

FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES
CONFERENCE CALL MEETING MINUTES

October 28, 2016
8:30 am

Florida State University
Augusts B. Turnbull III
Florida State Conference Center
555 West Pensacola Street
Room 208
Tallahassee FL

Members Present: Max Alvarez, Kathryn Ballard, Ed Burr, Billy Buzzett, June Duda, Susan Fiorito, Joe Gruters, Mark Hillis, Craig Mateer, Leslie Pantin, Bob Sasser, Brent Sembler and Nathan Molina

I. CALL TO ORDER AND WELCOME

Mr. Ed Burr, Chair

Chair Burr called the meeting to order at 8:30 am. Lynna Sands conducted the roll call.

II. APPROVAL OF MINUTES (ACTION)

The June 10, 2016 and September 28, 2016, meeting minutes were approved as presented.

III. PUBLIC COMMENTS

There were no public comments.

IV. PRESIDENT'S COMMENTS

Mr. John Thrasher, President

The President began by reminding the BOT about our recent rise in the U.S. News & World Report rankings to No. 38. We have moved up 5 places, which is the greatest gain of any of the top 50 public universities. These rankings demonstrate that our strategy of focusing on student success and elevating faculty, with the support of our terrific staff, really pays off all the way around. He went on to describe how FSU is requesting \$70 million from the Legislature to hire more faculty — especially in strategic research areas to improve student-faculty ratio and retain current faculty. We are also asking for resources to improve teaching, expand research and boost student success.

He also provided a summary on the strategic plan. The five-year plan builds on this momentum of the past few years. He thanked the members of the Strategic Planning Committee for their efforts.

President Thrasher reminded everyone that diversity and inclusion are values we hold dear at FSU. He expressed his pride in our students that are leading the way with a new campaign called the *Power of We*. He indicated that the BOT would hear more about this initiative later from Inam Sakinah, chair of the Student Diversity and Inclusion Council.

The President reported that we had hosted Jan Moran on campus in early October and we that she had a good visit. She participated in an event to honor our Jim Moran Scholars. FSU provided Mrs. Moran with an update on the progress of the new Jim Moran School of Entrepreneurship and she was very pleased with the progress. The President also announced that renovations to the downtown building are scheduled to begin in November and he applauded Trustee Susan Fiorito – the school’s founding director – for the fantastic work she is doing to launch the school.

Earlier this month, Provost McRorie, VP Jennings and the President attended the annual dinner at our Panama City Campus. The President reported that new Interim Dean Randy Hanna is doing a terrific job, and there is a lot of excitement on campus. We have plans to grow the campus and develop new programs to meet the community’s needs.

President Thrasher indicated that VP Ostrander traveled to Pensacola a few weeks ago and represented FSU for the groundbreaking of a new facility on the University of West Florida (UWF) campus. We are partnering with UWF on shared space that will house our College of Medicine’s new Pensacola Regional Medical School Campus. This is a great opportunity to share resources, and to expand our efforts to identify students in Northwest Florida who identify with our mission – not only in medical school, but in our developing new PA program.

This past week FSU leadership and the BOT participated in the EOAS groundbreaking. The president shared his enthusiasm for attending the event with the BOT. This has been one of our legislative priorities for a few years because it will elevate this program to the next level. In the coming months we will ask the legislature for funds to complete the building.

The President also commented on the fMRI dedication which was conducted earlier in the week. He was pleased that the BOT had the opportunity to tour the new fMRI facility. He reminded us that we now have the most advanced MRI in the State of Florida. This machine is critical to advancing our interdisciplinary

brain health and disease initiative. It is already helping us to recruit the best faculty and students in the nation.

The President concluded his remarks by thanking the BOT for their support during his tenure. He observed that in just three weeks, he will be marking his two-year anniversary as FSU president. He went on to thank his senior leadership team, faculty, staff and students for their tremendous support. He noted that by working together we had accomplished a lot and just in this past year, we've had:

- largest gift in FSU history
- best fundraising year ever
- brightest and most diverse freshman class
- big jump in the national rankings

He concluded his presentation by stating that this is truly is the best job he has ever had and that he is looking forward to continued success!

