Chair Steven Scott called the meeting to order at 2:03 pm after a quorum was confirmed. In attendance were Trustees members: Steven Scott (chair), Susan Cameron, Al Warrington, Juliet Roulhac, Dr. Cheri Brodeur, and T.J. Villamil. Also in attendance was newly appointed Trustee Christopher Corr.

Minutes from December 1, 2011 and March 28, 2012 meetings were reviewed.

Al Warrington made the motion to approve, Cheri Brodeur seconded the motion, and the motion passed unanimously.

The Committee addressed the following action items:

**FF1 -- University of Florida Regulation, 3.074** (proposing approval of an amendment updating the regulation on construction to conform with current BOG and statutory thresholds as follows: professional service providers on construction projects are proposed to be evaluated annually rather than twice a year and the major project threshold is proposed to be increased from over $1M to over $2M).

This was discussed in pre-meeting conference call. Per Carol Walker, changes requested in that meeting were made.

There were no further comments or questions.

Al Warrington made the motion to approve, Cheri Brodeur seconded the motion, and the motion passed unanimously.

**FF2 -- Construction Internal Operating Memoranda 02-2, 06-16** (making corresponding changes to the Internal Operating Memoranda).

This was discussed in the pre-meeting conference call. There were no further comments or questions.

Al Warrington made the motion to approve, Cheri Brodeur seconded the motion, and the motion passed unanimously.

**FF3 -- PECO Spending Plan for FY2012-13** (proposing the approval of the spending plan for $6M for Lake Nona's Research and Development Center and $2.7M for maintenance, repair, renovation and remodeling).

Steven Scott commented that the Board and Senior Administration need to be aware of how much deferred maintenance UF is accumulating. He has requested a report from Curtis Reynolds on this for the next BOT/Committee meeting.

There were no further comments or questions.
Cheri Brodeur made the motion to approve, Al Warrington seconded the motion, and the motion passed unanimously.

**FF4 -- FY 2012-13 Fixed Capital Outlay Legislative Budget Request** (proposing the approval of UF’s legislative request to the Board of Governors for PECO, CITF, bond, and other funding for projects).

There were no further comments or questions.

Juliet Roulhac made the motion to approve, Susan Cameron seconded the motion, and the motion passed unanimously.

**FF5 -- Designated Depositories Update** (proposing to change and update the University’s authorized depositories and the officials who are authorized signatories and eliminating the two signature requirement, which are electronic in any event, but requiring the Vice President and Chief Financial Officer to approve the applicable internal control protocols in consultation with the Chief Audit Executive).

Comment: this will go to the full Board of Trustees next.

There were no further comments or questions.

Al Warrington made the motion to approve, Juliet Roulhac seconded the motion, and the motion passed unanimously.

**FF6 -- Auxiliary Facilities with Outstanding Revenue Bonds** (proposing the approval of the FY2012-13 budget for the Transportation and Parking auxiliary).

Steven Scott noted that this report is an administrative responsibility to the Board of Governors.

There were no further comments or questions.

Al Warrington made the motion to approve, Juliet Roulhac seconded the motion, and the motion passed unanimously.

**FF7 -- Preliminary FY2012-13 Operating Budget of Revenues and Expenses** (proposing approval of the preliminary operating budget for FY13) and the President's Budget Reduction Proposal and associated resolution, R12-102.

Dr. Machen gave a high level presentation regarding the budget reduction plan. The current plan assumes that the planned 15% increase in tuition is passed and will allow some transitioning to the permanent cuts with a goal of all reductions in place by June 30, 2013. Some non-recurring funds, approximately $10M, will be used to assist in that transition. There is a BOG Regulation 9.007 and a Florida state law that expect a reserve of at least 5% of our total approved budget.

A total of $69.55M is needed to cover cuts from the State which include a base cut of $38.5M, a cut made in error of $8.3M for the optional retirement plan related to non-state funds, and an additional $1.7M of revenue the state anticipates for UF due to a change in the allowed charges
for excess hours. UF has to replace $12M and $3.8M from the FY12 budget paid from non-recurring funds. Also needed for FY13 is additional revenue of $3.25M to cover expected increases in financial aid needs and another $2.0 to meet tenure and promotion for eligible faculty.

UF will make budget reductions as follows: $24.7M to Academic Units and $12.1M to Support Units (5% average across the board). Additional revenue is expected to come from a 15% tuition increase for $27.5M, UAA contribution of $6M and contribution from the University’s returned overhead from grants of $3M, for a total of $73.3M.

Dr. Machen pointed out that we have had five years of budget cuts from the State totaling $200M. Despite that, we have moved our student to faculty ratio from 22.7 in 2004 to 20.5 in 2011.

Steven Scott asked what is the ratio for other AAU schools. Per Dr. Machen, the best schools are at 18:1 and that is our goal.

Steven Scott commented that UF apparently is among a very small list of schools which receive support from their athletic association. Dr. Machen agreed and commended them on their generous and voluntary support of UF.

Juliet Roulhac asked what about reserves? Matt Fajack responded that the carryforward this year will be approximately 8%, but a lot of that is committed.

Juliet Roulhac asked whether our reserves going down. Matt Fajack responded yes, that our carryforward for FY2011 was $111M, but we only expect a reserve of $60-70M for FY2012.

Cheri Brodeur commented that UF has to plan for catastrophic events and a 5% reserve (or $38M) is not a lot.

Matt Fajack made a presentation to the committee going into further details regarding the changes in the budget.

Christopher Corr asked if the reduction in state support of $200M in the last five years had been covered mostly by tuition increases. Mr. Fajack answered that tuition increases have made up about $100M of that figure (half).

Dr. Machen shared that he had received figures just yesterday showing that UF tuition is the lowest of all of the 14 SEC schools.

T.J. Villamil asked how much of our budget comes from the State now as compared to the past. Per Matt Fajack, approximately 10% of our budget comes from the State now, 17-18% came from the State in the past.
Jamie Lewis Keith presented R12-102, Resolution for Approval of the University’s Fiscal 2013 Budget Reduction Plan and Associated Actions, explaining each paragraph. The Board received the resolution in advance.

Steven Scott reminded everyone that the resolution will be discussed before the full Board.

Steven Scott thanked Dr. Machen, Matt Fajack and their staffs for their diligent work in a difficult economy.

There were no further comments or questions.

Susan Cameron made the motion to approve, T.J. Villamil seconded the motion, and the motion passed unanimously.

The following discussion items were addressed as follows:

4.1-Construction Update;
Carol Walker updated the Committee on construction at UF.
   PK Yonge’s Elementary Building and Corry Village Commons are both finished (both are replacements);
   The Clinical Translational Research Building is on schedule;
   Lake Nona academic wing will be ready for Fall;
   Lake Nona research wing will be ready for Summer;
   Redesign is in progress on other floors for Lake Nona;
   Stadium Concourse and Gymnastic project is moving forward;
   Homestead’s IFAS Tropical Research savings; lowered the project budget;
   Chemistry Engineering building has donor funds to help with a 2nd level;
   The selection process is underway for a design/build contractor for Heavener Hall (undergrad business) and Harrell Medical Education Building;
   Will be working with students on the Reitz Union

4.2-Quarterly Financial Update, as of 3.31.12;
Susan Cameron commented that the Q&A section has been very helpful. No further questions or comments were made.

4.3-UFICO Update
Doug Wynkoop, President and CIO of UFICO, gave a presentation to the Committee showing the breakdown of UFICO investments currently and overtime. He discussed current market conditions, UFICO’s strategic targets and positioning and outcomes.

With no further business, the meeting adjourned by Chair Steven Scott at 3:15pm.