The Florida State University Board of Trustees
Conference Call
201 Westcott Building, Tallahassee, Florida
March 30, 2007
10:00 AM – 11:00 AM
(850) 645-9020 (Local)
(800) 210-4771 (Toll Free)

AGENDA

I. Call to Order and Welcome
   Mr. Jim Smith, Chair

II. Action Items:
   1. Approval of the Academic Calendar for 2007-2008
   2. Approval of M. S. Degree in Art Therapy
   3. Approval of Booster By-Laws
   4. Approval of Fees for Child Care Centers
   5. Approval of the Center for Professional Development/Parking Garage V Projects

III. Legislative Update
    Ms. Kathleen Daly/Dr. T.K. Wetherell

IV. Foundation/Booster Fundraising Campaign
    Dr. T.K. Wetherell, President

V. Legal Update
    Ms. Betty Steffens, University General Counsel

VI. President’s Report
    Dr. T.K. Wetherell, President

VII. Adjournment
MEMORANDUM

TO: President T. K. Wetherell
FROM: Lawrence G. Abele
DATE: March 30, 2007
SUBJECT: Report on Academic Calendar
          Request for Approval

Rule 6C-8.001, Florida Administrative Code requires each university to adopt an academic calendar. The calendar includes the appropriate number of days of classroom instruction, the common entry periods, pre-established dates for issuing certificates, diplomas, or degrees and a summer program.

This request is to approve the same academic calendar with the proper adjustment to dates based on the current year academic calendar.

Approved

T. K. Wetherell

212 Westcott Building, Florida State University, Tallahassee, Florida 32306-1310
Telephone 850.644.1816, Fax 850.644.0172 • http://provost.fsu.edu/
MEMORANDUM

TO: President T. K. Wetherell

FROM: Lawrence G. Abele

DATE: March 12, 2007

SUBJECT: M.S. in Art Therapy Request for Implementation

Art therapists provide essential services in a number of settings, including education, healthcare, and juvenile justice.

Florida State University offers the only graduate-level art therapy specialization in the Southeast region which is approved by the American Art Therapy Association. Although there are approximately 36 approved art therapy programs in the United States, the two closest in proximity to Florida State University are offered by Eastern Virginia Medical School and the University of Louisville. Currently, Florida State University students who are enrolled in this course of study earn a master’s degree in Art Education. If this degree proposal is approved, they will earn a degree in Art Therapy.

In five years, the program is expected to enroll 48 students and to graduate approximately half that number annually. Because the faculty, coursework, and internships are already in place, the College of Visual Arts, Theatre and Dance is requesting no new resources in relation to this request.

Approved

T.K. Wetherell

212 Westcott Building, Florida State University, Tallahassee, Florida 32306-1310
Telephone 850.644.1816, Fax 850.644.0172 • http://provost.fsu.edu/
MEMORANDUM

TO: President T.K. Wetherell

FROM: Dee Hinkle

DATE: March 20, 2007

SUBJECT: Amended Seminole Boosters, Inc. Bylaws
Request for Approval

The Executive Committee of the Seminole Boosters, Inc. approved amended bylaws on March 19, 2007. This is a request for final approval of those changes from the FSU University Board of Trustees. Attached please find a copy of the finalized bylaws.

Substantive changes to the bylaws include:

- Language added to clarify the Seminole Boosters' Mission
- The Financial Administrator shall report directly to the Vice President of Finance and Administration of the Florida State University
- Language added to clarify the voting rights of Ex-Officio Members
- Clarification regarding notification of meetings
- Provision added requiring all nominees for the Seminole Booster Board be presented to the President of the Florida State University prior to the Boosters' nominating committee meeting
- Language added to clarify the reporting of the President of the Seminole Boosters, Inc. on issues of development and corporate operations to the Chairman of the Board of Directors and the President of the Florida State University, or his or her designee

It is recommended that the FSU Board of Trustees accept the amended Seminole Boosters, Inc. bylaws.

LFH/dr

Attachment

Approved

216 Westcott Building, Florida State University, Tallahassee, Florida 32306-1350
Telephone 850.644.1000, Fax 850.644.3612 • www.fsu.edu/~univrel
Regarding 1.2, the NCAA recertification committee requested that we change the by-laws to reflect that the Boosters were there to support all students and not just student athletes. As a compromise, we inserted the word *primarily* into the current by-laws.

1.2 **Mission.** To the extent consistent with the corporation's purposes, the mission of the corporation is to serve as a Direct Support Organization for Florida State University. As a fundraising arm of the Florida State University, the corporation generates current and deferred contributions *primarily* for the purpose of enhancing the overall educational environment, financial security, and long-term success of the University's athletic program, while promoting the education, health, and physical welfare of student athletes at the University.

Regarding 3.3, the NCAA committee requested that we show that the CFO of the Seminole Boosters reporting directly to the VP of Finance and Administration of the University. Since this is in fact the way it is, the change was made.

3.3 **Financial Administrator.** The Board of Directors shall employ a Financial Administrator to manage the fiscal affairs of the corporation. The Board may delegate routine supervision of this position to the President.

The Financial Administrator shall report directly to the Board of
Directors of the Florida State University. The Financial Administrator shall not be a member of the Board of Directors or the Executive Committee.

Regarding 4.2, the NCAA wanted to insure that the ex-officio members had voting rights. Since this is true, we changed the wording to reflect this.

4.2 Ex-Officio Members. The following persons shall be the Ex-Officio Members of the Board of Directors, with the right to vote on all matters brought before the Board for a vote:

The Chairman of the Florida State University Board of Trustees or his designee;

The President of the Florida State University or his designee;

The Chairman of the Florida State University Athletic Board;

The Athletic Director of the Florida State University or his designee;

The Chairman of the Board of Directors of the Florida State University Foundation or his designee;

The Chairman of the Florida State University Alumni Association or his designee;

A Member active in the support of women's athletics at the Florida State University, who shall be subject to the term of office provisions of Section 4.3 below;

The President of the Florida State University Varsity Club or his designee;

The President of Seminole Boosters, Inc.; and

The current Chairman of the Board of Directors of Seminole Boosters, Inc.;

The current Vice Chairman of the Board of Directors of Seminole Boosters, Inc.;
The two immediate past Chairmen of the Board of Directors of Seminole Boosters, Inc.;

The President of the Student Seminole Boosters or his designee; and

The President of the Inner Council or his designee.

Regarding 5.7, there was some language in this section that was confusing in its intent so we changed it for clarification.

5.7 Adjournments. A meeting of the Board of Directors, whether or not a quorum is present, may be adjourned by a majority of the Board members present to reconvene at a specific time and place. It shall not be necessary to give written notice of the time and place of any such reconvened meeting or of the business to be transacted; other than by announcement at the meeting which was adjourned shall be given in the manner specified in Section 5.4 of these By-laws. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

Regarding 6.1 (e), the NCAA wanted wording which said that the President of the University should name the majority of the Executive Committee members.

In historical practice we have reviewed the full nomination slate with the
President of the University prior to submission to the Board for voting, so we changed the wording to reflect what is the actual practice.

6.1 (e) **All nominees will be presented to the President of the Florida State University for consultation.**

Regarding 7.4, the NCAA committee wanted wording which said the President of the University would approve all actions by the Seminole Boosters. The changes below were made as a compromise and reflect the wording in the FSU Foundation by-laws which are consistent with the existing rules set by the Trustees of the University.

7.4 **President.** The President shall be the person primarily responsible for the daily operation of the business of the corporation. He shall report directly to the Chairman of the Board of Directors, and the President of the Florida State University, or his or her designee on issues of development and corporate operations and be responsible for putting into effect the orders and resolutions of the Board. The President shall attend each meeting of the Board, record minutes of each meeting and distribute them to members of the Board more than ten (10) working days prior to the next meeting. The President shall be the chief operating officer of the corporation, subject to direction of the President of the Florida State University and the Board. The selection of the President shall be based upon the recommendation of the President of the Florida State University.
AMENDED BY-LAWS OF THE
SEMINOLE BOOSTERS, INC.
(As Amended Through March __, 2007)

ARTICLE 1
PURPOSE AND MISSION

1.1 Purpose. The purposes of the corporation shall be as stated in its Articles of Incorporation.

1.2 Mission. To the extent consistent with the corporation's purposes, the mission of the corporation is to serve as a Direct Support Organization for Florida State University. As a fundraising arm of the Florida State University, the corporation generates current and deferred contributions primarily for the purpose of enhancing the overall educational environment, financial security, and long-term success of the University's athletic program, while promoting the education, health, and physical welfare of student athletes at the University.

ARTICLE 2
MEMBERSHIP

2.2 The membership of the corporation during any fiscal year shall consist of all persons who make an annual financial contribution to the corporation for that fiscal year. The membership shall comply with the Articles of Incorporation and the By-Laws of the corporation and the rules and regulations of the Florida State University Board of Trustees and the National Collegiate Athletic Association. The members shall have no voting rights as members of the corporation. No member will be personally liable for any of the corporation's debts, liabilities, or obligations,
nor will any member be assessed for the debts, liabilities, or obligations of the corporation.

ARTICLE 3
ADMINISTRATION

3.1 General Powers. The business and affairs of the corporation shall be conducted under the general supervision and control of a Board of Directors selected from the membership, as provided in these By-Laws.

3.2 Specific Powers. The specific powers of the Board of Directors shall be those granted to the Board of Directors by the Articles of Incorporation, Chapter 617, Florida Statutes, and these By-Laws. The corporation shall comply with all applicable laws, regulations, and rules of the Florida State University Board of Trustees and the Florida State University that apply to university direct-support organizations, as defined in Section 1004.28, Florida Statutes, as it may be amended, or any successor statute governing university direct-support organizations.

3.3 Financial Administrator. The Board of Directors shall employ a Financial Administrator to manage the fiscal affairs of the corporation. The Board may delegate routine supervision of this position to the President. The Financial Administrator shall report directly to the Vice President of Finance and Administration of the Florida State University. The Financial Administrator shall not be a member of the Board of Directors or the Executive Committee.

3.4 University Oversight. The President of the Florida State University may designate University personnel as liaison on a continuing basis between the
University and this corporation. The books and records of this corporation shall control and be open to such persons at all times. The University President shall monitor all transactions by the corporation relating to the Florida State University, its resources, and name, and shall have such powers and duties related thereto as are provided by applicable law.

3.5 **Employees.** Employees of the corporation shall not be considered to be employees of the State of Florida or the Florida State University Board of Trustees by virtue of their employment by the corporation.

ARTICLE 4
BOARD OF DIRECTORS - MEMBERSHIP, ELECTION, AND TERM OF OFFICE

4.1 **Board Membership.** The Board of Directors shall consist of not less than twenty (20) nor more than one sixty (60) members, each of whom shall be an adult. Within that range, the number of members constituting the full Board of Directors at any particular time shall be determined from time to time by the Board of Directors. Fifteen (15) members of the Board of Directors shall be Ex-Officio members ("Ex-Officio Members"), determined as provided in Section 4.2, and the remaining members of the Board of Directors shall be At-Large members ("At-Large Members") elected to the Board as provided in Section 4.3. All members of the Board of Directors shall have the right to vote on all matters brought before the Board for a vote. All members of the Board of Directors shall, upon taking office, comply with the covenant of responsibility, the Articles of Incorporation, and the
By-Laws of the corporation, and the rules and regulations of the Board of Regents of the State of Florida and the National Collegiate Athletic Association.

4.2 Ex-Officio Members. The following persons shall be the Ex-Officio Members of the Board of Directors, with the right to vote on all matters brought before the Board for a vote:

The Chairman of the Florida State University Board of Trustees or his designee;

The President of the Florida State University or his designee;

The Chairman of the Florida State University Athletic Board;

The Athletic Director of the Florida State University or his designee;

The Chairman of the Board of Directors of the Florida State University Foundation or his designee;

The Chairman of the Florida State University Alumni Association or his designee;

A Member active in the support of women's athletics at the Florida State University, who shall be subject to the term of office provisions of Section 4.3 below;

The President of the Florida State University Varsity Club or his designee;

The President of Seminole Boosters, Inc.; and

The current Chairman of the Board of Directors of Seminole Boosters, Inc.;

The current Vice Chairman of the Board of Directors of Seminole Boosters, Inc.;

The two immediate past Chairmen of the Board of Directors of Seminole Boosters, Inc.;

The President of the Student Seminole Boosters or his designee; and

The President of the Inner Council or his designee.
4.3 **Terms of Office.** Unless elected to fill an unexpired term (in which case he or she shall serve for the remainder of the unexpired term), each At-Large Member of the Board of Directors shall be elected by the Board for a term of three (3) years, commencing on the first day of the fiscal year of the corporation immediately following the annual meeting of the Board of Directors at which he or she is elected. The Board of Directors may modify the terms of At-Large Members who are in office at the time of any change in the corporation's fiscal year, to accommodate the change, even though the modification may result in an At-Large Member serving less than or more than the term for which he or she was originally elected. No person, other than Ex-Officio Members whose terms are not subject to this Section 4.3, shall serve on the Board for more than two (2) consecutive terms. After an At-Large Member has been off of the Board for two (2) consecutive years, he or she is then eligible for re-election to the Board for a term of three (3) years and is eligible to serve on the Board for two (2) consecutive terms. A member of the Board who has served two (2) consecutive terms is not eligible to fill a vacancy created by an unexpired term of a member of the Board.