V. CONSENT ITEMS

1. Requesting Approval for the 2016-2017 Audit Plan for the Office of the Inspector General Services
2. Requesting Approval for Direct Support Organization (DSO) Extension of Audit Services Contracts in Accordance with Regulation 2:025:
 - Florida State University Magnet Research & Development, Inc.
 - Florida State University International Programs Association, Inc.
3. Requesting Approval for Status Report on Construction Projects over \$2.0 Million and Change Orders
4. Requesting Approval for Status Report on Purchase Orders over \$1.0 million and 5+ Year Service Contracts
5. Requesting Approval for Amendment to FSU Regulation 2.0225 Direct Deposit
6. Requesting Approval for Amendment to FSU Regulation 4.0015 Attendance and Leave, Hours of Work Requirements
7. Requesting Approval for Amendment to FSU Regulation 4.001 General Human Resource Policies
8. Requesting Approval for Amendment to FSU Regulation 4.013 Non-Discrimination
9. Requesting Approval for Amendment to FSU Regulation 4.011 Affirmative Action Program
10. Requesting Approval of the Application Fee Waiver for College of Medicine
11. Requesting Approval for Amendment to FSU Policy 4-OP-D-2-H
12. Requesting Approval for the College of Medicine Graduate Medical Education Annual Institutional Review Executive Summary (AY 2015-2016)
13. Requesting Approval for the Proposed Amendment University Regulation FSU-5.002 Teaching, Research and Graduate Assistants

14. Requesting Approval for the Proposed Repeal of University Regulation FSU-6.010 Florida Resources and Environmental Analysis Center (FREAC)
15. Requesting Approval for the Proposed Amendment University Regulation FSU-5.088 Division of Sponsored Research
16. Requesting Approval for the Proposed Amendment University Regulation FSU-5.0881 Sponsored Research Exemptions
17. Requesting Approval for the Adoption of Revised Exclusion Resolution to Implement Policy on Classified Research and Security Clearances
18. Requesting Approval for the Revision of the FSU Magnet Research and Development, Inc. Bylaws

Trustee Sembler moved to approve Consent Items 1-18. Trustee Duda seconded the motion and was approved unanimously.

VI. NEW BUSINESS

A. University Advancement

Dr. Thomas W. Jennings, Vice President for University Advancement

Information Items

Dr. Jennings provided an update to the trustees on the Raise the Torch Campaign. Commitments of gifts and pledges as of September 30, 2016, totaled \$938 million. The overall Campaign has achieved 93% of the financial goal (\$1 billion) with 75% of the time elapsed. The Seminole Boosters have already met and exceeded their \$250 million campaign goal, with gift commitments totaling \$287 million. During the Campaign, 1,045 scholarships and fellowships have been created or enhanced with additional gifts; 75 professorships were created or enhanced; and 156 donors made commitments of \$1 million or more.

The 2016 fiscal year set a record in gifts and pledges with the single year total of \$225 million, including the \$100 million gift commitment from Jan Moran and the Jim Moran Foundation. Gifts and pledges made to FSU through the FSU Foundation set a record with \$166 million received. Buoyed by the success of the new Champion's Club and a robust annual giving effort, the Seminole Boosters gift commitments exceeded \$51 million during that same period. Even without counting the \$100 million commitment, FY2016 stands as the second largest fund-raising year in FSU's history.

The end of the Raise the Torch Campaign has a previously established ending date of June 30, 2018. Some of the individual colleges and departments are ahead of schedule to exceed their fund-raising goals, while others are behind schedule. The consensus among Foundation staff, FSU management, and key fundraising volunteer leaders is that the University should celebrate the \$1 billion milestone when it is achieved, but continue aggressive fund-raising through June 2018, so that all the colleges and units have an opportunity to

achieve their individual goals. Then, early in early fall 2018, the University should hold a Campaign celebration(s) for donors, faculty, staff and students to announce and celebrate the total amount raised during the 8-year campaign. Part of the strategy also involves “going dark” regarding the status of reaching the \$1 billion....that is, after this meeting, no further public announcements about the Campaign total will be made until the \$1 billion goal is achieved. This will help build excitement and public interest leading up to the announcement that the goal has been reached.

The University endowment totaled \$584 million as of June 30, 2016. Of that amount, \$438 million is managed by the FSU Foundation, \$89 million is held by the Research Foundation, \$55 million is held by Seminole Boosters, Inc., and approximately \$2 million is managed by the John & Mable Ringling Museum of Art Foundation. Jennings distributed information regarding the 2015 endowment holdings (the most recent data available) of the other top 50 public universities (per U.S. News & World Report rankings) and highlighted several universities in the ACC and SEC conferences. FSU’s endowment ranks #34 among this cohort.

