Item 1: Call to Order, and Roll Call

Chair Dudley Goodlette called the meeting to order at 8:30 a.m. Roll call was taken with 11 members present, thus meeting quorum requirements. Trustee Blake Gable joined the meeting via conference call a few minutes later. Chair Goodlette welcomed all, and called for a moment of silence for the passing of former State University System Chancellor Charlie Reed in recognition for all he did for Florida Gulf Coast University.

Chair Goodlette then introduced and welcomed to his first regular meeting the newest member of the FGCU Board of Trustees, Leo Montgomery.
Item 2: FGCU Presidential Search (See Tab #1)
Chair Goodlette introduced the Presidential Search Advisory Committee Chair Ken Smith, and expressed appreciation for the work of Trustee Smith and all members of the Committee.

Trustee Smith stated regular updates on the Presidential search have been issued, with the most recent sent following the November 17 and 18 candidate interviews with the Committee. He said he and Chair Goodlette then each sent emails after there was a determination by the Florida Board of Governors that the late withdrawal of two candidates just before their interviews did not qualify as “exceptional circumstances,” as found in the Florida Board of Governors Regulation on presidential searches. Trustee Smith said the Presidential Search Advisory Committee advanced two candidates to the Board for hiring consideration on November 18: Dr. Daniel Heimmermann, Provost at University of Texas Permian Basin; and Dr. Ken Harmon, Provost at Kennesaw State University. He said since the Committee’s charge from Chair Goodlette was to advance a minimum of three qualified, unranked candidates to the FGCU Board of Trustees, the Committee would accept and review additional applications to meet the charge. He explained that the revised timeline presented for action today to the Board extends the application period for best consideration to January 31, followed by Committee interviews, campus forums, and then FGCU Board of Trustees interviews, all during February.

Trustee Smith presented the proposed timeline for consideration to the Board. Trustee Smith asked Vice President and Chief of Staff Susan Evans to inform the Board of the candidates who had withdrawn.

Ms. Evans said two candidates interviewed by the Committee had withdrawn over the weekend after November 18, and a couple more indicated to the executive search firm Witt/Kieffer their intention to withdraw.

Trustee Smith said the Committee will consider all current applicants in the pool, plus those who apply through January 31. He said the Presidential Search Advisory Committee will meet to select candidates it would like to interview on campus. Trustee Smith said the Committee then hopes to advance one or more candidates to meet the charge given to the Committee.

Trustee Smith said campus forums will be held for faculty, staff, students, the Cabinet, and deans. Finally, the FGCU Board of Trustees will interview the advanced candidates for hiring consideration.

Trustee Spilker made a motion to approve the Presidential Search Revised Timeline. Trustee Priddy seconded the motion. Trustee Smith called for discussion.

Trustee Price asked for some clarity on the mechanisms of the voting structure in previous rounds as he had heard that some candidates had a significant amount of votes, but not enough to be advanced.
Trustee Smith said when the Presidential Search Advisory Committee had originally started its work, it used a two-thirds or more vote in selecting candidates to bring forth for a Committee interview. He said there had been some discussion about going back and using a majority vote, but in his opinion, there was a number of problems associated with that suggestion -- the main concern being a two-thirds vote initially was agreed upon. Trustee Smith added that the two candidates who received nine expressions of support did not receive support from Vice Chair Robbie Roepstorff or him.

Trustee Smith said Witt/Kieffer will be advertising the position again following the approval of the timeline. He added that the search firm already is receiving phone calls from candidates they initially had recruited after seeing the process of the search. Trustee Smith said Witt/Kieffer will be sending letters to those who previously applied in order to confirm that that they wish to remain in the search. Trustee Smith said he spoke to the two candidates the Committee advanced to the Board, and both candidates indicated they intend to remain in the search.

Trustee Fogg stated he had concern about the two candidates the Committee advanced and their intent to remain in the search. Trustee Smith reiterated his conversation with the two candidates about their intent to remain in the search.