4.4 **Election of At-Large Members.** Each fiscal year, at the annual meeting of the Board of Directors for that fiscal year, the Board shall elect At-Large Members to fill the seats of At-Large Members whose terms will expire at the end of that fiscal year and to fill any vacancies then existing on the Board.

4.5 **Vacancies.** If the seat of an At-Large Member on the Board of Directors is vacant for any reason (including a death, resignation, or removal of an
At-Large Member or an increase in the number of At-Large Members), the vacancy may be filled by the affirmative vote of the majority of the remaining directors, even though the remaining directors constitute less than a quorum. An At-Large Member elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

4.6 Past Chairmen of the Board of Directors.

(a) Chair Emeritus; Honorary Board Membership. Each past Chairman of the Board of Directors is a "Chair Emeritus" of the Board of Directors. Each of the immediate two past Chairmen of the Board of Directors is an Ex-Officio Member of the Board of Directors. Following the expiration of his or her term of office as an Ex-Officio Member, each Chair Emeritus shall be an Honorary Board Member for life. Each such Honorary Board Member is invited to attend and participate in all meetings of the Board of Directors but shall not have the right to vote on any matters coming before the Board. However, each Chair Emeritus who no longer serves as an Ex-Officio Member and who is otherwise eligible for election to the Board of Directors may be elected as an At-Large Member of the Board of Directors in accordance with the applicable provisions of these By-Laws, and any such At-Large Member shall have all the rights and authority of an At-Large Member of the Board, including the right to vote on all matters coming before the Board.
(b) **Membership and Purpose of Chairmen's Council.** Each Chair Emeritus who is not an Ex-Officio Member or At-Large Member of the Board of Directors is a member of the Chairmen's Council, except any Chair Emeritus who advises the Executive Committee that he or she does not wish to serve on the Chairmen's Council. The purpose of the Chairmen's Council is to assist the Board of Directors and the President of the corporation, as requested, and to consider and make recommendations to the Board of Directors and President with respect to special projects and policy issues of significance to the corporation.

(c) **Chair of Chairmen's Council.** The members of the Chairmen's Council shall elect a Chair of the Chairmen's Council, who shall preside at all meetings of the Chairmen's Council and report to the Board of Directors and the Executive Committee on the recommendations of the Chairmen's Council.

(d) **Meetings of Chairmen's Council.** Meetings of the Chairmen's Council may be called by the President of the Corporation, the Chairman of the Board of Directors, or the Chair of the Chairmen's Council. Unless notice is waived, written notice of the time and place of meetings of the Chairman's Council shall be given, at least five (5) days before the meeting, to each member of the Chairman's Council, by personal delivery, fax, e-mail, or United States mail. Notice of a meeting of the Chairman's Council need not be given to any member of the Chairman's Council who signs a waiver of notice before, during, or after the meeting. There is no quorum requirement for meetings of the Chairmen's Council. A recommendation approved by a majority of the members of the Chairmen's
Counsel present at a meeting of the Chairmen's Council constitutes the recommendation of the Chairmen's Council

ARTICLE 5
MEETINGS OF THE BOARD OF DIRECTORS

5.1 Annual Meetings. The Board of Directors shall hold an annual meeting, at least ninety (90) days before the end of each fiscal year of the corporation at a date, time, and place determined by resolution of the Board, for the purpose of electing At-Large Members of the Board, committee members, and officers of the corporation whose terms will begin on the first day of the next fiscal year, and for the purpose of conducting any other business that may come before the Board.

5.2 Regular Meetings. The Board of Directors may, by resolution, establish a schedule of additional regular meetings of the Board of Directors. The corporation need not provide notice of any such regular meeting of the Board of Directors if the date, time, and place of the regular meetings have been determined by resolution of the Board of Directors establishing the schedule of such meetings.

5.3 Special Meetings. Special meetings of the Board of Directors may be called by the President or at the request of the Chairman of the Board of Directors or upon written request of ten (10) members of the Board of Directors.

5.4 Notice of Meetings; Waiver of Notice. Written notice of the time and place of special meetings of the Board of Directors shall be given, at least five (5) days before the meeting, to each director by personal delivery, fax, e-mail, or United States mail. Depositing a letter in the mail, addressed to a director at his last
known address as shown by the records of the corporation, shall be deemed sufficient for the giving of notice. Notice of a meeting of the Board of Directors need not be given to any director who signs a waiver of notice before, during, or after the meeting. Attendance of a director at a meeting constitutes a waiver of notice of that meeting and waiver of all objections to the time and place of the meeting, and the manner in which it was called or convened, except when the director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual, regular, or special meeting of the Board of Directors need be specified in the notice or waiver of notice of that meeting.

5.5 Action by Directors Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent describing the action is signed by all members of the Board of Directors and filed with the minutes of the proceedings of the Board. Such consent shall have the same force and effect as a unanimous vote of the Board of Directors. An action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date.

5.6 Remote Participation. The Board of Directors may permit any or all directors to participate in an annual, regular, or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director
participating in a meeting by this means is deemed to be present in person at the meeting.

5.7 Adjournments. A meeting of the Board of Directors, whether or not a quorum is present, may be adjourned by a majority of the Board members present to reconvene at a specific time and place. Written notice of the time and place of any such reconvened meeting shall be given in the manner specified in Section 5.4 of these By-laws. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

5.9 Quorum and Voting. One-third (1/3) of the members of the Board of Directors then in office (excluding any vacancies on the Board) constitutes a quorum of the full Board of Directors. An action approved by a majority of the Board members present at a meeting of the Board at which a quorum is present constitutes an act of the Board of Directors. A majority vote consists of one vote more than one-half (1/2) of the votes cast at a meeting at which a quorum is present.

5.10 Voting Procedures. All members of the Board of Directors have the right to vote on all matters coming before the Board. Any member of the Board of Directors must be present at the meeting in order to cast a vote on any matter brought before the meeting. No proxies or absentee ballots will be allowed or counted at any time.

5.11 Presumption of Assent. A director who is present at a meeting of the Board of Directors when corporate action is taken is deemed to have assented to the
action taken unless: (a) the director objects, at the beginning of the meeting or promptly upon his or her arrival, to holding the meeting or transacting specified affairs at the meeting; or (b) the director votes against or abstains from the action taken.

ARTICLE 6
COMMITTEES

6.1 Executive Committee of Board of Directors.

(a) There shall be an Executive Committee of Board of Directors (the “Executive Committee”), consisting of no more than thirteen (13) members of the Board. The Board may delegate to the Executive Committee any of the Board’s powers, except that the Executive Committee shall have no power or authority (i) to fill vacancies on the Board of Directors or any committee thereof, (ii) to adopt, amend, or repeal the By-Laws, (iii) to establish corporate policy without the approval of the Board, or (iv) to change the corporation's fiscal year without the approval of the Board. The function and purpose of the Executive Committee shall be to implement the policies and directives of the corporation, as established by the Board of Directors, and the Executive Committee shall have the authority to exercise such powers subject to the supervision and control of the Board.

(b) The Executive Committee may meet at such times as may be designated by the Chairman of the Board of Directors or upon the written request of the President or any two (2) members of the Executive Committee. The Executive Committee may meet by telephone conference call, provided that each member of the Executive Committee participating in the call can hear each other such member
at the same time. Three (3) days written notice of the time and place (or applicable telephone number for a meeting by conference call) of any meeting of the Executive Committee shall be given to all members of the Executive Committee. Transmitting a notice by electronic mail, addressed to a member of the Executive Committee at his last known e-mail address as shown by the records of the corporation, or depositing a letter in the mail, addressed to a member of the Executive Committee at his last known mailing address as shown by the records of the corporation, shall be deemed sufficient giving of notice. A member of the Executive Committee who attends or participates in a meeting of the Executive Committee for any purpose other than to object, at the beginning of the meeting, to the failure to give proper notice of the meeting shall be deemed to have waived notice of the meeting. Any member of the Executive Committee otherwise may waive notice of the meeting at any time, either before, during, or after the meeting, by signing a written waiver of notice.

(c) The Executive Committee shall not make or authorize any unbudgeted expenditure without the approval of the Board at a regularly scheduled meeting or in accordance with Section 5.2 hereof, except that the Executive Committee may make unbudgeted “urgent” expenditures if each of the following conditions is satisfied: (1) the full Board of Directors is given written notice (which may be given by mail, personal delivery, fax, e-mail, or other effective means) at least three days prior to the meeting of the Executive Committee at which the expenditure is approved, describing the proposed expenditure in reasonable detail,
specifying why immediate approval of the expenditure is necessary, and inviting each member of the Board to attend the meeting of the Executive Committee at which the expenditure will be considered; and (2) the Executive Committee, by a vote of a majority of the members of the Executive Committee in attendance at a meeting for which such notice was given and at which a quorum of the Executive Committee is present, determines that the expenditure is urgent and approves the expenditure. The Executive Committee is not authorized to approve an unbudgeted “urgent” expenditure by written consent, without a meeting, unless the Board of Directors has given the Executive Committee authority to do so with respect to a specific type or amount of expenditure. Depositing a letter in the mail, addressed to a director at his last known address as shown by the records of the corporation, shall constitute the giving of notice for purposes of this Section 6.1(c).

(d) The Executive Committee shall be composed of the Chairman of the Board, Vice-Chairman, President, Secretary, and Treasurer of the corporation, the President of Florida State University or his designee, the Chairman of the Florida State University Board of Trustees or his designee, the Athletic Director of Florida State University or his designee, the two (2) Immediate Past Chairmen of the corporation, and three At-Large Members of the Board of Directors. In the event two (2) or more of the Executive Committee members are from the Tallahassee area, then two (2) of the three (3) At-Large Members appointed to the Executive Committee shall reside more than 100 miles outside the boundaries of
Leon County. At-Large Members who are elected to the Executive Committee shall be elected annually by the Board of Directors at the Board’s annual meeting.

(e) A majority of the members of the Executive Committee then in office (excluding any vacancies on the Executive Committee) constitutes a quorum of the full Executive Committee. An action approved by a majority of the Executive Committee members present at a meeting of the Executive Committee at which a quorum is present constitutes an act of the Executive Committee. A majority vote consists of one vote more than one-half \( (1/2) \) of the votes cast at a meeting at which a quorum is present.

(f) Any member of the Executive Committee must be present in order to cast a vote on any matter. No proxies or absentee ballots will be allowed or counted at any time.

(g) Except as provided in Section 6.1(c), any action required or permitted to be taken at any meeting of the Executive Committee may be taken without a meeting if a written consent thereto is signed by all members of the Executive Committee and filed with the minutes of the proceedings of the Executive Committee. Such consent shall have the same force and effect as a unanimous vote of the Executive Committee.

(h) A meeting of the Executive Committee, whether or not a quorum is present, may be adjourned by a majority of the Executive Committee members present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by
announcement at the meeting which was adjourned. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

6.2 **Nominating Committee.**

(a) The Nominating Committee shall be composed of the Chairman of the Board of Directors, who shall serve as Chairman of the Nominating Committee, the Vice-Chairman, the Immediate Past Chairman, the President of Florida State University or his designee, and seven (7) Board members appointed by the Chairman from each of the following areas: (1) Big Bend, (2) N.W. Florida, (3) N.E. Florida, (4) Central Florida, (5) Suncoast, (6) Gold Coast, and (7) Out-of-State. If, after reasonable efforts, the Chairman is unable to make an appointment from any of these areas, the Chairman may make an appointment at large.

