



Minutes
University of Florida
Board of Trustees Meeting
September 9, 2005

A regular meeting of the University of Florida Board of Trustees was held on Friday, September 9, 2005 at 9:30 in the Presidents Room 215B of Emerson Alumni Hall. Chairman Manny Fernandez called the meeting to order and verified a quorum.

Mr. Fernandez called upon Trustee McGriff regarding the election of the Chair and Vice Chair. Mr. McGriff recommended to the full board the election of Manny Fernandez and Dianna Morgan for additional two year terms. Upon a motion by Trustee McGriff, the election of the Chair and Vice Chair was passed.

Mr. Fernandez then called for committee reports.

Trustee Joelen Merkel reported on the meeting of the Audit and Operations Committee. She noted that at a joint meeting with the Finance Committee, Provost Janie Fouke, IFAS Sr. Vice President Jimmy Cheek, and Health Center Sr. Vice President Doug Barrett, gave an update on Peoplesoft. They had recently been charged by President Machen with prioritizing implementation problems and developing a strategy for addressing them. The most critical issues were discussed with the assessment that more time and money will be required. Updates to the committees will continue.

She then reported that the Audit Committee had reviewed in detail each finding in the Auditor General's operational audit. She concluded that the proposed responses were appropriate and adequate. The Office of Audit and Compliance Review will follow up on the implementation of those responses. Mrs. Merkel also discussed the audit with Board of Governors Chair Carolyn Roberts, and Lynn Pappas, Chair of the BOG Audit Committee.

Mrs. Merkel also stated that the Audit Committee received and accepted the financial statements for the Florida Health Professions Association, Inc., and commented on the importance of completing year-end audits in a timely fashion.

Mrs. Merkel gave an update on hurricane recovery and reported that the recovery from last year's four hurricanes will be significantly below the \$14 million loss estimate. On security issues, 10 UF buildings have been identified for enhanced security review. Mrs. Merkel then highlighted the Office of Audit & Compliance Review 2004-2005 annual report and the status of Sarbanes-Oxley Committee activities. Mrs. Merkel reported she had reviewed with the Chief Audit Executive the status of complaints and investigations handled by that office.

Trustee Dianna Morgan presented the report of the Educational Policy & Strategy Committee. She noted the Committee held its typical pre-board meeting on August 31st. Mrs. Morgan welcomed Provost Fouke to the Committee, expressing appreciation for the spirit in which Dr. Fouke addresses issues coming before the Committee. Mrs. Morgan stated that the Committee approved three items found on the consent agenda for full Board approval: ten tenure upon hire cases, two new degrees, the M.S. and Ph.D. in Animal and Molecular Cellular Biology, noting the Ph.D. will also require the Board of Governors approval, and two new University regulations. She updated the Board on the University's NCAA Self-Study process which will examine governance and rules compliance, academic integrity and equity/student athletic welfare. Mrs. Morgan also discussed the status of Academic Learning Compacts mandated by the Board of

Governors for undergraduate degree programs. Mrs. Morgan stated that the Committee supported full delegation of this work to the University's academic leaders.

Mrs. Morgan reported on the Committee's work to establish guiding principles for the Board regarding tuition adjustments, and the Committee's involvement of Student Government and the Faculty Senate in that process. Mrs. Morgan completed her report by noting the size of the incoming freshman class, with 7300 freshmen compared with the ideal of 6750 due to higher summer and fall yields. Mrs. Morgan recognized the Alliance Program as an important tool to help maintain a diverse student body and welcomed Dr. Bernie Oliver as program director. Trustee Tanzer expressed concern about the larger than expected freshman class, stating that while new funding has been received, in some cases the additional students stretch faculty resources.

Trustee Roland Daniels gave the report of the Committee on Facilities. Among the Committee's agenda items were several action items which appear on the Board Consent Agenda, the 5-Year Fixed Capital Outlay Request for 2006-07, legislative requests for operations & maintenance funds on several minor projects, requests for authority to construct a medical plaza addition and a CITF reallocation from the UF Bandshell to the Reitz Union for repairs and renovation. Mr. Daniels also reported on the proposed naming of the new termite training facility in Apopka, "The Orkin Termite Training Facility" in honor of the company's founding family. He gave construction updates on current projects, discussed the 2005 Master Plan amendment to incorporate the East Campus into the UF Master Plan and the 2005-2015 Master Plan process involving students, faculty, and staff.

