



*The Foundation for The Gator Nation*

*Board of Trustees*

*Minutes*

*June 10, 2011*

A regular meeting of the University of Florida Board of Trustees was held on Friday, June 10, 2011, in 215B of Emerson Alumni Hall. The meeting was called to order by Chair W. A. "Mac" McGriff, III, at 10:25 a.m., and a quorum was confirmed.

Chair McGriff welcomed new Trustees Michael Heekin, Juliet Roulhac, and Alan Levine to the Board.

Chair McGriff requested President Machen's report. Noting the University of Florida is having an excellent year, Dr. Machen said the relationships between the faculty, staff and students are the best he has seen in over 30 years of higher education and that UF continues to attract the brightest youth and excellent faculty and staff. Dr. Machen commended the leadership of the Trustees and the senior management team during challenging economic times. He identified the particular efforts of Vice President for Information Technology Elias Eldayrie, Vice President for Development and Alumni Affairs Tom Mitchell and Vice President and Chief Financial Officer Matt Fajack. Dr. Machen congratulated the University athletic program for having its best year yet, and thanked the University Athletic Association for helping the University financially through some tough times.

Trustee Steven Scott spoke of the University Athletic Association's gift to the University each year of \$6M, totaling \$60M in the last ten years. He commented that he is not aware of any other athletic program that does so much for its institution, expressed UF's great appreciation, and recognized Jeremy Foley's outstanding job and contributions to the University of Florida.

Chair McGriff requested reports of each Committee and began with the Committee on Audit and Operations Review. Trustee Al Warrington presented the report and welcomed new Trustees Ben Meyers, Alan Levine, Scott Nygren, and Juliet Roulhac to the Committee. The meeting was called to order at 12:30 p.m. and all members were present. The minutes of the March meeting were approved unanimously.

There were no action items for the Committee's consideration.

The Committee then addressed discussion items.

Phil Ciano of the Auditor General's Office explained his office's role as the external auditors for the university and provided an update on external audit activities:

(1) UF Financial Statement Audit for the 2010-2011 fiscal year: Phil discussed the audit report format, noting that the office will no longer publish a report separate from the university's Annual Financial Report. Chair Warrington asked the Vice President and Chief Financial Officer (CFO) to provide copies of the June 30, 2010 Annual Financial Report to all new Committee members. The Auditor General expects to release the financial audit for the FYE June 30, 2011 in late January or early February 2012. (2) UF Federal Audit for the 2010-2011 fiscal year: Phil explained that the audit of the university is a section of the statewide audits his office undertakes and is conducted according to OMB Circular A-133. The scope of this audit will include Student Financial Aid Funds, Research and Development Funds, Fiscal Stabilization Funds (ARRA), and Federal flow-through funding from the State of Florida. This audit is in the preliminary fieldwork stage and will be released by March 31, 2012. (3) UF Operational audit for the 2010-2011 fiscal year: This audit has traditionally been conducted once every two years with a scope of reviewing selected controls, processes and compliance with State rules and regulations. Recent legislation has changed this requirement to at least once every three years, and may impact the frequency of future operational audits. Fieldwork for the current audit is underway and the target release date is late in the 2011 calendar year. (4) UF Bright Futures audit for the 2010-2011 fiscal year: This audit is conducted as a section of the statewide audits including all universities and colleges. It has traditionally been conducted annually, but recent legislation has changed this requirement to once every two years, covering the two-year period. The expected release date for the current audit is March 2012.

Chief Audit Executive Brian Mikell and Audit Director Joe Cannella presented four internal audit projects that had been issued since the last Board meeting. The projects presented were: (1) IFAS - Family, Youth and Community Sciences Department; (2) IFAS - Soil and Water Science Department; (3) Foundation Asset Management; and (4) Conflicts of Interest, Outside Activities and Financial Interests.

