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BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
BY TELEPHONE CONFERENCE CALL
TALLAHASSEE, FLORIDA
APRIL 17, 2012

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The Chair, Dean Colson, convened the meeting of the Board of Governors, State University System of Florida by telephone conference call from Tallahassee at 11:15 a.m., with the following members present: Vice Chair Mori Hosseini, Dick Beard, Matthew Carter, Joseph Caruncho, Pat Frost, Tom Kuntz, Ava Parker, Tico Perez, John D. Rood, Gus Stavros, John Temple, and Dr. Rick Yost.

1. Call to Order

Chair Colson thanked members for participating in the conference call to handle several items that could not wait until our next regularly scheduled conference call on May 3rd. Chair Colson told members that the call should be brief.

2. Re-appointment of University Trustees: FIU, UCF, UF, UNF, and UWF

Mr. Hosseini reported that the Florida Senate did not confirm nine of the Board of Governors' appointees to the Board of Trustees during the 2012 Legislative Session. He reported that the Board of Governors has forty-five days under Florida law or until April 23, 2012, to consider re-appointing the Trustees who were not confirmed by the Senate.

Mr. Hosseini moved that the Board adopt the recommendation of the Trustee Nominating and Development Committee to re-appoint the following Trustees who were not confirmed by the Senate:

- (1) Gerald C. Grant, FIU Board of Trustees,
- (2) Meg G. Crofton, UCF Board of Trustees,
- (3) Robert A. Garvy, UCF Board of Trustees,
- (4) Marcos R. Marchena, UCF Board of Trustees,
- (5) Charles B. Edwards, UF Board of Trustees,
- (6) Susan M. Cameron, UF Board of Trustees,
- (7) Fred D. Franklin, UNF Board of Trustees,
- (8) Sharon Wamble-King UNF Board of Trustees, and
- (9) David E. Cleveland, UWF Board of Trustees.

Ms. Parker seconded the motion, and the members concurred.

3. Approval of Notification of Interest Rate Period Change on Florida State University Dining Facility Taxable Revenue Bond

Mr. Beard reported that this item is related to FSU's Dining Hall Revenue Bond, Series 2005A. He reported that the terms of the bond require the Board of Governors to select the interest rate reset period. Mr. Beard reported that FSU requested a 10 year period with an estimated fixed rate of 2.75% versus the current rate of 5.083%. The change will provide savings of \$1.6 million. Mr. Beard reported that Board staff and the Division of Bond Finance concur with FSU's selection of 2.75%.

Mr. Beard moved that the Board approve notification of the interest rate change on Florida State University Dining Facility Taxable Revenue Bond, Series 2005A. Ms. Parker seconded the motion, and the members concurred.

4. Public Notice of Intent to Amend Board of Governors Regulations

A. Regulation 7.003 Fees, Fines, and Penalties

Mr. Perez reported a proposal to amend Regulation 7.003 following the adopted regulation procedure. Mr. Perez stated that today's action would be the first step of the two-step process. If the Board approves the notice of intent to amend the regulation today, the public would have 14 days to submit any comments after the notice is posted on the Board's website. Final approval would be at the June board meeting.

Mr. Perez reported several proposed amendments to Regulation 7.003 Fees, Fines and Penalties. First, the amendment to paragraph 25 would add the new green fee for UWF and the new bar review preparation fee for FAMU that the Board approved at the March meeting.

Second, Mr. Perez reported that a number of the proposed amendments are related to House Bill 5201. House Bill 5201 has been presented to the Governor for consideration, but the Governor has taken no action yet. Mr. Perez reported that one of the primary amendments relates to the increase of the capital improvement fee - a fee that has been capped in statute since 1988. Mr. Perez reported that the increase in this fee had been a part of the Board's legislative agenda for several years, and House Bill 5201 would allow an increase. Mr. Perez reported that noticing an amendment to Regulation 7.003 today with final approval in June would allow the Board to consider university capital improvement fee requests at the June meeting.

Mr. Perez reported that the proposed changes to paragraph 16 would eliminate the building fee while the proposed changes in paragraph 17 combine

the building fee and capital improvement fee into one fee called Capital Improvement fee. The Capital Improvement fee would be set at \$4.76 (which is what it is currently). This fee would be capped at 10% of resident tuition and 10% of non-resident tuition and out-of-state fees. However, resident student increases could not exceed \$2 per credit hour per year. The Fee must be implemented in the fall term. While House Bill 5201 does not specifically state the Board has to approve any increases to the fee, Regulation 7.003 would require the Board to approve increases to the fee. Mr. Perez reported that Board approval of increasing the fee is important because, historically, over 50% of the Capital Improvement Fee is bonded and the Board approves all debt related to this fee. Thus, the Board should review and approve up-front any increases to this fee and should receive sufficient justification for the type of facility that is being considered. Mr. Perez reported that the Board would not want a university to increase the fee and begin charging students, then a few years later bring a bond deal to the Board for a facility that does not fit into the strategic plan or need at the campus. Board review will thus provide for thoughtful consideration and coordination with each campus.

Mr. Perez reported that the proposed changes to paragraph 22 modify the excess hour fee for students entering this fall. Students who enter this fall will pay a fee equal to 100% of tuition for each credit hour in excess of 115 percent needed to graduate.

Mr. Perez reported that the proposed changes to paragraph 15 delete references to distance learning as required by House Bill 5201 and correct a statutory reference.

Mr. Perez pointed out that these changes would not be made to the regulation if House Bill 5201 is vetoed. He reported that the only change needed if House Bill 5201 is vetoed would be the codification of the new fees for FAMU and UWF approved by the Board in March.

Mr. Kuntz asked whether the universities were aware of these changes. Mr. Perez explained that Board staff worked with the universities on the changes, so the universities are aware. Mr. Kuntz moved that the Board approve the public notice of intent to amend Regulation 7.003. Mr. Perez seconded the motion, and the members concurred.

B. Regulation 7.002 Tuition and Fee Assessment, Collection, Accounting, and Remittance

Mr. Perez reported that Regulation 7.002 Tuition and Fee Assessment, Collection, Accounting and Remittance also must be amended to conform to

House Bill 5201. Mr. Perez said that House Bill 5201 eliminates the building fee, so the proposal is to notice an amendment paragraph 4 of Regulation 7.002 to delete the reference to the building fee. Mr. Perez moved that the Board approve the public notice of intent to amend Regulation 7.002. Mr. Kuntz seconded the motion, and the members concurred.

5. Concluding Remarks and Adjournment

Chair Colson reported that the Board has another conference call scheduled for May 3rd. He reported that he will review the proposed items to determine whether the Board needs to meet on May 3rd. Board members will hear later this week about that call.

Chair Colson reported that the Board's next in-person meeting will be in June at the University of Central Florida and includes the university work plans. He reported that the meeting will begin on Tuesday, June 19th at noon with the Strategic Planning Committee. Chair Colson encouraged all members of the Board to come for the work plan presentations on Tuesday, June 19th and Wednesday, June 20th. Chair Colson reported that the June meeting will conclude on Thursday, June 21st with the remainder of the committee meetings and the full Board meeting.

Chancellor Brogan reported that Governor Scott is reportedly going to sign the budget today. Board staff will keep members updated as quickly as information is available.

Having no further business, the meeting was adjourned at 11:27 a.m., April 17, 2012.

Dean Colson, Chair

Monoka Venters,
Corporate Secretary