

The Florida State University Board of Trustees Meeting
FSU Research Foundation Building
Tallahassee, Florida
June 13, 2008
8:00 AM – 11:00 AM

SUMMARY MEETING MINUTES

Members Present: Trustees Derrick Brooks, June Duda, David Ford, Manny Garcia, Andrew Haggard, James Kinsey, Harold Knowles, Richard McFarlain, Laymon Hicks, Leslie Pantín, Jim Smith, Jayne Standley, Susie Busch-Transou were present. The following members participated by phone: Trustees Derrick Brooks, Susie Busch-Transou, David Ford, Manny Garcia, and Jim Smith.

1. Call to Order and Welcome: Mr. Harold Knowles, Vice Chair

- Laura Brock performed the Roll Call once Chair Smith called the meeting to order.
- Vice Chair Knowles welcomed everyone to the Board of Trustees' Conference Call.

2. Approval of Minutes

- Trustee Pantín made a motion to approve the minutes of the January 18, 2008 meeting and the April 3, 2008 conference call. The motion was seconded by Trustee Duda and passed unanimously.

3. Comments, Faculty Senate

- Dr. Eric Walker presented comments on behalf of the Faculty Senate. He expressed confidence that the budget storm that FSU is in the midst of will soon be weathered. The primary reason for the faculty's confidence is the openness of the administration and the budget planning. Dr. Walker said that the faculty feels empowered by the president and the provost and the other budget planners (Bob Bradley, Ralph Alvarez) and their staff. He said the faculty has been consulted every step of the way and they can see the results of the good planning and foresight in order to get to the other side of what the entire faculty hope to be a temporary crisis.

4. Comments, Student Government Association

- Mr. Ryan Powers first thanked the Board of Trustees for their commitment to the University. Mr. Powers made comments concerning some of the initiatives for the following year that the Student Government Association will be pursuing. He introduced the We Hear You Campaign, which will focus on the Student Government Leaders reaching out to students of the University. Mr. Powers also provided an update regarding the True Seminole campaign, and their plans to work with the Seminole Student Boosters.

5. Legal Update

- Ms. Betty Steffens, University General Counsel, presented the legal update to the board. First, she introduced the lawsuit, *Graham v. Pruitt*, that is still pending between the Board of Governors and Florida Senate and House of Representatives in Circuit Court. The main issue is who has authority on tuition and fees. Motions were heard several weeks ago in front of the judge and there is no date for a decision. Second, Ms. Steffens provided an update regarding a proposed regulation for all universities from the Board of Governors. She said Chairman Jim Smith has written to the Chairman of the Board of Governors (Carolyn Roberts). All the universities have joined together to research the regulation and its potential impacts.

6. University Relations Update

- Ms. Lee Hinkle, Vice President for University Relations, provided an update on several activities. First, the Blackbaud Raiser's Edge system is now up and running allowing Seminole Boosters, the Alumni Association, the FSU Foundation, University Relations, Ringling Campus, and the FSU Panama City Campus to all communicate on one database with alumni and friends. Ms. Hinkle also gave a brief fundraising overview, where University Wide they have raised approx. 86Million dollars. Last, Ms. Hinkle introduced the new Alumni Association President Scott Atwell.

7. Consent Items

- Trustee Pantín made a motion to approve the consent items. Trustee Duda seconded the motion and the following items were approved unanimously:
 1. Request for Approval - Florida Equity Report
 2. Request for Final Approval of Amendment of Regulation 6C2R-009 Parking and Traffic Regulation Approved by the Board April 3, 2008.
 3. Request for Approval of Repeal of Regulation 6C2R-6.004 Computing Center
 4. Request for Approval of Student Government Bills for Spring 2008
 5. Request for Implementation of Proposed MS in Materials
 6. Request for Implementation of Proposed Doctor of Nursing Practice in College of Nursing
 7. Request for Approval of Revision of Marine Lab Regulation 6C2R-6.007 University Marine Lab
 8. Request for Approval of Repeal of Regulation 6C2R-6.008 University Library
 9. Request for Approval of Repeal of Regulation 6C2R-4.0485 Criteria and Procedures for Promotion for In-Unit General Faculty librarians

10. Request for Approval of Repeal of Regulation 6C24-3.007 Administrative Suspension Not Within the Judicial System
11. Request for Approval Repeal of Regulation 6C2R-3.012 Student Housing
12. Request for Authorization of Research Building
13. Request for Approval - Florida Equity Report

8. Committee Reports:

Academic Affairs

BOG Enrollment Plan

- Dr. Lawrence G. Abele, Executive Vice President for Academic Affairs and Provost, provided an update on the universities new enrollment plan process. Trustee McFarlain made a motion to approve the enrollment plan process and definition changes. Trustee Haggard seconded the motion, which passed unanimously.
- Dr. Abele reported that there is a program name change from Hospitality Administration to Hospitality Management. Dr. Rowe provided a report on tenure. In which tenure was granted to 49 faculty members effective Fall, 2008. Finally, Dr. Robert Bradley provided a Strategic Plan Update.

