



*Minutes
University of Florida
Board of Trustees Meeting
December 11, 2002*

A regular meeting of the University of Florida Board of Trustees was held on Wednesday, December 11, 2002 at 12:45 p.m., at the J. Wayne Reitz Union Grand Ballroom at the University of Florida.

After welcoming all trustees and others, Mr. Criser acknowledged the loss of Trustee Carlos Alfonso's father and the loss of Executive Assistant Sandy Hayden's husband. He expressed sympathies to both on behalf of the Board of Trustees.

President Charles Young delivered his comments, first noting the progress toward approval of the Strategic Plan. President Young also thanked those who worked on the various rules and policies regarding devolution, noting that the advance preparation positioned the University of Florida well to be prepared for a smooth and orderly transition on the effective date of the Florida School Code Rewrite. President Young then recognized guest Phil Handy, Secretary to the Florida Board of Education, and welcomed him.

Mr. Criser delivered the comments of the Board Chairman. He commented on the origins of the University of Florida Board of Trustees and commended the Board for working together so effectively since its inception to make meaningful headway for the University of Florida. Mr. Criser noted the 150th anniversary celebration schedule for January 9-10, 2003 and asked his fellow trustees to keep these days open for various events.

Mr. Criser also recognized the excellent work of the University of Florida leadership and staff in preparing for the January 7th transition. In regard to the School Code Rewrite, Mr. Criser stated that the devolution of powers to the universities has gone well and that he anticipates devolution

will continue under the new governance structure. Mr. Criser stated that he looks forward to announcements regarding the Board of Governors and expressed his satisfaction that the University of Florida will be ready and prepared for whatever structures and consequences result from the latest public higher education governance changes.

Mr. Criser next recognized guest Phil Handy, Chairman of the Florida Board of Education, and invited Mr. Handy to make comments to the Board.

Mr. Handy delivered his comments to the Board, first noting that he, too, is a volunteer for public higher education. He reconfirmed his belief that he and others such as the boards of trustees can make a difference in the quality of higher education in the State of Florida. Mr. Handy indicated that he and Governor Jeb Bush both were proud of the exceptional work of University of Florida and other boards of trustees to date. Mr. Handy stated that existing trustees for the boards of trustees have or will be contacted in the hopes that all will be willing to continue to serve under the new public higher education governance structure that will be put in place as a consequence of Amendment 11.

Mr. Handy turned his comments to several specific areas of interest to the Board of Trustees. Mr. Handy addressed the impact of constitutional Amendment 11, stating that he and the Governor intend to take such steps as are necessary to ensure an orderly transition on January 7th when Amendment 11 becomes effective. Mr. Handy expressed his strong belief that decisions made closest to students are the best decisions, and he committed to urge the Board of Governors to embrace that concept. Specifically, he indicated that the universities should continue to be the fiscal agent and the employer under the concepts of devolution that already have been put in place.

Mr. Handy stated that the Florida Board of Education endorsed the recent recommendations presented to it regarding funding and financial aid. Mr. Handy noted that the Florida Board of Education has put forward a budget for the coming year which would include a \$628 million allocation to meet the requirements of Amendment 9 regarding public school class size. He noted that new revenues for the State are estimated at approximately \$700 million. Mr. Handy said that the Florida Board of Education is committed to fund the University of Florida's enrollment growth and to support higher education generally; however, he indicated that Amendment 9 would have a financial impact on the universities.

Mr. Handy then related that the Board of Education's focus will be on capital funding and spending, and on funding teaching. As to the first issue, Mr. Handy stated that PECO funding will suffer a decrease over the next two years, calling for a study of the allocation of capital funds through the formation of a task force for this purpose. He also indicated that there was need to examine the matching gift program, but that examination likely will not be completed by the 2003 legislative session. As to the funding for teaching, Mr. Handy said that the quality and compensation for teachers in the State is important and must be continued. In closing, Mr. Handy indicated his pride in the work of the University of Florida Board of Trustees by significantly contributing to enhancing public higher education in Florida.

