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BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
BY TELEPHONE CONFERENCE CALL
TALLAHASSEE, FLORIDA
JUNE 8, 2012

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and its Committees are accessible at <http://www.flbog.edu/>.*

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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 11:33 a.m., with the following members present: Vice Chair Mori Hosseini, Dick Beard, Matthew Carter, Joseph Caruncho, Pat Frost, Ava Parker, Tico Perez, Gus Stavros, Norman Tripp, Cortez Whatley, and Dr. Rick Yost.

1. Call to Order

Chair Colson welcomed the new student member Cortez Whatley to his first Board of Governors meeting. Chair Colson thanked members for participating in the conference call and asked Mr. Hosseini to report out from the Select Committee on Florida Polytechnic University.

2. Report, Select Committee on Florida Polytechnic University

Mr. Hosseini thanked fellow committee members Dick Beard and Norman Tripp for the work on the Committee. The following USF representatives were on the call: Chair John Ramil, Trustee Stephanie Goforth, Trustee Brian Lamb, Trustee Stephen Mitchell, and Trustee Byron Shinn. Mr. Hosseini thanked Trustee Lamb for being a great partner in moving the process forward and Trustee Mitchell for his help with the real estate transaction.

Mr. Hosseini reported that the Select Committee held a very productive meeting on May 23, 2012. That meeting was the first meeting of the Select Committee after Governor Scott signed Senate Bill 1994 immediately establishing Florida Polytechnic University as part of the State University System of Florida. Representatives from USF and UF were at the meeting. The Select Committee pledged to ensure a smooth transition by not only monitoring USF's teach-out at Lakeland but also by undertaking the task of getting the new university off the ground.

During the May 23rd meeting, the Select Committee heard an overview of the legislation creating Florida Polytechnic. This law requires the transfer of all property. Mr. Hosseini reported a concern because the transfer of the land on which the building is being built had not been completed and asked Trustee Mitchell to update the Board at the end of the Select Committee report.

These transfers require that a Board of Trustees be in place at Florida Polytechnic and that establishing a Board of Trustees for the Polytechnic is one of the highest priorities of the Trustee Nominating and Development Committee. He further reported that the Board of Governors received more than 50 applications for its five vacancies. He reported the Trustee Nominating and Development Committee would bring names of the finalists for those five vacancies to the Board of Governors meeting on June 21st provided that the applicants are qualified and willing to give the time needed to establish the university.

The Select Committee also heard an update about the transition plans for the students, faculty, and staff at USF Poly. USF will submit a teach-out plan to SACS in June. USF expects to remain in Lakeland on the Polk State College campus until the summer of 2015 to allow current students to complete their degrees. The Select Committee asked the Board office to provide an estimated timeline for how long it will take Florida Polytechnic to achieve SACS accreditation.

The Select Committee received reports on financial issues from the Board staff and USF staff. The Select Committee asked USF to provide information by June 21st regarding the following three items: (1) a budget for the teach-out that includes details of funding sources and an accounting of all carry forward funds, (2) the budget for the construction of the new campus going forward with details of funding sources, and (3) recommendations for how to complete the project on budget and on time.

Mr. Hosseini reported that the Select Committee recognized that there were several time-critical issues that needed to be addressed to keep the transition moving forward – issues that must be addressed before the Florida Poly Board of Trustees could be put in place. The result of the conversation about time-critical issues was a series of six recommendations for the full Board. These issues are of such a timely nature that the full Board could not wait until the June Board meeting to take action. Board members have been provided with the recommendations of the Select Committee.

Mr. Hosseini moved that the Board adopt the following six motions:

- (1) Student fees paid by students enrolled at USF Polytechnic for activities, services, and other uses specific to that campus shall be deposited into a segregated account at USF and shall be expended for the benefit of the students who are enrolled at USF by June 1, 2012, and are subject to the teach-out requirements of USF for former USF Polytechnic students seeking to complete their degree with USF.
- (2) The University of South Florida will give notice of intent to Blue Sky West that USF Polytechnic will not renew the lease that will expire on July 30, 2012.
- (3) The University of South Florida, from all sources formerly available for USF Polytechnic, should continue to pay the monthly lease payments associated with all existing leases, except the Blue Sky West lease, held on behalf of and

- for the benefit of the former USF Polytechnic. USF will provide a full and complete list of expenditures related to these leases to the new Florida Polytechnic University Board once it is in place in compliance with SB 1994, Section 2.
- (4) The University of South Florida (USF) shall continue to provide administrative support services to include payroll, accounting, and any other mutually agreed upon services, to the Florida Industrial and Phosphate Research Institute (FIPR) and receive reasonable compensation (cost reimbursement) for them as negotiated between USF and FIPR and until such time as the Florida Polytechnic University Board of Trustees can reasonably assume responsibility for providing those services.
 - (5) Until such time as the Florida Polytechnic University Board of Trustees can reasonably assume responsibility for oversight of the construction of the Science, Innovation, and Technology building on the new campus, the University of South Florida shall provide oversight (including extension of the current owner's agent for six months) for the project from the funds appropriated for the project; except that any change orders, scheduling changes, contracts, or contract renewals or extensions shall be submitted to the Chancellor for approval.
 - (6) For all motions that resulted in recommendations today to the full Board except for the motion related to student fees, we place a reasonable time limitation on USF's responsibility and performance to continue with the actions we are recommending. A reasonable time period is up to three months from the time the Florida Polytechnic University Trustees are appointed by the Board and the Governor, with the recognition that all items can be revisited, as necessary.

Mr. Beard seconded the motion. Mr. Whatley asked about the segregated account for student fees and who would be expending the funds. Chancellor Brogan reported that USF has the account and will be expending the funds for the teach-out activities for students who paid those fees. USF confirmed that report. Board members voted on the motion, and it carried unanimously.

USF Trustee Mitchell addressed Mr. Hosseini's concerns about the transfer of the property for the Florida Polytechnic University campus. Mr. Mitchell reported that the land donation was agreed to with the Williams Company in 2007. The agreement included a reverter clause in the event certain conditions were not met; however, those conditions were met, and the reverter was released. Mr. Mitchell further reported that the Williams requested that the reverter be reinstated when USF began negotiating the transfer of the land to Florida Polytechnic. The requested reverter would provide that title to the property would be returned to the Williams Company in the event that the property ceases to be used exclusively as a state university. Mr. Mitchell reported that the Williams Company is willing to sign the agreement because the terms of the

reverter have been included and the only remaining approval is from the Board of Governors.

Mr. Hosseini said that the state does not want to spend \$100,000,000 for the property if the reverter clause remains in place because the state may decide that it wants to put state offices on this property. Mr. Mitchell offered to send the agreement to Mr. Hosseini for review. Mr. Hosseini asked the Board's general counsel Vikki Shirley to review the agreement and stated that he would ask the Board at the June 21st meeting to stop construction if the reverter clause remains in place. Chair Colson said that the Board will be prepared if needed to make a decision on June 21st.

3. Concluding Remarks and Adjournment

Chair Colson reported that the Board's next in-person meeting will be held from June 19th through June 21st at the University of Central Florida. Having no further business, the meeting was adjourned at 12:13 p.m., June 8, 2012.

Dean Colson, Chair

Monoka Venters,
Corporate Secretary