The reports and summaries had been previously provided for detailed review. Each audit project was summarized and questions from the Committee were answered. Messrs. Mikell and Cannella also reported on the follow-up status of previously issued internal and other audits.

Mr. Mikell and Mr. Cannella presented the revised internal audit work plan for the 2011-2012 fiscal year. The process of developing the internal audit work plan was briefly discussed, and the individual proposed projects and reasons for any changes to the plan were discussed. Questions from the Committee were answered and the Committee had no objections to the proposed work plan.

The Committee was provided updated information relating to audits of university affiliated organizations, noting that the only report received since the last Committee meeting was the audit report of the University of Florida Leadership and Education Foundation.

CFO Matt Fajack provided an update on other external reviews: (1) HHS review. The Committee received its periodic update on the U.S. Department of Health and Human Services investigation of UF's financial and accounting practices for federal awards, which began approximately 1.5 years ago, and the proactive enhancements that UF has implemented and continues to develop regarding contract and grant reporting: (a) Cost Transfers: These are

after-the-fact adjustments of charges, especially payroll, from one grant account to another. A new cost transfer policy was implemented on July 1, 2010. This policy centralized the approval and required documentation of all cost transfers related to grants. (b) Effort Reporting: The university currently uses a proprietary system to track and report effort under federal guidelines. A new time and effort reporting system is planned for implementation in the fall of 2011. The system will address faculty assignment information as well as after-the-fact time and effort reporting and cost sharing. (b) Contract and Grant Policies: An initiative is underway to review, update if needed, and consolidate and centralize all policies, and to facilitate access through a central portal.

(2) Internal Revenue Service: The CFO discussed this continuing review covering Unrelated Business Income and deferred compensation. This review is ongoing and there is no information as to when it will be completed. The university is cooperating and providing information as requested by the IRS.

Chair Warrington reported that he has reviewed the status of investigations conducted by the Office of Audit and Compliance Review. These activities include items that have been received on the Compliance Hotline. OACR either reviews or ensures that allegations are referred to other appropriate university offices such as Human Resources. The Chair reported that he is satisfied the investigations are being appropriately conducted and reviewed.

The Committee on Audit and Operations Review adjourned at 1:47pm.

Vice-Chair and Trustee Carlos Alfonso presented the report of the Committee on Educational Policy and Strategy. The Committee was called to order at 3:33 p.m. with all members present. Trustee McGriff made a motion to approve the Committee minutes from the February 24, 2011 conference call and the March 17, 2011 regular Committee meeting. Trustee Criser seconded the motion, and the minutes were unanimously approved.

The following action items were unanimously approved for recommendation to the Board.

EP1. University of Florida Regulations: Tuition regulation - the Committee approved a 15% increase for undergraduate tuition and a 10% increase for most graduate programs, with a few exceptions, including a correction to page 10 of the notebook. Provost Glover reported that the \$9 million financial aid shortfall discussed at the retreat has been addressed for students who made timely application for financial aid, and most late applicants will receive supplementary assistance. Dr. Glover clarified that the 15% increase applies to tuition, but the fees increases amount to less than 15%. Provost Glover described Prepaid and Bright Future funding and the statutory conditions under which they operate.

EP2. Academic Programs and Degrees: The Committee approved the proposal for a Bachelors Degree in International Studies.

EP3. Tenure Upon Hire: The Committee approved the tenure upon hire nominations.

EP4. Approval of Annual Tenure and Promotion: Provost Glover distributed a revised list of faculty eligible for tenure and recommended by the President. Four faculty members had to be removed due to permanent residence issues that are being resolved (Yafeng Yin, PC Pullammanappallil, Jose Reyes-De-Corcuera, Elena Marie Toro). The Committee approved the tenure proposals on the amended list which was provided to all Trustees.

EP5. Approval of University Work Plan: Provost Glover explained this year's submission is primarily an update to last year's extensive document. This submission includes the University's legislative budget requests and the differential tuition request. The Committee approved the Work Plan.