Mr. Criser entertained a motion to approve the consent agenda. Trustee Carlos Alfonso moved for approval, and the motion was adopted.

Mr. Criser next called upon Trustee Manny Fernandez to summarize for the full Board the work of the Search Planning Committee. Mr. Fernandez delivered a brief presentation outlining the work of the Committee and he presented the Committee's recommendations to the Board. Mr. Fernandez suggested that the guiding principle for any presidential search should be that the search be inclusive, complete and uncompromising. Mr. Fernandez stressed the value of President Young's participation in the planning process and the President's commitment to assist through the transition. Mr. Fernandez said that the Search Planning Committee recommends to the Board three actions: 1) that the Board appoint a 17 person search committee, 2) that search consultant A.T. Kearney, Inc. be authorized to assist the Board in the search, and 3) that any search be commenced only after the Governor and others put in place the governance structures, such as appointing the Board of Governors, so as to allow the best opportunity to attract a high-quality individual to the University of Florida presidency.

Mr. Criser thanked Mr. Fernandez, noting that he intends to make the appointments to the Search Planning Committee, for ratification by the Board of Trustees, in time to position the Board to begin the search by January 30, 2003. Mr. Criser stated the search would be an open search as to candidates because he would not ask a search committee to work under any other circumstances.

Trustee Alfonso moved the Board to accept the recommendations of the Search Planning Committee. During discussion of the motion, Trustee Joelen Merkel asked generally for the proposed terms of the contract with the search consulting firm, which Mr. Fernandez provided. The motion was adopted unanimously.

Trustee Fernandez suggested that the Board of Trustees receive an update on the University of Florida Strategic Plan in anticipation of approving the plan. President Young and Chairman Criser agreed, and after discussion Trustee Dianna Morgan moved to approve the Strategic Plan. The motion was adopted.

Mr. Criser next recognized Trustee Mac McGriff who, in turn, requested Shands Chief Executive Officer Tim Goldfarb to provide an update to the Board on Shands Jacksonville. Dr. Goldfarb provided a brief report of the progress made regarding the financial issues faced by Shands Jacksonville. He recognized help of many individuals including the leadership at the University of Florida, the Governor's office and the City of Jacksonville. Dr. Goldfarb also noted other accomplishments in Jacksonville, such as the Proton Beam Therapy project and the likely placement of a 70,000 square foot specialty Veteran's Administration Clinic which would work cooperatively with the educational endeavors at Shands Jacksonville.

Mr. Criser recognized the efforts of Trustee McGriff for his work in the past at Shands Jacksonville. He also recognized the leadership of Senate President King and Jacksonville Mayor Delaney, and the support of other individuals such as Dr. Goldfarb, Vice President Barrett, and Dean Tisher. Trustee Merkel asked whether the University of Florida has made any financial commitments to Shands Jacksonville, to which President Young responded affirmatively.

Mr. Criser next recognized Vice President Gail Baker who provided a brief update on the 150th commemorative anniversary celebration of the University of Florida.

As to the next order of business, Mr. Criser asked Finance Committee Chair Mac McGriff to report on the issue of presidential compensation. Mr. McGriff stated that the Finance Committee has evaluated the current compensation package for President Young and that it recommends the Board authorize an annual salary of \$350,000, effective as of December 11,

2002. Mr. McGriff noted that the recommendation is supported by surveys and other data that demonstrate President Young's current compensation should be increased to be competitive and commensurate with the challenge of leading the University of Florida. Mr. McGriff moved the Board to approve such salary adjustment. The motion was adopted.

Mr. Criser recognized guest speaker Fanelli Angelo who made comments regarding the policies of the University of Florida regarding international students. Mr. Criser also recognized guest speaker Professor Jonathan Reiskind who delivered comments regarding the local chapter of the United Faculty of Florida. Mr. Criser then recognized guest speaker Mark Piotrowski who spoke on the subject of collective bargaining for University of Florida staff.

The meeting was adjourned at approximately 2:30 p.m.

Charles E. Young
Secretary

Pamela J. Bernard
Assistant Secretary