responsibility which were not covered by this Regulation.

Ms. Duncan moved that the Board approve the Notice of Intent to Promulgate a new Board of Governors Regulation for Institutes and Centers, as presented. She said this initiated the public comment period. Mr. Perez seconded the motion, and members of the Board concurred.

2. Approval, Repeal, Board of Governors Regulation, Incentive/Efficiency Program

Ms. Duncan said the Committee had also reviewed the proposed repeal of Regulation 6C-8.010, Incentive/Efficiency Program, a program now within the purview of the University Boards. The Board had previously approved the Notice of Intent of the proposed repeal.

Ms. Duncan moved that the Board approve the proposed repeal of Regulation 6C-8.010, Incentive/Efficiency Program, as presented. Mr. Edwards seconded the motion, and members of the Board concurred.

C. Facilities Committee; and  
Approval, 2008-2009 Fixed Capital Outlay Legislative Budget Request

Ms. Parker said the Committee had discussed the acceleration of PECO project funding. She said the universities would lobby for the continuation of Courtelis Matching funds, noting that the universities had made commitments to donors using these funds. She reported that the Committee had heard an assessment on the universities' experience with campus master planning from Mr. Steve Pfeiffer, General Counsel, New College. The Committee had also reviewed a summary of the State University System bonds sold in Fiscal Year 2006-2007, a report required by the Board's Debt Management Guidelines.

Ms. Parker said there was one action item for the Board from the Facilities Committee. She reported that the Committee had reviewed all the component parts of the 2008-2009 State University System Fixed Capital Outlay Legislative Budget Request. As a part of that review, staff had presented summary information about the configuration of space at the universities.

Ms. Parker moved that the Board approve the 2008-2009 SUS Fixed Capital Outlay Legislative Budget Request, as presented, and further, authorize the Chancellor to make technical adjustments to this Legislative Budget Request, as required. Dr. Chase seconded the motion, and members of the Board concurred.

D. Budget Committee

1. Approval, 2008-2009 State University System Legislative Budget Request

Mr. Perez reported that the Budget Committee had considered and approved the 2008-2009 SUS Legislative Budget Request at the August Board meeting. Several issues, however, had been returned to Board committees for additional consideration prior to being added to the System LBR. These items had now received that committee review and recommendation. He summarized the additions to the budget request. The Student Affairs Committee recommended \$16.8 million for Graduate Student Support. The Research and Economic Development Committee recommended: Florida Center for Library Automation, \$5.9 million; University Press of Florida, \$1 million; Florida Initiative on Global Education, \$1.3 million; Distance Learning Initiatives, \$750,000; Florida Institute of Oceanography, \$0. He said

the net changes to the 2008-2009 LBR were, as follows: \$1.3 million, additional Graduate Student Support; \$1.25 million, new UCF/Burnham Agreement; \$0.5 million, new FAMU Land Grant Issue; a reduction of \$2.25 million, Distance Learning Initiative; a reduction of \$1.5 million, Florida Institute of Oceanography, whose activities would be reviewed as a part of a statewide survey; leaving a net balance of \$0.7 million to be added to the Student Success initiatives.

Mr. Perez moved that the Board approve these net changes to the 2008-2009 State University System Operating Legislative Budget Request, as presented, and further, authorize the Chancellor to make technical changes, as necessary. Ms. McDevitt seconded the motion, and members of the Board concurred.

2. Approval, 2007-2008 State University System Operating Budget

Mr. Perez said approval of the State University System Operating Budget was required by the Board's Master Powers and Duties. Each University Board of Trustees had adopted a detailed operating budget. He moved that the Board approve the 2007-2008 State University System Operating Budget, as presented. Mr. Edwards seconded the motion, and members of the Board concurred.

3. Approval, Notice of Intent to Amend or Promulgate Board of Governors Regulations: 6C-9.0x, Operating Budgets; 6C-9.0x, Auxiliary Facilities with Outstanding Revenue Bonds Operating Budgets; 6C-9.0x, Preparation of University Financial Statements; 6C-9.0x, SUS Consolidated Financial Statements; 6C-3.0075, Security of Data and Related Information Technology Resources; 6C-3.007, Management Information System; and 6C-3.0x, University System Data Requests

Mr. Perez said the Committee had reviewed seven proposed new or amended Board regulations addressing operating budgets, financial statements, security of data, data requests, and management information. These were recommended for approval to notice for public comment.

Mr. Perez moved that the Board approve the Public Notice of Intent to amend or create the following regulations: Regulation 6C-9.0x, Operating Budgets; Regulation 6C-9.0x, Auxiliary Facilities with Outstanding Revenue Bonds Operating Budgets;

Regulation 6C-9.0x, Preparation of University Financial Statements; Regulation 6C-9.0x, SUS Consolidated Financial Statements; Regulation 6C-3.0075, Security of Data and Related Information Technology Resources; Regulation 6C-3.007, Management Information System; and Regulation 6C-3.0x, University System Data Requests; as presented. Ms. Duncan seconded the motion, and members of the Board concurred.

E. Task Force on FAMU Finance and Operational Control Issues

Ms. Pappas said the charge to the Task Force on FAMU Finance and Operational Control Issues was to restore fiscal and operational credibility to Florida A & M University. She said the Task Force had held a series of fact-finding meetings to find out the problems. She said there were already changed procedures put in place. She said she had met with President Ammons and had made a presentation to the University's Board of Trustees. She advised the Board that the University Board had pledged its cooperation with the work of the Task Force. There had been a number of resignations from the FAMU Board; the new appointees were now in place. Mr. Bill Jennings, Chair of the FAMU Board, was a member of the Task Force.

She explained that the approach of the Task Force was a validation and verification process of the new processes being put in place. She said this was partially because the Task Force had received only \$1 million for this project. She said she would have preferred the Task Force to be more proactive. She said the Task Force was working with President Ammons on funding for the University to implement a corrective action plan. She said the University was making progress on the corrective plan.

Ms. Pappas said the greatest problem seemed to be that the fiscal reporting function was not in tandem with the Information Technology functions. An SUS team, including representatives from every university, had been appointed to assist with corrective measures. The IT group had already had one meeting.

She noted that the financial issues were more difficult to solve. The Task Force needed outside support to address these problems. She said there were only two responses to the RFP. She said the Task Force might need to seek additional resources from the Legislature to address the financial issues properly. She estimated it would take from December into Spring 2008 to confirm the effectiveness of the directional steps now being implemented.

Ms. Pappas reported that FAMU had been placed in probationary status by SACS. The University would be evaluated in December. She said the University had been visited by a SACS team in August and they were being responsive to the issues raised by SACS.

She said the goal of the Task Force was to proceed with the validation and verification process. She said the Task Force could not confirm its position until the processes of verification were complete. She commented that all the University's submissions to the Board of Governors for its financial statements for this fiscal period were provided ahead of schedule.

Ms. Parker commended Ms. Pappas for her leadership of the Task Force and thanked her for taking on this difficult task. She said the Task Force had adopted a number of steps which would assist the University, and the University was implementing a number of changes. She noted that University staff were working six to seven days a week to effect these improvements, and were demonstrating their commitment to addressing fiscal and operational processes.

9. Adjournment

Having no further business, the Chair adjourned the meeting of the Board of Governors, State University System of Florida, at 2:25 p.m., September 27, 2007.

---

Carolyn K. Roberts,  
Chair

---

Mary-Anne Bestebreurtje,  
Corporate Secretary