(b) Members of the Nominating Committee except for the Immediate Past Chairman, Chairman of the Board, and Vice-Chairman, shall not be eligible to serve on the Nominating Committee for more than two (2) consecutive years, and no such member, including the Chairman and Vice-Chairman, shall thereafter be eligible to serve on the Nominating Committee for (1) year subsequent to the last year during which said member served on the Nominating Committee.

(c) A member of the Nominating Committee shall not be a candidate for an office, or a member of the Executive Committee or the Board of Directors, and a member of the Nominating Committee shall not resign to become a candidate.
(d) The Nominating Committee shall meet at least annually for the purpose of nominating officers and a candidate for each open position for At-Large Members on the Board of Directors and Executive Committee. The office of Chairman shall not be considered an open position unless the Board of Directors, by two-thirds (2/3) majority vote, shall direct the Nominating Committee to submit a name in addition to that of the Vice-Chairman, whose name shall automatically be submitted.

(e) All nominees will be presented to the President of the Florida State University for consultation.

(f) No less than three (3) weeks prior to each annual meeting of the Board of Directors, the Nominating Committee shall prepare and deliver by mail to all current Board members a list or ballot of proposed nominees of new At-Large Members of the Board, proposed officers, and proposed committee members, and three alternates for each nominee. The notice shall specify the cities of residence and biographical information for each candidate. The ballot shall provide space for additional nominees, who may be nominated from the floor by any member of the Board of Directors in attendance at the regularly scheduled meeting for the election. The list or ballot shall serve as the official voting ballot for the election of officers and members of the Board of Directors. All members of the Board of Directors have the right to vote in elections of officers, At-Large Members of the Board of Directors, and elected committees of the Board. All ballots shall be confidential and shall be
submitted and forthwith tallied at the meeting by the Secretary and Treasurer of
the corporation. The ballots shall be available for review by any Board member.

(g) In order to be elected, a candidate must receive a majority of
votes cast by the members of the Board of Directors voting at a meeting at which a
quorum of the Board of Directors is present.

(h) The Executive Committee shall meet to nominate candidates to
fill any vacancy occurring on the Board of Directors and shall submit its
nominations to the Board. The Board shall fill the vacancy as provided in Section
4.5.

6.3 Other Standing Committees. Other standing committees of the Board
of Directors shall consist of the following ("Other Standing Committees"):  

(a) Finance & Budget Committee. The Finance & Budget Committee
shall review periodically the income and the expenditures and the next year's
budget of the corporation. The Finance & Budget Committee shall serve as the
Compensation Committee. The Treasurer shall be the Chairman of the Finance &
Budget Committee.

(b) The By-Laws Committee. The By-Laws Committee shall review
the By-Laws periodically to assure full compliance with all applicable laws and
regulations. The committee shall be composed of the corporation's Attorney and at
least two (2) members of the Board of Directors.

(c) The Strategic Planning Committee. The Strategic Planning
Committee shall develop and recommend to the Board of Directors a written
strategic plan designed to further the accomplishment of the corporation's purpose and mission, and shall periodically review and recommend updates and revisions of the strategic plan.

(d) **Endowed Scholarship Committee.** The Endowed Scholarship Committee shall consist of not less than three (3) nor more than twelve (12) persons with staggered terms of three (3) years. This committee shall have as its primary obligation the acquisition, maintenance, investment, and distribution of funds and other property donated to the corporation for the endowed scholarship program. The committee shall have the power to establish rules by which to carry out its responsibilities, subject to the approval of the Board of Directors.

(e) **Committee Membership.** The Chairman and Vice-Chairman of the Board shall be members of all Other Standing Committees. The Chairman shall appoint all other members of the Other Standing Committees, each of whom shall serve at the pleasure of the Chairman.

(f) **Authority.** Each Other Standing Committee shall have and may exercise the authority delegated to it by the Board of Directors, except that no such committee shall have the authority (i) to fill vacancies on the Board of Directors or any committee thereof, (ii) to adopt, amend, or repeal the By-Laws, or (iii) to establish corporate policy without the approval of the Board.

6.4 **Reports.** All committees of the Board shall submit reports, which shall be reviewed by the Executive Committee and delivered to the Board.
ARTICLE 7
OFFICERS OF THE CORPORATION

7.1 **Officers.** The officers of the corporation shall consist of a Chairman of the Board of Directors, a Vice-Chairman, a President, a Secretary, and a Treasurer. The Chairman of the Board shall serve for one (1) year and shall not be eligible for election as Chairman, Vice-Chairman, Secretary, or Treasurer for a period of two (2) years thereafter. The officers shall be elected by, and shall serve at the pleasure of, the Board of Directors.

7.2 **Chairman of the Board of Directors.** The Chairman of the Board of Directors shall be the presiding officer of the corporation and shall have general supervision of the business of the corporation. He shall see that all orders and resolutions of the Board are carried into effect. The Chairman shall perform such other duties as may from time to time be delegated to him by the Board of Directors. He shall serve as an ex-officio member of all committees that he appoints.

7.3 **Vice-Chairman.** The Vice-Chairman shall serve in the absence of the Chairman. He shall serve as an ex-officio member of all committees appointed by the Chairman and shall be the Chairman-elect of the Board of Directors.

7.4 **President.** The President shall be the person primarily responsible for the daily operation of the business of the corporation. He shall report directly to the Chairman of the Board of Directors, and the President of the Florida State University, or his or her designee on issues of development and corporate operations and be responsible for putting into effect the orders and resolutions of the Board. The President shall attend each meeting of the Board, record minutes of each
meeting and distribute them to members of the Board more than ten (10) working days prior to the next meeting. The President shall be the chief operating officer of the corporation, subject to direction of the President of the Florida State University and the Board. The selection of the President shall be based upon the recommendation of the President of the Florida State University.

7.5 Secretary. The Secretary shall oversee accurate records of the acts and proceedings of all meetings of the Board of Directors. He shall be the custodian of the corporate books, records, contracts, and other documents. The Secretary may affix the corporate seal to any lawfully executed documents requiring it and shall sign such instruments as may require his signature. The Secretary shall sign or initial each set of the minutes of the Board after they are approved by the Board and before they are placed in the corporate minute book. The Secretary shall perform whatever additional duties and have whatever additional powers the Board of Directors may from time to time assign to him.

7.6 Treasurer. The Treasurer shall oversee the financial affairs of the corporation, chair the Finance & Budget Committee, and review the certified audit. Additionally, the Treasurer shall periodically report to the Board on the financial condition of the corporation. The Treasurer shall perform all duties as may be assigned to him from time to time by the Board.
ARTICLE 8
REQUIREMENTS FOR THE VALIDITY OF CORPORATE ACTION; FISCAL
AND ACCOUNTING MATTERS

8.1 Execution of Documents.

(a) The Chairman of the Board of Directors, the Vice Chairman of
the Board of Directors, the President, the Secretary, and the Treasurer of the
corporation are authorized to execute deeds, notes, bonds, contracts, and other
documents and instruments approved by the Board of Directors or the Executive
Committee pursuant to the By-Laws. The Board of Directors or the Executive
Committee may designate other persons ("Other Authorized Signatories") to execute
deeds, notes, bonds, contracts, and other documents and instruments on behalf of
the corporation, but such designation must be in writing and duly approved by the
Board or Executive Committee. The signature of any one (1) such officer or Other
Authorized Signatory of the corporation is sufficient for the execution of any deed,
note, bond, contract, or other document or instrument that involves an expenditure
or the creation of a liability of the corporation of less than $50,000 or a disposition of
assets of the corporation having a fair market value of less than $50,000. Approval
by the Board of Directors or the Executive Committee and the signature of any two
(2) such officers or Other Authorized Signatories of the corporation are required for
the execution of any deed, note, bond, contract, or other document or instrument
that involves an expenditure or the creation of a liability of the corporation of more
than $50,000 or a disposition of assets of the corporation having a fair market value of more than $50,000.

(b) Notwithstanding the foregoing paragraph (a), the President of the corporation has the following authority:

(i) The President of the corporation, acting individually, may execute any deed, note, bond, contract, or other document or instrument that is approved by the Board of Directors or the Executive Committee, regardless of the amount involved, including contracts and other documents that are executed as being within the yearly expenditure budget of the corporation; and

(ii) The President and any one other officer of the corporation, acting together and without further approval of the Board of Directors or the Executive Committee, are authorized to execute such documents and to take such further actions as are necessary to cause the corporation to sell any real property that has been donated to the corporation, provided that the corporation has obtained a current appraisal of the property by a qualified appraiser and either (1) the price at which the property is sold equals or exceeds the appraised value, or (2) the appraised value of the property is less than $150,000 (in which case the President and such other officer may sell the property at such price as they, in their judgment, determine to be in the best interests of the corporation). If the appraised value of any such property equals or exceeds $150,000, the President (and any such other officer) of the
corporation is not authorized to complete a sale of the property at a price that is less than the appraised value unless the Board of Directors or the Executive Committee approves the sale.

8.2 Fiscal and Accounting Requirements.

(a) Gifts and bequests made for a specific purpose must be rigorously administered by the corporation to insure that such funds are used solely for the purposes prescribed by the donor.

(b) The annual operating budget of the corporation for each fiscal year shall be submitted to the Florida State University Board of Trustees and the President of the Florida State University no later than sixty (60) days after the commencement of the fiscal year. Salary supplements and any construction of physical facilities, although set forth in the budget, nevertheless, require prior written approval of the Florida State University Board of Trustees.

No later than sixty (60) days after the commencement of each fiscal year, the corporation shall submit to the Florida State University Board of Trustees, for its review, an annual budget for the fiscal year that has been approved by the corporation's Board of Directors and recommended by the President of the Florida State University. Each such budget shall include any budgeted expenditures for: (i) construction of physical facilities, (ii) salary supplements, compensation, and benefits to be paid or provided to the President, faculty, or staff of the Florida State University not employed by the corporation, to the extent that they are to be paid or provided with assets of the corporation; and (iii) salary
supplements, compensation, and benefits to be provided by the corporation directly to employees of the corporation.

(c) Full or part-time employees of the corporation who do not occupy a state line, as distinguished from employees on state lines whose salaries are paid in whole or part through a grant to the state from the corporation, may not participate in state retirement systems or other fringe benefits enjoyed by employees of the state. Salary supplements, compensation, and benefits to be paid or provided to employees of the corporation who do not occupy a state line will be paid directly to the employees by the corporation and will not be subject to state retirement contributions nor included in salary averaging for the purpose of computing retirement benefits.

(d) Copies of annual financial statements of the corporation, including a comparative statement of actual and budgeted expenditures, shall be filed with the President of the Florida State University and the Florida State University Board of Trustees for appropriate review. The corporation's anticipated expenditures will be submitted to and approved by the President of the Florida State University (or his or her designee) on a quarterly basis.

(e) The corporation shall have an annual post audit of its financial accounts, including a statement of actual and budgeted expenditures conducted by an independent certified public accountant. Copies of these reports shall be submitted to the Florida State University Board of Trustees, the President of the Florida State University, and the Auditor General of the State of Florida no later
than one hundred twenty (120) days after the end of the fiscal year. The identity of donors desiring anonymity shall be protected. The independent certified public accountant shall be issued an engagement letter which provides that he will render his opinion on the financial statement and result of the operation.

(f) No action of the corporation involving the use of the name or resources of the Florida State University shall be effective until approved in writing by the President of the Florida State University or his designee.

(g) Unless otherwise required by applicable law, the corporation's fiscal year shall begin on July 1 of each year or on such other date as the Board of Directors may determine.

**ARTICLE 9**

**AMENDMENTS**

9.1 These By-Laws may be amended, altered, or repealed (a) with the approval of two-thirds of the members of the Board of Directors who are present and voting at any annual or regular special meeting of the Board at which a quorum is present or at any special meeting of the Board called in accordance with the By-Laws for the purpose of considering the amendment and at which a quorum is present, or (b) by the unanimous, written consent of the full Board of Directors, effected in accordance with Section 617.0821, Florida Statutes, as it may be amended, or any successor statute governing actions by the board of directors of a Florida not-for-profit corporation without a meeting. Written notice of any meeting at which an amendment, alteration, or repeal of these By-Laws or the adoption of new By-Laws is to be considered shall be given at least five (5) days before the
meeting and shall specify in general the nature of the amendments or new By-Laws to be considered. Any amendment of the By-Laws requires the approval of the Florida State University Board of Trustees before the amendment becomes effective. Any amendment of the By-Laws approved by the Board of Directors shall be submitted by the President of the Florida State University to the Florida State University Board of Trustees for its approval. The corporation shall comply with all rules of the Florida State University Board of Trustees and the Florida State University applying to Direct Support Organizations, as defined in Section 1004.28, Florida Statutes.