EP6. Resolution for Facility Security Clearance and Designation of Senior Managerial Group: Consistently with past years, this resolution delegates authority and responsibility to the Vice President for Research and the President as the senior managerial group to handle security-related matters. The Board of Trustees will not have access to these matters and materials. The Committee approved the resolution.

Discussion items before the Committee:

4.1 Unit Adjustments. Provost Glover briefly described three areas: (a) Degrees placed on Inactive Status – M.S. in Fire Sciences Emergency Management; B.S. in Business Administration with a major in Real Estate; Ph.D. in Biochemistry and Molecular Biology; (b) Degree Name Change-The name of the B.S. in Agricultural and Biological Engineering has been changed to B.S. in Biological Engineering; (c) New Schools – Two new schools have been created in the organizational structure of two colleges: in the College of Engineering, the School of Sustainable Infrastructure and Environment; and in the College of Dentistry, the School of Advanced Dental Sciences.

4.2 Student Government Update: Student Body President, Ben Meyers distributed an update and shared his rationale for voting in favor of the admissions increase. He expressed appreciation to President Machen and Provost Glover for the important adjustments made to cover the student financial aid shortfall. He briefly described the initiatives in the distributed handouts and mentioned that the CIO has bargained with Microsoft office products to ensure that students may continue to use purchased products even after graduation.

4.3 Faculty Senate Update: Faculty Senate Chair, Dr. Scott Nygen shared various issues he sees as important with a primary focus on interdisciplinary work throughout the University. He mentioned that challenges in the new RCM financial model are expected to be resolved in the upcoming year.

4.4 Admissions Update: Dr. Zina Evans, Vice President and Associate Provost for Enrollment Management distributed current admissions data and answered questions from the Committee.

Provost Glover updated the group on the Innovation Academy, a new initiative offered to a cohort of approximately 2,000 students in the spring and summer semesters. The goal is to

offer increased access to UF for both freshmen and transfer students. The students will study in residence in spring and summer terms, and will be offered opportunities in fall terms to pursue off-campus opportunities such as study abroad, internships, and distance education. Discussion continued with interest and encouragement from the Trustees.

There were no public appearances.

There was no further business and the meeting was adjourned at 4:48 p.m.

Trustee Carolyn Roberts delivered the report of the Committee on External Relations. The meeting was called to order at 2:00 p.m. All Committee members were present. The minutes of the March 17, 2011 meeting were approved unanimously.

There were no action items before the Committee.

The Committee then addressed discussion items.

4.1 Legislative Update: The meeting began with a legislative update by Vice President Jane Adams, followed by a discussion about summer plans to visit key legislators in their districts and invite others to campus for substantive briefings about the university.

4.2 Economic Impact Briefing: Janine Sikes then shared information about an economic impact report commissioned by University Relations and Sponsored Research to determine the university's wide reach across the state. UF infused some \$8.76 billion into the Florida economy last year, about the same as the entire spectator sports industry that includes professional football, basketball and baseball teams as well as NASCAR. The university has a presence in all 67 counties and also provides about 106,000 jobs, directly and indirectly. The information was rolled out March 30 during Gator Day in Tallahassee with a color brochure, news release and interactive Web site, and became a recurring message during the remainder of the legislative session.

4.3 Marketing Update: In the marketing update, Andy Fletcher, Associate Vice President of Marketing and Public Relations, reviewed recent communications programs supported by University Relations. Andy discussed "Audience-based positioning" and shared examples of how it has been applied to numerous recent projects including: (1) The launch of the College of Veterinary Medicine new Small Animal Hospital; (2) The "Get up and Give" campaign for the Annual day of Giving; (3) The launch of the Shands Hospital for Children; (4) Marketing support for faculty endowments; (5) Graphic design for the new UF Mobile Web App; (6) Web site designs for Innovation Square and Innovation Hub.

