Board of Trustees Meeting  
March 1, 2007

Chair Rhea Law convened the regular meeting of the University Of South Florida Board Of Trustees in the Marshall Center Ballroom, Phyllis P. Marshall Center, USF Tampa Campus, Tampa, FL at 9:30 a.m.

Chair Law welcomed a class of first year college student affairs Master’s students in attendance to observe university governance. She briefly described the structure of the Board of Trustees and its workgroups.

Chair Law noted that the legislative session has begun and invited the trustees to join efforts in Tallahassee as they are available. The Chair then addressed a report on Fox News regarding research grants and contracts, and assured the trustees that the university goes to great lengths to make sure that the appropriate checks and balances are in order. The university is working with the media to provide the full story. Chair Law reminded the trustees about a special board meeting on March 7 that will be held at USF-Lakeland to approve the campus’s master plan. She informed the board that a new advertising campaign has commenced, which includes signage in the Orlando and Tampa airports. Examples of the ads were on display. Chair Law congratulated USF Lakeland and Polk Community College on the opening of their new joint use facility. She expressed her appreciation for Senator JD Alexander’s efforts for education in the Lakeland area. Chair Law congratulated USF basketball player Jessica Dickson for being the all-time high scorer for USF. She also congratulated President Genshaft for receiving the Loebenberg Award from the Florida Holocaust Museum.

President Genshaft called roll. In attendance was:

Lee Arnold  
Michael Barber  
Dick Beard  
Margarita Cancio  
Sonja Garcia  
Frank Harrison  
Rhea Law  
Kiran Patel  
John Ramil  
Debbie Sembler  
Bob Soran  
Sherrill Tomasin (via phone)

FL 101 – Approval of Minutes
Chair Law asked for a motion to approve the minutes from the meeting on March 1, 2007. The motion was seconded and approved.
FL 102-112 (Consent Agenda)
Chair Law asked Trustee Arnold if he had any comments pertaining to the Academic and Campus Environment Workgroup items listed on the consent agenda; he had none. Chair Law noted that all items from the Finance and Audit Workgroup had been reviewed and submitted for approval.

Chair Law invited the UFF representative, Dr. Roy Weatherford, to address the BOT on those items that relate to the terms and conditions of faculty employment. Dr. Weatherford announced that this would be his last time addressing the BOT due to his pending retirement. He expressed his concern regarding an investigation into the removal of email messages. Chair Law responded by saying that a message of confidential nature had been sent out inadvertently due to a computer glitch. In seeking to back out of the release of sensitive information, the system took other messages with it. The mistake was discovered and messages are in the process of being restored. Dr. Weatherford addressed the ongoing collective bargaining process. He stated that one of the main sticking points is money to be allocated according to a formula developed by the faculty intended to adjust pay rates to be at least 80% of the national average. He asked that the BOT work with his predecessor to make faculty a priority. Chair Law read an excerpt from a memo that was dispersed to the USF community:

“The UBOT team stands ready to continue negotiations with UFF representatives so that an agreement can be reached. As soon as this occurs, USF faculty can get the salary improvements they so richly deserve, this year’s faculty teaching and research award winners can receive the payments that are long overdue, work can begin immediately on providing an expanded cadre of benefits available to faculty, and we can move on to the important process of negotiating a three-year contract.”

Chair Law thanked Dr. Weatherford for his service and wished him well on his retirement.

Chair Law asked for a motion to approve the consent agenda FL 102 – FL 112. The motion was seconded and approved.

FL 102 - Approve the Faculty Tenure Nominees as a Condition of Employment
FL 103 - Approve the two academic honor statements. Commitment to Honor and Living Commitment
FL 104 - Authorize revised Regulation USF 1-005 and revised
FL 105 - Authorize revised Regulation USF and revised Graduate.
FL 106 - Approve the Amendment to the adopted 2005 USF Tampa Campus Master Plan to incorporate the changes to the H. Lee Moffitt Cancer Center and Research Institute campus ten-year growth plans.
FL 107 - Approve USF Tampa Housing Rates for 2007-2008
FL 108 - Approve the USF St. Petersburg Housing Rates for 2007 - 2008
FL 109 - Approve revisions to the Regulation and the referenced 2007-2008 campus parking brochures
FL 110 - Approve the amended 2007-2008 Fixed Capital Outlay Projects that require legislative approval
FL 111 - Approve amendment of the University-Wide Five year Capital Improvement Plan
FL 112 - a. Approve Use of Wachovia Bank, N.A. as USF Band
    b. Approve authorized check signers

