The Florida State University Board of Trustees
Conference Call
201 Westcott Building, Tallahassee, Florida
June 14, 2007
2:00 PM – 3:00 PM
(850) 645-9020 (Local)
(800) 210-4771 (Toll Free)

AGENDA

I. Call to Order
   Mr. Jim Smith, Chair

II. President’s Report
    Dr. T.K. Wetherell

III. Adjournment
Subject: Request from BOG Chair Carolyn Roberts
Date: Fri, 8 Jun 2007 14:54:36 -0400
Thread-Topic: Request from BOG Chair Carolyn Roberts
Thread-Index: Acep/nXRaHN2gpJDTQuoZGXdg5Eblg==
From: "Rosenberg, Mark" <Mark.Rosenberg@flbog.org>
To: "Rosenberg, Mark" <Mark.Rosenberg@flbog.org>
X-Proofpoint-Virus-Version: vendor=fsecure
engine=4.65.5502:2.3.11,1.2.37,4.0.164 definitions=2007-06-08_05:2007-06-08,2007-06-08,2007-06-08 signatures=0
X-Proofpoint-Spam-Details: rule=notspam policy=default score=0 spamscore=0 ipscore=0 phishscore=0 adultscore=0 classifier=spam adjust=0 reason=mlx engine=3.1.0-0705030000 definitions=main-0706080064

MEMORANDUM

TO: Chancellor's Advisory Council (SUS Presidents)

FROM: Mark B. Rosenberg, Chancellor

SUBJECT: June 13-14, 2007 BOG Board Meeting- A Request from the BOG Chair

DATE: June 8, 2007

CC: Carolyn Roberts, Chair, BOG
Sheila McDevitt, Vice Chair, BOG
BOT Chairs
SUS Provosts
SUS Governmental Relations Representatives
BOG Senior Staff

At the Board of Governors meeting next week, BOG Chair Carolyn Roberts will ask each university President or Provost to identify the specific consequences of Governor Crist's recent veto of a tuition increase. She will want a concise answer that enables us to catalog as precisely and graphically as possible the human cost of continued under-funding and the implications for access and quality. Your response will help our Board to inform its decisions about the options that we will likely review and implement.
Where we stand on matters related to the recent veto by Governor Crist of the 5% tuition increase:

What are the facts?

As you know, the legislature approved a 5% tuition increase for the 2007-2008 academic year as their way of meeting financial needs of the US5 in times of limited state resources. Governor Crist subsequently vetoed this increase, leaving the SUS with an additional budgetary gap of $19 million. This gap amounts to about 200 faculty not being hired; or 380 mid-level staff not being hired to support students in areas such as counseling, advising and safety; or nearly 300,000 library books not being purchased.

Questions arise about the manner in which the veto was carried out. The legislature apparently does not intend to challenge the irregular approach to the veto, neither during the forthcoming Special Session through a veto override, nor through the legal system.

The veto leaves us with a growing resource gap that does put at risk both quality and access to the SUS. Over the past three years, we have requested about $260 million to underwrite our enrollment growth. We have received about $140 million, leaving a gap of $120 million or about 1,000 faculty members. Yet during this period, we have continued to keep our doors open. We have graduated during the last three years nearly 180,000 students. We have seen our student-faculty ratio increase to the point where it is now the highest in the country. By almost every indicator of comparison, our system - with modest degree-production goals as articulated through our strategic plan - has inadequate funding.

During this past week, I have spoken with the Chairs of many of our Boards of Trustees. They too are frustrated with the situation and hope that we will take definitive action to address the continuing resource gap. I did share with them many of the reflections from our conference call the day after Governor Crist’s veto.

The veto and the ongoing and growing financial gap call into question our Board’s compliance with its fiduciary responsibilities to maintain access and quality.
Accordingly, there are several options for our BOG:

1. Continue to discuss and set strategic directions, set enrollment growth objectives, identify and recommend budget and tuition, and hope for the best in the legislative session.
2. Challenge the Governor's veto in the courts.
3. Address through the courts the remaining issues related to the BOG's authority to set tuition.
4. Freeze freshman admissions enrollment growth at a level that is consistent with actual funding.
5. Freeze all enrollment growth at a level that is consistent with actual funding.