# 4371386_v3
MEMORANDUM

TO: President T. K. Wetherell
FROM: Mary Coburn
DATE: March 1, 2007

Florida Statute 1009.24(12)(q) authorizes the Board of Trustees to establish fees for the Educational Research Center for Child Development (ERCCD). The ERCCD was established in 1980 to provide service, research and scholarly leadership to Florida State University and its surrounding community. The ERCCD provides a high quality early education program for young children, training for student teachers and is a research site for faculty members and graduate students.

The ERCCD requests approval of a five year plan to increase tuition 8% annually for academic years 2007-08 through 2011-12:

<table>
<thead>
<tr>
<th>Preschool</th>
<th>FY 2006-07 Actual/Week</th>
<th>FY 2007-08 Proposed/Week (1)</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student FT Full day/half day</td>
<td>$86.50/$54</td>
<td>$93.50/$58</td>
<td>8%</td>
</tr>
<tr>
<td>Student PT Full day/half day</td>
<td>$102/$61</td>
<td>$110/$66</td>
<td>8%</td>
</tr>
<tr>
<td>Faculty/Staff Full day/half day</td>
<td>$150.50/$86</td>
<td>$162.50/$93</td>
<td>8%</td>
</tr>
</tbody>
</table>

(1) Effective Fall Term 2007

If approved by the Board of Trustees, the five year plan would bring teacher salaries to the mid point of comparable positions within the State University System, achieve internal equity and allow ERCCD to be competitive with local teacher salaries. By comparison, the tuition rates will continue to be considerably below market at private centers of comparable quality in Tallahassee (currently averaging $709 per month).

Staff recommendation:
Recommend Board of Trustee approval to increase fees as requested.

Approved for Inclusion in Agenda: T. K. Wetherell, President

315 Westcott Building, Florida State University, P.O. Box 3061340, Tallahassee, FL 32306-1340
Telephone 850.644.5590, Fax 850.644.6297 • www.studentaffairs.fsu.edu
MEMORANDUM

TO:          President Wetherell
FROM:        John Carnaghi
DATE:        March 21, 2007
SUBJECT:     Center for Professional Development/Parking Garage V Projects
             Request for Approval

We are requesting the reaffirmation of approval to issue FSU Parking Facility Revenue Bonds to construct a new parking garage (#5) on the southeast side of Campus. The bonds would be issued through the Division of Bond Finance. You originally approved this construction request on May 26, 2005, as well as an increase in parking fees on January 26, 2007 to support this project. (See attachment for Resolution.)

In addition, we are requesting your approval to demolish the existing Center for Professional Development (CPD) facility and reconstruct a new CPD facility adjacent to the above parking garage being built on the same site. The funds being used to construct this facility will come from interest earnings accumulated by the university and auxiliary revenues held by CPD. The razing of this existing CPD will be reviewed by a spot space survey prior to the start of this project.

JRC/ps
Attachments

Approved

T.K. Wetherell
A RESOLUTION REQUESTING THE ISSUANCE OF BONDS TO FINANCE THE CONSTRUCTION OF A MULTI-LEVEL PARKING GARAGE ON THE CAMPUS OF FLORIDA STATE UNIVERSITY; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE FLORIDA STATE UNIVERSITY BOARD OF TRUSTEES:

Section 1. The Board of Trustees of Florida State University (the "University") hereby requests the Florida Board of Governors (the "Board of Governors") to request the Division of Bond Finance of the State Board of Administration of Florida (the "Division") to issue bonds in an amount not exceeding $13,230,000 (the "Bonds") for the purpose of financing the construction of a multi-level parking garage (the "Project") on the campus of the University.

Section 2. The Project will consist of the construction of a 5-level parking garage (garage five) containing approximately 1,000 parking spaces on the southeast corner of main campus of the University. The proposed site is currently utilized by the FSU Turnbull Center for Professional Development which will be razed and reconstructed, using other legally available funds of the University, in order to accommodate both facilities on the same site. The Project is designed to be part of the parking system program at the University. The Project is reflected on the approved January 2005 Campus Master Plan for the University and is consistent with the mission of the University because it will provide necessary parking accommodations for faculty, students and staff.
Construction of the Project is expected to begin in June of 2007 and to be completed by August of 2008. Proceeds of the Bonds are not anticipated to be sufficient to complete the construction of the Project without the use of additional funds. Additional necessary funding in the amount of approximately $3,110,000 will be obtained from currently available auxiliary funds. Because the project satisfies the four criteria set forth in Section 1010.62(7)(a), Florida Statutes (2006), Legislative approval is deemed to have been obtained. No proceeds of the Bonds will be used to finance operating expenses of the University.

Section 3. The Bonds are to be secured by the Parking System Revenues, on parity with the University’s outstanding Parking Facility Revenue Bonds, after deducting therefrom the Administrative Expenses, the Current Expenses and the Rebate Amount, if any (the “Net Parking System Revenues”). The Parking System Revenues include all fees, rentals or other charges and income received by the University from students, faculty members and others using or being served by or having the right to use, or having the right to be served by, the parking system of the University, and all parts thereof, without any deductions whatever, and specifically including, without limiting the generality of the foregoing, parking permit fees, parking citation collections, immobilization fees, and any special rental fees or charges for services or space provided. The Administrative Expenses include fees or charges of the State Board of Administration of Florida and the Division. Current Expenses include all
necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated shares of charges for insurance and all other expenses of the University incident to the operation of the parking system of the University, but excludes depreciation, all general administrative expenses of the University, the expenses of operation of auxiliary facilities the revenues of which are not pledged as security for the Bonds and the payments into any parking system maintenance and equipment reserve fund. The Rebate Amount, if any, is the excess investment earnings which may be required to be paid to the federal government pursuant to Section 148 of the Internal Revenue Code of 1986, as amended. The Bonds will be secured by a first lien on the Net Parking System Revenues. The Bonds may also be secured by such other revenues as may be designated by the Board of Trustees and approved by the Board of Governors from time to time. The University is legally authorized to secure the Bonds with the revenues to be pledged pursuant to section 1010.62, Florida Statutes (2006). The University is also committed to ensuring that sufficient revenues will be generated to fulfill the University's obligations with respect to the Bonds.

Section 4. The Bonds will mature not more than twenty (20) years after issuance, including any extensions or renewals thereof. The Project has an estimated useful life of 50 years, which is beyond the anticipated final maturity of the Bonds. The Bonds will bear interest at a fixed interest rate.
Section 5. The Bonds will be sold through a competitive sale. Any bond insurance or other credit enhancement will be chosen through a competitive selection process analyzing the cost of the insurance or credit enhancement and the expected interest cost savings resulting from their use.

Section 6. The Board of Trustees will comply, and will require the University to comply, with all requirements of federal and state law relating to the Bonds, including but not limited to, laws relating to maintaining the exemption from taxation of interest payments on the Bonds and continuing secondary market disclosure of information regarding the Bonds.

Section 7. The University will comply with all covenants, requirements and provisions of a resolution of the Governing Board of the Division, dated July 21, 1992, as amended and supplemented, authorizing the issuance of Florida State University Parking Facility Revenue Bonds.

Section 8. The University President, the University Vice President for Finance and Administration and other authorized representatives of the University and the Board of Trustees, are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the execution, sale and delivery of the Bonds. Without limiting the generality of the foregoing, the University President and the University Vice President for Finance and
Administration are authorized to execute an official intent with respect to any original expenditures that will be reimbursed by proceeds of the Bonds; such official intent shall be valid if executed by any one of such authorized persons.

Section 9. In making the determination to finance the Project, the Board of Trustees has reviewed additional information, if any, attached hereto as Appendix A and finds that the issuance of the Bonds is in compliance with the Board of Governor's Debt Management Guidelines, the University's debt management policy, and applicable law.

Section 10. This Resolution shall take effect immediately upon its adoption.

Adopted this ___ day of ______, 2007
BOARD OF GOVERNORS
Project Summary
Florida State University, Main Campus
Parking Garage Five

Project Description: Florida State University is currently in need of a parking garage in the Southeast Quadrant of the campus. The proposed parking garage will be a five story structure consisting of approximately 1,000 parking spaces to accommodate students, faculty and staff. This will be a design/build project.

Facility Site Location: Garage Five will be located on a site in the Southeast quadrant of the campus consistent with the Campus Master Plan which provides for parking development on the perimeter of campus. The proposed site is currently utilized by the FSU Turnbull Center for Professional Development, which will be razed and reconstructed, using other legally available funds of the University, in order to accommodate both facilities on the same site.

Project Cost and Financing Structure: The construction of the proposed parking garage is estimated at a total cost of $15,200,000. Construction costs are estimated at $13,700,000 with design, permit and concurrency fees estimated at $1,500,000.

The project will be financed with fixed rate, tax-exempt parking facility revenue bonds in an amount not exceeding $13,230,000, as authorized by the State of Florida legislature in June 2005. Additional funding in the amount of approximately $3,110,000 will be obtained from currently available auxiliary funds. The bonds will be structured with a 20-year final maturity and level annual debt service payments. The bond size includes funding for a debt service reserve fund equal to the maximum annual debt service on the bonds and funding for costs of issuance. (See Appendix A-3 for an estimated sources and uses of funds).

Projected Start and Opening Date: It is anticipated that the design phase will be completed by June 2007 with construction to start in June 2007. The garage will be open for the fall semester in August 2008.

Current Parking Facilities / Demand Analysis: Florida State University has experienced significant enrollment growth each of the last five years averaging 800 new students yearly. Fall 2006 enrollment of 40,500 students is the largest class in school history and it is anticipated that the University will continue to see significant growth over the next decade.

With the opening of Garage Four in January 2007 the University currently has 13,686 spaces, of which 8,505 are available for 40,000 plus student decal holders. The ratio of space availability to commuting students is one space for every seven students. To meet demand, a ratio of one space for every three students is necessary.

The University does not have sufficient land available to build surface parking which compels the development of parking garages.
Security / Lien Structure: Parking System revenues derived primarily from transportation access fees, faculty/staff decal sales, and parking fines, after deducting operating and maintenance expenses will be pledged for debt service. The 2007A Bonds will be issued on parity with the outstanding Florida State University Parking Facility Revenue Bonds, Series 2001, Series 2003A, Series 2003B and Series 2005A. As of January 30, 2007 the outstanding principal amount of the bonds was $8,890,000, $4,225,000, $14,100,000, and $11,050,000 respectively, for a total outstanding principal balance of $38,265,000.

Pledged Revenues and Debt Service Coverage: During the five year period from Fiscal Year 2001-02 to 2005-06, parking system pledged revenues grew from $2.2 million to $5.6 million. These revenues produced debt service coverage ratios ranging from a high of 3.29x and declining to a low of 1.52x due to the issuance of new debt. For Fiscal Year 2006-07, pledged revenues are projected at $5.5 million, producing a debt service coverage ratio of 1.60x. Debt service for the new bond issue will begin in Fiscal Year 2007-08 and the pledged revenues for that year through Fiscal Year 2010-11, the last year of the forecast period, are projected at $5.7 million and are estimated to produce debt service coverage ratios of approximately 1.25x.

The projected debt service coverage ratio has been calculated using an interest rate of 5% on the bonds through the maturity date of July 1, 2026. The projections assume an increase in the transportation access fee from $6.00 to $6.50 per credit hour, which was approved by the Florida State University Board of Trustees on January 26, 2007 and will take effect on July 1, 2007. No further increases in the transportation access fee have been projected. Operating Expenses are projected to increase 15% from Fiscal Year 2006-07 to 2007-08, primarily from an increase in transit service costs. Operating expenses are projected to increase 3-4% for each year thereafter. (See Appendix A for historical and projected debt service coverage schedules prepared by Florida State University).

