THE FLORIDA STATE UNIVERSITY BOARD OF TRUSTEES MEETING FLORIDA STATE UNIVERSITY ALUMNI CENTER TALLAHASSEE, FLORIDA Wednesday, June 17, 2009

SUMMARY MEETING MINUTES 9:00 AM - 12:20 PM

Members Present: Trustees Derrick Brooks, Susie Busch-Transou, June Duda, David Ford, Andy Haggard, Rob Jakubik, Harold Knowles, Leslie Pantín, Jr., Jim Smith and Eric Walker were present. Trustee Garcia had an excused absence.

1. Call to Order and Welcome: Mr. Jim Smith, Chairman

Chairman Jim Smith called the meeting to order and Fran Conaway performed the roll call. Chairman Smith welcomed everyone to the Board of Trustees' meeting and noted that this is the first meeting for Trustees Eric Walker, president of the Faculty Senate, and Rob Jakubik, president of the Student Government Association.

2. Approval of Minutes

Trustee Les Pantín moved approval of the minutes of the meeting of February 26, 2009. Trustee Susie Busch-Transou seconded, and the motion passed unanimously.

3. Updates & Reports

Chairman Smith noted that the focus of the meeting would be critical budget issues at Florida State University and that members of the audience with questions or concerns would have the opportunity to speak during the Finance and Business section of the meeting.

4. Comments, Faculty Senate: Dr. Jayne Standley

- Dr. Standley indicated that the Faculty Senate on behalf of the general faculty supports the three-year financial plan to be presented to trustees. While the faculty is distressed by the awful reality of the budget crisis and implications for colleagues, the administration has engaged the faculty and students, and the year-long process has been open and frank.
- Dr. Standley also noted that President Wetherell would be announcing his retirement at the meeting. She said he has been a strong president who has shown special courage and leadership in addressing the Legislature's lack of concern for university funding. The faculty thanks him for outstanding service, asks trustees to urge him to retain the presidency during the next academic years, and asks that trustees work diligently to find an outstanding replacement.
- Chairman Smith indicated that a thorough national search will be conducted with openness in order to find candidates with a national reputation befitting the academic stature of the university. The search committee will have strong and substantial faculty participation.

5. Comments, Student Government Association: Adam Fox

Mr. Fox is director of legislative affairs for the Student Government Association. He thanked trustees for their continued support of student government and the student body. The SGA has transferred over \$500,000 to the university to support academics. The SGA has scheduled a barbecue for June 30th on Union Green to help introduce incoming freshmen to the campus.

6. Legal Update: Ms. Betty Steffens

Ms. Steffens asked for approval of a technical amendment to the Board of Trustees' Delegation of Authority to add that the President has been delegated the authority for direct control over the direct support organizations.

7. Action Item: (ACTION)

Trustee Busch-Transou moved to approve the motion regarding the Delegation of Authority. The motion was seconded by Trustee Knowles and passed unanimously.

8. Legal Update Continued: Ms. Steffens

- Ms. Steffens informed trustees about Senate Bill 926, which allows public universities in Florida to construct
 columbaria (facilities where cremated ashes can be interred) on campus. This can be seen as a fundraising
 opportunity. Trustees supported formation of a committee to look into this and report back to them.
- Ms. Steffens updated trustees on the the university being named a defendant, along with the NCAA, in a lawsuit filed in circuit court regarding the release of the NCAA's document responding to the university's appeal of the Infractions Committee's decision. The document was posted on a secure web site maintained by the NCAA that was not open to public scrutiny. Mr. Haggard asked if the university had ever kept any documents related to this case private, and Ms. Steffens responded that the university did not ask to have this document held up, nor has the university held up any documents that she is aware of. Chairman Smith noted that Florida has a very open, transparent government with an effective Sunshine law, and Florida State has worked diligently as an institution to encourage the NCAA to make this material available. He expressed his appreciation to Attorney General Bill McCullom for his support in the process.