Under any circumstance, our Board Chair believes that we are at an inflection point in the evolution of the BOG.

Thank you for your attention to this request from Chair Roberts. I look forward to seeing you in Miami next week.

Mark B. Rosenberg  
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Board of Governors  
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Draft for Review

Florida State University

Response to Deficiency in Enrollment Funding, Tuition Veto, Absence of Technology Fee, Property Tax Reform, Declining State Revenues and Flat Tuition

GUIDING PRINCIPLES:

1. Protect the integrity of the teaching, research and service mission of the university.
2. Continue to enhance the university’s standing as one of the top research and graduate education institutions in the nation.
3. Protect the financial integrity of the university.
4. Ensure the safety and security of students, employees and the campus.
5. Prepare for adverse financial consequences that result from lack of funding for enrollment growth, tuition vetoes, absence of technology fee, property tax reforms, declining State revenue projections and flat tuition revenues in the foreseeable future.

POTENTIAL ACADEMIC ACTIONS:

1. Freeze enrollment unless funding becomes available.
2. Apply stringent admission criteria for Spring 2008 new and transfer students.
3. Move acceptance dates for entering students.
4. Limit faculty and staff pay increases to those authorized by 2007 Legislature.
5. Reallocate enrollment funds and FTE from units that are under-enrolled.
6. Direct graduate enrollment growth to units of high priority within the state.
7. Reduce International Programs E&G budget. Adjust fees to be 95% self supporting.
8. All newly hired non-tenure track faculty will teach 4 courses per semester.
9. Review summer contracts and report to the BOT at the January meeting on ways to reduce costs.
10. Extend Pathways from its 5 year goal to 7 year goal. Award 2 clusters for 2007-08 and reserve funds for the Seminole Tribe/History/Law/Education cluster depending upon Tribe approval of the proposal.
11. Reduce memberships and publications by 20%. Renew only those necessary to the vital academic mission of the University.
12. Shift faculty productivity by adding 7 students to each faculty’s workload.
13. Reduce hours for the student computing labs and help desk.
14. Reduce library hours.
15. Reduce directed studies that have not been coordinated through the Office of Undergraduate Research.
16. Sunset material and supply fees to ensure that full costs are recovered.
17. Review outsourcing student e-mail accounts and require students to pay the contractor the monthly charge.
18. Institute a charge for more than 5 drop/add transactions per semester.
19. Increase transcript and smart card fees to maximum allowed by law.
20. Eliminate no cost dial-up modem services.
21. Create an energy SWAT team to work with FSU’s energy conservation partners to identify legislation and rules at the state and local level that are contrary to effective/efficient energy management for institutions like FSU.
22. Create a SWAT team consisting of faculty, staff and experts to analyze the impact of the new property tax reforms on universities to ensure state and local expenses are not shifted to universities in lieu of property taxes; therefore, creating a disproportionate burden on already shrinking university budgets.

POTENTIAL ADMINISTRATIVE/STAFF ACTIONS:

1. Freeze departmental budgets and freeze non-academic positions.
2. Reduce FSU’s contribution to Seven Days of Opening Nights by 10%.
3. Charge all budget entities the standard overhead fee.
4. Reduce administrative travel.
5. Increase grounds keeping productivity by 10%.
6. Defers facility maintenance and repairs where possible without creating even greater problems later on or delaying repairs related to life or safety issues.
7. Reduce athletic administration by $500,000.
8. Increase all DSO productivity goals by 10% immediately.
9. Transfer 10% interest revenue from auxiliaries and place in emergency reserve and review interest policy for subsequent years.

POTENTIAL PECO-CONSTRUCTION ACTIONS:

1. Reduce professional fees paid to architectural and construction firms for facility work by 20%.
2. Review all service contracts at FSU including Housing, Athletics, Technology and Continuing Education to determine if efficiencies can be made.
3. Ask the BOT to allow the university to fast track projects to reduce costs and expedite construction time.

6/13/07 8:45 AM