Campus Master Plan: This project is consistent with the Campus Master Plan and Campus Development Agreement that identify the need for additional parking and site the additional parking to the Southeast quadrant of the campus.
## Project Draw Schedule

### Estimated Summary of Monthly Draws for Parking garage Five

<table>
<thead>
<tr>
<th>Month</th>
<th>Description</th>
<th>Monthly Value</th>
<th>Running Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2007</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>Start Design Phase</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>50% Construction Documents</td>
<td>$388,422</td>
<td>$388,422</td>
</tr>
<tr>
<td>May</td>
<td>100% Const. Documents</td>
<td>388,422</td>
<td>776,844</td>
</tr>
<tr>
<td>June</td>
<td>Start Construction</td>
<td>288,463</td>
<td>1,065,307</td>
</tr>
<tr>
<td>July</td>
<td></td>
<td>288,463</td>
<td>1,353,770</td>
</tr>
<tr>
<td>August</td>
<td></td>
<td>721,157</td>
<td>2,074,927</td>
</tr>
<tr>
<td>September</td>
<td></td>
<td>865,389</td>
<td>2,930,316</td>
</tr>
<tr>
<td>October</td>
<td></td>
<td>1,730,778</td>
<td>4,661,094</td>
</tr>
<tr>
<td>November</td>
<td></td>
<td>995,197</td>
<td>5,656,291</td>
</tr>
<tr>
<td>December</td>
<td></td>
<td>1,009,620</td>
<td>6,665,911</td>
</tr>
<tr>
<td><strong>2008</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td></td>
<td>1,038,467</td>
<td>7,704,378</td>
</tr>
<tr>
<td>February</td>
<td></td>
<td>1,009,620</td>
<td>8,713,998</td>
</tr>
<tr>
<td>March</td>
<td></td>
<td>1,586,547</td>
<td>10,300,545</td>
</tr>
<tr>
<td>April</td>
<td></td>
<td>1,153,852</td>
<td>11,454,397</td>
</tr>
<tr>
<td>May</td>
<td></td>
<td>1,153,852</td>
<td>12,608,249</td>
</tr>
<tr>
<td>June</td>
<td></td>
<td>995,197</td>
<td>13,603,446</td>
</tr>
<tr>
<td>July</td>
<td></td>
<td>865,389</td>
<td>14,468,835</td>
</tr>
<tr>
<td>August</td>
<td>Construction Ends</td>
<td>731,165</td>
<td>15,200,000</td>
</tr>
</tbody>
</table>
STATE OF FLORIDA, BOARD OF GOVERNORS  
FLORIDA STATE UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 2007A  
Estimated Sources and Uses of Funds  
Parking Garage No. 5  
for Fiscal Year 2007-2008  
(Parking System)  

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Basis for Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Par Amount</td>
<td>$13,230,000</td>
</tr>
<tr>
<td></td>
<td>Series 2007A Bonds par amount based on a fixed, tax-exempt interest rate of 5% for 20 years.</td>
</tr>
<tr>
<td>Less: Costs of Issuance</td>
<td></td>
</tr>
<tr>
<td>Underwriter's Discount</td>
<td>$(92,610)</td>
</tr>
<tr>
<td>Division of Bond Finance Fee</td>
<td>$(19,845)</td>
</tr>
<tr>
<td>Bond Counsel Fees and Expenses</td>
<td>$(7,115)</td>
</tr>
<tr>
<td>Ratings Fees</td>
<td>$(19,535)</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$(18,186)</td>
</tr>
<tr>
<td>Total Costs of Issuance</td>
<td>$(157,291)</td>
</tr>
<tr>
<td>Bond Insurance</td>
<td>$(83,192)</td>
</tr>
<tr>
<td></td>
<td>Estimated at 0.40% of total debt service.</td>
</tr>
<tr>
<td>Plus: Interest Earnings (Construction Trust Fund)</td>
<td>$197,483</td>
</tr>
<tr>
<td></td>
<td>Based on net bond proceeds deposited in the construction fund, invested for 14 months at an estimated interest rate of 2.5%.</td>
</tr>
<tr>
<td>Plus: Auxiliary Funds on Hand</td>
<td>$3,110,000</td>
</tr>
<tr>
<td>Total Sources of Funds</td>
<td>$16,297,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Cost (Planning, Design, Construction &amp; Equipment)</td>
<td>$15,200,000</td>
</tr>
<tr>
<td></td>
<td>Cost of planning, design, construction, and equipment. The project construction cost is approximately $15,200 per parking space.</td>
</tr>
<tr>
<td>Debt Service Reserve Account</td>
<td>$1,097,000</td>
</tr>
<tr>
<td></td>
<td>Fully funded at maximum annual debt service on the bonds.</td>
</tr>
<tr>
<td>Total Uses of Funds</td>
<td>$16,297,000</td>
</tr>
</tbody>
</table>
## BOND DEBT SERVICE

State of Florida, Board of Governors  
Florida State University  
Parking Facility Revenue Bonds, Series 2007A  
Not-to-Exceed Sizing for BOT Approval

<table>
<thead>
<tr>
<th>Period Ending</th>
<th>Principal</th>
<th>Coupon</th>
<th>Interest</th>
<th>Debt Service</th>
<th>Annual Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01/2007</td>
<td>435,000</td>
<td>5.00%</td>
<td>330,750</td>
<td>330,750</td>
<td>765,750</td>
</tr>
<tr>
<td>01/01/2008</td>
<td>319,875</td>
<td></td>
<td>319,875</td>
<td>319,875</td>
<td>1,094,750</td>
</tr>
<tr>
<td>07/01/2009</td>
<td>455,000</td>
<td>5.00%</td>
<td>308,500</td>
<td>308,500</td>
<td>774,875</td>
</tr>
<tr>
<td>01/01/2010</td>
<td>319,875</td>
<td></td>
<td>308,500</td>
<td>308,500</td>
<td>1,094,750</td>
</tr>
<tr>
<td>07/01/2010</td>
<td>480,000</td>
<td>5.00%</td>
<td>296,500</td>
<td>296,500</td>
<td>796,500</td>
</tr>
<tr>
<td>01/01/2011</td>
<td>296,500</td>
<td></td>
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<td>296,500</td>
<td>1,093,000</td>
</tr>
<tr>
<td>07/01/2011</td>
<td>500,000</td>
<td>5.00%</td>
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<td>284,000</td>
<td>809,000</td>
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<td>01/01/2012</td>
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<td>270,875</td>
<td>270,875</td>
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<tr>
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<td>5.00%</td>
<td>257,000</td>
<td>257,000</td>
<td>825,875</td>
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<tr>
<td>01/01/2013</td>
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<tr>
<td>07/01/2013</td>
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<td>5.00%</td>
<td>242,500</td>
<td>242,500</td>
<td>852,500</td>
</tr>
<tr>
<td>01/01/2014</td>
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<td></td>
<td>242,500</td>
<td>242,500</td>
<td>1,095,000</td>
</tr>
<tr>
<td>07/01/2014</td>
<td>610,000</td>
<td>5.00%</td>
<td>227,250</td>
<td>227,250</td>
<td>867,250</td>
</tr>
<tr>
<td>01/01/2015</td>
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<td></td>
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<td>227,250</td>
<td>1,094,500</td>
</tr>
<tr>
<td>07/01/2015</td>
<td>640,000</td>
<td>5.00%</td>
<td>211,250</td>
<td>211,250</td>
<td>881,250</td>
</tr>
<tr>
<td>01/01/2016</td>
<td>211,250</td>
<td></td>
<td>211,250</td>
<td>211,250</td>
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</tr>
<tr>
<td>07/01/2016</td>
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<td>5.00%</td>
<td>194,500</td>
<td>194,500</td>
<td>899,500</td>
</tr>
<tr>
<td>01/01/2017</td>
<td>194,500</td>
<td></td>
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<td>194,500</td>
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</tr>
<tr>
<td>07/01/2017</td>
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<td>5.00%</td>
<td>176,875</td>
<td>176,875</td>
<td>516,875</td>
</tr>
<tr>
<td>01/01/2018</td>
<td>176,875</td>
<td></td>
<td>176,875</td>
<td>176,875</td>
<td>1,093,750</td>
</tr>
<tr>
<td>07/01/2018</td>
<td>740,000</td>
<td>5.00%</td>
<td>158,375</td>
<td>158,375</td>
<td>898,375</td>
</tr>
<tr>
<td>01/01/2019</td>
<td>158,375</td>
<td></td>
<td>158,375</td>
<td>158,375</td>
<td>1,093,750</td>
</tr>
<tr>
<td>07/01/2019</td>
<td>780,000</td>
<td>5.00%</td>
<td>138,875</td>
<td>138,875</td>
<td>938,875</td>
</tr>
<tr>
<td>01/01/2020</td>
<td>138,875</td>
<td></td>
<td>138,875</td>
<td>138,875</td>
<td>1,092,750</td>
</tr>
<tr>
<td>07/01/2020</td>
<td>815,000</td>
<td>5.00%</td>
<td>118,500</td>
<td>118,500</td>
<td>953,500</td>
</tr>
<tr>
<td>01/01/2021</td>
<td>118,500</td>
<td></td>
<td>118,500</td>
<td>118,500</td>
<td>1,092,750</td>
</tr>
<tr>
<td>07/01/2021</td>
<td>860,000</td>
<td>5.00%</td>
<td>97,000</td>
<td>97,000</td>
<td>978,000</td>
</tr>
<tr>
<td>01/01/2022</td>
<td>97,000</td>
<td></td>
<td>97,000</td>
<td>97,000</td>
<td>1,097,000</td>
</tr>
<tr>
<td>07/01/2022</td>
<td>900,000</td>
<td>5.00%</td>
<td>74,500</td>
<td>74,500</td>
<td>997,000</td>
</tr>
<tr>
<td>01/01/2023</td>
<td>74,500</td>
<td></td>
<td>74,500</td>
<td>74,500</td>
<td>1,094,000</td>
</tr>
<tr>
<td>07/01/2023</td>
<td>945,000</td>
<td>5.00%</td>
<td>74,500</td>
<td>74,500</td>
<td>1,019,500</td>
</tr>
<tr>
<td>01/01/2024</td>
<td>74,500</td>
<td></td>
<td>74,500</td>
<td>74,500</td>
<td>1,044,000</td>
</tr>
<tr>
<td>07/01/2024</td>
<td>995,000</td>
<td>5.00%</td>
<td>50,875</td>
<td>50,875</td>
<td>1,045,875</td>
</tr>
<tr>
<td>01/01/2025</td>
<td>50,875</td>
<td></td>
<td>50,875</td>
<td>50,875</td>
<td>1,096,750</td>
</tr>
<tr>
<td>07/01/2025</td>
<td>26,000</td>
<td></td>
<td>26,000</td>
<td>26,000</td>
<td>20,798,000</td>
</tr>
<tr>
<td>01/01/2026</td>
<td>26,000</td>
<td></td>
<td>26,000</td>
<td>26,000</td>
<td>20,798,000</td>
</tr>
</tbody>
</table>

Total: 13,230,000 $7,568,000 $20,798,000 $20,798,000
# State of Florida, Board of Governors
## Florida State University
### Parking Facility Revenue Bonds, Series 2007A
#### Aggregate Debt Service Schedule

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>Outstanding Bonds 1</th>
<th>2007A Bonds Estimated Debt Service</th>
<th>Total Estimated Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Principal</td>
<td>Interest 2</td>
</tr>
<tr>
<td>2007</td>
<td>$3,447,943</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>3,443,054</td>
<td>$435,000</td>
<td>$661,500</td>
</tr>
<tr>
<td>2009</td>
<td>3,464,924</td>
<td>455,000</td>
<td>639,750</td>
</tr>
<tr>
<td>2010</td>
<td>3,462,851</td>
<td>480,000</td>
<td>617,000</td>
</tr>
<tr>
<td>2011</td>
<td>3,450,129</td>
<td>500,000</td>
<td>593,000</td>
</tr>
<tr>
<td>2012</td>
<td>3,451,759</td>
<td>525,000</td>
<td>568,000</td>
</tr>
<tr>
<td>2013</td>
<td>3,462,954</td>
<td>555,000</td>
<td>541,750</td>
</tr>
<tr>
<td>2014</td>
<td>3,447,504</td>
<td>580,000</td>
<td>514,000</td>
</tr>
<tr>
<td>2015</td>
<td>2,846,091</td>
<td>610,000</td>
<td>485,000</td>
</tr>
<tr>
<td>2016</td>
<td>2,846,404</td>
<td>640,000</td>
<td>454,500</td>
</tr>
<tr>
<td>2017</td>
<td>2,851,404</td>
<td>670,000</td>
<td>422,500</td>
</tr>
<tr>
<td>2018</td>
<td>2,846,766</td>
<td>705,000</td>
<td>389,000</td>
</tr>
<tr>
<td>2019</td>
<td>2,846,510</td>
<td>740,000</td>
<td>353,750</td>
</tr>
<tr>
<td>2020</td>
<td>2,845,860</td>
<td>780,000</td>
<td>316,750</td>
</tr>
<tr>
<td>2021</td>
<td>2,843,985</td>
<td>815,000</td>
<td>277,750</td>
</tr>
<tr>
<td>2022</td>
<td>2,841,029</td>
<td>860,000</td>
<td>237,000</td>
</tr>
<tr>
<td>2023</td>
<td>2,026,825</td>
<td>900,000</td>
<td>194,000</td>
</tr>
<tr>
<td>2024</td>
<td>862,675</td>
<td>945,000</td>
<td>149,000</td>
</tr>
<tr>
<td>2025</td>
<td>862,125</td>
<td>995,000</td>
<td>101,750</td>
</tr>
<tr>
<td>2026</td>
<td>-</td>
<td>1,040,000</td>
<td>52,000</td>
</tr>
</tbody>
</table>