Chair Goodlette said that the Florida Board of Governors' Regulation required more than two candidates be sent forward, but there was no upper limit as to how many candidates could be advanced to the FGCU Board of Trustees.

Trustee Felton thanked the Committee for its work and due diligence and pointed out that the Florida Board of Governors would require a two-thirds vote not to confirm a candidate, and he thought that the FGCU Board of Trustees was supportive of the Search Committee's decision of using the two-thirds vote for advancing candidates.

Trustee Smith urged the Board to attend the Campus Forums on February 22 and 23 to get a good look at how the candidates interact with faculty, students and staff.

He asked Ms. Evans to discuss the FGCU Board of Trustees meeting scheduled for February 28.

Ms. Evans explained that the February 28 meeting agenda will need to first include the Annual Accountability Report and the Data Integrity Audit, and then individual presidential candidate interviews lasting approximately an hour and fifteen minutes to an hour and a half. She stated that the candidates would be kept apart at different locations on campus. Ms. Evans explained that before the interviews begin, the Chair would provide some background information as well as suggestions and recommendations on behalf of the Presidential Search Advisory Committee. Ms. Evans said at the end of the Board meeting, a selected candidate would be brought in, and the job would be offered contingent on the successful negotiation of the contract, and approval by the Florida Board of Governors in March.
Public comment was heard from Mr. Morgan Paine, Fort Myers, FL.
Trustee Smith called the vote. The vote was unanimous in favor of the motion to
approve the revised search timeline.

**Item 3: Performance Based Funding and Metrics** (See Tab #2)
Chair Goodlette said the next item on the agenda was a conversation of performance
based funding and the metrics that are associated with that funding. He began by
summarizing a recent meeting with Governor Scott, Chair of the Florida Board of
Governors, and the Chairs of the board of trustees from each of the 12 state
universities. He said each representative was asked to write one page describing the
strengths of their University. He indicated it was interesting to hear of the good work that
was being done and the programs that were being offered by other institutions within
the state. He said the most common discussion topics were the metrics and
performance funding, with particular emphasis on Metric 3. He referred to the October
workshop of the FGCU Board of Trustees with the Florida Board of Governors Chair,
Vice Chair and Chancellor, where they also had discussed Metric 3. Chair Goodlette
said he then followed up with a letter to the Florida Board of Governors, provided in
today’s agenda materials, that reiterated the concerns expressed by the FGCU Board of
Trustees at the workshop.

Chair Goodlette stated that in the time between the two meetings, the Florida Board of
Governors advanced Metric 3 and approved it without any changes. He said this
approval did not include a delayed implementation if the new metric was adopted. Chair
Goodlette said Metrics 9 and 10 also may have upcoming changes, but he wanted to
focus on Metric 3 at today’s Board meeting.

Chair Goodlette said all would agree that Performance Based Funding has increased
the excellence of the State University System, and Florida Gulf Coast University. He
stated that Performance Based Funding is an important system for benchmarks that
reward excellence and improvement. He stated that, in addition, the Performance
Based Funding System was not without its challenges, particularly for FGCU because of
its young age.

Chair Goodlette said the Performance Based Funding model makes financial allocations
to the universities not based on the points earned, but rather on the size of the base
budget that is relative to the total State University System (SUS) budget. He said since
FGCU is near the bottom in base funding, its opportunity to make budgetary gains is
limited, and funds that were earned through performance funding are not added to the
University’s base budget and are subject to reversion. He said the programs that would
improve performance require a recurring and a predictable funding source, as opposed
to being reliant on funds in place only year-to-year.

Chair Goodlette asked President Wilson Bradshaw, Provost and Vice President for
Academic Affairs Ron Toll, and Vice President for Administrative Services and Finance
and Executive Director of FGCU Financing Corporation Steve Magiera to make brief comments on the history of how the University has been funded over the last 20 years.