9. Consent Items: One Motion

Trustee Pantín moved to approve 12 consent items. The motion was seconded by Trustee Jakubik and passed unanimously.

- Approval of SGA Bills and Resolutions for FSU Main Campus, Panama City Campus and Sarasota Campus—Spring Term 2009
- Request for Approval of Regulation 6C2R-6.003 Student Expression
- Request for Approval of Florida Educational Equity Act Report
- Request for Approval of Academic Calendar
- Request for Approval of B.S., M.S. and Ph.D. in Sport Management
- Request for Approval of M.S. in Biomedical Sciences
- Request for Approval of L.LM. in Environmental Law & Policy
- Request for Approval of Revised Exclusion Resolution for Classified Security Approval
- Request for Approval of Regulation on Graduate Admission Requirements
- Request for Approval of Regulation on Textbook Affordability
- Request for Approval of Proposed Limited Access in the B.S. in Sport Management
- Request for Approval of Construction of a Research Building for Aerospace Mechatronics and Energy as Approved by Florida State University Research Foundation

10. Academic Affairs Update: Dr. Lawrence Abele

- Dr. Abele informed trustees that President Wetherell has granted tenure to 51 faculty members promoted 37 to full professor. President Wetherell has also approved the merger of the Colleges of Communication and Information into the new College of Communication and Information.
- Dr. Abele informed trustees of proposed changes at the Panama City campus. Offering lower-division courses at that location as a stand-alone campus would provide opportunities to expand access to Florida State. The goal is for the Panama City campus to be self-supporting in three years. Dr. Abele noted that implementation of the plan to offer lower-division courses as a stand-alone campus would require separate accreditation.

9. Agenda Item (ACTION):

Request to Accept Lower-Level Enrollment at the Panama City Campus

Trustee Haggard moved to approve this item. The motion was seconded by Trustee Walker and passed unanimously.

10. Agenda Item (ACTION):

Request to Seek Approval of Separate Accreditation for Panama City Campus by SACS.

Trustee Brooks moved to approve this item. The motion was seconded by Trustee Pantin and passed unanimously.

11. Academic Affairs Update Continued: Dr. Abele

Dr. Abele explained that the Southern Association of Colleges and Schools accrediting agency requires the university to report on plans for graduating all students. With mergers of departments and majors, the university must indicate to the agency the steps being taken to ensure that all students have the courses they need to graduate.

12. Action Item (ACTION)

Request Approval of Proposed Policy Statement on Notifying SACS on Suspension of Programs Trustee Jakubik moved to approve this item. The motion was seconded by Trustee Pantín and passed unanimously.

13. Finance and Business: President T.K. Wetherell, Dr. Abele, Mr. Ralph Alvarez

- Chairman Smith announced that the order of the Finance and Business section of the agenda would be changed, and the Board would take up Item VI-H, the Three-Year Flexible Financial Plan, first. He said that members of the public who wish to speak will have the opportunity to do so following presentation of the plan.
- President Wetherell opened the presentation by reminding trustees that, since 2007, legislative recurring cuts total nearly \$83 million. He also reminded trustees of the principles they had adopted in 2007 to deal with predicted fiscal concerns and adversity, resulting from lack of funding for enrollment growth, tuition vetoes, and absence of technology fee, property tax reform, declining State revenue projections and flat tuition revenues. The trustees' guiding principles include: protecting the integrity of the teaching, research and service mission of the University; continuing to enhance the University's standing as one of the top research and graduate education institutions in the nation; protecting the financial integrity of the University; and ensuring the safety and security of students, employees and the campus.
- He explained the importance of a three-year budget plan to provide a road map for where the university the University wants to go as an institution while coping with budget cuts and using federal stimulus dollars and any new dollars most effectively.
- He noted that the University has adopted energy efficiencies that have saved \$2 million, that there has been a
 hiring freeze supported by a Hiring Freeze Committee, and that a Budget Crisis Committee was formed with
 representation from faculty, staff and students to take suggestions for cost-savings and to propose program
 cuts.
- He reminded trustees that, in February 2009 they adopted additional budget reduction principles, including: do not adversely affect enrollment; maintain sufficient courses to ensure timely graduation and maintaining degree MAP programs, exempt key infrastructure and operational services; do not cut all entities by the same proportion; shift E&G costs to auxiliaries where possible; eliminate expenses where possible, but retain funds for ongoing operations; promote out-of-state enrollment; provide all units undergoing cuts the opportunity to justify current expenditures; consolidate services where quality does not suffer; assign lower funding priority to entities that do not provide direct service to students; where possible, preserve programs that disproportionately contribute to the research mission of the University; and maintain existing principal investigator accounts where possible.

