Board of Trustees Workshop

Wednesday, May 20, 2020
8:30 AM – 9:30 AM

Florida Polytechnic University
TELE-CONFERENCE MEETING

Dial In Number: 415-655-0001 | Access Code: 618 932 538#

Don Wilson, Chair
Dr. Victoria Astley
Connor Coddington
Gary C. Wendt

Cliff Otto, Vice Chair
Rear Admiral Philip Dur
Frank Martin
Dr. Louis Saco

Mark Bostick
Dr. W. Earl Sasser
Henry McCance
Bob Stork

AGENDA

I. Call to Order
   Don Wilson, Chair

II. Roll Call
    Michele Rush

III. Public Comment
     Don Wilson, Chair

IV. Approval of the February 26, 2020 Minutes
    *Action Required*
     Don Wilson, Chair

V. President’s Report
   Randy K. Avent, President

VI. Closing Remarks and Adjournment
    Don Wilson, Chair
I. Call to Order

Chair Don Wilson called the meeting to order at 8:30 a.m.

II. Roll Call

Kris Wharton called the roll: Chair Don Wilson, Vice Chair Cliff Otto, Trustee Mark Bostick, Trustee Ryan Perez, Trustee Henry McCance, Trustee Victoria Astley, Trustee Adrienne Perry, Trustee Earl Sasser, Trustee Philip Dur, Trustee Lou Saco, and Trustee Gary Wendt were present (Quorum).

Trustees not present: Trustee Bob Stork, Trustee Frank Martin

Staff present: President Randy Avent (via telephone from Tallahassee), Provost Terry Parker, Mr. Mark Mroczkowski, Ms. Gina Delulio, Ms. Kathy Bowman, Mr. Rick Maxey, Mrs. Kris Wharton, Mr. David Calhoun, Ms. Michele Rush, Mrs. Kim Abels, Mr. David Blanton and Kathy Mizereck (via telephone from Tallahassee) were present.

III. Public Comment

There were no requests received for public comment.

IV. Minutes

Trustee Lou Saco made a motion to approve the Board Workshop meeting minutes of December 10, 2019. Trustee Earl Sasser seconded the motion; a vote was taken, and the motion passed unanimously.

Chair Don Wilson made a special presentation to Dr. Richard Hallion, who retired from the Florida Poly Board of Trustees in summer 2019. Chair Don Wilson made a motion to approve Resolution 2020-002 In Recognition and Profound Appreciation of Distinguished Service: Trustee Richard P. Hallion, Ph.D. Trustee Earl Sasser seconded the motion; a vote was taken, and the motion passed unanimously.

V. Legislative Update

Ms. Kathy Mizereck, AVP Government Relations, presented an update on Florida House Bill 7087 which, if it becomes law, would merge Florida Polytechnic University and New College into the University of Florida. She stated HB 7087 moved through the House Appropriations Committee with a vote of 17
yays versus 11 nays and will now go to the House floor. One Republican in the University’s district voted no. No one spoke in favor of HB 7087 other than the legislator who proposed it. Currently, there is still no companion bill in the State Senate.

Ms. Mizereck stated the importance for University trustees to contact their legislators regarding HB 7087. Contact information will be sent to trustees via email. Trustees affirmed their desire to make those contacts as soon as possible.

The Trustees had an opportunity to ask questions of Ms. Mizereck and of President Randy Avent. Trustee Dur inquired as to the motivation of the bill, as well as who prepared the calculations used to form the bill. While the true motivation remains unclear, the calculations came from the Board of Governors at the request of Representative Fine. Additionally, Trustee Victoria Astley stated Florida Poly faculty will vote on their own resolution stating opposition to HB 7087.

Finally, Ms. Mizereck thanked Trustee Ryan Perez for his support through the Student Government Association (SGA) by sending five students to Tallahassee to speak against the bill. In addition, many parents have sent letters and emails to their legislators opposing the bill.

VI. 2019-2020 Operations Plan Update

President Avent shared his goal of creating one assessment document for both annual operations and SACSCOC; the dates for the performance appraisal will need to be changed to accomplish this.

President Avent reminded trustees that this interim assessment as presented in the meeting materials is being done solely to assist trustees in deciding the renewal of his contract for 2020-2021. The final assessment report for FY 2019-2020 will not be addressed until the December board meeting.

VII. Closing Remarks and Adjournment

Trustee Dur stated his appreciation for the interaction with faculty at the Board/Faculty reception last night. He appreciated learning more about their work.

President Avent recognized and congratulated Trustee Bob Stork who is not in attendance today because he is being honored tonight by Indian River State College as the 2020 Entrepreneur of the Year.

With no further business to discuss, the meeting adjourned at 9:20 a.m.
Subject: President’s Report

Proposed Committee Action

Information only. No action required.

Background Information

Dr. Randy K. Avent, President, will present the University’s financial resiliency plan and discuss the University’s COVID-19 response and plan.