Before discussing the history of FGCU funding, President Bradshaw took the opportunity to recognize new hires Chief Compliance and Ethics Officer Stacey Chados, and University Ombuds and Assistant to the President Monique McKay.

President Bradshaw said over the years there has been a difference in how universities within the State have been funded. He said early on it was based on enrollment, which has now evolved into Performance Based Funding for the last four years. President Bradshaw stated that FGCU always has been above the threshold in the total number of points for funding based on performance. He said the University has embraced performance funding, and eight of the 10 metrics were applied appropriately to almost all of the institutions. He noted that New College of Florida is new to Programs of Strategic Emphasis in Graduate Degrees since the school has just started graduate programs. He stated Florida Polytechnic University (FPU) has not yet been included in the performance based metrics, since it is the newest institution within the State University System (SUS). He added that the other two metrics are chosen for FGCU by the Florida Board of Governors and the FGCU Board of Trustees respectively, which include the number of excess credit hours students take to complete their degree, and the number of degrees awarded to minority students.

President Bradshaw said changes to Metric 3 were particularly troubling because the potential impact is not positive for FGCU. He said there were several alternatives offered to the Florida Board of Governors, but Metric 3 moved forward. He said it was important for the FGCU Board of Trustees to understand the intricacies of Metric 3.

Dr. Toll presented some of the baseline concepts and philosophy of how the Matrix worked with ten different metrics, using a PowerPoint presentation available in the handouts portion of the appendix. Dr. Toll explained improvement points and excellence points, stating that a university can earn one but not both types of points for any one of the ten metrics, he continued that both types of points are computed for each metric and the greater of the two was the score given for that particular metric. He added that the cut scores were the same for all universities. Dr. Toll provided information on Florida Gulf Coast University’s performance in the last three years, stating that FGCU has been in the middle and received money each year. He pointed out that the dispersion of the distance between the lowest school and the highest school was getting tighter over time. Because of the computation of the excellence and improvement scores, Dr. Toll noted that a “boomerang effect” has occurred. He also discussed FGCU’s funding compared to other universities, stating that the State University System’s average was $7,436 per year, per full-time equivalent (FTE) student. FGCU stands at $5,312 per year, per FTE student.

Trustee Smith said averages are built on highs and lows, and asked what the range was for the average. Dr. Toll replied that FGCU was one of the lowest; New College was the highest at just over $20,000; and the next highest was close to $10,000. Dr. Toll
compared Florida Gulf Coast University to the University of West Florida (UWF) and the University of North Florida (UNF) because they were the schools most like FGCU, and said UWF receives over $4,000 more per FTE student and has 25% fewer students. He explained it would require $50 million for FGCU to reach the funding level of UWF. Compared to UNF, which is 10% larger than FGCU, it would require an additional $18.5 million for FGCU to reach their funding level. He then showed universities who were for performance funding “in the money” and “out of the money.” He pointed out UWF has been “out of the money” for two of the three years, while FGCU has never been “out of the money,” and comparatively UWF was receiving almost $50 million more. He said UNF has been “out of the money” the last two years, and the differential funding is almost $18.5 million.

Regarding Metric 3, Dr. Toll presented a chart showing the cost for a degree to the student, amount of financial aid, and net tuition. He said in prior years, Metric 3 was calculated to indicate the cost of a degree to the institution, and the change, which may have dramatic results for Florida Gulf Coast University, was now the cost of a degree to a student. He explained that the net tuition per degree to FGCU was $18,000. He stated that FGCU gave $2.5 million in scholarship aid to students, and if the amount of scholarship aid was doubled, it would increase performance by only one point. He said the data are getting tighter year by year, which meant if a university could make a 10-point jump in one year, then that university would move significantly higher. Trustee Fogg said that presumably this was the cost of degree from start to finish, and so if a student took six years to get a degree, the cost would go up. Dr. Toll stated the cost was based on 130 hours, whether it took four or six years.