$54,150,790 $13,230,000 $7,568,000 $20,798,000.00 $74,948,790

1 Debt service on the outstanding Series 2001 through 2005A Bonds.
2 Estimated debt service calculated based upon an interest rate of 5%.
3 Estimated maximum annual debt service is estimated to occur in Fiscal Year 2010.
$13,230,000
STATE OF FLORIDA, BOARD OF GOVERNORS
FLORIDA STATE UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 2007A
ESTIMATED COMPLIANCE WITH ADDITIONAL PARITY BONDS REQUIREMENTS

(A) Average Annual Pledged Revenues for FY 2005-06 and 2006-07:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Parking System Revenues</th>
<th>Current Expenses</th>
<th>Adjustments ¹</th>
<th>Pledged Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>8,953,290</td>
<td>3,364,905</td>
<td>499,448</td>
<td>6,087,833</td>
</tr>
<tr>
<td>2006-07 ²</td>
<td>8,685,000</td>
<td>3,156,000</td>
<td>510,000</td>
<td>6,039,000</td>
</tr>
<tr>
<td>Total</td>
<td>$17,638,290</td>
<td>$6,520,905</td>
<td>$1,009,448</td>
<td>$12,126,833</td>
</tr>
</tbody>
</table>

Average Annual Pledged Revenues: $6,063,416

(B) Calculation of Estimated Debt Service Coverage:

Average Annual Pledged Revenues
Estimated Maximum Annual Debt Service on all Bonds

Estimated Debt Service Coverage: 1.33 x

¹ Adjustments to Parking System Revenues reflect an increase in the Transportation Access Fee from $6.00 to $6.50 per credit hour approved by the Board of Trustees on January 26, 2007 and to take effect July 1, 2007.
² Revenues and Expenses for Fiscal Year 2006-07 are estimates provided by the University and are subject to change.
STATE OF FLORIDA, BOARD OF GOVERNORS  
FLORIDA STATE UNIVERSITY  
PARKING FACILITY REVENUE BONDS, SERIES 2007A  

5-YEAR HISTORICAL DEBT SERVICE COVERAGE ¹

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation Access Fee</td>
<td>$2,559,081</td>
<td>$4,689,760</td>
<td>$4,757,363</td>
<td>$4,688,014</td>
<td>$5,993,374</td>
</tr>
<tr>
<td>Citations</td>
<td>1,003,056</td>
<td>1,041,152</td>
<td>1,036,247</td>
<td>947,653</td>
<td>1,171,524</td>
</tr>
<tr>
<td>Decal Sales</td>
<td>722,904</td>
<td>811,324</td>
<td>875,580</td>
<td>1,078,043</td>
<td>1,305,338</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>93,441</td>
<td>116,587</td>
<td>113,434</td>
<td>126,560</td>
<td>140,860</td>
</tr>
<tr>
<td><strong>Total Parking System Revenues</strong></td>
<td>$4,378,542</td>
<td>$6,658,823</td>
<td>$6,762,224</td>
<td>$6,850,270</td>
<td>$8,611,116</td>
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<tr>
<td><strong>Current Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Related Benefits</td>
<td>1,153,968</td>
<td>1,003,305</td>
<td>1,069,699</td>
<td>1,136,142</td>
<td>1,166,221</td>
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<tr>
<td>Other Current Expenses</td>
<td>1,212,503</td>
<td>1,403,769</td>
<td>1,434,806</td>
<td>2,071,402</td>
<td>2,196,864</td>
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<tr>
<td><strong>Total Current Expenses</strong></td>
<td>$2,366,471</td>
<td>$2,407,074</td>
<td>$2,504,505</td>
<td>$3,207,544</td>
<td>$3,364,905</td>
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<tr>
<td><strong>Net Parking System Revenues</strong></td>
<td>2,012,071</td>
<td>4,251,749</td>
<td>4,278,119</td>
<td>3,642,726</td>
<td>5,246,211</td>
</tr>
<tr>
<td><strong>Interest Income</strong></td>
<td>141,887</td>
<td>246,838</td>
<td>286,549</td>
<td>262,233</td>
<td>342,174</td>
</tr>
<tr>
<td><strong>Pledged Revenues</strong></td>
<td>2,153,958</td>
<td>4,498,587</td>
<td>4,564,668</td>
<td>3,904,959</td>
<td>5,588,385</td>
</tr>
<tr>
<td><strong>Annual Debt Service</strong></td>
<td>923,153</td>
<td>1,369,256</td>
<td>2,127,568</td>
<td>2,572,229</td>
<td>3,060,371</td>
</tr>
<tr>
<td><strong>Maximum Annual Debt Service</strong></td>
<td>1,520,675</td>
<td>1,520,675</td>
<td>2,601,499</td>
<td>2,601,499</td>
<td>3,464,924</td>
</tr>
<tr>
<td><strong>Coverage Ratios</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Annual Debt Service</td>
<td>2.33x</td>
<td>3.28x</td>
<td>2.15x</td>
<td>1.52x</td>
<td>1.83x</td>
</tr>
<tr>
<td>Maximum Annual Debt Service</td>
<td>1.42x</td>
<td>2.96x</td>
<td>1.75x</td>
<td>1.50x</td>
<td>1.61x</td>
</tr>
</tbody>
</table>

¹ The financial information related to revenues and expenses was provided by the University and has not been audited.
² Current expenditures include costs associated with salaries, utilities, routine maintenance, supplies and repairs, less depreciation expense.
### STATE OF FLORIDA, BOARD OF GOVERNORS
### FLORIDA STATE UNIVERSITY
### PARKING FACILITY REVENUE BONDS, SERIES 2007A

#### 5-YEAR PROJECTED DEBT SERVICE COVERAGE

<table>
<thead>
<tr>
<th></th>
<th>Historical FY 2005-06</th>
<th>FY 2006-07 % chg</th>
<th>FY 2007-08 % chg</th>
<th>FY 2008-09 % chg</th>
<th>Projected FY 2009-10 % chg</th>
<th>FY 2010-11 % chg</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation Access Fee</td>
<td>$5,993,374</td>
<td>$6,120,000</td>
<td>2%</td>
<td>$6,780,000</td>
<td>10%</td>
<td>$8,825,000</td>
</tr>
<tr>
<td>Citations ²</td>
<td>1,171,524</td>
<td>1,150,000</td>
<td>-2%</td>
<td>1,150,000</td>
<td>0%</td>
<td>1,150,000</td>
</tr>
<tr>
<td>Decal Sales ²</td>
<td>1,305,338</td>
<td>1,025,000</td>
<td>-21%</td>
<td>1,050,000</td>
<td>2%</td>
<td>1,075,000</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>140,880</td>
<td>220,000</td>
<td>56%</td>
<td>220,000</td>
<td>0%</td>
<td>225,000</td>
</tr>
<tr>
<td><strong>Total Parking System Revenues</strong></td>
<td>$8,011,116</td>
<td>$6,515,000</td>
<td>-1%</td>
<td>$6,190,000</td>
<td>9%</td>
<td>$6,275,000</td>
</tr>
<tr>
<td><strong>Current Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Related Benefits ³</td>
<td>1,186,221</td>
<td>1,157,000</td>
<td>-3%</td>
<td>1,158,000</td>
<td>2%</td>
<td>1,175,000</td>
</tr>
<tr>
<td>Transit Services ⁴</td>
<td>1,072,000</td>
<td>1,120,000</td>
<td>4%</td>
<td>1,494,000</td>
<td>33%</td>
<td>1,566,000</td>
</tr>
<tr>
<td>Other Current Expenses</td>
<td>1,126,884</td>
<td>899,000</td>
<td>-20%</td>
<td>942,750</td>
<td>5%</td>
<td>987,650</td>
</tr>
<tr>
<td><strong>Total Current Expenses</strong></td>
<td>$3,384,905</td>
<td>$3,156,000</td>
<td>-6%</td>
<td>$3,594,750</td>
<td>14%</td>
<td>$3,735,650</td>
</tr>
<tr>
<td><strong>Net Parking System Revenues</strong></td>
<td>$5,246,211</td>
<td>$5,359,000</td>
<td>2%</td>
<td>$5,585,250</td>
<td>4%</td>
<td>$5,539,350</td>
</tr>
<tr>
<td>Interest Income</td>
<td>342,174</td>
<td>170,000</td>
<td>-50%</td>
<td>170,000</td>
<td>0%</td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Pledged Revenues</strong></td>
<td>$5,588,385</td>
<td>$5,529,000</td>
<td>-1%</td>
<td>$5,755,250</td>
<td>4%</td>
<td>$5,739,350</td>
</tr>
<tr>
<td><strong>Annual Debt Service:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007A Bonds ⁵</td>
<td>-</td>
<td>-</td>
<td></td>
<td>$1,066,500</td>
<td></td>
<td>$1,064,750</td>
</tr>
<tr>
<td><strong>Total Annual Debt Service</strong></td>
<td>$3,060,371</td>
<td>$3,447,943</td>
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<td>Annual Debt Service</td>
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<td>Maximum Annual Debt Service</td>
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<td>1.26x</td>
<td>1.26x</td>
<td>1.25x</td>
<td>1.23x</td>
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</tbody>
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1 Effective July 1, 2007, the transportation access fee will increase from $8.00 to $6.50 per credit hour. Projected transportation access fee revenues in FY 2007-08 are based on 1,040,000 credit hours and are forecasted to increase by 10,000 credit hours per year thereafter. The forecasted increase in credit hours is based on growth in the student population of approximately 330 FTE students per year.

2 Decal sales are projected to increase by approximately $25,000 per year based on assumed growth in the number of faculty and staff. Citation revenues are held constant over the forecast period.

3 Salaries and related benefits are projected to increase 2-3% over the forecast period, primarily due to cost of living increases.

4 Transit services expense is projected to increase 33% in FY 2007-08 due to renegotiation of the existing contract and to adjust for increases in bus lines and bus operating costs. Thereafter, transit service cost is projected to increase annually by 3% to account for inflation.

5 Estimated debt service was calculated based on the not-to-exceed par amount of $13.23 million and a 5% interest rate.
MEMORANDUM

TO: President Wetherell and Trustees

FROM: Betty Steffens, General Counsel

DATE: March 14, 2007

SUBJECT: Court Order in Floridians for Constitutional Integrity, Inc. v. State Bd. of Education

REQUEST FOR BOARD ACTION TO DELEGATE CERTAIN AUTHORITY TO THE PRESIDENT

After the creation of the Board of Governors (Article IX, Section 7, Florida Constitution), a lawsuit was brought by former Chancellor to the Board of Regents, E.T. York, and others to get court clarification as to the constitutional authority of the new Board of Governors. In the course of the lawsuit, a mediation agreement between the parties was entered into and ratified by the Circuit Judge.

The mediation agreement established that the BOG has full control over the state university system (SUS); authority to approve new colleges and universities, excluding community colleges; sole authority to approve the budget for the SUS; authority to set tuition and fees for the SUS; authority over all non-appropriated funds administered by the SUS; authority to select the SUS Chancellor; authority to establish the selection process and approve the appointment of the presidents for the state universities; and sole authority over collective bargaining for the SUS. Finally, the Board of Governors has authority to delegate certain powers to the SUS Board of Trustees.