Supporting Documentation: PowerPoint

Prepared by: Dr. Randy K. Avent, President
House Bill 7087 proposed merging Florida Poly into UF and was Temporarily Postponed (TP’ed) in the 2020 session.
COVID-19 crises had a chilling effect on the nation with widespread disruption in education and business.
University Advancement

- Two disruptive events changed the course of University Advancement
- Merger justification focused on cost of degrees, administrative overhead and campus construction
- COVID-19 drove concern for future state Higher Education appropriations and academic operations
- University advancement must consider related issues around financial resiliency (COVID-19), sustainability (merger) and academic operations
Outline

- Introduction
- Financial resiliency (COVID-19)
- Campus sustainability (Merger)
- University Operations
- Summary
FY 21 Budget Status

- Governor has not yet signed the FY21 budget
- General concern a special legislative session called to develop a new budget with deep cuts
- Senator Galvano suggested budget will not be revisited
  - Predicted reduction in state revenues of approximately $3B
  - Florida has reserves of $4B plus additional federal funding (~$3B)
  - Expected the Governor will veto many elements of the budget
- Best guess is that the FY21 budget will remain as is with deep cuts in the outyears
Higher Education state appropriations dropped 18% in four years and remained down 7% near the ten-year mark nationally.

Florida reduction was closer to 10% but lasted equally as long.

COVID-19 recovery shape (U or V), depth and duration is unknown.
Guiding Principles

• Preserve liquidity for a potential recession

• Protect and grow the academic enterprise
  – Remote instruction investments
  – Grow student body and campus
  – Grow faculty and programs

• Increase revenues through campus growth, PBF and Universities of Distinction

• Explore quality vs size dilemma

• Invest in University Advancement and Foundation
Recovery Scenarios

- **Quick recovery**  *(V-shaped)*
  - Higher Education budget cut by 10%
  - Cuts fully restored after one year

- **Global slowdown**  *(u-shaped)*
  - Higher Education budget cut by 10%
  - Cuts grow to 15% within two years
  - Cuts fully restored within four years

- **Recession**  *(U-shaped)*
  - Higher Education budget cut by 15%
  - Cuts grow to 20% within four years
  - Cuts mostly restored within eight years
Identify Actions

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<thead>
<tr>
<th>Quick Recovery</th>
<th>Global Slowdown</th>
<th>Recession</th>
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<tbody>
<tr>
<td><strong>Personnel</strong></td>
<td>Administrative hiring freeze</td>
<td>Faculty hiring freeze</td>
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<td>Maintain core faculty</td>
<td>Increased OPS hiring</td>
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<td>Salary freeze</td>
<td>Voluntary early retirement</td>
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<td>Remote work with 10% reduction</td>
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<td><strong>Contracts</strong></td>
<td>Review/cut important contracts</td>
<td>Review/cut needed contracts</td>
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<td><strong>Academics</strong></td>
<td>Professional Science Masters</td>
<td>Certificate programs</td>
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<td>Campus growth</td>
<td>STEM-related degrees</td>
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<td>Campus growth</td>
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<td><strong>Other</strong></td>
<td>Reduce FIPR construction</td>
<td>Eliminate FIPR construction</td>
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<td>Travel restrictions</td>
<td>Reconsider chiller/towers</td>
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<td>Reduction in Prof Development</td>
<td>Travel restrictions</td>
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<td>Limit membership funds</td>
<td>Reduction in Prof Development</td>
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<td>Review library licenses</td>
<td>Eliminate membership funds</td>
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<td>Limit travel/phone reimbursements</td>
<td>Cut library licenses</td>
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<td>Consolidate like-type services</td>
<td>Cut travel/phone reimbursements</td>
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<td>IT reinvestment strategy</td>
<td>Consolidate like-type services</td>
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<td>CARES Education Stabilization Fund</td>
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<td>Universities of Distinction/PBF</td>
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<td>Pay down debt with C/F funds</td>
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<td>Fund “Cabinet Discretionary Fund”</td>
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- Strong employee involvement suggesting ways to reduce expenses
Other Considerations

- University mostly in a strong financial position
- Auxiliaries will be negatively impacted if AY21 is conducted remotely
- Giving rebounded quicker after the 2008 recession than state budgets
- We must work with our campus partners (Vestcor, Chartwells) for mutual success
- Performance Based Funding and Universities of Distinction funding could help offset outyear budget cuts
• Introduction

• Financial resiliency (COVID-19)

• Campus sustainability (Merger)

• University Operations

• Summary
• **Build strong support behind our differentiated value**
  – Appropriately thank all stakeholders (legislators, parents, industry, media)
  – Create a diversified high-tech economy in Florida
  – Keep our high-performing students in Florida
  – Grow campus & university impact

• **“Right the Wrongs”**
  – Numbers behind merger justification lacked important context
  – Need independent analysis of cost/degree and administrative overhead
  – Implement bookkeeping consistent with other SUS institutions

• **Grow and maintain our strategic network**

• **Develop and communicate campus growth plan**
Florida Poly should make safe bets on select industry verticals that align to Florida’s targeted industries

- Focus on Information Sciences, Health Care, Manufacturing and Mobility as industry verticals
Strategic Network building

• **Parents**  
  – Create and maintain a database of parent’s email addresses to strengthen communications