Trustee Felton asked if 130 hours was across all institutions or just Florida Gulf Coast University. Dr. Toll said that was the metric for FGCU, and each school would have its own calculated number. Trustee Felton asked what Dr. Toll predicted that FGCU’s number on Metric 3 might be. Dr. Toll said he believes FGCU would be at one point, instead of at three points as in the past. He pointed out that it was not just where FGCU scored, it was where the other schools scored because they were in direct competition.

Chair Goodlette asked which institutions would improve on Metric 3. Dr. Toll said Florida Agricultural and Mechanical University (FAMU) and University of West Florida (UWF) would improve. He said the other universities were largely neutral with a differential of a point or two. He pointed out that as the spread of points was getting tight, one improvement or excellence point was important.

Dr. Toll shared a table of Analysis of Loan Debt Across all State University System institutions. He pointed out that 46% of Florida Gulf Coast University’s students graduate with debt, which means 54% of students graduate with no debt. He showed students with debt carried a higher debt load than average at $24,540. The alternative to Metric 3 that FGCU proposed was to simply multiply Percentage of Graduates with Student Loan Debt by the Average Amount of Student Loan Debt. He stated this
formula seemed to be simpler and a more direct measure of what a college degree cost a student.

Dr. Toll discussed efficiency and stated that Florida Gulf Coast University has the lowest per student credit hour cost in the State University System, which shows good use of taxpayer resources.

Dr. Toll stated that Metric 9, Percentage of Graduates without Excess Hours, was the Florida Board of Governors’ choice for Florida Gulf Coast University, and also for many of the other institutions. He said Excess Hours was defined as hours more than 10% greater than the number of hours necessary to earn a degree. He said most degrees are 120 hours, and 10% of that is 12, so any hours over 132 would be excess hours. He added that FGCU has done well in this metric, scoring typically 8 out of 10 points. For Metric 10, the FGCU Board of Trustees’ choice was the Number of Bachelor Degrees Awarded to Minority Students, and FGCU has done extremely well showing gains every year, scoring 10 out of 10 points. He commented that of these 20 potential points, FGCU has scored 18.

Dr. Toll stated that the Florida Board of Governors has indicated without specificity that it may wish to change these two metrics to two entirely different metrics or require the cut scores to be elevated, so that all of the schools were re-centered. He said instead of Florida Gulf Coast University’s scoring 8 and 10, they would score perhaps 6 and 5, and have to work harder along with all the other schools in order to essentially get back to where they were. He said he had no further information but was concerned that there would be substantial changes to Metrics 9 and 10.

Trustee Montgomery asked if the three institutions that would be "out of the money" would be so regardless of the number of points accumulated. Dr. Toll said that whatever the scores were, there would be three bottom schools and those three bottom schools would be affected.

President Bradshaw asked what happens to the dollars that are lost by institutions in the bottom three. Dr. Toll responded that the money is sent back to the Florida Board of Governors, and it is reapportioned to the top three schools.

Mr. Magiera emphasized the imbalance among the universities in the area of Financial Aid and Scholarships. He pointed out that FGCU is challenged in this area of gifting because of its age, size and the amount of funding received.

Trustee Smith asked about the amount of funding that New College of Florida (NCF) had received in the previous legislative budget request. Chair Goodlette responded that New College of Florida requested more than $40 million in their legislative budget request for buildings and improving the campus. Provost Toll added that NCF wants to increase their enrollment from 800 students to 1200 students. Trustee Smith emphasized that New College of Florida will likely be receiving more funding for adding additional students.
Trustee Roepstorff said that Dr. Toll’s presentation added clarity to the information, and recommended the FGCU Board of Trustees ask the Florida Board of Governors to react to his presentation. She said she could not understand why the Florida Board of Governors does not understand FGCU’s position.

Chair Goodlette said he would delay discussing that issue until after Mr. Magiera’s presentation.

