

**The Florida State University Board of Trustees Meeting
FSU Alumni Center
Tallahassee, Florida
September 13, 2007**

SUMMARY MEETING MINUTES

Members Present: Trustees Susie Busch-Transou, June Duda, David Ford, Andrew Haggard, Harold Knowles, Richard McFarlain, Joe O'Shea, Leslie Pantín, Jim Smith and Jayne Standley were present.

1. Call to Order and Welcome

Chairman Jim Smith welcomed everyone to the Board of Trustees meeting. He thanked President and Mrs. Wetherell for the wonderful dinner at the President's house.

2. Approval of Minutes

Trustee Ford made a motion to approve the minutes of the May 11, 2007 meeting and the June 13, 2007 conference call. The motion was seconded by Trustee Busch-Transou and passed unanimously.

3. Comments, Faculty Senate

Dr. Eric Walker presented comments on behalf of the Faculty Senate. He provided two brief observations. First, he expressed gratitude to the president and to the provost for their openness and for their candor as they have wrestled with the budget cuts. Dr. Walker said that the faculty were fully informed and consulted at every stage of the difficult process and pledge cooperation to maintain the high standards of the institution even as we face steadily diminishing resources. Second, he said that the question of tuition increases which is essential to the current agenda. The faculty members strongly support all reasonable and timely actions to increase tuition in order to maintain the high standards of the institution. Dr. Walker told the Board that the Faculty Senate Steering Committee trusts the Board's wisdom and judgment to decide how best to do that.

4. Comments, Student Government Association

Mr. Clifford Counts made remarks on behalf of the Student Government Association. He provided an update on the new intramural fields, HIV awareness week, the True Seminole campaign, voter registration drive, credit counseling, and student United Way efforts.

5. Legal Update

Ms. Betty Steffens, University General Counsel, presented a legal update to the Board. First, she introduced a new staff member of the legal office Carolyn Egan, who is a specialist in employment and labor law and a litigator and will be handling UFF contract and working with the negotiation team. Second, Ms. Steffens provided an update on the Board of Governor's lawsuit. She said that the lawsuit brought by Bob Graham against the Legislature on behalf of the Board of Governors has a court docket sheet. The lawsuit was filed in July and there have been a number of pleadings. They have gone to a case management hearing in front of a local circuit judge named Judge Francis. Both the House and the Senate have filed the motions for dismissal, and the Graham team will have an opportunity to reply. The judge will listen to oral arguments and rule on the pending motions on October 24, 2007 and November 14, 2007. Ms.

Steffens indicated that Vickey Shirley, General Counsel for the Board of Governors, told lawyers for the universities that the judge expressed his desire to have the case wrapped up by the end of the year.

6. University Relations Update

Ms. Lee Hinkle, Vice President for University Relations, provided an update on several activities. First, Seven Days of Opening Nights hired a new Director, Steve McQueen. Second, the Seminole Productions office won a Golden Matrix award and WFSU TV productions won a first-place Silver Tally for the Pathways of Excellence video. Third, Kathleen Daly covers all of Legislative activities for the University and will be keeping the University and Board up to date on what is going on with the committee meetings. Fourth, the FSU Foundation fundraising is \$48 million. The new donor based management system conversion is underway. She said it takes a long time to do the conversions of all those records. The conversion process has produced a remarkable sense of cooperation between the three DSOs; the Boosters, the Foundation, and the Alumni Association are working together more closely than they ever have before. Fifth, the FSU Foundation and the Alumni Association are joining forces in a strategic alliance to enable them to plan for the capital campaign and better implement programs.

7. Consent Items—One Motion

Trustee Haggard made a motion to approve the consent items. Trustee McFarlain seconded the motion, which passed unanimously. The following items were approved:

1. Request for Implementation of Proposed B.A. in East Asian Languages and Culture
2. Processes for Approval of Academic Degree Programs, Majors, and Certificate Programs (Request for Implementation)
3. Approval of Student Government Bills for Summer 2007
4. ACC Certification Form
5. Approval of the 2007 Equity Accountability Plan

8. Committee Reports:

Academic Affairs

Update on Board of Governor's Activities

Dr. Lawrence G. Abele, Executive Vice President for Academic Affairs and Provost, provided an update on the Board of Governors. He said that they are exploring their responsibilities regarding tuition and student funding

Revisions to the Faculty Handbook

Dr. Anne Rowe discussed the new revisions to Faculty Handbook. She said it has been thoroughly updated by a committee of faculty and administrators and has been reviewed and approved by the Faculty Senate Steering Committee. The purpose of the faculty handbook is to provide information regarding university resources as well as policies and procedures that are especially relevant to faculty and academic administrators. Dr. Rowe said that the revised handbook would be available in Web format only. There will be live links and it will be kept frequently updated.

Research Update

Dr. Kirby Kemper presented an update on University research activities. He said that the faculty members had a tremendously good year in terms of grants bringing in \$194 million in grant funds. Dr. Kemper also mentioned that he was thrilled about the Mag Lab renewal. The Mag

Lab will receive up to \$162 million, which compares to \$126 million for the last five years. He also discussed the new computer center, which was just opened.