• **Board of Governors**  
  – Grow relationships with Board members through site visits

• **Executive Education offerings**  
  – Promote one-year certificate program for DOT employees  
  – Build program that offers one-day programs around leadership, technology and government to international audiences

• **Industry**  
  – Create definitions with database of industry partners  
  – Align our programs (degrees, concentrations & capstone) with select industry verticals (information sciences, health, manufacturing, …)  
  – Work with Department of Economic Opportunity when developing new programs
### Board of Trustees

**BOG Appointed**
- Don Wilson (Polk)
- Frank Martin (Lake County)
- Adrienne Perry (Orange)
- Lou Saco (Polk)
- Earl Sasser (Orange)

**Governor Appointed**
- Mark Bostick (Polk)
- Bob Stork (Indian River)
- Cliff Otto (Polk)
- Henry McCance (Polk)
- Phil Dur (Okaloosa)
- Gary Wendt (Broward)

**Local Representation**
- Victoria Astley (Polk)
- Connor Coddington (Orange)

**Current**
- Rolling off
- Waiting reconfirmation

**New trustee appointments should consider:** strategic districts, skill sets (business, technology, education), influence and diversity

**BOT has potential influence on BOG appointees, little influence on Gubernatorial appointees**
Campus Growth Plan

• **Three-year plan**
  – Top 25 in USNWR Engineering Colleges without Doctoral Program
  – 1700 students, 350 yearly graduates
  – 80% APR, 41% 4-year graduation rate

• **Five-year plan**
  – Top 15 in USNWR Engineering Colleges without Doctoral Program
  – 2000 students, 400 yearly graduates
  – 85% APR, 43% 4-year graduation rate

• **Ten-year plan**
  – Top 10 in USNWR Engineering Colleges without Doctoral Program
  – 2800 students, 650 yearly graduates
  – 90% APR, 55% 4-year graduation
  – Plans/discussions/decision on whether to introduce doctoral program

Need to develop a campus growth plan that addresses all elements of growth to meet milestones
Applied Research Center

• Applied Research Center did not receive funding in FY21
  – Expect an approximate $5M increase in costs for design, management and increased costs of goods
  – Building completion will be delayed six months to a year since we could not negotiate GMP 3
  – Important to maintain continuity of the essential trades

• Propose we use Carry Forward funds to provide gap funding until FY22 budget
  – Encumber remaining carry forward funds to the project to maintain continuity of essential trades
  – Request $14.9M in FY22 to complete the building with an anticipated delay of one year (opening Fall 2022)

• Annex completed as planned with potential for small portions of ARC to be opened
Outline

• Introduction
• Financial resiliency (COVID-19)
• Campus sustainability (Merger)
• University Operations
• Summary
Florida Poly COVID-19 Timeline

- Florida Polytechnic addressed immediate challenges COVID-19 created through several student and employee actions

- Bringing campus back on line will be coordinated with the BOG just as the move to remote operations was
Reopening Parameters

• Each University has appointed a “Task Force” to study academic operations for the next academic year
  – Provost Parker chosen to lead our Campus Resiliency Plan that includes three subcommittees
    – Scenarios of the Future (Professor Centeno)
    – The Campus Environment (Vice Provost Miller)
    – The Academic Environment (Vice Provost Dvorske)

• Information and best practices regularly shared and coordinated between all SUS institutions

• BOG likely sets broad guidelines and allows each university to define implementation through the “Blueprint” document

• Plans presented and discussed at June 23 BOG meeting
  – Plans due to BOG by June 12 and must be BOT approved
  – Plans communicated to students shortly after that meeting

• Epidemiologist claim May will be a critical month
BOG Draft Blueprint

- **A healthy and safe campus**
  - Foundational priority to keep all students and employees healthy and safe
  - CDC guidelines (social distancing, PPE, education and regularly cleaning)

- **COVID-19 virus testing**
  - Rapid testing through collaboration with local DOH and health care providers
  - Identify and prioritize those individuals who warrant testing

- **Contact tracing and surveillance**
  - Contact tracing in place with means to isolate positive cases
  - Early warning surveillance systems in place for quick reaction

- **Academic program delivery**
  - Timelines and academic format being determined at each university
  - Everything is on the table (class sizes, alternative academic calendars, …)
  - We must remain flexible and react to the evolving health conditions
Remote Instruction

• **Online infrastructure lacking at Florida Poly**
  – Plans existed for introducing online instruction in FY22
  – Academic Affairs transitioned to remote operations over a weekend

• **COVID represents opportunity to grow online and hybrid delivery models**

• **Next year concentrate on building and growing our remote operations for excellence**
  – Addressed in admissions, student progression and student experience and faculty development
  – Plans and metrics will be introduced in revisions to the Operational Plan for 2021
Summary

- Financial resiliency plan presented that begins discussions on how to weather potential budget cuts

- Academic growth and building a strategic network (legislators, industry, influencers) are important to remaining independent

- Priority on building Applied Research Center remains as campus priority

- Florida Poly enters Performance Based Funding next year

- Campus trajectory for Fall 2020 remains a topic of discussion and will be announced early July