Trustee Al Warrington delivered the report of the Committee on Finance. Mr. Warrington reported the Committee reviewed in closed session the AFSCME, GAU and PBA contracts before recommending their ratification by the full Board. The Committee approved the amendment to the operating budget and re-approved

the tuition and fee increases. Mr. Warrington noted that the Committee briefly reviewed the Operational Audit, referencing the earlier report of the Audit & Operations Committee.

Trustee Mac McGriff gave the report of the Committee on Governance. He stated that the Committee recommended to the full Board election of Manny Fernandez for a second term as Board chair, and Dianna Morgan as vice-chair. He reported on the Committee's discussion of leadership succession, board committee memberships and committee charters. Mr. McGriff stated that the Committee received from Senior Vice President Doug Barrett a presentation about the University's Gainesville and Jacksonville Faculty Practice Plans, Faculty Clinic, Inc., the University's Self Insurance Program for Gainesville and Jacksonville, and its related captive insurance company, Health Education Insurance Company. Mr. McGriff stated that the Committee ended its meeting with a discussion of presidential goals and consultant services for presidential and board evaluation services to the Board.

Trustee Carlos Alfonso presented the report of the Committee on Government Relations. He first discussed key legislative issues and noted the importance of President Machen's involvement in the legislative program. Trustee Morgan asked that the legislative priorities include funding for Bright Futures Scholarships during summer sessions. The Board then was briefed on summer visits to legislators in Jacksonville, St. Augustine, Orlando and Naples. Mr. Alfonso informed the Board of plans for a meeting of the Government Relations Advisory Committee in Gainesville on November 4th. Chairman Fernandez noted the continued importance of tuition devolution. Mr. Alfonso then commented on the branding presentation, noting it is on course, and expressed approval of the content of the University's television public service announcement. Trustee Tanzer reminded the Board that the faculty has been involved in the branding process.

Trustee Cynthia O'Connell delivered the report of the Committee on Public Relations. She presented the media exposure

report for June through August, which showed 49 national broadcast hits and 45 national print hits. Trustee O'Connell compared UF media coverage with other leading national universities. Mrs. O'Connell informed the Board about the university's website improvements, including the News website which receives approximately 10,000 hits per day and the new Podcasting service which enables students to download university news. Next, Mrs. O'Connell presented marketing goals and objectives for the next 18 months including executing initial phases of the branding effort, increasing the effectiveness of university-wide marketing and public relations efforts, developing strategies to communicate with faculty and administration, enhancing the university's public affairs capabilities, and evaluating and improving the website. Trustee Daniels requested that key capital campaign marketing and public relations messages should be developed by the December meeting. Trustee Merkel stressed the importance of featuring the branding campaign in high school recruiting efforts. Mrs. O'Connell closed her remarks by stating that the department is working to revamp the Digest.

Mr. Fernandez directed the Board to the Consent Agenda. Upon motion by Mr. McGriff, the consent agenda was adopted. Mr. Fernandez then called for new business and there being none, he proceeded to the public appearances agenda item. Connie Sheehan, president of the faculty labor union spoke to the Board on behalf of the United Faculty of Florida.

Chairman Fernandez next delivered his comments to the Board. He remarked on the humbling effect of Hurricane Katrina and noted the tremendous outpouring of help from the Gator Nation. He stated that he was encouraged by the 2004-2005 faculty update and other results, as provided by Dr. Machen. He noted that the faculty survey results reflected some movement forward, and that the faculty challenge has exceeded expectations. Chairman Fernandez lauded the branding campaign kick-off and reiterated that it requires time to be effective. He commended Vice President Phillips for the terrific year in research which

continues to move the institution up the ranks. He noted that demands on enrollment and transitioning of major systems are not unique issues, and these tasks require focus and hard work. He commented positively on the Governance Committee's plan to review Board committees and responsibilities. Mr. Fernandez stated that by the December meeting or early spring the Board will be able to review the capital campaign plan. He commended Mr. Foley's leadership in distinguishing the University in the SEC through continued efforts to integrate athletics and academics.

Mr. Fernandez ended his remarks by praising Dr. Machen for the development of the Florida Opportunity Scholars program and the access to University of Florida that it may provide for qualified students who are economically disadvantaged and students who are first in their family to attend a four year college. The University of Florida must make Florida's high school students aware of the program. He thanked the Board and administration for their work on behalf of the institution.

J. Bernard Machen
Secretary

Brian Beach
Assistant Secretary