Trustee Fogg asked if the figures presented included room and board. Mr. Magiera answered no, they did not. Dr. Toll noted that it was because room and board is considered a choice.

Trustee Price asked what was the spread on the multiplier of 130. Dr. Toll responded that it was fairly tight, going from the high 120s to 141. He explained that the top schools get students who come to them with credit hours, and so it brings many advantages.

Trustee Felton asked what type of students were included in the figures, specifically whether it was first-time-in-college (FTIC) students, or if it included transfer students. Dr. Toll asked Senior Associate Provost Paul Snyder to respond. Dr. Snyder responded that the figures included all the students who graduated in a particular year and looked at them in terms of their accumulated credit hours.

In his presentation, Mr. Magiera said the goal was not just trying to fill the hole of $8 million, but also the potential new money of $3 million, which was going to be used to help Florida Gulf Coast University move forward in the Matrix and the Strategic Plan. He explained that there is some history in how to handle this situation, but certainly not to this extent. He explained that the University’s accounting method requires that the $8 million will not be taken from the entire budget but from the biggest bucket, which was Education and General (E&G) revenue, which will be about 6%. He noted that the E&G budget included the State appropriation, the lottery and student tuition. He said the first step is to get money available to solve the problem.

If the University were to take the performance based funding hit, Mr. Magiera said the Carry Forward amount of $4.85 million dollars would be put on hold as well as the Carry Forward for next year. He said the Board Designated Reserve of $5.5 million was available. He said the challenge is that these items were nonrecurring. He said they will look at increasing the use of adjuncts, budget cuts across all Divisions particularly in travel, a hiring freeze, and reducing some contracts. He said it is important to be prepared in the event the cut occurred.

Chair Goodlette said he appreciated Mr. Magiera’s presentation, but wanted to talk about how landing in the bottom three could be avoided.

Trustee Spilker thanked Mr. Magiera for bringing the matter to the Board’s attention, but stated he wanted to step back and look at the job that the Florida Board of Governors
had to do relative to performance based funding. He stated that every institution could point to one of the criterion and state that they were disproportionately affected in a negative way. He stated there has been a great deal of time spent talking about Performance Based Funding, and it is only 3.4% of the University’s overall budget. He stated it might be helpful to look at what could be done for dollars outside Performance Based Funding, and wanted to make sure all factors were being considered.

Chair Goodlette agreed with Trustee Spilker that the FGCU Board of Trustees should focus on the bigger picture. Chair Goodlette said there still might be a chance to delay the implementation of the changing metric through the legislative process and felt the matter was important to talk about. He added that did not want the Board to be surprised when the score cards came out in March.

Trustee Spilker clarified that he did not intend to belittle the effort at all, and he just wanted the Board to consider the big picture.

Trustee Smith said he was concerned with Dr. Toll's statement about having to double the endowment to get one point. He said delaying this change to Metric 3 for a year would not fix the problem. He said Metric 3 was one metric out of 10 and that focusing on how to gain points every year in all areas is important.

Trustee Roepstorff encouraged not losing sight of the University’s efficiency rating, while realizing that the University can do better on all the metrics.

President Bradshaw said Trustee Spilker was absolutely right, that focusing on only one metric may not be the best idea, and re focusing on the other metrics as well was necessary. President Bradshaw said he wanted to bring to the Board’s attention the metric that was changing drastically and changing the playing field, and wanted to explain the attempts that were being made to financially address the shortfall if needed. He pointed out that no university beats Florida Gulf Coast University consistently in percentages of graduates getting jobs. He said in most of the metrics, FGCU is making progress. He said from his perspective, the point of the discussion was to let the FGCU Board of Trustees know this is something that is changing. He said the other metrics were not discussed as much because they were understood.

Trustee Roepstorff said she fully expects improvement in all areas, but is frustrated because Florida Gulf Coast University could do extremely well and still be in the bottom three.