- President Wetherell explained that questions considered as reduction plans were developed included state
 critical needs such as teaching and nursing, including implications of legislative mandates and decisions, such
 as the newly passed state college system; potential for economic development; and costs of legislative
 member projects.
- Other questions considered included preservation of programs that have high student demands but are not
 necessarily critical to the state; core programs necessary for a broad education; programs that are part of the
 history and culture of the campus.
- In terms of programs critical to the state, as well as those promoting economic development, President Wetherell noted that the engineering budget has not been cut.
- President Wetherell reviewed the budget negotiation process during the 2009 legislative session. The worst-case scenario was the House of Representative plan that would have cut Florida State's budget by \$72 million, which would have had drastic implications for the University's operations overall. The worst-case scenario was avoided, however.
- With the availability of federal stimulus funds and the ability to move to a three-year budget plan, the cuts are not nearly as drastic. Across-the-board reductions can be avoided and flexibility in considering options is available. The proposed plan for 2009-10 cuts \$35. 7 million from Florida State's budget. This takes advantage of new tuition revenues, assumes a minimal turnaround in the economy in 2010-11, minimizes layoffs and provides flexibility for recovery, and maximizes the use of federal stimulus funds.
- President Wetherell said that the plan, depending on Board action, is to finalize reductions by June 22. Individuals affected by the plan will be notified by June 30. An employment transition service has been set up to support those affected by the cuts. The goal is to provide fairness and maximum notice to affected employees.
- President Wetherell also reviewed budget reductions for Athletics, the Foundation, Research Foundation, auxiliaries and Florida High.
- All told, Florida State will operate with about 650 fewer faculty and staff positions than in 2007. President Wetherell noted that this would have significant implications for the local economy.
- President Wetherell then reviewed tuition projections and how actual collections can different significantly
 from state appropriation figures. He also reviewed state mandates that affect tuition collections, including
 residency, Bright Futures, and excess hours.
- Provost Abele reviewed the recommended budget reductions and major restructures in all colleges and departments. He noted that the Budget Crisis Committee looked at every possible scenario, credit hours, undergraduate, graduate programs, contracts and grants, degrees awarded and strength of programs.
- Provost Abele highlighted a number of proposed reductions and restructurings. Anthropology will be sustained as a minimal program on campus. A new department of Earth & Atmospheric Sciences, consolidating Geology, Oceanography and Meteorology will be explored. Martech will be suspended, but faculty and graduate research needs can be served in other facilities. Hospitality and Golf Management will be removed from the College of Business accreditation process but maintained in the college. Both departments will be expected to be self-supporting in three years. Communication and Information have merged. Math Teacher Education, Recreation and Leisure Management and Physical Education programs in the College of

Education will be restructured or suspended. Because engineering is critical to the state and country, there are no budget cuts in FAMU/FSU College of Engineering, and discussion is continuing with Florida A&M University. In Human Sciences, the Apparel Design and Textiles majors are being suspended, and the Merchandising major will be restructured and renamed. This change was a recommendation from industry representatives.