On February 28, 2007, the Judge issued a Summary Final Judgment which concluded that the 10 statutes in the Education Code that had been challenged as unconstitutional (overridden by the new Board of Governors Constitutional authorities) are indeed “unconstitutional.” The specific statutes are: Sections 1001.02 (State Board of Education; generally), 1001.03 (General powers of State Board of Education), 1001.74 (Powers and duties of university boards of trustees), 1001.75 (University presidents; powers and duties), 1004.03 (Program approval), 1004.22 (Divisions of sponsored research at state universities), 1006.71 (Gender equity in intercollegiate athletics), 1008.32 (State Board of Education oversight enforcement authority), 1008.46 (State university accountability process), and 1009.21(11) (Determination of resident status for tuition purposes by State Board of Education), Florida Statutes (2006).

In advance of this ruling, the Board of Governors had passed a Resolution of January 7, 2003 that delegated to the Boards of Trustees the powers enumerated in section 1001.74, Florida Statutes.

With regard to the President’s powers, since section 1001.75, Florida Statutes, has been held unconstitutional, it is recommended that the Board of Trustees specifically delegate certain authority, powers and duties to the President. An appropriate Resolution for this delegation is attached.
THE FLORIDA STATE UNIVERSITY BOARD OF TRUSTEES

RESOLUTION

DELEGATION OF AUTHORITY TO PRESIDENT

March 30, 2007

WHEREAS, effective January 7, 2003, pursuant to Article IX, section 7, Florida Constitution, the Florida Board of Governors was empowered to govern the state university system; and

WHEREAS, effective January 7, 2003, pursuant to Article IX, section 7, Florida Constitution, The Florida State University Board of Trustees was empowered to administer The Florida State University; and

WHEREAS, by Resolution of the Florida Board of Governors on January 7, 2003, the Board of Governors vested The Florida State University Board of Trustees with powers and duties to govern and set policy for The Florida State University, including the authority to adopt rules and policies; and

WHEREAS, by Resolution of the Florida Board of Governors on January 7, 2003, the Board of Governors adopted Florida Statutes, which included Section 1001.75, Florida Statutes that prescribed the university president’s powers and duties, as well as other statutes in the K-20 Education Code, Title XLVIII, Florida Statutes; and

WHEREAS, on February 28, 2007, in the case of Floridians for Constitutional Integrity, Inc., et al. v. State Board of Education and Board of Governors, the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida, declared Section 1001.75, Florida Statutes, among others, to be unconstitutional; and

WHEREAS, The Florida State University Board of Trustees wishes to assure that the President, as the Chief Executive Officer of the University and Corporate Secretary of the Board of Trustees, has the requisite powers and duties to execute his responsibilities for the operation and administration of the University;

NOW, THEREFORE, The Florida State University Board of Trustees hereby delegates to Dr. Thomas Kent (T. K.) Wetherell, as University President, Chief Executive Officer and Corporate Secretary of the Board of Trustees, responsible for the operation and administration of The Florida State University, the following authority, powers and duties:

(1) To recommend the adoption of regulations, as appropriate, to The Florida State University Board of Trustees to implement provisions of law governing the operation and administration of the University, which shall include the specific authority, powers and
duties stated in this Resolution. Such regulations shall be consistent with the mission of the University and the regulations and policies of the Florida Board of Governors.

(2) To prepare a budget request and an operating budget for approval by the University Board of Trustees.

(3) To establish and implement policies and procedures to recruit, appoint, transfer, promote, compensate, evaluate, reward, demote, discipline, and remove personnel, and generally administer the University’s personnel program within law and regulations of the Florida Board of Governors and in accordance with regulations or policies approved by the University Board of Trustees.

(4) To govern admissions, subject to law and regulations or policies of the University Board of Trustees and the Florida Board of Governors.

(5) To approve, execute, and administer contracts for and on behalf of the University Board of Trustees for licenses; the acquisition or provision of commodities, goods, equipment, and services; leases of real and personal property; and planning and construction to be rendered to or by the university, provided such contracts are within law and regulations of the Florida Board of Governors and in conformance with policies of the University Board of Trustees, and are for the implementation of approved programs of the University. University presidents shall comply with the provisions of Section 287.055, Florida Statutes for the procurement of professional services and may approve and execute all contracts on behalf of the Board of Trustees for planning, construction, and equipment. For the purposes of a University President’s contracting authority, a "continuing contract" for professional services under the provisions of Section 287.055, Florida Statutes is one in which construction costs do not exceed $1 million or the fee for study activity does not exceed $100,000.

(6) To act for the University Board of Trustees as custodian of all University property.

(7) To establish the internal academic calendar of the University within general guidelines of the University Board of Trustees.

(8) To supervise and administer the University’s program of intercollegiate athletics.

(9) To recommend to the University Board of Trustees the establishment and termination of undergraduate and master’s-level degree programs within the approved role and scope of the University.

(10) To award degrees.

(11) To recommend to the University Board of Trustees a schedule of tuition and fees to be charged by the University, within law and regulations of the Florida Board of Governors.
(12) To organize the University to efficiently and effectively achieve the goals of the University.

(13) To review periodically the operations of the university in order to determine how effectively and efficiently the University is being administered and whether it is meeting the goals of its strategic plan adopted by the Florida Board of Governors.

(14) To enter into agreements for student exchange programs that involve students at the University and students in other postsecondary educational institutions.

(15) To provide purchasing, contracting, and budgetary review processes for student government organizations.

(16) To ensure compliance with federal and state laws, regulations, regulations, and other requirements that are applicable to the University.

(17) To maintain all data and information pertaining to the operation of the University, and report on the attainment by the University of institutional and statewide performance accountability goals.

(18) To adjust property records and dispose of state-owned tangible personal property in the University's custody in accordance with procedures established by the University Board of Trustees. Notwithstanding the provisions of Section 273.055(5), Florida Statutes, the President shall ensure that all moneys received from the disposition of state-owned tangible personal property are retained by the University and disbursed for the acquisition of tangible personal property and for all necessary operating expenditures. The President shall ensure that the University maintains records of the accounts into which such moneys are deposited.

(19) To approve travel under Section 112.061, Florida Statutes.

(20) To take routine administrative actions on behalf of The Florida State University Board of Trustees related to the development, adoption, amendment or repeal of University regulations, or any action required under the Florida Administrative Procedures Act, Chapter 120, Florida Statutes, except this authority does not include the final approval of University regulations.

(21) To exercise the authority and duties of the President set forth in Section 705.18, Florida Statutes (Disposal of personal property lost or abandoned on university campuses and disposition of proceeds from sale thereof).

(22) To employ private attorney services pursuant to Section 287.059, Florida Statutes.

(23) To enter into agreements for and accept credit card payments as compensation for goods, services, tuition and fees pursuant to the Florida Board of Governors Resolution dated January 7, 2003.
(24) To secure comprehensive general liability insurance pursuant to the Florida Board of Governors Resolution dated January 7, 2003, and to provide for the payment of the cost of civil actions against officers, employees or agents of The Florida State University Board of Trustees pursuant to Section 1012.965, Florida Statutes.

(25) To enter into articulation agreements pursuant to Section 1007.22, Florida Statutes.

(26) To employ the services of collection agencies when deemed advisable in collecting delinquent accounts and to charge off and settle accounts when uncollectible pursuant to Section 1010.03, Florida Statutes.

(27) To administer a program for the maintenance and construction of facilities pursuant to Chapter 1013, Florida Statutes, in accordance with policies of The Florida State University Board of Trustees.

(28) To negotiate, enter into, and execute research contracts; to solicit and accept research grants and donations; and to fix and collect fees, other payments and donations that may accrue by reason thereof. The President or his or her designee may negotiate, enter into, and execute contracts, including contracts on a cost-reimbursement basis, and may provide temporary financing of such contracts prior to reimbursement from moneys on deposit in a sponsored research development fund, except as may be prohibited elsewhere by law.

(29) To exempt purchase by a division of sponsored research of material, supplies, equipment, or services for research purposes from the general purchasing requirements of the Florida Statutes upon certification addressed to the President that it is necessary for the efficient or expeditious prosecution of a research project.

(30) To perform all things necessary to secure letters of patent, copyrights, and trademarks on any work products and to enforce the University's rights therein in accordance with Section 1004.23, Florida Statutes.

(31) To approve establishment of education research centers for childhood development pursuant to Section 1011.48, Florida Statutes.

(32) To appoint members to collective bargaining teams to negotiate agreements on behalf of The Florida State University Board of Trustees with bargaining agents duly certified to represent public employees, to regularly inform and consult with the Board on the status of negotiations, and to sign final agreements for the Board after ratification by collective bargaining units.

(33) To administer traffic regulations on the grounds of campuses operated and controlled by the University as prescribed by regulations promulgated by The Florida State University Board of Trustees pursuant to Section 1006.66, Florida Statutes.
(34) To administer faculty practice plans approved by The Florida State University Board of Trustees.

(35) To have vested with the President or the President’s designee the powers, duties, and authority that is vested with the University.

The Florida State University Board of Trustees hereby reaffirms and ratifies all actions within the scope of this Resolution that have been taken by the President or his designees from February 28, 2007 up to and including the date of this Resolution.

The Florida State University Board of Trustees authorizes the President to further delegate to appropriate University personnel the authority, powers and duties as described above in writing with a copy of such delegation to be filed in the Office of the General Counsel. Existing delegations by the President or his designees already in effect as of the date of this Resolution shall remain in effect until such time as they expire or are otherwise withdrawn or nullified in accordance with the terms of the delegation.

PASSED AND ADOPTED by The Florida State University Board of Trustees at a public meeting thereof duly called and held this 30th day of March 2007.
General News

- FSU has been chosen as the site of the new Florida Center for Research in Science, Technology, Engineering and Mathematics. The nationally unique state-university partnership, led by Nobel Laureate Sir Harold Kroto, will use an interdisciplinary, evidence-based approach to improve mathematics and science teaching and learning in Florida’s schools
- The Alumni Association recently presented a Circle of Gold award to Congressman Allen Boyd
- Heritage Day 2007 honored President Emeritus Bernie Sliger
- The FAMU-FSU College of Engineering has officially named its 200,000-square-foot facility “The Herbert F. Morgan Building” in honor of the late state representative who was instrumental in the college’s creation
- Andrew Haggard has been named to the FSU Board of Trustees
- FSU alumni Charlie Crist and Jeff Kottcamp have taken office as Florida’s governor and lieutenant governor. This is the first time both top offices have been held by FSU graduates
- FSU’s International Programs are celebrating 50 years of study abroad throughout 2007
- The Florida Board of Governors has approved FSU’s proposal in support of a Center of Excellence in Advanced Materials
- Charles J. Rasberry, an advancement executive with more than 25 years of experience, has joined the FSU Foundation as president
- The Student Life Building has been named in honor of FSU alumnus Gov. Reubin Askew
- The university has embarked on what may be one of the most ambitious and innovative ongoing plans for academic cluster hiring in the nation. In the next five to eight years the university will hire 200 academic stars, building the faculty by nearly 20 per cent as part of the Pathways of Excellence initiative, the University’s plan to become one of the nation’s top research and graduate education universities
- As evidence of Pathways’ progress, FSU increased its production of Ph.D.s by 15% in 2006 and won a new record in research grants
Students
- Newly elected FSU Student Body President Joe O’Shea is one of just 20 undergraduates named to USA Today’s elite 2007 All-USA College Academic First Team
- Tony Williams, who recently earned a second bachelor’s degree at FSU, is the first student ever to win a prestigious Jack Kent Cooke Foundation Graduate Scholarship
- FSU is generating unprecedented numbers of applicants for prestigious awards, thanks to the new Office of National Fellowships, with Garrett Johnson becoming a Rhodes Scholar and Cara Castellana a Truman Scholar
- Fulbright applications were up 300 per cent over the average rate for nearly the past 15 years, and FSU’s applicants won at a much higher rate than average. Eight out of 20 applicants (40%) were selected as winners this year. Nationally, odds of winning are just 21%

Faculty
- Three young members of the Florida State University faculty—Irinel Chiorescu, physics; Piyush Kumar, computer science; and Hui ‘Helen’ Li, engineering—have been selected to receive prestigious Career Grants from the National Science Foundation (NSF) to help them build upon accomplishments in their respective areas of research. This is a record number of Career Grants for FSU faculty.
- FSU doctoral faculty in five academic areas have been ranked among the tops in the nation according to the Faculty Scholarly Productivity Index: social work—#4 in the nation; Spanish—#4 in the nation; marketing—#5; oceanography—8; atmospheric sciences—10
- Professor of chemistry and biochemistry Rafael P. Bräuschweiler has been elevated to the rank of Fellow by the American Association for the Advancement of Science.
- Alec Hargreaves, director of FSU’s Winthrop-King Institute of Contemporary French and Francophone Studies, has been awarded France’s top national honor.
- The FSU faculty earned a record $190 million in research grants during fiscal year 2005-06, a nearly 18% increase over the previous year.
- Chemistry Professor and Nobel Laureate Harold Kroto has been elected to the National Academy of Sciences.

