

### **Enhanced UF Board of Trustees Engagement (EBT)**

- Before the UF President or designee's appointment of a UF Trustee or other director to each Shands Entity Board becomes effective, the UF Board must ratify the appointment, with recognition of the responsibilities (outlined below) that the UF Trustee will have as a member of the Shands Entity Board regarding prudent decisions on its debt.
- For informational purposes, the UF President shall inform the UF Board Chair and Vice Chair before a vote on debt and the UF President or his or her designee will then inform each UF Trustee, including by providing a copy of the completed debt form; while this information is expected, it shall not be a condition to the effectiveness of the UF President's vote on such debt.

### **Enhanced Shands Process & Procedures (ESP)**

- Each Shands Entity's Bylaws will include the following provisions:
  - The UF President and the UF Trustee serving on the Shands Entity Board, in their respective capacities as a Director or the Member of each Shands Entity or its parent corporation, must vote in the majority of the Shands Entity Board approving debt (whether as a budget line item or as a separate action) in order for that approval to become effective.
- Each Shands Entity, on at least a biannual basis, will include as part of its regular financial reporting, a section on its debt and any changes since the last report. This financial reporting including on debt, and all rating agency reports, will be provided to all members of the Shands Entity Board (including the UF President and UF Trustee). Shands Entity financial reports and rating agency reports have long been provided to UF's Chief Financial Officer as part of the financial reporting process.

### **Framework for Decision Making Consistent with State Level Due Diligence**

- For ease of understanding, as part of its debt approval process, each Shands Entity will adopt and use forms that are substantively the same as applicable portions of the forms used by the Board of Governors, University, and Division of Bond Finance for data and analysis of proposed debt. The completed forms will be provided to the entire Shands Entity Board (including the UF President and UF Trustee) for consideration prior to taking action on a request to approve debt.

## Exhibit B Shands Debt

- The UF President will share Shands Entities' financial reports (including debt) and rating agency reports with the UF Board of Trustees.
  - The UF Board of Trustees will provide these reports to the Board of Governors.
  - The Board of Governors will provide these reports to the Division of Bond Finance.
  
- We will report to the Board of Governors and Governor's Cabinet on these steps being taken, but do not at this time expect that any formal action will be taken by the Cabinet. The Board of Governors is expected to acknowledge and endorse these steps. We will explain why it is in the best interests of the State to preserve the separate debt status of Shands, with the appropriate steps outlined above.