- Provost Abele also reported the goal of the Panama City campus and the Ringling Center for Cultural Arts to become self-supporting in three years. Students felt strongly that Stozier Library should be open 24 hours a day, five days a week, and that will be continued. Facilities and grounds will take a significant cut, but campus appearance will be monitored carefully to maintain quality. Police officers are funded through auxiliary funds, so their numbers will not be reduced. The Employee Assistance Program will experience a relatively small cut, given the amount of assistance needed for those who are retained, and the Employee Transition Office will assist those who are experiencing layoffs.
- Budget Director Ralph Alvarez then reviewed specific budget figures and plans to implement the three-year
 flexible financial plan, 2009-10 through 2011-12. If all goes as planned, at the end of three years, Alvarez's
 estimates indicate that, through a combination of budget reductions and future revenues, including optimal
 use of federal stimulus funds, the budget will be in balance with \$.6 million in recurring funds and \$31 million
 in a central nonrecurring fund balance.
- President Wetherell added that this three-year flexible budget plan is an action plan that will maintain the academic and financial integrity of the institution. It provides a lot of flexibility, including options for further cuts if necessary. It deals fairly with those who lose their jobs.
- Chairman Smith congratulated President Wetherell, the administration and staff for the effort on dealing with the process. He asked how the plan would affect enrollment.
- President Wetherell responded that the University will meet the state enrollment plan. The goal is to shift some enrollment with the state college system to graduate and research programs that will enhance national ranking. There is no plan to reduce freshman enrollment. Programs that address needs of first-generation-incollege students, minority students' needs, programs that bring in national fellowships will be protected.
- Chairman Smith expressed the hope that people will look at the future of Florida and come to grips with the lack of a tax base and the need for state revenues.

14. Public and Trustee Comments

- Speakers included Tom Ratliffe, associate professor in the Department of Sports Management, with concerns
 about suspension of his program; Ginny Kotzias, a 2009 graduate in Anthropology and student director of
 the Fate of the State group supporting higher education, encouraging legislative support of higher education;
 and Robert Romanchuk, associate professor, Slavic Division, Modern Languages & Linguistics, who
 expressed concern about faculty morale and a need for intensified shared governance with faculty.
- Alejandro Gallard, School of Teacher Education, College of Education, said that he had received a layoff
 notice and feels that Latinos have been overrepresented in College of Education cutbacks. Jack Fiorito,
 president of the Florida State University of United Faculty of Florida, and professor of management in the
 College of Business, called attention to a UFF poll showing faculty see layoffs as a worst-case alternative
 when budgets are tight.
- Trustee Walker focused the attention of the Board on the proposed layoffs of 21 tenured members of the faculty and underscored the unprecedented scope of such an action. He emphasized the demoralizing effect of such an action on the faculty at large. He informed the Board that faculty had consistently supported

furloughs as an alternative to layoffs of tenured faculty and reported that the administration had instead decided to hold furloughs as a future fall-back option in case there are further state budget cuts. In summary, however, the faculty members on the Budget Crisis Committee support the basic features of the three-year budget plan now before the board.

15. Action Item (ACTION)

Three-Year Financial Plan and Delegation of Authority

Trustee Duda moved to approve this item. The motion was seconded by Trustee Haggard and passed unanimously.

16. Action Item (ACTION)

Approval of Tentative 2009-10 Operating Budget and Releases

Trustee Pantín moved to approve this item. The motion was seconded by Trustee Ford and passed unanimously.

17. Action Item (ACTION)

Approval of Delegated Authority to the President or Designee to make any other changes to the budget within available resources.

Trustee Kinsey moved to approve this item. The motion was seconded by Trustee Knowles and passed unanimously.

18. Action Item (ACTION)

Approval for the University President to prepare the Operating Budget as prescribed by laws and rules of the State of Florida.

Trustee Busch-Transou moved to approve this item. The motion was seconded by Trustee Ford and passed unanimously.

19. Action Item (ACTION)

Approval for the DSOs to continue operations within available resources.

Trustee Knowles moved to approve this item. The motion was seconded by Trustee Ford and passed unanimously.