FL 113 – Approve Honorary Degree for College of Medicine
President Genshaft presented a College of Medicine honorary degree candidate submitted by the Faculty Council. Jordan Cohen is President Emeritus of the American Association of Medical Colleges and Chair of the Arnold Gold Foundation. Trustee Barber confirmed that the nomination was approved by the Faculty Council.

Chair Law asked for a motion to approve FL 113. The motion was seconded and approved.
FL 115 – Approve Financing for Magnolia Facility
Dr. Carlucci presented a request to approve the housing project and a resolution to finance the project. He explained that the BOG process for approval of debt requires that this resolution be presented and approved by UBOT by March 9 before coming before the BOG on May 10. The resolution authorizes the issuance of debt, including all 18 items required by the BOG. The items in the package include a project program, start and completion dates, estimated debt service schedule, evidence that the project is consistent with the university’s master plan, etc.

Chair Law noted that the item was previously presented to the Finance and Audit Workgroup, but was pulled from the consent agenda in order to provide all trustees the opportunity to review the documents.

Chair Law asked for a motion to approve FL 115. The motion was seconded and approved.

Dr. Carlucci noted that this facility includes 1,000 beds and a dining area. It would move USF to a little under 6,000 beds while working toward the goal of reaching the Carnegie standard of 25% of students. In the future, all financing projects brought before the BOT will be in this format required by the BOG.

Trustee Arnold complimented and thanked the finance staff for putting together the detail requested by the Finance and Audit Workgroup.

FL 116 – Approve Presidential Contract
Chair Law thanked Trustee Ramil for chairing this initiative. Trustee Ramil stated that the Compensation and Contract Committee met on February 20 and reviewed proper compensation for the President. Trustee Ramil thanked Trustees Sembler, Soran and Tomasino as well as market consultant Dr. Ray Cotton for participating in this process.

Trustee Ramil noted that there are three key strategies that the USF BOT has used for compensation policy: 1) using market data to set compensation; 2) retaining quality performance; and 3) rewarding superior performance. Given those thoughts, the committee was charged with appropriate placement of the president’s compensation package within the market. Dr. Cotton presented his report to the committee, which is available online. He observed that, in his many years of compensation consulting in higher education, he had not seen salaries rise as quickly as they have recently. He noted that the pool of experienced talent is down due to current and impending retirements. Schools are now raiding other schools for their presidents, and cited several schools who are currently searching for a president with many coming in the near future. Dr. Cotton said that the market is moving more toward performance-based pay for university presidents, as well as retention bonuses.

Trustee Ramil recapped some numbers for the group:

In the national market of 20-25 peer universities used in the study, USF ranks:
6th in enrollment (>75th percentile)
12th in operating budget (slightly above median)
20th in presidential compensation (below median)

In the state market, USF ranks:
2nd in enrollment (>75th percentile)
The committee had robust conversation and asked many questions of Dr. Cotton regarding the
dynamics of the market. Based on the discussion, the committee came up with the
recommendation that has been submitted to the board for approval.

Key components include:
- Base salary of $395,000 (about 6.5% increase, about 95% of UF president base salary)
- Pay at risk - $100,000 performance bonus (goals should eliminate as much discretion as
  possible and be stretched in order to reach 100% of target)
- Retention bonus - $150,000 after three years, another $150,000 after five years

Reasonable attainment of performance goals would put the president’s compensation at slightly
above the median nationwide. With 100% attainment of performance goals, the compensation
would near the 75th percentile, which is the range where most of the university’s statistics lie.