4.4 University Community Campaign: Susan Crowley, Assistant Vice President for Community Relations, presented information on the UF Campaign for Charities – the UF employee charitable giving campaign. For each of the last six years, employees have given more than \$1 million to area charities.

Vice President Tom Mitchell reported on the progress of the capital campaign, which is ahead of schedule. He also briefed the Committee on the volunteer activities of various Gator Clubs and showed a video featuring a class of kindergarteners that was adopted by the San Diego Gator Club.

In old business, the Committee received an update on savings the university has realized from increased use of electronic communications as opposed to printed publications.

The Committee adjourned at 3:04 p.m.

Trustee Steve Scott provided the report of the Committee on Finance and Facilities. The meeting was called to order at 2:00 PM. All Committee members were present. The minutes of the March 17, 2011 meeting were approved unanimously.

The following action items were unanimously approved for recommendation to the Board.

FF1. Spending Plan for PECO and General Revenue Appropriated Funds for the Florida Legislature's appropriation of Grants and Aids- Historic Preservation General Revenue funds of \$400,000 for the St. Augustine Government House. The spending plan approval also included \$5,360,560 allocated by FLBOG for Maintenance, Repair, Renovations and Remodeling.

FF2. 2012-13 Fixed Capital Outlay Legislative Budget Request: The Committee approved the Request, noting that although project priorities had not changed, the timeline for projects had been lengthened.

FF3. 2010-2011 Budget Review and Expenses and 2011-12 Preliminary Budget of Revenue and Expenses: After discussing the challenges to be addressed in the 2011-2012 budget of revenues and expenses the Committee voted to accept the preliminary budget as presented, contingent upon the President's discussion to the full board of how the university will deal with these challenges. The Committee approved the final 2010-2011 budget of revenues and expenses as presented. Having heard the President's discussion, at the Board meeting, the Committee confirmed its approval of the preliminary budget.

FF4. Sale of University Athletic Association Bonds: The Committee next reviewed the proposed sale of University Athletic Association Bonds not to exceed the amount of \$15,000,000. Bond proceeds will be used to finance the acquisition, renovation and equipping of certain capital improvements to certain athletic facilities on the main campus. The Committee approved the sale of bonds as requested.

Discussion items were then addressed by the Committee:

4.1 Quarterly Financial Report as of March 31, 2011: The quarterly financial report as of March 31, 2011 was presented to the Committee.

4.2 Construction Update: The University recently received four additional LEED gold certifications of newly constructed buildings on campus. This past week, 43 continuing contracts were awarded to contractors, engineers, architects and other construction professionals. Thirty percent of these contracts were awarded to firms that had not been under contract with the University in the past and this includes a number of small and emerging companies.

4.3 Update on the Responsibility Center Management (RCM) Budget Initiative: The final model of the RCM budget will be run after the Board of Trustees approves the 2011-2012 budget of revenues and expenses.

4.4 Update from the University of Florida Investment Management Company: Douglas Wynkoop, president and chief investment officer of the UFICO, provided an update on UFICO investment performance. Information was provided on UFICO's returns and earnings, target investment allocations, risk/return strategies and benchmarked performance.

4.5 Campus Master Plan Amendment 2005-2015: Minor amendments to the 2005-2015 Campus Master Plan were presented to the Committee. The Committee requested that a report on the progress of University fund raising be provided to the Committee on a regular basis in the future. President Machen addressed the Courtelis matching and Challenge matching programs, including the lack of state match for the past three years and possible changes to the plans that could be made by the Legislature or the Governor.

4.6 Employee Recognition: Pam Walker, an administrative assistant in Physical Plant, was then presented to the Committee for recognition. Ms. Walker has been employed at UF for 37 years, the last 17 years at PPD. Among Pam's many accomplishments in the past 37 years, she significantly contributed to the development of numerous customer service initiatives at PPD, including a training program which received national recognition. She is retiring from the University this month and the Committee congratulated her and wished her well in her retirement.