Jennings gave updates on the DSOs’ progress and plans:

- The FSU Foundation is accepting nominations for trustees for next year, and nominations are due by Nov. 18. Donor events are scheduled in Houston (Nov. 17) and Naples (Jan. 19). BOT members are invited.
- Seminole Boosters successfully opened the Champion’s Club on Sept. 9. Recent staff promotions were highlighted. The George Langford award winners were Jim Kirk and Shirley & DeVoe Moore. College Town phases 1 & 2 continue to operate successfully, with 100% of the residential units leased, new restaurants opening in CT-1 and CT-2, and a public opening of CT-2 on Oct. 29.
- The Real Estate Foundation staff led the process to accept the gift of property from Trustee Kathryn and Mr. Brian Ballard....a gift which helped attract the \$100M gift commitment from Jan Moran and the Jim Moran Foundation last year...and the property was transferred in late September. The REF reviewed and recommended to the BOT to advance College Town Phase 3. The REF is working with University staff to develop the Southwest Sector plan. A member of the FSU general counsel staff was hired recently and will be assigned to support the REF, and funding for an assistant director of the REF has been approved; that position will assist development officers in attracting and closing gifts of real estate for FSU.
- The Alumni Association led the Homecoming celebration, including the awards for Circle of Gold, Grads Made Good, and the Bernard Sliger Award. The AA’s National Board of Directors is launching a program to assist the Seminole Clubs and Chapters around the nation to develop undergraduate need-based scholarships supporting FSU’s CARE Program.

The University recently committed funds to support AA staff salaries, which will allow the AA to direct its private gift revenue toward building an endowment to support operations.

- The Ringling Museum is redesigning its main galleries. Construction is underway for the new Kotler-Coville Glass Pavilion.

Jennings provided the BOT members with a list of the named endowments and spaces established during FY2016, as required by the University's Naming Policy. These named funds and spaces are for information purposes only, and they do not require action by the BOT.

- **Update on Student Foundation**

Mr. David Walsh, FSU Student Foundation

Mr. Walsh, spoke to the Board regarding the Student Foundation's origin, mission, progress and plans. The Student Foundation seeks to change students' philanthropic behavior so that they begin supporting FSU more directly with their gifts and volunteer efforts.

Action Items

1. Requesting Approval for the Revision of the Seminole Boosters Bylaws

Trustee Duda moved to approve the Revision of the Seminole Boosters Bylaws. Trustee Mateer seconded the motion and it was approved unanimously.

B. Academic Affairs

Dr. Sally McRorie, Provost and Executive Vice President for Academic Affairs

Information Items

Dr. McRorie provided an update on Academic Affairs:

- FSU moved up five spots in the US New & World Report Public University Rankings to number 38. This is the greatest gain among all top 50 public universities.
- FSU met 12 of 12 Preeminence Funding Metrics as well as improving to 6th among the SUS
- Interdisciplinary Medical Sciences based in the College of Medicine was launched this fall and currently has 115 student enrolled.
- Student Success Initiatives include:
 - Take 15: Average Freshman credit hour load went from 12.9 to 13.8
 - Purchased EAB technologies for student advising, appointment scheduling, student analytics and mobile communications
 - Expanded to over 50 academic advisors
 - Hired Graduation Specialist Director
 - Personalized recruitment of high-achieving FTICs

- High School Partners Program for first-generation Pell Students
- Increased size of CARE program
- Moving to holistic review of transfer admission applicants to assess potential for success

1. Update on the College of Law
Dean Erin O'Hara O'Connor, College of Law

Dr. O'Hara O'Connor was introduced and provided an overview of the College of Law. FSU Law School is the top law school in the state of Florida and in the top 25 law schools in the country.

2. Update on the College of Engineering
Dean Murray Gibson, College of Engineering

Dean Gibson was introduced and provided an update on the College of Engineering with his goal to make the College of Engineering a top 50.

Action Items

3. Requesting Approval for the Strategic Plan

Trustee Fiorito moved to approve the Strategic Plan. Trustee Ballard seconded the motion and was approved unanimously.

C. Athletics

Mr. Stan Wilcox, Athletics Director

Mr. Wilcox provided an Athletics Report that included an update on the ACC Network will begin in 2019. Currently, the ACC Network Extra can be accessed the ESPN mobile app that will include 600 exclusive ACC live events digitally during first year. Annually there will be over 1300 events that can be accessed digitally.