The committee recommended eliminating the following provisions in the contract:
- Remove the tuition plan for children as the completion of the current contract fulfills the
  obligation;
- No spousal travel subsidy (President and spouse prefer to personally cover expenses)
- Remove subsidy up to $2,500 for legal and financial advisors (President prefers to
  personally cover expenses)
- Additional 6-month sabbatical granted upon completion of the 5 year contract for a total
  of 1 year to be served at end of the presidency. No cash option provided.

Trustee Ramil stated that the committee recommends approval of the package submitted to the
board and invited any questions.

Trustee Barber confirmed that the President submitted a self-evaluation to the Board of
Trustees based on Trustee Sembler’s comments in the committee meeting minutes. He asked
that the minutes from the compensation committee meeting be corrected to reflect the proper
amount for the annualized retention bonus amount.

Trustee Tomasino mentioned that President Genshaft is visible on a national level and is highly
regarded among her peers.

Trustee Harrison noted that the delegation of responsibility within university systems is
complicated and often misunderstood. He emphasized that the Board of Trustees must work
within the authorities and priorities delegated by the state. He stated that Dr. Genshaft, as the
university’s leader, is sometimes limited by the resources and authorities given to address
issues and believes that these problems often result from the lack of priority given to education
in the State of Florida. Trustee Harrison stated his support for Dr. Genshaft and her
compensation package as brought before the board.

Trustee Harrison made a motion to approve the package. It was seconded and approved.

President Genshaft thanked the board for their advocacy for the university and her leadership.
Chair Law thanked Trustee Ramil for leading this initiative and asked if he would follow the process through to ensure its completion.

**Discussion Items**
Chair Law asked President Genshaft and Trustee Arnold to provide an update for the 2007-2012 Strategic Plan. Trustee Arnold gave a brief history of the work completed up to this point. He explained that work continues to develop compact plans that dive deeper into the specifics for each area of the university. Trustee Arnold stressed that communication among all university groups, including faculty, staff and students, is critical to the successful development of the plan. Governance will also be addressed as part of the strategic planning process. Trustee Arnold thanked everyone who has participated thus far. President Genshaft encouraged input from the trustees. She gave an overview of themes that came up throughout some of the town hall meetings held recently, including the importance of undergraduate education and the availability of resources for infrastructure. She stated that much of the work from this point will focus on the compact plans. Trustee Arnold talked about the key visions and missions, specifically the American Association of Universities. He asked Provost Khator if she would give an overview of the importance of membership in the AAU. She explained that the goal of qualifying for membership in the AAU is more than a badge of honor; it signifies the highest level of educational experience, research and innovation. It is important to USF because it will enhance the education of our students, professional support and networking for alumni, the recruitment and retention of world class faculty and staff, and USF’s competitiveness for federal research funding. Provost Khator gave an overview of where USF is at on many of the qualifying metrics for membership in AAU. She noted USF’s areas of strengths and challenges the university faces. President Genshaft complimented her team of vice presidents, deans and administrators and thanked them for their service.

Trustee Beard asked how long it would take to reach this goal. Provost Khator replied that this is a long-term goal, and even some institutions that meet the qualifications have not yet been invited for membership in AAU. However, she stressed the importance of the journey that takes USF towards that path. Chair Law agreed that the creation of excellence is the important point of this goal, and that these qualifications should be reached by the end of the 2012. Trustee Barber asked if there are institutions invited into AAU every year. Provost Khator explained that there is no quota or annual membership, and that the last invitations for membership extended by AAU was six years ago. Trustee Ramil indicated that the vision makes the goal clear. Chair Law thanked Trustee Arnold and President Genshaft for their work. Trustee Ramil stated that he clearly heard the link that is necessary between graduate and undergraduate education and questioned whether that link needs to be more clearly defined in the future. Trustee Arnold agreed, and explained that current accountability measurements focus on undergraduate education. The new strategic plan goals would add to that focus. Trustee Harrison stated that the student audience may not understand the message being relayed, so special attention needs to be paid to the packaging of this plan.

Chair Law called for a five minute break.