20. Action Item (ACTION)

Voluntary Separation Program

Trustee Haggard moved to approve this item. The motion was seconded by Trustee Ford and passed unanimously.

21. Action Item (ACTION)

Request for Approval of FY 2009-10 Tuition Policy and Administration Action.

Trustee Duda moved to approve this item. The motion was seconded by Trustee Brooks and passed unanimously.

22. Action Item (ACTION)

Request for Approval of Technology Fee

Trustee Jakubik moved to approve this item. The motion was seconded by Trustee Kinsey and passed unanimously.

23. Action Item (ACTION)

Update of Materials and Supplies Fees and Use of Equipment Fee.

Trustee Busch-Transou moved to approve this item. The motion was seconded by Trustee Duda and passed unanimously.

24. Action Item (ACTION)

Request for Approval to Authorize a fee to offset the administrative cost associated with drop/add courses pursuant to s. 1009.24(4)(e).

Trustee Duda moved to approve this item. The motion was seconded by Trustee Busch-Transou and passed unanimously.

25. Action Item (ACTION)

Request for Approval of Changes to the Graduate Waiver for Non-Resident Students.

Trustee Brooks moved to approve this item. The motion was seconded by Trustee Haggard and passed unanimously.

26. Action Item (ACTION)

Request for Approval of Graduate Out-of-State Tuition Differential.

Trustee Pantin moved to approve this item. The motion was seconded by Trustee Dudas and passed unanimously.

27. Action Item (ACTION)

Request for Approval of FY 2010-11 Fixed Capital Outlay Budget Request.

Trustee Ford moved to approve this item. The motion was seconded by Trustee Brooks and passed unanimously.

28. Open Forum for Board Members

- Chairman Smith reported that Florida State University has been asked for input on the NCAA
 Playoff/championship game issue. He said that Florida State University believes that the 12th game should be
 phased out with the signing of new television contracts in 2014. Florida State University supports a sevengame home schedule and additional intra-league play to achieve all of these goals. Trustees Brooks and Duda
 commented on this issue and will follow up with recommendations.
- Trustee Kinsey commented on changes proposed for the Panama City campus, and President Wetherell said that a blue ribbon commission had been formed to address the issue and that he believes the University has a good plan. He showed a video that will promote the campus to 15,000 potential students. Trustee Pantín recommended that the video be added to the university's television programs, along with other video to show the great things that are happening at Florida State every month.

29. President's Report

- President Wetherell reported that the University had an outstanding year, academically and athletically.
- He formally announced his plans to step down as president. Having the position has been a dream come true, and, with a three-year budget and plan of action in place, now is an appropriate time to step down. He said it will be advantageous to the University to find a new president who can go through the entire process, rather than trying to change horses in the middle of the stream.
- Chairman Smith responded that the trustees would prefer that President Wetherell not resign but respect his
 desire to do so. Despite the difficult budget issues, Florida State University has made great strides under his
 leadership.
- Trustees made laudatory comments about President Wetherell's service and contributions to the university.
- President Wetherell said he is willing to stay until a new president is hired.

30. Action Item (ACTION)

The Board of Trustees requested that Dr. Wetherell reconsider his decision. Should he not choose to do so, the Board will accept his resignation with regret. Chairman Smith and General Counsel, Betty Steffens, are authorized to execute a separation agreement (at the appropriate time) for Dr. Wetherell, who will continue at FSU as a tenured professor in the College of Education and President Emeritus. The chairman appoints Betty Steffens (chair), Joyce Ingram (vice chair) and Jayne Standley (faculty representative) to staff a national presidential search planning process. Ms. Steffens, Ms. Ingram and Dr. Standley are directed to review the national search process utilized by the BOT to select Dr. Wetherell. A BOT conference call meeting will be planned for a time in July to move forward as quickly as possible.

Trustee Duda moved to approve this item. The motion was seconded by Trustee Pantín and passed with a vote of 9-1.

31. Adjournment

The meeting adjourned at 12:20 PM.