Student Affairs

Posting, Promotions, Chalking, Advertising and Active Distribution of Materials on FSU Campuses

- Dr. Mary Coburn, Vice President for Student Affairs, provided an update on Student Affairs activities and concerning the revision of the campus posting policy. Trustee Duda made a motion to approve the rule revision to 6C2R-2.0131. Trustee Hicks seconded the motion, which passed unanimously.

Finance and Business

- President TK Wetherell set the stage for a discussion of the budget and fiscal matters. He explained the history of the administration's approach to fiscal planning at FSU. Two years ago the administration began planning for coming austere economic times. Rather than spending all funds, the University urged the Deans and Department chairs to retain funds where they could do so in order to prepare for lean times. Consequently, FSU will begin school in the Fall about \$36 million less, 250 positions less, and 2,000 students less than usual in anticipation of the harsh economic times. This means having larger classes for students, having fewer faculty, limiting travel, reducing utility bills, and adding more adjunct faculty. The Athletic

Department has also been asked to reduce their budget by five percent (5%). In addition to the 2008-2009 budget, a 2009-2010 budget will be presented, which is very unusual. The reason is that the “brain drain” has created a huge loss of faculty and it is important to send a message that the University is committed to finding ways to keep faculty at FSU. President Wetherell said that the University put a budget together this year that can send a strong message to faculty and we are going to try to find dollars to assist faculty with their budget. He said that yesterday the University received notice that one percent (1%) of appropriated funds is being held back. The University’s plan is prepared for that holdback. He said there is concern about lottery funds and the University will not spend those funds until they are in the bank. The Seigel and Gale plan, the Strategic plan and academic reorganization contribute to a process that will enhance this two-year budget to provide a clear vision for where the University intends to go even in the midst of fiscally austere times. He said that the administration would like to provide some non-recurring funds for the lowest paid staff to help with gasoline and grocery expenses. A contract with the City has been negotiated to provide free bus service from anywhere in the City to campus. President Wetherell said that the staff has done an excellent job of fiscal planning because he does not think the next Legislative Session will be any better. He said there has to be a two-year cycle for planning wisely.

Fixed Capital Outlay Budget

- Mr. John Carnaghi, Senior Vice President for Finance and Administration, presented the Fiscal-Year 2009-2010 Fixed Capital Outlay Budget. Trustee Pantín made a motion to approve the 2009-2010 Fixed Capital Outlay Budget. Trustee McFarlain seconded the motion, which passed unanimously.

Tuition Policy and Rule Authorization

- Mr. Ralph Alvarez, Associate Vice President for Financial Services, Budget Planning, and Institutional Research discussed the tuition increases effective Fall 2008. There are various tuition increases for Fall 2008, subject to board’s approval:
 1. Undergraduate tuition increases. Last year, the state passed a special law for undergraduate tuition, which stated if nothing happened during the legislative session, it would default to a consumer-price index type of increase (this did not happen). The state passed a 6% tuition increase for undergrad students for the Fall, along with implementing an undergraduate tuition differential fee. This will be 9%. Both of these increases, by law, cannot exceed 15%. The majority of students will not pay this fee due to: Florida pre-paid contract or attending school by July 1, 2007. There will be a 10% increase for all out-of-state students

2. Graduate tuition increases (Law, Medicine, etc.): There will be a 10% increase for graduate tuition. College of Law has a plan to increase tuition 15%.
- *Trustee Haggard made a motion to approve 2008-2009 tuition policy and rule authorization. Trustee Kinsey seconded the motion, which passed unanimously.*

2008-2009 Operating Budget

- The tentative 2008-2009 operating budget was discussed. Mr. Alvarez indicated that FSU is in the middle of the budget process right now, and will complete this in the next month. The official budget will be presented in September. Trustee Duda made a motion to approve the 2008-2009 operating budget (this includes the DSO budgets and the delegated authority to the President to make necessary changes to this budget based on available resources). Trustee Pantín seconded the motion, which passed unanimously.
- Dr. Bob Bradley discussed the budget situation based on Florida's current economic condition. He said the following issues are pertinent to Florida's economy:
 1. Florida has the 4th largest economy in the country. The gross state product is approaching close to a trillion dollars. Florida does not have as much GDP as most big states (Florida's product per capita ranks 33rd in the country).
 2. The relative portions of the economy that the state relies on. Compared to the country, Florida relies heavily on construction, real estate, food services, etc. When looking at the numbers, one can see how prominent these are. Florida has many economic connections overseas. Florida exports have increased, which is a good thing.
 3. Florida has a peculiar economy. It is shown that under 50% of our personal income comes from wages and salaries. Transfer payments (social security) and dividend payments make up the rest of each person's income. This has positive ramifications during low economic times, like now.
 4. Florida has produced thousands and thousands of jobs. In 1990, there were 5 million jobs. Now there are over 8 million. Like most places, Florida is not immune from the business cycle, and is now experiencing a period of unemployment. Florida has been a "job machine" due partly to smaller wages than other states. Florida is one of the most mal-distributed states in the country - this means a fair number of people are wealthy and a very large number of residents are poor. Florida Consumer Index is at its lowest in 20 years.