Chair Law asked Dr. Bill Dalton, CEO/Executive Director of H. Lee Moffitt Cancer Center and Research Institute, to make a presentation.
Dr. Dalton gave an update on M2Gen. The spin-off company is a partnership between Moffitt and Merck Industries. The unique approach creates a system to develop new knowledge, and then translate and deliver that new knowledge for clinical use. This promotes discovery while providing the value of the discovery to the patient. M2Gen will utilize a database that uses molecular profiling to address every need for the patient. The Total Cancer Care program will improve the standard of care by following patients to understand which technologies benefited them. This will also allow for cancer care to be given to patients far outside the physical reaches of the Moffitt site in Tampa. As this program grows, they anticipate they will be following 35,000 patients over time.

Dr. Dalton said that the creation of a for-profit entity such as M2Gen was necessary for two reasons: 1) it was the most expeditious way to construct the database; and 2) it would create a revenue source that would sustain the effort. Financing from the state, county and city were critical to the launch of this endeavor, as well as support from Enterprise Florida. Dr. Dalton appreciates the support from the community, especially USF.

Dr. Dalton described the campus on McKinley and Bougainvillea, and explained that a 50,000 sq. ft. facility will be constructed to house M2Gen. That will also be the home for 250,000 sq. ft. for not-for-profit research, including medical clinics and administrative buildings. Dr. Dalton pointed out that the technology that is being built for cancer can be extended to be applied to other healthcare areas. He stated that they hoped to break ground within the next nine months, which will include parking. Trustee Arnold complimented Dr. Dalton on this project and appreciated the cooperation going on with Moffitt and USF.

**BOT Roundtable Discussion**
Trustee Harrison provided comments on the BOG public hearing held in Orlando on moving forward with the Pappas Report. He noted that much of the debate is on the structure of the system of higher education in Florida, while issues such as affordability were not addressed. President Genshaft said that the overarching recommendations are politically difficult, so she doesn’t know that it will have the wings that the consultants would like it to have. Trustee Harrison noted that the blueprint is basic. President Genshaft said that one of the themes coming out of the report is the importance of access. Trustee Soran said that there should be a continuing build on the 2+2 program that has been successful at the USF Sarasota-Manatee campus in partnership with Manatee Community College. President Genshaft also stated that USF is the only university in the state that allows students to fully complete a degree program on each of its campuses. Trustee Soran believes that this is a point of difference for USF that will allow it to continue to grow.

Trustee Harrison reported on the Student Government elections. The new student government leaders are Barclay Harless, President, and Garin Flowers, Vice President. Trustee Harrison briefly discussed the change in election rules and the effect on the election.

Trustee Tomasino reported that she attended a recent engineering fair and was very impressed with the caliber of students she met. One group, Engineers Without Borders, is trying to develop a well in a community in Peru. She felt that any support that the board could give to students trying to make a global difference would be good. She also met a USF engineering alumnus who currently leads a magnet school in Pinellas specifying in math and engineering curriculum. She learned that USF engineering helped establish this school, and was proud of
the university’s faculty and staff that are doing this kind of work. Another group established ways to help each other make it through the engineering program.

Trustee Ramil commented that with the resources the university has with its colleges of public health, engineering and medicine, USF has the unique opportunity to address environmental and technological issues.

Trustee Arnold briefly discussed the issues of financial aid and provided some figures on the amount of aid being administered by USF. Trustee Arnold invited Dr. Leellen Brigman to provide additional details. Dr. Brigman discussed need aid versus merit aid and the various sources of funding. These include federal, state, and institutional funding. The combination of programs is complicated and immense. She noted three “big picture” issues that the board should be aware of: 1) cost of college; 2) access; and 3) institutional scholarship efforts. Chair Law thanked Trustee Arnold for bring the issue to the board’s attention.

**Achievabulls**
Chair Law reported that USF’s Anthropology Department was ranked second in the nation for public engagement. She also talked about the living-learning program that has been put in place at the College of Business. She mentioned an article about an award for Alzheimer’s research, and an article about the annual Stampede of Service.

**Adjournment**
Having no further business, Chair Law adjourned the University of South Florida Board of Trustees Meeting at 12:10 p.m.

Rhea F. Law, Chair

Judy Genshaft, Corporate Secretary