With no further business to conduct, the Committee meeting was adjourned at 3:15 PM.

Trustee Marshall Criser, III, presented the report of the Committee on Governance to the Board. The Committee was called to order at 12:30 pm. All Committee members were present. The Committee unanimously approved the Minutes from its meeting on March 17, 2011 on a motion by Trustee Roberts, seconded by Trustee Scott.

The following consent agenda actions were unanimously approved for recommendation to the Board.

GV1. Election of Board Chair and Vice Chair. Recommendation was made to the Board for the election of a Board Chair and Vice Chair, each to serve for a two-year term beginning on July 1, 2011 or, if earlier, when current Chair Mac McGriff's service ends. Trustee Roberts made a motion to nominate and recommend the Board's current Vice Chair, Trustee Carlos Alfonso, for election as Chair. In making this nomination, Trustee Roberts emphasized Trustee Alfonso's deep experience and knowledge of the University of Florida and the State of Florida,

his dedication, service and accomplishments over many years, and his understanding of the complex issues facing the University and the State, as well as the great value of an education. She noted that Trustee Alfonso's experience, understanding and dedication make him highly capable of assuming the responsibility of moving the University forward in these difficult economic times. Dr. Scott seconded the motion. The Committee voted unanimously to recommend that Carlos Alfonso be elected by the Board as Chair for a two-year term commencing on July 1<sup>st</sup> or, if earlier, when current Chair Mac McGriff's service ends.

The Committee then considered its recommendation for the Board's election of a Vice Chair. Trustee Scott made a motion to nominate and recommend Trustee David Brown for election as Vice Chair. Trustee Scott emphasized that Trustee Brown had previously served on the Board, is presently serving another term, and is a strong leader with broad experience and dedication who will well-serve the Board as its Vice Chair. The Committee voted unanimously to recommend that David Brown be elected by the Board as Vice Chair for a two-year term commencing on July 1<sup>st</sup> or, if earlier, when Trustee Alfonso's service in that role ends.

The Committee then met in closed session to discuss collective bargaining, noting that it would resume in open session shortly.

GV2 on the consent agenda was then brought to the Committee for action: the approval of the extension through June 2014 of the Collective Bargaining Agreement between the Board of Trustees and the Graduate Assistants United. The contract is working well and is being amended to extend the term and allow for a few articles to be reopened annually. The union and the administration recommend approval of the contract. The Committee voted unanimously to recommend that the Board ratify this contract.

The Committee's last business was to unanimously approve a motion by Trustee Alfonso, seconded by Trustee Roberts, to commend and thank outgoing Board Chair, Mac McGriff, for his leadership over the last two years as Chair and over many years on the Board, as well as for his exceptional handling of many hard and complex issues for the University.

The Committee on Governance adjourned at approximately 1:45 pm.

Chair McGriff thanked the chairs for their reports and asked for the Board's attention to the items on the Consent Agenda. He noted the replacement page for the tuition regulation and the amended resolution, R11-86, for the election of the Chair and Vice Chair of the board (providing for the service of the newly elected Chair and Vice Chair to begin on July 1<sup>st</sup> or, if sooner, when the service of current Chair McGriff ends). After asking for discussion and hearing none, he called for a vote. Trustee Warring made the motion with a second from Trustee Roberts. The Consent Agenda was unanimously approved.

Trustee McGriff asked for any new business and hearing none asked for any old business. Upon hearing none, he began his comments to the Board.

Chair McGriff stated that the Board is recognizing some special individuals. All have served the University of Florida with distinction and some are inaugural board members, having



served as Trustees for 10 years. Chair McGriff asked former inaugural Trustee Cynthia F. O'Connell to come forward as he read a resolution in her honor. Mrs. O'Connell thanked the Board and noted it was an honor to serve the University of Florida and the Board.