The ACC will remain at 8 regular season conference games and will participate in more neutral site games.

An update on the O'Bannon Case was provided. Potentially provide additional benefits to student athletes.

FSU continues to do above the minimum requirement of NCAA in regards to concussions. Coaches, trainers and student athletes continue to be trained and educated in concussion protocol.

NCAA will continue to evaluate the time demands of student athletes including volunteering, social life, academics, etc.

Mr. Wilcox provided updates on the athletic facilities, including:

- Men's and Women's basketball locker rooms
- Football scoreboard and sound system
- Upcoming improvements include soccer, softball, baseball, tennis, beach volleyball, volleyball, swimming and diving and track and field.

He also highlighted the LYFE – Beyond the Spear program. This program is a development program for student-athletes specifically targeting the academic well-being of African American males.

D. Student Government Association

Ms. Valerie Shallow, Vice President of Student Government Association

Ms. Shallow provided an updated on addressing the needs of students including provide resources. Also, SGA provides an opportunity for students to come together to collaboration.

SGA Outreach will host Florida Student Association to high school tours.

E. Faculty Senate

Dr. Todd Adams, Faculty Senate Steering Committee

Dr. Adams provided a brief update on the Faculty Senate that included the visiting Road Scholars program from Wake Forest, Clemson and Georgia Tech talk series.

F. Research

Dr. Gary K. Ostrander, Vice President for Research

Dr. Ostrander reported on proposal, grant and award activity for the first quarter of the fiscal year (FY-17). FSU faculty submitted ~15% more proposals (354 versus 306), received ~12% more grants (353 versus 316) and received ~\$59.6M (~46% increase over first quarter last year) in research funding. This is among the best first quarters ever for FSU.

Dr. Ostrander also provided an update on the recently opened FSU functional magnetic resonance imaging (fMRI) facility. While located in the College of Medicine, this is a campus-wide facility that will impact many programs. To date, the presence of this facility at FSU has allowed us to recruit faculty that would not otherwise have come to FSU and we have also written new and novel proposals. The FSU fMRI is the most powerful and sophisticated MRI presently in the State of Florida.

An update on the MagLab renewal proposal was provided. NSF officials and a team of 12 scientists and engineers conducted a site-visit August 29th-31st. In the next few months NSF will recommend to the National Science Board a funding level for the new award and we expect a final decision in early to mid-2017.

FSU has recently received a \$10 M grant from the Department of Energy (DOE) for the establishment of an Energy Frontier Research Center. The focus of the work will be on a group elements (actinides) that are radioactive metals (e.g. uranium, thorium, and plutonium), components of many advanced electronic devices (e.g. pacemakers and smoke detectors) and potentially harmful environmental contaminants.

Finally, Dr. Ostrander provided an update on the impact of Hurricane Hermine on research operations as FSU. Damage included loss of multiple computer servers when back-up systems failed, loss of samples and reagents in freezers and refrigerators that either failed, were either not plugged into emergency power sources or were in locations that emergency back-up was not available. Power surges and fluctuating power caused significant damage ranging from a few hundred dollars to in excess of \$10,000 dollars in multiple laboratories. The VP is working with impacted units to develop an appropriate process for the monitoring and reporting of issues during the future events so that losses can be minimized.

Total research related replacement and repair costs for Hurricane Hermine are expected to be in the neighborhood of \$1M dollars. It is anticipated that much of this will be recovered by insurance. In the interim the Office of the VP for Research is providing emergency funding to research programs so has to minimize the impact.

G. Student Affairs

Dr. Mary Coburn, Vice President for Student Affairs

Dr. Coburn shared information about several of the events that have taken place this fall. The Leach Center 25th Anniversary was held on September 30. All of the efforts to handle the effects of Hurricane Hermine were discussed including relief stations at the Tucker Center and Aramark delivery of food service to the halls. On the information sheet that was distributed, she reviewed the increased student usage for services at the University Counseling Center, the Student Disability Resource Center, Dean of Students' Case Managers, and the Food Pantry and Professional Clothing Closet.

Information Items

1. Update on Student Diversity and Inclusion Council

Ms. Inam Sakinah, Chair, Student Diversity and Inclusion Council

Ms. Inam Sakinah, the chair of the Student Diversity and Inclusion Council reviewed the #PowerofWe campaign and their programs to increase campus inclusion. She concluded by showing the public service announcement that will be played on the scoreboard at halftime of the Clemson football game.

