



Minutes
University of Florida
Board of Trustees Conference Call
January 31, 2003
11:00 EST

President Charles Young and Board Chair Marshall Criser conducted a telephone conference call with members of the University of Florida Board of Trustees on January 31, 2003.

President Young opened the call welcoming participating Trustees Criser, Larson, Courtelis, Merkel, Warrington, Fried, O'Connell, and Fernandez. President Young stated that the purpose of the call was to discuss the impact of Governor Bush's budget recommendations on the University of Florida and on the State of Florida. Dr. Young referenced a document provided earlier in the day to Trustees that provided basic information on the issues.

President Young indicated that the recommended budget provides no increase in enrollment funding to cover increased enrollment. Further, the budget will effectively reduce the Education and General budget of the University of Florida by \$20 million, despite a 7½ % increase in matriculation. Dr. Young also pointed out that IFAS would suffer a \$7.4 million cut for research and extension activities, and the Health Center had a \$4 million cut. With IFAS and the Health Center cuts, the University of Florida total budget cuts would amount to \$31.9 million.

President Young stated that the PECO budget will provide funding only for one project for the University of Florida (library expansion), and there are no funds for Plant Operation and Maintenance for new space in 2003 or 2004. Further, the recommended budget will provide no funds for infrastructure needs of the University of Florida. The recommended budget does provide \$14 million in funding for projects currently in the Courtelis matching grant program. No funds are provided for endowment matching grants. The recommended budget would allow the University to add a 5%

increase for resident undergraduate student tuition, except that the University cannot increase Bright Futures tuition. Therefore, the 5% increase is essentially meaningless to the University of Florida given the number of Bright Futures students the University. Notably, the University of Florida has far greater numbers of Bright Futures students than other universities in the state.

President Young noted that the recommended budget does not permit an increase in tuition for out of state students, but he indicated this was an error in the budget and he is told it will be corrected. Dr. Young pointed out that the Board of Trustees hopefully will gain authority to raise tuition for out of state students and all graduate/professional education.

Chairman Marshall Criser inquired about the amount of State of Florida subsidies to private universities in Florida notwithstanding the severe cuts to public universities. President Young agreed with Mr. Criser's public policy concerns, and indicated he would provide the Board of Trustees with the amounts of those subsidies.

Dr. Young pointed out to the Board that the budget for the K-12 system has been held harmless and that the community colleges will be suffering small budget cuts. He noted that the state universities essentially would be facing significant budget cuts to fund Amendment 9 regarding public school classroom size.

Trustee Joelen Merkel inquired whether the University of Florida's percentage of cuts is similar to the other state universities. President Young stated that there is a 6.5% cut for all universities; however, of the University of Florida's budget is being cut to a greater extent given IFAS and the Health Center. President Young also stated that he believed Florida State University is receiving some additional funding, as are the new law schools.

Trustee Cynthia O'Connell asked what the University strategy would be in discussing these issues with the Governor. President Young discussed the strategy, including responding to an inquiry from Trustee Jean Larson about contacting alumni, parents and students.

President Young next addressed the steps that were being taken to deal with the cuts at the University of Florida. He said that the University would be looking to implement certain extraordinary increases to offset the \$20 million in E&G cuts. He indicated those increases would not help the

PECO, IFAS or Health Center cuts, or the lack of funding for the endowment matching gift program. Mr. Criser noted the historical low tuition rate in the State of Florida and the historical low state support for higher education. He stated that although it would be unfortunate for the public now to have to bear the burden of that historical funding, he believed the University could come closer to a tuition rate that should have been in place for many years. Mr. Criser also stated that if K-12 is held harmless, as a matter of public policy this philosophy should be reexamined because he doubted the citizens who supported Amendment 9 would have supported it at the expense of public higher education.

Trustee Louise Courtelis prompted discussion about direct communication with the Governor which President Young stated that he would pursue.

Mr. Criser raised the possibility of using the work of the task force that studied the Bright Futures and Pre-Paid Tuition programs in the University's strategy. President Young responded affirmatively, adding that it would be appropriate to limit the Bright Futures support to matriculation and tuition, not to local fees for support services. He stated that such a proposal would potentially provide \$60 million for all universities which could help offset the budget cuts.

In conclusion, Mr. Criser informed the Board that President Young will develop a comprehensive action plan for contacting the Governor and will put together a detailed position paper which will be broadly circulated to targeted alumni, donors, and students and parents. The Board briefly discussed the negative impact of the severe budget cuts on the University's strategic plan and the need to include this issue in the communications by the University. President Young and Mr. Criser expressed appreciation to the Board for being available for the briefing. President Young indicated that another conference call would be scheduled in the near future to further update the Trustees.