5. The current oil situation was mentioned. A barrel of oil in 2002 was \$20. The current oil situation exploded after the budget was passed.

Two-Year Financial Plan

- Mr. Alvarez spoke about the two-year financial plan for 2008-2009 and 2009-2010. The actual reductions for 2007-2008 and beginning 2008-2009 year are exactly \$31,567,660, compared to the \$31 million planned amount. The lottery is being used to balance the books on the state level; the University has been given \$5.4 million dollars in recurring lottery funds. To begin 2008-2009, the University has been reduced by \$26 million dollars. He said the University was planning for an additional \$10 million for the upcoming fiscal year.
- Mr. Alvarez stated that 2007-2008 was an unusual year. The annual budget felt more like a monthly budget. The appropriated amount for the next fiscal year will be reduced by 1% (which is 4% on an annual basis). Internally, academic departments have lost \$21.2 million in operating funds. Further reductions to these departments are trying to be avoided as much as possible. Internal planning for next year shows reductions in the following: 163 faculty positions lost and reduced enrollment by 1500-2000 regarding freshman and transfers. Trustee Haggard made a motion to to approve the development of the two-year financial plan encouraging the administration to make every effort to follow the staff reclassification plan and trying to find ways to slow the loss of faculty. Trustee Haggard lamented that the University has lost faculty and students have not been admitted for lack of resources. He said this is a sad state of affairs but that the staff at Florida State University has done a great job of establishing a multi-year approach to financial planning. Trustee Haggard said that the Board also recognizes the University's ability to addressing needs and priorities during these years of declining state revenues. He said that he spoke for the Board and encouraged President Wetherell and the administration, that if it is at all possible to find additional funds in the coming year to recognize and retain the great faculty and staff, to make every effort to do so. Trustee Duda seconded the motion, which passed unanimously.

Campus Master Plan Update

- Mr. Mark Bertolami presented the Final Campus Master Plan. In January 2005, the Board adopted the University's Campus Master Plan. Since then, the plan has been updated, including preparation of the first long-range development plan for the Southwest Campus. This update also includes minor revisions to the existing development plans for the Main Campus and the Panama City Campus. The University is currently renegotiating the existing Campus Development Agreements with the City of Tallahassee and the City of Panama City. These agreements will be

brought back to the Board for consideration when the negotiations are completed. Trustee Pantín made a motion to approve the Campus Master Plan with authority for President Wetherell or his designee to make changes as necessary. The motion was seconded by Trustee Haggard and passed unanimously.

Fees Increase for Professional Programs

- Mr. Carnaghi said that the 2008 Legislature amended section 1009.24(4)(c) allowing the Board of Governor's or its designee to adjust tuition for professional programs up to 15 percent in any year. The Board of Governor's at its meeting on January 7, 2003 delegated to each university board of trustees the authority to establish fees pursuant to sections 1009.24 and 1009.26, Florida Statutes. There is no national or statewide definition of professional programs. The salary costs for faculty in business, law, medicine and engineering are substantially higher than most other disciplines and justify the need for higher fees. Mr. Carnaghi requested Board approval to increase fees for the graduate professional programs in business and engineering 15 percent effective the first semester following a complete analysis of the program costs. Trustee Hicks made a motion to approve the Fee Increase for the Professional Programs. Trustee Kinsey seconded the motion that passed unanimously.

FY 2009-2010 Legislative Budget Request

- Dr. Abele asked the Board to approve a motion that approves the 2009-2010 Legislative Budget request and the cost to continue. Trustee Pantín made the motion for approval of the budget request and Trustee Duda seconded the motion, which passed unanimously.

Weapons Policy

- Mr. Carnaghi addressed the campus policy on weapons. The 2008 legislature approved a statute, which makes it legal to possess a weapon in a car, on private or public land. He stated that FSU managed property was exempt from this law, resulting in authorizing only certified law enforcement officers to have guns on campus. Mr. Carnaghi explained that there are 22 ways (two in development) to warn students, faculty, and visitors about potential campus emergencies. Some of these warnings include: outdoor sirens, emails, text messaging (found to be not as successful due to cell phone companies), and a computer network pop-up window accessible in 234 general classrooms (in which 212 of these have high-tech capabilities). He said that with these measures that he believes that the campus is prepared and ready in the event of an emergency.

9. Open Forum for Board Members Discussion

- Dr. Lawrence G. Abele, Executive Vice President for Academic Affairs and Provost, provided an update on the universities new enrollment plan process. *Trustee McFarlain made a motion to approve the enrollment plan process and definition changes.* Trustee Haggard seconded the motion, which passed unanimously.

10. President's Report

- President Wetherell provided a report on the admissions process for next year and Departmental re-organization plans. He also said that Dr. Abele would be taking a one-month sabbatical in July. In his absence, Dr. Bradley will serve as an acting provost. President Wetherell said that the University planned to move forward with the new Foundation Capital Campaign. He said that already the Foundation is \$25 million dollars ahead (compared to last year) in fundraising. Finally, FSU is the best in the nation at graduation rates.

11. Adjournment

The meeting was adjourned at 11:37 AM.