



Item: CG: A-M

COMMUNITY AND GOVERNMENTAL RELATIONS COMMITTEE
Tuesday, March 14, 2017

SUBJECT: ROLL CALL AND APPROVAL OF THE JANUARY 24, 2017 MINUTES

PROPOSED COMMITTEE ACTION

Initiate roll call to document member participation, ensure quorum, and approve the Minutes of January 24, 2017 meeting.

COMMITTEE MEMBERS

Mr. Robert Stilley, Chair _____

Mrs. Mary Beth McDonald, Vice Chair _____

Mr. Anthony Barbar (ex-officio) _____

Mr. Michael Cairo _____

Mr. Daniel Cane (ex-officio) _____

Dr. Michael Dennis _____

Dr. Malcolm Dorman _____

Dr. Jeffrey Feingold _____

PARTICIPATING BOT MEMBERS

Dr. Christopher Beetle _____

Mr. Shaun Davis _____

Mr. Abdol Moabery _____

Mr. Robert Rubin _____

Mr. Thomas Workman _____



COMMUNITY AND GOVERNMENTAL RELATIONS COMMITTEE

Meeting Minutes of January 24, 2017

SP: A-M Roll Call:

Trustee Robert Stilley, Committee Chair called the meeting to order and initiated the roll call. In addition to Trustee Stilley, the following committee members were present: Trustee Mary Beth McDonald; Trustee Anthony Barbar (ex-officio); Trustee Michael Cairo and Trustee Michael Dennis.

Other Trustees attending the meeting included: Trustee Robert Rubin; Trustee Thomas Workman; Trustee Malcolm Dorman and Trustee Christopher Beetle.

A quorum was present and the committee was called to order.

The following university officials participated: Dr. John Kelly, University President; Ms. Stacy Volnick, Vice President, Administrative Affairs & Chief Administrative Officer; Mr. David Kian, Vice President for Legal Affairs & General Counsel and Mr. Ryan Britton, Executive Director of Government Relations.

Trustee Stilley called for approval of the November 16, 2016 meeting minutes. A motion was made and seconded to approve meeting minutes without change or correction. No discussion or commentary followed. The motion passed unanimously.

CG: I-1 Legislative Update:

As you know we started committee weeks two weeks ago, we're in the middle of that through the end of February and we start session in March. There are some budget issues potentially that we need to work through but that's nothing compared to what we've had in the past and with Ryan's leadership I'm sure we'll do great.

Trustee Stilley invited Ryan Britton, Executive Director of Government Relations to approach the podium to give the legislative update.

Thank you very much for the vote of confidence and good morning to everyone. I will give a brief rundown on what is going on in Tallahassee and also let you know about a couple of events that are upcoming. I will be happy to take your questions at the end.

We are in the midst of preparing for the 2017 Legislative Session, we are in the third committee week of seven. The reason why I am first on the agenda is because I'll be leaving here very shortly to head up to Tallahassee. Currently they are in the appropriations process formulating what budget priorities will be but one of the big things going on that's causing people a little bit of a learning curve this year is the House has put forward a number of ethics and different types of processes reforms and what that means is that there are different rules now for how the appropriations process works, how you can lobby, talk to and engage with members, more reporting, more transparency and this is part of something Speaker Corcoran has put forward to increase government transparency. One of the ways it's impacting us is that the House Appropriations Committee recently sent an inquiry to all SUS Foundations trying to understand how Foundations operate; how the money comes in and how the money comes out and what they spend these things on. Again, this was sent to all SUS Foundations including ours.

In terms of the budget forecast, budget forecasters are looking at roughly an \$82 billion budget again. There is going to be some budget strife, budget numbers have significantly increased over what they've been in the past but we're getting to a point as we've talked about before the holidays where numbers are beginning to compress. The amount of people coming into the state is putting a significant strain on resources. I'll give you two quick examples. They recently heard last committee week that they need to find \$750 million to make up for short falls and here's why; last year they held a line on property taxes to pay for education reform and it cost them \$392 million to do that. With increases this year they will need to find \$426 million if they don't want to raise property taxes locally to help pay for educational improvements and enhancements. At the same time they gave \$325 million to the Gulf Counties that were impacted by the BP oil spill, if they want to keep that money protected and not put it into general revenue then they're going to need to find \$325 million to make sure that money gets channeled correctly to the Gulf Counties that were impacted and use it for other priorities but again \$325 million is a large sum. Those are some of the budget issues that are going on this year that they're going to have to find different ways to make up for money that's coming in.