Colleges and Schools

College of Arts & Sciences
- FSU’s department of physics has won distinction through its selection as the host site for the National Nuclear Physics Summer School in 2007.
- U.S. News & World Report ranks FSU’s graduate program in nuclear physics as 13th in the nation and the graduate program in analytical chemistry as 14th in the nation.

College of Business
• The undergraduate program has secured U.S. News & World Report's ranking of 25th best program in the nation among public institutions
• The 2007 U.S. News ranking also placed the risk management/insurance program seventh best and its real estate program 10th best among public institutions
• The College of Business undergraduate accounting program is ranked 20th among public schools by Public Accounting Report

**College of Education**
• The Program in Higher Education has been rated exemplary in a survey of faculty in the field at more than 100 universities
• The College of Education's higher-education program is ranked 13th among all higher-education administration programs nationally in U.S. News & World Report's 2007 listing of "America's Best Graduate Schools"

**College of Human Sciences**
• Billie J. Collier of the University of Tennessee-Knoxville has joined the College as dean. She is the fifth dean since the College was founded in 1905

**College of Information**
• The college ranks in the nation's top 10 graduate programs, according to U.S. News & World Report

**College of Law**
• Florida State University College of Law graduates had the highest passing rate on the Summer 2006 Florida Bar exam
• The College of Law has again been named one of the Top 10 law schools in the nation for Hispanics

**College of Nursing**
• FSU's 2006 B.S.N. graduates achieved an exceptional pass rate of 97.83 percent on the state licensure examination—well above the national average

**College of Visual Arts, Theatre and Dance**
• Tom Anderson has been named higher education's Art Educator of the Year by the National Art Association
• Jawole Willa Jo Zollar, Nancy Smith Fichter professor of dance, won her second "Bessie" Award, one of the dance world's highest honors
• FSU professors Mark Messersmith and Lilian Garcia-Roig have each won a 2006 Joan Mitchell Award and grant, a rare double win for a single university

**Environment**
• A new classroom building and parking garage opened their doors at the beginning of the Spring Semester
• A new Chemistry building, new wing of Psychology and Biology building are under construction
• A new President's House is rising on the grounds of the Alumni Association
• The new Psychology Building has opened its doors
• The university is currently developing, designing, breaking ground or has under construction about $500 million worth of facilities
Athletics
- Head football coach Bobby Bowden has named new football coaches: Jimbo Fisher, offensive coordinator; Lawrence Dawsey, receivers coach; Rick Trickett, offensive line; and Dexter Carter, running backs
- Sophomore golfer Caroline Westrup took first place in the Women’s World Amateur Team championship and is ranked the nation’s No. 1 women’s collegiate golfer by GolfWeek magazine
- The Seminoles took first place in the NCAA Indoor Track and Field Championships
- 193 student-athletes made the ACC Honor Roll, a new Florida State record
- FSU graduated 87% of its football players, as recognized by the American Football Coaches Association

Funding
- The Ringling Museum is celebrating the completion of the Searing Wing—the fourth and final building of the $50 million Ringling Museum Master Plan—as well as the new Education/Conservation Building
- The university had a record fundraising year, raising nearly $113 million during fiscal year 2006
- Noted Sarasota art collector and philanthropist Dr. Helga Wall-Apel will fund the largest single gift ever given to FSU. Expected to exceed a total value of $50 million, the gift will create the "Dr. Helga Wall-Apel Gallery of Asian Art" and associated projects at the John and Mable Ringling Museum of Art
- A gift from DeVoe Moore kicked off the Seminole Boosters’ new Legacy fundraising campaign, with a goal of $120 million to fully endow academic scholarships for athletes

Seminole Tribe of Florida
- The university conducted a Seminole Tribute Weekend October 20-21, featuring unveiling of a new sculpture, Seminole Family in Bronze, and use of a specially designed Nike football uniform to honor the tribe
- The university has begun offering a course on the history of the Seminoles and Southeast Tribes
- The university awarded an honorary doctorate of laws to Jim Shore, general counsel of the Seminole Tribe of Florida
- The Seminole Tribe of Florida has expressed its continuing support for FSU’s use of the "Seminole" name as well as various Seminole symbols and images. This resolution and other expressions of support led to NCAA confirmation of FSU’s use of the “Seminole” name and image

2/28/07

This document is updated regularly and is posted at
http://www.fsu.edu/%7Eunivrel/pages/campus_update.html
Budget Update

Both the House and the Senate appropriations committees released their budget plans this week. It is anticipated that these bills will be heard by the full Senate and House during the week of April 9th, when they return from the Easter break.

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<th>Issue</th>
<th>House</th>
<th>Senate</th>
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<td>Pathways of Excellence</td>
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<td>($5.8 million non-recurring)</td>
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<td>SUS 2007-08 PO&amp;M – New Space</td>
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<td>Ratio of In-State/Out-of-State Students</td>
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<td>Recurring</td>
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<td>Non-recurring</td>
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<td>($6,000,000 to FSU in the Senate)</td>
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<td>Enrollment. – FTE Students</td>
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<td>$74,516,745</td>
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<td>Tuition Increase</td>
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<td>Nationally Competitive Salaries</td>
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<td>(Tied to accountability measures $4.4 for FSU)</td>
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<td>Major Gifts Matching Funds - NR</td>
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<td>College of Law – 1st DCA facility Plus proviso</td>
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Substantive Legislation

The Academic Enhancement bill was amended in the House this week to include only UF and to take care of the prepaid tuition problem by extending the date that they can collect the $500.00. The House bill, HB 905 is by
Representative Charles Dean and the Senate bill, SB 1710 is by Senator Steve Oelrich, both are FSU alums.

The technology fee bill in the Senate, SB 850 by Senator Al Lawson is not moving, there is no House companion.

Both the House and Senate work-shopped university governance this week. SB 1270 by Senator Steve Oelrich passed out of his committee without amendment. The House proposal by the Committee on Postsecondary Education, chaired by Representative David Mealer is very similar. The Committee voted to move it to the Schools and Learning Council where it will be assigned a number and amended.

Andy Haggard was confirmed in the Senate Higher Education Committee this week and will go before the Ethics and Elections Committee after the Easter break. Final confirmation by the full Senate will most likely be the last week of session. He is expected to be confirmed with no problems.
FSU Strategic Planning Process Recommendation

**Purpose:** In preparation for making Florida State a more preeminent University in the United States over the next 10 – 15 years, we need to move more strategically to channel resources and focus on the programs where FSU can be quite competitive in advancing knowledge and educating some of Florida’s and the country’s best students to assume leadership roles. With a strategic vision that identifies specific steps and through increased funding, reallocation of funds, and carrying out a major, aggressive, comprehensive campaign effort, Florida State can become a major University that is known for its outstanding scholarship along with its outstanding reputation in athletics.

**Timeline:** April 2007 – June 2008

**Co-Chairs:** Larry Abele, Provost
Charles Rasberry, President, FSU Foundation

*President TK Wetherell forms overall committee, provides the charge and the timeline for a strategic plan to be delivered to him and to the Board of Trustees.*

**Committee:**

Larry Abele
Charles Rasberry
Bob Bradley
Susie Busch Transou
Les Pantin
David Ford
Beth Azor
Mary Coburn
Sally McRorie
Caryn Beck Dudley
Joe Travis
Don Weidner
Several Department Chairs
Several Faculty
Joseph O’Shea, President SGA
Minority Student leader
OPERATIONAL AUDIT OF FSU (FY ENDING 6/30/06)

I wanted to make some comments relative to the operational audit that was discussed in the Tallahassee Democrat early this month. Despite the headline our most recent state audit reflects very well upon the University.

An operational audit is a detailed analysis of an organization’s processes, systems, human factors, and procedures. What the audit report focuses upon are negative findings, not the countless number of controls and operations it has reviewed and found to be in compliance with regulation, statute, policy, procedure, or standard.

If you think about the size and complexity of FSU, I believe we should be very pleased that the AG’s findings identified only five minor areas in which it noted minor deficiencies. These were:

• Our competitive procurement threshold exceeded the limits established by the BOG. Our threshold was adopted by our BOT before the BOG established its threshold.
• Only two instances were identified where University personnel did not always comply with University policies when entering into written contracts. We have many hundreds of contracts.
• Only one department was identified where personnel had not documented their awareness of and adherence to the University’s security awareness program for confidential data.
• The Northwest Regional Data Center utilized a self-governing service cooperative model. However, the AG recommended that the Center utilize a more detailed service level agreement with its customers.
• During the past year, the Northwest Regional Data Center spent a considerable amount of time developing its disaster recovery plan. The AG’s report simply identified a few areas where the plan could be strengthened.

We concurred with the five deficiencies and the recommendations and have already taken concrete actions to put them into effect.
PRESIDENT’S REMARKS TO BOT MEMBERS CONCERNING OPERATIONAL AUDIT OF FSU (FY ENDING 6/30/06)

As you are aware, some of our sister institutions have been in the news lately because of negative audit findings regarding their institutional-wide financial and/or administrative practices. At FSU, however, our most recent state audit reflects very well upon this University, its departments, and personnel. I believe that BOT members should take pride in the fact that we pay scrupulous attention towards maintaining—and better yet, enhancing—our integrity and reputation.

In February, 2007, the Office of the Auditor General (AG) presented its findings concerning its operational audit of Florida State University for FY 2006. Before I cite the findings, I’d like to very briefly discuss the purposes of an operational audit (as compared to a financial audit).

An operational audit is a systematic and detailed analysis of an organization’s processes, systems, human factors, and procedures. It is conducted in order to identify actual and potential risks that could result in significant losses to the University and its constituencies. To accomplish this, the operational audit discerns:

- Key risks,
- Performance benchmarks and controls to minimize key risks.
- Effectiveness of controls.
- Gaps between benchmark standards and current controls.
- The means, i.e., recommendations, to close the gaps.

The AG determines which risk areas it will analyze as it plans and conducts its operational audit of the University. However, what the audit report focuses upon are its negative findings, not the myriad of controls and operations it has reviewed and found to be in compliance with regulation, statute, policy, procedure, or standard.

When one considers the size and complexity of FSU, I believe we should be very pleased that the AG’s findings identified only five areas in which it noted minor deficiencies. These were:
• Our competitive procurement threshold exceeded the limits established by the BOG. Our threshold was adopted by our BOT before the BOG established its threshold.
• Only two instances were identified where University personnel did not always comply with University policies when entering into written contracts. We have many hundreds of contracts.
• Only one department was identified where personnel had not documented their awareness of and adherence to the University’s security awareness program for confidential data.
• The Northwest Regional Data Center utilized a self-governing service cooperative model. However, the AG recommended that the Center utilize a more detailed service level agreement with its customers.
• During the past year, the Northwest Regional Data Center spent a considerable amount of time developing its disaster recovery plan. The AG’s report simply identified a few areas where the plan could be strengthened.

We concurred with the five deficiencies and the concomitant recommendations. Indeed, we have already taken concrete actions to put many of these recommendations into effect.

In conclusion, I believe that everyone associated with this University should take pride in the results of the AG’s audit report and our formal responses to the five noted deficiencies. We spend a great deal of time and effort—and rightly so—publicizing the many positive accomplishments that are clearly visible to the public—i.e., our academic, athletic, research, and public service successes.

However, these more prominent achievements would be most difficult to accomplish were it not for our “behind-the-scenes” administrative, financial, and technical operations and controls. Such controls and operations are, of course, essential. Moreover, at this institution, our controls and operations are exceptional in the most positive sense of that word.
MEMORANDUM

TO:       Board of Trustees

FROM:    T.K. Wetherell

DATE:    March 22, 2007

SUBJECT: Conference Call

Enclosed is the information for the Board of Trustees conference call scheduled for Friday, March 30, 2007 from 10:00 a.m. to 11:00 a.m. The phone number for the call is 850-645-9020 for local calls or 800-210-4771. (In Tallahassee we will meet in room 201 Westcott Building.)

We look forward to your participation in the conference call. Please call me at 850-644-1085 if you have any questions.

TKW:ted

Enclosures