Next, Chair McGriff recognized former Trustee Danny Ponce, who was not an inaugural member of the board, but was a dedicated contributor. A resolution in honor of Mr. Ponce was also read. Mr. Ponce thanked the Board and noted it was a pleasure to serve.

Chair McGriff then called former Trustee Roland Daniels to come before the Board. He noted Mr. Daniels was an inaugural member and thanked Mr. Daniels for his additional months of service while awaiting the appointment of his successor. Mr. Daniels thanked the Board.

Chair McGriff noted that former inaugural Trustee and Board Chair, Dianna Morgan, could not attend the meeting, but was honored last night at the Board dinner.

Chair McGriff ended by stating how fortunate the University is to have had individuals serving as Trustees who contributed so significantly and with such distinction.

Next, Chair McGriff then brought to the attention of the Board that the Women's Softball Team came in second in the Women's College World Series, that they have competed at this level for the last four years, and that they competed in the championship game twice. He continued by noting the Track Team is competing in the NCAA championships in Des Moines, Iowa, and finally, the Baseball Team is playing in the Super Regional today for an opportunity to go to the College World Series.

Vice Chair Alfonso then asked to speak regarding Chair McGriff's term as Chair. He noted that Chair McGriff undertook many difficult projects, not always in the lime light but with great effectiveness. Vice Chair Alfonso mentioned he would really miss Trustee McGriff and noted he is following a really good Chair in a succession of many good chairs.

Trustee Roberts commented on Chair McGriff's service to the University during a time when a new state system was developing. She said that UF has done a great job in helping this system mature and noted that success is aided by relationships, friendships and dedication, and no one is better than Chair McGriff and the other inaugural Trustees. Trustee Roberts said that Chair McGriff is kind, nice, and persistent and so much a Gator that it's hard to turn him down.

Chair McGriff thanked everyone for their comments, and adjourned the meeting at 11:15 a.m.

	Students 48 Hour 2 Year Program	
Resident Tuition	<del>\$12,001.66</del> <u>13,201.82</u>	<del>\$12,001.66</del> <u>13,201.82</u>
Building	\$55.68	\$55.68
Capital Improvement Trust Fund	\$58.56	\$58.56
Student Financial Aid	<del>\$600.08</del> <u>660.08</u>	<del>\$600.08</del> <u>660.08</u>
Technology	<del>\$143.40</del> <u>154.80</u>	<del>\$143.40</del> <u>154.80</u>
Activity and Service	<del>\$334.56</del> <u>349.20</u>	<del>\$334.56</del> <u>349.20</u>
Athletic	\$45.60	\$45.60
Health	<del>\$311.76</del> <u>331.68</u>	<del>\$311.76</del> <u>331.68</u>
Transportation Access	<del>\$175.92</del> <u>189.12</u>	<del>\$175.92</del> <u>189.12</u>
Resident Tuition and Fees Annual Charge	<del>\$13,727.22</del> <u>15,046.54</u>	<del>\$13,727.22</del> <u>15,046.54</u>
Non-Resident Fee	\$16,565.24	\$16,565.24
Non-Resident Student Financial Aid	\$828.26	\$828.26
Non-Resident Tuition and Fees Annual Charge	<del>\$31,120.72</del> <u>32,440.04</u>	<del>\$31,120.72</del> <u>32,440.04</u>

(tu) College of Public Health and Health Professions (MPH) 42 Hour Accelerated Degree Annual Charge ~~2010-11~~2011-12

	Fall 2007-Fall <del>2009</del> <u>2010</u> Continuing Students	Fall <del>2010-2011</del> New Students
Resident Tuition	<del>\$10,501.42</del> <u>11,551.56</u>	<del>\$10,501.42</del> <u>11,551.56</u>
Building	\$48.72	\$48.72
Capital Improvement Trust Fund	\$51.24	\$51.24
Student Financial Aid	<del>\$525.06</del> <u>577.56</u>	<del>\$525.06</del> <u>577.56</u>