The long range financial outlook remains relatively unchanged, there's going to be a small surplus this year they think but ultimately we're looking at deficits of a billion to almost 2 billion in the next two budget cycles. To address some of these budget challenges they're talking about doing cuts across the board and so they're doing a budget exercise specifically in house where they're asking people to look at cutting agency budgets and different state budgets by up to 10%. This week there are calling two SUS schools; the University of West Florida and the University of Central Florida to the House Higher Education Appropriations Committee to talk about what a 10% budget reduction would look like to them so just so you are aware they will be providing that information to the Committee.

Our Funding Priorities continues to move forward, we're again always looking at Performance Funding. The Jupiter Research building has been placed on the Board of Governor's priority list which is excellent, that is a list which will be given a lot of importance especially in the House but also in the Senate. Honors College enrollment growth, Tech Runway, and Cyber Monitoring in the Kissimmee River Restoration so we continue to move forward with all of those Appropriation requests and budget issues.

Turning from budget issues over to legislation. Legislation has been and will continue to be a priority for this Senate and this House higher education wise. A lot of it is coming from the Governor and Senate right now and I will give you a quick rundown of a couple of things. President Kelly took part in a press conference the Governor held recently at Lockheed Martin about jobs in higher education and preparing our graduates and also holding down costs. The Governor released a proposal that he is calling Finish in Four, Save More and there are a number of elements in the proposal; freezing fees, freezing state college tuition, cutting graduate teaching assistant fees by 25%, expanding Bright Futures into the summer months and cutting taxes on college textbooks permanently. Those are all part of the Governor's larger proposal and those will get lumped into some type of omnibus legislation probably at some point throughout the session. In addition, Senator Negron has put forth a proposal called the Florida Excellence in Higher Education Act which was actually presented by Senator Galvano. This is a large comprehensive bill that does a number of things; it promotes on time graduation in four years, expands Bright Futures to cover 100% of tuition and fees, expands eligibility to the Benacquisto Scholarship which is the National Merit Scholars to out of state students, it increases the First Generation matching grant funds, puts forward a student block tuition policy, strengthens two plus two articulation and creates a disclosure for acceleration mechanisms for high school students. They also put forward a Faculty Recruitment bill and it establishes a discretionary fund that would allow Universities to use funds to recruit and retain faculty, it's called the Established World Class Faculty and Scholar Program. It also allows state universities to create an excellence program for graduate and professional schools with particular importance placed on business, law and medicine. It reignites the Courtelis Matching Fund which is a University PECO matching program and then it also asks the Universities to identify more scholarship and internship opportunities for students.

The last piece of legislation I will talk about is not directly related to us but it relates to the college system. One of the bills that's been put forward is the College Competitiveness Act of 2017 and it makes sweeping changes to the 28 state colleges. It renames them the Florida Community College System; it takes them out of the Department of Education and puts them under their own separate governing board like the Board of Governors. So there would be a new governing board called the State Board of Community Colleges and it revises the mission of both community colleges and technical centers. One of the conversations that's going on in the Legislature is a concern about mission creep among the technical centers into the realm of

colleges and about colleges into the realm of four year universities and this is a piece of legislation that aims at refocusing all of those institutions. Universities should be the primary four year granting degree institutions and colleges should be concerned with two plus two articulation in two year degrees and technical centers should be concerned about alternative routes of certification and other forms of education. Those are three of the biggest policy proposals that have already been put forward and we'll be following them throughout the Session.

I'll close with a few events. We continue to do lots of events, as I've mentioned the President was just with the Governor about two weeks ago at Lockheed Martin as he was talking about his priorities for the upcoming Session. We hosted in November the Florida Commission on the Status of Women on our Jupiter campus, we hosted a delegation meeting for the Palm Beach County Legislative Delegation at Tech Runway, we hosted a wonderful event around the Jupiter Life Science Initiative and all the progress we've made there on December 1st and we thank Trustee Stilley, Chair Barbar and President Kelly for all their work there. Some upcoming things to mark on your calendar; FAU Day is Valentine's Day this year on February 14th, we will be taking a delegation of students, faculty and others up to Tallahassee to lobby the Legislature. Trustee Cairo is heading up to Washington, DC later this month to take a group of Student Government leaders with our Division of Research to make the rounds on Capitol Hill. That is all I have for you today.