Strategic Plan Update

Dr. Robert Bradley, Vice President for Planning and Programs, provided an update on the University strategic planning process. He said the President appointed seventeen members from all around campus and off campus to begin the process of examining the strategic plan and getting recommendations for a potentially modified mission statement, and modified vision statement. Dr. Bradley indicated that the committee would also develop priorities and various imperatives and critical success factors needed to implement those priorities along with fiscal estimates.

Student Affairs

Alcohol Policy Final Approval with Amendment

Dr. Mary Coburn, Vice President for Student Affairs, presented the University alcohol policy with a revised section 6 on Health Risks. Trustee Knowles made a motion to approve Section 6 of the Alcohol Policy. Trustee O'Shea seconded the motion, which passed unanimously.

Update on Student Affairs Activities

Dr. Coburn provided a brief update on Student Affairs activities. She said that student residents on campus increased by 20% in August; the transition went smoothly. There are 1400 more students on campus. Dr. Coburn said that Seminole Sensation Week enjoyed record numbers of participants. Joe O'Shea's True Seminole campaign has been a great success. They are sold out. She also said that Student Affairs had the first ever tailgate, university tailgate, for students living on campus in the plaza between Wildwood Wildwood Hall and Ragan's Hall. There were over 1,000 students who came to the tailgate party.

Finance and Business

Mr. John Carnaghi, Senior Vice President for Finance and Administration, introduced Mr. Ralph Alvarez, Associate Vice President for Budget Planning and Financial Services to present several of the agenda items.

Possible Legislatively or BOG Authorized Tuition and Fees

Tuition

After some discussion on tuition increases, Trustee Pantín made a motion to approve the idea that FSU will not raise tuition for the 2008 Spring Semester if it is made optional by the Legislature or Board of Governors. Trustee Haggard seconded the motion, which passed unanimously except for Trustee Smith.

Technology Fee

Mr. Alvarez indicated that the University would like to implement a \$100 per student per semester technology fee if the Legislature authorizes it. Trustee Busch-Transou made a motion to approve the technology fee if the Legislature passes it and authorizes the University to examine whether other fee increases are appropriate. The motion was seconded by Trustee Ford and passed unanimously.

SmartCard Fee

Mr. Carnaghi indicated that the University is reviewing a \$10 increase in the Smartcard fee and asked the Board to approve the option to increase the fee, if necessary. Trustee Pantín made a motion to approve the Smartcard fee, if appropriate. Trustee Standley seconded the motion, which passed unanimously.

Transcript Fee

Mr. Carnaghi asked the Board to consider authorizing a possible increase to the transcript fee from \$5.00 to \$10.00. Trustee Pantín made a motion to approve the transcript fee increase, if appropriate. Trustee McFarlain seconded the motion, which passed unanimously.

Facilities & Equipment Fee

Mr. Carnaghi indicated that the facilities and equipment fees cover arrange of services including computer labs, Blackboard, and Drop/Add transactions. He asked the Board to allow the administration to review and implement proposed fees as necessary. Trustee Knowles a motion to approve the Use of Facilities & Equipment Fee, if appropriate. Trustee Haggard seconded the motion, which passed unanimously.

Orientation Fee

Dr. Coburn explained that the orientation program is a self-supporting auxiliary funded program for all new students and their families. It is experiencing increased operational costs. The fee includes meals and the University is authorized by State statute to go up to a maximum of \$35. Dr. Coburn asked the Board to approve and increase in the orientation fee from \$30 to \$35 to cover increased costs. Trustee Haggard made a motion to approve the Orientation Fee. Trustee Busch-Transou seconded the motion, which passed unanimously.

2007 – 2008 Work Plan for the Office of Audit Services

Mr. David Coury, Director of the Office of Audit Services presented the 2007-2008 Work Plan to the Board for approval. Trustee Pantín made a motion to approve the 2007 – 2008 Work Plan for the Office of Audit Services. Trustee Ford seconded the motion, which passed unanimously.

Report on Purchase Orders over \$1 million and 5 year + Service Contracts for Fiscal Year 2006 – 2007

Mr. Carnaghi made a presentation on the status report on purchase orders over \$1 million and 5 year plus service contract agreements. He said there are eight that are over \$1 million dollars that stand out as being somewhat unusual. Mr. Carnaghi said that six of the eight contracts are technology computer related. Most of them go through either a bid process or through a state contract. He said that in addition to the computers, there is a contract with the City of Tallahassee for bus services as well as for the purchase of drugs and supplies for the Thagard pharmacy. Mr. Carnaghi explained items included in the five- year service contracts, such as cell phone towers, Aramark, the bookstore, and Johnson Controls, the energy conservation performance contract. Trustee Pantín made a motion to approve the Report on Purchase Orders over \$1 million and 5 year + Service Contracts for Fiscal Year 2006 – 2007. Trustee Ford seconded the motion, which passed unanimously.