Trustee Spilker stated he believes that Florida Gulf Coast University is the best University in the state, and there was no need to feel discouraged.

Chair Goodlette asked for a clarification regarding how the money was received. Mr. Magiera said that if a university was in the bottom three it would have to give back 50%, and he explained some of the inherent problems in this system.
President Bradshaw said the institutions that had been “out of the money” two of the last three years have had more degrees of freedom because they were funded at a level that was from 25% to 45% higher than Florida Gulf Coast University. He said if the unfortunate circumstance occurred that FGCU was "out of the money, he and the Administration would find ways to deal with it.

Trustee Priddy commented that he truly appreciated what Chair Goodlette and the staff were doing in bringing this information forward, and it was exactly what the Board had wanted.

Vice Chair Felton asked if FGCU was tracking well on the other metrics both in excellence and improvement. President Bradshaw responded that they were tracking pretty well.

Dr. Toll said on Six-Year Graduation Rates last year FGCU did not score any points, and this year would score 4 points based on preliminary data. He said that with the loss of two points from Metric 3, he predicts FGCU would be overall two points below last year. He complimented the faculty, staff, and advisors on their hard work.

Vice Chair Felton agreed with Dr. Toll that it was hard work of many people at the University that has moved the University forward.

Chair Goodlette said it would be helpful to have an update at a future Board meeting on what was being done at the advisor-level specifically to deal with the time to earn a degree. He said he would like some specifics on what was being done to accomplish some of the very important goals that have been set.

Dr. Toll said he will provide that information to the Board.

President Bradshaw suggested also including the Division of Student Affairs because it is very involved in first year advising, which is a very important year.

Trustee Cors said she also would like to see what was being done to attract really bright students, and also more about the Soar in 4 program.

Trustee Price stated at the Trustee Summit discussion took place about best practices, and some of the case studies had to do with special committees and groups that worked together. He said the FGCU Board of Trustees was unique in that it met as a whole group. He suggested selecting one of the big buckets in the budget and having consistent involvement and collaboration with faculty, staff, and students in order to dig a little deeper and not have to exhaust the Board acting as committee of the whole.

Chair Goodlette commented that was a good suggestion.
Item 4: Old Business
There was no old business for discussion.

Item 5: New Business
There was no new business for discussion.

Item 6: Chair’s Closing Remarks, & Meeting Adjournment
Chair Goodlette announced that the next regular FGCU Board of Trustees meeting was scheduled for January 10, 2017.

Ms. Evans said the agenda packet would be distributed next week prior to the University’s winter break, and any additional items would be distributed after January 3.

Chair Goodlette said the February 28 meeting would be primarily for the selection of the next President.

President Bradshaw called the Board’s attention to the Soar in 4 literature that had been prepared, and reported that the University continues to meet with school districts to see how Florida Gulf Coast University can partner with them.

Trustee Price asked about National Merit recruits.

President Bradshaw responded that many letters have been sent out to high achieving students, and counselors increasingly were learning more about Soar in 4 and other incentives for students who were more academically prepared. He said just by restoring the rate of growth to one percent to two percent per year, FGCU was becoming more selective. He said the academic profile has continued to go up each year.

Trustee Price asked specifically about National Merit Scholars. Director of Undergraduate Admissions Marc Laviolette stated that over 200 National Merit Semifinalists had been communicated with via a letter from the President, and that three National Hispanic Scholars had shown great interest in FGCU.

Chair Goodlette asked about additional recruitment techniques in addition to the letter. President Bradshaw stated that this information would be included in the January presentation.

Chair Goodlette wished Happy Holidays to all and expressed appreciation to the President, staff, faculty and students.

Chair Goodlette adjourned the meeting at 10:40 a.m.
Minutes prepared by Transcription Experts, and reviewed by Lauren Schuetz, FGCU Assistant Director of Board Operations.

Agenda Items:

A. See Tabs #1 – 2

B. Handouts
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