This concluded Ryan Britton's update; he invited questions and comments from the Trustees and thanked them for their continued support.

Question from Trustee Cairo: Given the budgetary challenges the Legislature is facing what priority would you say that Bright Futures increase is going to be amongst both aspects of the Legislature in the Senate and the House?

The House has not weighted in on Bright Futures one way or another but there has been discussion about that Bright Futures being a priority. The reason why I think the future of Bright Futures looks positive is because it is something that everyone seems to agree on. The Governor has talked about expanding Bright Futures not necessarily the amount of money a student gets but the summer time allowance. The Senate President obviously wants to increase the total allowance of Bright Futures and the House has not committed to anything but said that Bright Futures is a good thing and it expands access and affordability. Overall there will be some movement there it's just how drastic, will it only get brought to summer months or will it be brought to its full 100% all credits and fees and no one knows the answer to that yet.

Question from Chair Barbar: Ryan you said that we've gotten requests from the House regarding Foundations, isn't it all DSO's and not just Foundation?

Correct, it's all Direct Support Organizations for the universities.

Correction from David Kian: The inquiry is in regard to all university foundations but it does not extend to all DSOs at the institutions, just the foundations.

Question from Trustee Beetle: The two programs you mentioned; enhancement of the Bright Futures and the World Class Faculty. These initiatives are going to be essentially competitive right? We need to recruit students that will be eligible for the awards and we need to presumably compete with other universities for access to the funds that would help to build them. My question basically is how clear are the final outlines of these final proposals and what can the University be doing now so that when these programs are up and running we are poised to compete effectively?

I can give you a partial answer; about Bright Futures that's obviously pretty cut and dry in terms of how we compete. The level of students coming in to the University, what are graduation requirements are, what are GPA and test score requirements will not change the requirements of Bright Future in the Legislature. They've been raised over the last few years which has caused a decrease in the amount of Bright Future recipients but they're not going to change the actual numbers of what test scores or GPA requirements. That being said our incoming students will impact what we require of them, how much they qualify for Bright Futures or don't. the Faculty Recruitment and Retention piece I do not know what that looks like yet and we've heard very different versions of what it might be; it might be a competitive grant process or a small amount of discretionary fund given to the institutions to utilize for their own individual purposes as they deem fit but I can't speak to what that's going to look like three months from now because it could be very different from what I've said today.

Comment from Trustee Stille: On the student side the money is definitely something that they're interested in, one of the things we might want to think about is for students that are exceptionally well qualified a separate designation for them. I know a lot of universities do that and it helps them make a decision to come here versus somewhere else because they like to have that designation when they tell all of their friends I'm going to FAU and I am a part of XYZ so just a thought.

Comment from Trustee Beetle: I want to emphasize that this cuts actually both ways because I think the way that our new metrics are structured the Bright Futures money does not count as expense to the student so the more Bright Futures students we have the better our performance will be so there is a feedback loop here which could be virtuous or vicious depending where we end up.

Question from Trustee Dennis: Are there any issues that could impact the budget positively?

Ryan's response: There are other legislative means that might impact the budget. For example, there is a gambling compact that needs to be worked out between the Seminole Tribe and the state of Florida which could represent as much optimistic estimation of as much as \$500 million in revenue coming in to the state per new. Now they are still paying and I am by no means an expert but they are still paying revenue into the state but that's one of the areas that would lessen the blow of at least some of these challenges. In general it's rising populations that are creating it and trying to keep pace with that increase.

Comment from Trustee Stilley: In this committee Ryan, Stacy and I have talked a lot and this year we really want to rev it up so we're going to meet over the next couple of weeks with a plan for the committee and then shortly follow that up with a workshop that everyone on the Board is welcome to come to, hopefully we will do it here or in Jupiter. In my estimation we're really not doing everything we can with the Alumni outreach as far as having them go out into the community and help us promote the University. I know FAU Day is Valentine's Day but I would encourage you to come up; it's really great for the Trustees to get in front of the Legislators, they appreciate it and it makes a difference.

Trustee Stilley requested a motion to adjourn the committee's meeting; a motion was made and seconded. The motion to adjourn was approved.