



***Board of Trustees***  
***Minutes***  
***June 16, 2006***

A regular meeting of the University of Florida Board of Trustees was held on Friday, June 16, 2006 at 10:30 a.m., in President's Room 215B of Emerson Alumni Hall, University of Florida.

Chairman Manny Fernandez called the meeting to order and verified a quorum.

Mr. Fernandez called upon President Machen to deliver the President's report.

Dr. Machen began by noting the academic year is almost over and that it has been a very good year for the University of Florida in many ways. He stated it was a little premature but felt it appropriate to recognize some of the notable things that have happened this year. The division of Health Affairs, under the direction of Dr. Barrett, has had a remarkable year. UF is moving forward with a new cancer hospital which will benefit patient care and academics – a tremendous commitment. A workable and very strategic plan has been developed for the Alachua General Hospital-Shands which has been an important part of this community for many years but has not thrived under its current concept. We are in the second year of a gain-sharing plan that involves the College of Medicine benefiting from the success of the hospitals. It was announced yesterday that Dean Tischer is stepping down. He became dean in 2002, during a difficult time at the

College of Medicine and has made an incredible commitment of his time and his vision has shaped things to come. Agriculture saw success in its lobbying and legislative efforts and in rebuilding a sense of trust around the state due to Dr. Cheek's efforts. We intend to become a world leader in biofuels, which comes out of Dr. Cheek's shop as well. Emerging pathogens is a major new initiative involving many disciplines. In athletics, the national champion basketball team has a 3.3 GPA and a graduation rate of 100%; the football GPA is the highest it's been in recorded history. This is attributable to Jeremy and his staff; a remarkable year in the classroom and on the field. Dr. Fouke has been here 10 months and she hit the ground running. The amount of studying, listening and learning going on in her office has been truly remarkable, as noted by many of you as well as the faculty. Dr. Fouke will make a few announcements regarding some of the changes in personnel.

Dr. Fouke announced the hiring of Steve Dorman, as dean for Health and Human Performance; Lucinda Lavelli, who will be joining the University of Florida on July 1<sup>st</sup> as the Dean of Fine Arts; Chris Silver as dean of the College of Design, Construction and Planning. She continued by noting we are in the middle of the search for a dean for the College of Veterinary Medicine with candidates on campus next week and the expectation to announce the new dean next month. Dr. Zina Evans is the new Director of Admissions and Dr. Marie Zeglen is the new Director of Institutional Research. There are four more searches under way: Dean for the Graduate School, Associate Provost for Undergraduate Affairs, which is a new position to improve advising, and a new Dean of Libraries, noting that our library director is stepping down. We also have a committee to look at the libraries for the future. New searches will be announced soon for the new deans in the College of Medicine and the College of Journalism.

The meeting was turned back over to Dr. Machen who continued by talking about Ms. Adams' successes in the legislature and that he believed her branding campaign to be the best he's seen in academics. He credits the Board with pushing that project and that it is taking off and we are seeing the benefits. Dr. Telles-Irvin and Dr. Phillips have had remarkable years. If you look at the success of our research program when the numbers come in, we will also be very pleased. Dr. Telles-Irvin has put a new sense of calm in the student organization and her leadership is showing in many ways. Our newest vice president, Kyle Cavanaugh, has made us all recognize and understand how human resources really can help put this university in the top tier. All of the administrative units have had remarkable years. As mentioned yesterday, the legislative session was successful and significant. However, when we sit down and look at the increase in operating

funds it is woefully inadequate. The working dollars that we need to make a host of changes are not there yet and we have more work to do. One of our top priorities was graduate health insurance. We are behind on this and it impacts our ability to recruit graduate students. The graduate health care program is called Gator Grad Care and it will be available, free, to all graduate students and research associates next year. It is a major step forward and shows the university's commitment to the graduate student population. Victor Romano and Michael Bowen have worked very closely on this and it truly a team effort.

Dr. Machen closed by thanking the administrative team of the university, who had a fabulous year and he thanked the board for our best year so far, with the best yet to come.

Mr. Fernandez requested committee chair reports. Trustee Joelen Merkel delivered the report on the Committee on Audit and Operations, noting the presence of members Courtney Cunningham and Al Warrington. She noted that Vice President Barrett provided an update on the Bridges installation. The three primary areas of concern have included issues related to personnel, reporting, contracts and grants. Dr. Barrett's comments on the personnel and the reporting areas were positive, including favorable feedback from the end-users. The area of most concern continues to be contracts and grants; however, significant progress has been made. The highest priority is clearing of the grants receivable, 85% of which has been accomplished, to meet June 30, 2006 year-end audit deadlines. In August, six months ahead of schedule, the contract and grants module will be used for certain sponsors to begin the process of recording a contract from start (the proposal) to finish. Sponsored projects will be added throughout 2007 until all are using PeopleSoft. The student accounts receivable PeopleSoft project had earlier been put on hold, but implementation will begin July 1, 2006 with the expected go-live date of July 1, 2007.