H. Finance, Business & Audit

Mr. Kyle Clark, Vice President for Finance & Administration

- Opened the first 4Rivers restaurant on a college campus at the Oglesby Union. Currently serving over 3,000 customers and \$30,000 in sales per week.
- The FAMU/FSU College of Engineering food service location transitioned to FSU. Aramark is providing food service and meal plans to both FSU and FAMU students.
- The Payment Card Industry Data Security Compliance Statement has been signed and submitted.
- Procurement and Purchasing Software Systems to be made more user friendly, seemingly a one stop shop.
- New Travel Management Services Program with discounts available to faculty, staff and students.
- Working on the FSU Panama City Residents Hall.
- Released food services RFP for catering on campus (Catering, Boosters, Athletics and other organizations ask to be included in bundling a more efficient package for a greater return)
- The Board of Governors have proposed FSU partner with New College of Florida, Ringling, and University of South Florida on shared services, looking for opportunities and initiatives in Sarasota to save money
- Working on refunding of \$7.6 million in long term debt that will save \$750,000
- Working on after action report for entire campus to improve response procedures following Hurricane Hermine.
- The July 1st SUS efficiency report was submitted to the BOG. We are projected to save more than \$36.27 million in efficiencies last year. We went up \$9.4 million over last year (more than tripled in efficiency the cost savings as an institution).
- The Fair Labor Standards Act (FLSA) - Federal wage and hour Law designed to protect employees updated in 2016 to expand overtime protection. New rules require that employees be paid up to \$913 per week

if they're exempt from overtime. (up from \$455 per week starting 2020). Over 1,000 FSU employees will become overtime eligible as a result.

- Increased salaries of 250 employees as a result of update.
- Began implementing update to FLSA requirements in January 2015 and will be fully updated soon within current month.
- The University Housing Replacement Project is currently ahead of schedule and on budget
- Earth, Ocean & Atmospheric Science broke ground for construction.
- Interdisciplinary Research & Commercialization Building Project is half funded through private resources, half funded through the State of Florida. Whiting Turner selected as contractor for project. Particular project will be located at Innovation Park. Hoping to receive allocation this legislative session).
- The College of Business is making progress through fundraising and planning.
- The Student Union Expansion will consist of 110,000 square feet, using CITF Funds and University Funds.
- The Jim Moran School of Entrepreneurship will be 20,000 square feet with the expected completion date of August 2017. The contractor selected is Cold Pepper Construction.
- Black Student Union/African American Study Center is 6,500 square feet with funding from private resources, contractor selected is Mad Dog Construction. The expected project completion date is October 2017.

Action Items

1. Requesting Approval for Authorization for the Seminole Boosters to issue taxable debt up to \$46M for College Town Phase I and III

Trustee Hillis moved to approve the Authorization for the Seminole Boosters to issues taxable debt up to \$46M for College Town Phase I and III. Trustee Buzzett seconded the motion and was approved unanimously.

I. General Counsel

Ms. Carolyn Egan, General Counsel

Ms. Egan provided an update including reviewing compliance & governance, risk assessment & management, and first amendment issues with student events.

Increased and reorganized staff to cover land use/real estate and athletics.

Legal staff is currently reviewing all FSU regulations for updates, etc.

VII. OPEN FORUM FOR BOARD OF TRUSTEES

Action Item

A. President's Evaluation & Compensation

Chair Burr presented a brief review of the results of President Thrasher's evaluation by the Board, which was excellent. He then provided the recommendations adopted by the compensation committee, which were the following:

- Increase the president's base salary by 7.75%, in addition to the 2.25% increase he will receive by virtue of the university pay package. This total increase of 10% would amount to \$47,383
- Increase the president's deferred compensation from 15 to 25% of salary, or \$130,302
 - This also requires an amendment to section 6.0 of his contract to reflect this change
- Provide a performance bonus of \$100,000
- Change section 3.2 (A) of the president's contract to eliminate the \$100,000 cap on the performance bonus going forward

Trustee Pantin moved approve the recommendations, and Trustee Duda seconded the motion. After brief discussion, the motion was approved unanimously.

VIII. ADJOURNMENT

Chair Burr adjourned the meeting at 12:15 pm.