Report on Construction Projects over \$1 million for Fiscal Year 2006 – 2007

Mr. Carnaghi provided a report on construction projects over \$1 million. Trustee Knowles made a motion to approve the Report on Construction Projects over \$1 million for Fiscal Year 2006 – 2007. Trustee Busch-Transou seconded the motion, which passed unanimously.

Rule/Regulations Change – Direct Support Organizations

Mr. Alvarez explained the small correction to regulations on the direct support organizations that await the approval of the budgets awarded to indicate that the budget will be approved 90 days into the budget year. Trustee Ford made a motion to approve the Rule Change for DSOs. Trustee Busch-Transou seconded the motion, which passed unanimously.

Finalization of the following Budgets (tentatively approved 5/11/07)

2007 – 2008 Operating Budget

Mr. Alvarez asked the Board to provide final approval to the 2007-2008 operating budget for all budget entities. Trustee Pantín made a motion to approve the 2007-08 Operating Budget at \$1,093,306,080 for the July 1, 2007 to June 30, 2008 fiscal year as submitted to the Board of Governors on August 14, for appropriated and non-appropriated funds and for the President to make subsequent changes to the budget as needed during the fiscal year, within available resources and fund balances. Trustee Ford seconded the motion, which passed unanimously.

2007 – 2008 Direct Support Organization Budgets

Mr. Alvarez asked the Board to give final approval to the Direct Support Organization budgets. Trustee Haggard made a motion to approve all of the DSO budgets and allowing them to amend their budgets during the fiscal year within the DSO Rule. Trustee Standley seconded the motion, which passed unanimously.

2008 – 2009 Fixed Capital Outlay Budget Request

Mr. Alvarez asked the Board to give final approval to the Fixed Capital Outlay Budget Request for 2008 – 2009. Trustee Busch-Transou made a motion to approve the Fixed Capital Outlay Budget Request for 2008 – 2009 with authority for the President to make subsequent changes to the budget request as needed during the fiscal year.

Budget Reductions Update

President Wetherell discussed the University's efforts to develop a budget reduction plan. He said the goal was to preserve the academic departments to the extent possible. Dr. Wetherell said they want to make as many faculty or as many classes available to faculty and students. Some business services, student services and the other administrative entities have sustained a disproportionate share of reductions. He said the administration was working with the faculty and students on the proposed reductions. There will be a Special Session that will address the final cuts, but Dr. Wetherell warned that this could simply be the beginning of many more budget reductions.

Campus Master Plan Update

Mr. Carnaghi presented an update on the University Master Plan. He said the plan is making its way through the prescribed process. Mr. Carnaghi said the reason for the plan is to avoid the pitfalls that developers go through with all the permitting process and all the time it takes to get anything built. Once the development plan is approved, if you build what you said you planned to build people get out of the way and enable business to proceed uninhibited. He said that after one more public hearing in early 2008 the Board of Trustees would be asked to approve the master plan that will reach 2015.

9. President Wetherell's Evaluation Report

Chairman Smith commended President Wetherell for handling the budget cut situation well. He referred Board members to the evaluation report. Chairman Smith indicated that the President received nothing but outstanding remarks from the Board. He pointed out that President Wetherell is forgoing a bonus and a raise in light of the budget situation. Chairman Smith thanked President Wetherell for his superior service on behalf of the Board of Trustees. He said that there was a housekeeping matter to address. The President's contract should be amended to authorize the utilization of University personnel and services at the new President's house. This would not involve any new funds.

Trustee Pantín made a motion to approve the Presidential Evaluation Report and the technical amendment to the President's contract. Trustee Duda seconded the motion, which passed unanimously.

Trustee Pantín said that the Board and the University owe a debt of gratitude to Ginger Wetherell for the great job she's done on the President's house. He said that he wanted the Board to commend and thank her. Trustee Pantín made a motion expressing the Board of Trustees' appreciation to Mrs. Wetherell for her stellar work on the President's house. Trustee Haggard seconded the motion, which passed unanimously.

10. Open Forum for Board Member Discussion

Trustee Ford commented that as a practical matter the markets are cycling and go up and down and we're not going to have the same kind of results. There is a good team working on the investments, but it is important to recognize that. He also said that as an individual and as a trustee it is dangerous to target tuition to those that could least afford to pay it. There should be a balance between those that can afford to pay as well as those who cannot. The University should find ways to subsidize those that cannot because there are many that would gladly pay more if the University were able to provide at least the same level of services and potentially more so I think you have to be careful targeting those that can least afford to pay.

11. President's Report

President Wetherell asked the Board to approve a resolution commending the Seminole Tribe's 50th anniversary. He said that they have been more than good partners to Florida State University and have been very helpful in donating funds to a number of things. So the University would like to send congratulations and make sure that they understand how important their sovereignty is to the Board. Trustee Haggard made a motion to approve the Resolution commending the Seminole Tribe's 50th Anniversary. Trustee Busch-Transou seconded the motion, which passed unanimously. He provided a brief update on various University activities.

12. Adjournment

The meeting adjourned at 4:30 PM.

The Florida State University Board of Trustees approved the minutes on January 18, 2008.