The Committee accepted for approval by the full Board the audited financial statements for the Leadership and Education Foundation and the Florida Health Professions Association, both of which had clean opinions. The Committee discussed the reports, specifically the material weakness applicable to the Florida Health Professions Association, and determined that appropriate action had been taken.

Dr. Properzio reported on the status of collection of hurricane related claims, noting that the Board of Governors has formed a committee to try to assist the

state's Universities with their claims. He also reported that additional information has been submitted regarding the 34<sup>th</sup> Street landfill.

The Committee reviewed the internal audits completed within the quarter along with the follow-up review results.

Nur Erenguc advised the Committee that as an update of the SARBOX initiative, an evaluation meeting is scheduled in late July with three vendors regarding the 24/7 hotline.

The chairman reported that she had reviewed the status of investigations reviewed by the Office of Audit and Compliance Review noting that nothing was of the nature to report to the full Committee.

Trustee Carlos Alfonso gave his report on the Educational Policy and Strategy Committee and began by quickly covering some of the consent agenda items such as tenure upon hire for Steve Dorman, Scott Perry, Stephen Pape, Ahmed Helmy, and Lucinda Lavelli, as well as annual tenure cases, new degree programs for B.S. in Athletic Training and B.S. in Biology, and a permanent status resolution for the Harn Museum of Art. He then discussed the Legislative Budget Requests (LBRs) and noted that of the 20 proposals only one was a repeat from last year's submissions. He indicated that the LBRs would be part of the consent agenda.

He then gave some demographics on the Florida Opportunity Scholars Recipients as of the end of May. There are about 380 recipients of which 38% are African American, 25% Hispanic, 11% Asian American, 22% White, 4% did not state and less than 1% Native American. The average family income of the group is \$24,975 with the average family contribution being about \$950. On average, each recipient is receiving a little over \$5,000 in addition to financial aid.

Trustee Alfonso also gave an admissions update. For Summer B, UF had 6,229 students apply; 2,952 were admitted; and 2,393 confirmed for attendance. For the Fall 2006 semester, of the 16,752 students that applied, UF will have about 4,350 freshman class. He informed the Board that the final numbers would be given at the September Board of Trustees meeting.

He discussed the proposed tuition increases. He stated that the increase would be about 3% for undergraduates and about 5% for graduate students. He offered to go into more detail if any Trustee wanted to hear additional specifics.

Trustee Alfonso noted that the committee heard a report on shared governance from Trustee Wright. Also discussed were two honorary degrees.

In new business, President Machen made a presentation on a possible research collaboration with the Burnham Institute.

Trustee Cunningham delivered his report of the Committee on External Relations. Mr. Cunningham noted the agenda included the legislative update and acknowledged the great work of Vice President Jane Adams, Marion Hoffman, and Linda Collins, on behalf of the university and commented that it was the greatest session ever. He continued by stating that 8 of the 11 top priorities were funded, including biomedical sciences, emerging pathogens and nonosystems. The Legislature also funded more than \$34M for major gifts and \$11M for Courtelis projects – both funded significantly higher. The governance bill discussed was not approved by the legislature and was watched very carefully. There was also a proposed change in the major gifts matching program and that was not passed. Upcoming plans include visits to legislators and he suggested that the Trustees accompany Dr. Machen on those visits. Associate Vice President Joe Hice discussed the need for greater presence of UF logos on all communications, the need for the Public Relations office to work more closely with University Relations, and changes to the Go Gators TV Spots.

Trustee Dianna Morgan delivered her report on the Committee on Finance and Facilities. She commented that Ed Poppell was absent and somewhere in Alaska but wanted to recognize today as his 35<sup>th</sup> anniversary with the University of Florida. She reported the committee was first presented with the PECO list consisting of 5 and 10 year capital improvement plans. They also reviewed the Courtelis grant list for 2007-08, requested legislative 2007-08 funding of operations and maintenance costs for several minor projects and a DSO funded project, an amendment to the Educational Plan Survey and a university physical facilities inventory. The committee approved the documents as presented and noted that upon approval of the full Board, this information will be submitted to the Board of Governors and the Trustees will have an opportunity to revise these lists until later this fall.

The committee received the university's preliminary operating budget for 2006-2007. The budget process was explained and the committee was informed that a final operating budget would be presented for approval via conference call sometime in August 2006. There were discussions of employee raises and tuition

increases. The committee approved the preliminary operating budget for 2006-2007.

The PECO Spending Plan for 2006-2007 was then presented to the committee and it was noted that the amount budgeted for maintenance, repairs and renovations had increased to \$14,035,981 since the last committee discussion. The committee approved the PECO spending plan for 2006-2007. Preliminary operating budget will be presented to the Board of Governors by July 1, 2006.

Next the committee discussed the debt management guidelines issued by the Board of Governors, which require university trustees to adopt similar or more stringent guidelines for the management of debt issuance. The committee was informed that the university and direct support organizations have reviewed the guidelines and found them acceptable. The committee then approved the debt management guidelines for the University of Florida.

The committee, at a previous meeting, discussed the pending completion of negotiations between the university and the City of Gainesville and Alachua County for the new Community Development Agreement covering the period 2005-2015. The city and county are in the procedural process of approving the agreement and the committee is asked to delegate authority to Vice President Poppell to sign the agreement when the local governments finish approval. The committee approved delegation to Vice President Poppell to sign the Community Development Agreement on behalf of the Board of Trustees.

Three facility namings were presented to the committee and were approved as requested. The university golf course will be named the Mark Bostick Golf Course to honor R. Mark Bostick's generous support of UF athletic programs. The land conservation areas now known as the Ordway Preserve will be renamed the Ordway Swisher Biological Station. The Bispham Turfgrass Hall, named at the March 2006 Board of Trustees meeting will be modified the Bispham Turfgrass Support Building to better reflect the use of this facility.

A change to university regulation 6C1-3.0376 regarding library fines was then discussed. Carol Turner from the UF libraries explained the extent of student involvement in setting such fees and the committee then approved the regulation change as presented.

Moving to discussion items, the committee reviewed the university's quarterly financial reports as of March 31, 2006. Several questions were asked regarding the extent of accrual data for the reports and Bob Miller explained that it

is the university's goal to more fully accrue financial data and efforts would be increased to do so in a timely manner.

The committee was briefed on the pending borrowing by the University of Florida Foundation. A loan will be executed by the Foundation to provide immediate funding for the construction and match of Pugh Hall. As Mr. Pugh makes his annual gifts over the next 5 years to the Foundation, they will be used to pay the loan.

Carol Walker provided a construction update and reported that the Proton Beam Therapy Facility will soon be open and ready to treat patients in the near future.

Ms. Dedee DeLongpre, Director of Sustainability for the university, provided the committee with an update and discussed the mission and vision of the university's Office of Sustainability, guiding principles to be followed by the program, and the planned fall 2006 Campus and Community Sustainability program, which will have attendees from academic institutions throughout Florida.

Trustee Mac McGriff began his report of the Committee on Governance by noting the absence of Trustee Powell. He requested the removal of consent agenda item 5.14 regarding the presidential goals. He stated that over the summer Dr. Machen would develop one year goals and three year goals and they would be available to all board members for their input and the final goals will be recommended to the Board at its September meeting. Next, the committee discussed the evaluation process with some minor changes and the timing will be the same as last year and will have the involvement of Tom Ingram to expand the process to improve the board evaluations. The committee then had a closed session and Kyle Cavanaugh and the negotiation team provided an update on the Graduate Student Union, AFSCME, the Police Officers and UFF and noted that each of these are active negotiations and continue to move forward. Trustee McGriff closed by noting it was a good meeting and progress was made.

Chair Fernandez directed the board to the consent agenda as amended by the Committee on Governance and asked for a motion to remove consent agenda item 5.14. Trustee Cunningham moved for approval. The motion was approved.

Chair Fernandez asked for new business and requests to appear and, hearing none, he moved to his closing remarks. He began by noting that Vice President Adams and her team did a great job and that it has been a great year and there is a

lot more to come. President Machen's presence and efforts in Tallahassee made a big difference. He thanked everyone who participated in Gator Day and thanked Trustees Alfonso and Cunningham for their leadership.

Chair Fernandez continued noting that it will take every ounce of our effort to bring to the finish line what we almost did this year with tuition devolution. We may find success next year and it is important to all of us. Hopefully Vice President Adams can lead us.

Regarding the Board of Governors, Carolyn Roberts' leadership was terrific. Chair Fernandez asked the Trustees to let her know our gratitude for being a great chair and a great Gator.

As to the strategic plan, Trustee Morgan and I will get together with Dr. Machen and Danaya Wright to consolidate comments from this morning's meeting and give that information to the working group. They can then submit to us a final document and we may bring together a group of the board for further review.

I cannot end today without saying that April was a great time to be a Gator: a great time in Tallahassee, and a great time in Indianapolis. See you at the next meeting.

The meeting was adjourned at 11:15.