Board of Trustees Meeting
May 31, 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 9:40 a.m.

Chair Law welcomed Barclay Harless as the newest trustee, and recognized Frank Harrison for his work for the university. She noted that he was the first USF student trustee that also served on the Board of Governors. Chair Law presented him with a plaque and thanked him for his service. Mr. Harrison thanked the Board and said that it was a great experience for him. Chair Law noted that Frank was one of over 3,000 graduates that participated in the spring commencement ceremonies.

Chair Law said that the Board would be addressing the strategic plan during the meeting, and noted all of the work done across the university to prepare the plan. Chair Law thanked Trustee John Ramil for his leadership and sponsorship of the Florida Energy Security Summit held at USF. Chair Law announced that Dr. John Wiencek will be the new Dean of Engineering starting July 1. He is currently the chair of chemical and biochemical engineering at the University of Iowa, which is an AAU university.

Chair Law stated that the President will address the illegal downloading problem on campus and also give a legislative update later in the meeting. The Society of Automotive Engineers will make a presentation.

President Genshaft called roll. In attendance was:

Lee Arnold
Michael Barber
Dick Beard
Margarita Cancio
Sonja Garcia
Barclay Harless
Rhea Law
Kiran Patel
John Ramil
Jan Smith
Bob Soran
Sherrill Tomasino

Chair Law presented a copy of a recent publication, a corporate guide, developed by the Tampa Bay Partnership. The economic development publication includes much information about the University of South Florida and is a very important tool for businesses looking to come to our community. Chair Law also shared a copy of Tampa Bay Illustrated which features the wedding of Trustee Beard’s daughter.
FL 101 – Approval of Minutes – March 1, 2007 Meeting  
FL 102 – Approval of Minutes – May 3, 2007 Conference Call  
Chair Law asked for a motion to approve the minutes from both meetings. The motion was seconded and approved.

FL 103-120 (Consent Agenda)  
Chair Law stated that vetoes in the state budget had an impact on plans going forward, one specifically relating to the USF Lakeland campus. However, the university will be working with the Board of Governors to modify the three-year plan. They are not proposing any changes to FL 118, but be approved as is with the understanding that it will be revisited during a June conference call.

Chair Law asked Trustee Arnold if he had any comments about ACE Workgroup items. Trustee Arnold offered to answer any questions about any of the items.

President Genshaft commented that they would be consulting with a variety of individuals regarding the direction to move in terms of the USF Lakeland budget issues. The university has been in discussion with the Board of Governors and others, and they agreed that it would be acceptable for us to turn in our numbers in June following a conference call.

Trustee Arnold pointed out that tenured faculty were featured on a rotating slide show prior to the start of the meeting. Their work is also displayed around the room, and he encouraged the trustees and others to peruse and see the quality of work coming out of tenured faculty at USF.

Chair Law asked Trustee Ramil if he had any comments about Health Sciences and Research Workgroup items. Trustee Ramil offered to answer any questions about any of the items.

Chair Law stated that the Finance and Audit Workgroup reviewed all items and recommend approval.

Chair Law asked UFF representative Dr. Sherman Dorn if he had any comments. He recapped the terms of the faculty contract. Dr. Dorn explained how tenure recommendations flow up from the tenure promotion committee level and then through several other levels of review prior to reaching the Board of Trustees for approval. In terms of the strategic plan and the system governance agenda items, he stated that, in essence, there are two universities at USF: a national research university and a historical regional university. Often these two coincide. There are whole departments that are engaged in national research activity. There are others that have differentiated missions that are more in line with a historical regional university. Different audiences may view the university differently. He explained the tension that this causes by using an example of the various terms and conditions of work for faculty. Faculty members are recruited with a specific notion of what USF is. Dr. Dorn stated that he and his colleagues were recruited to a national research university with ambitions of doing research and working with students at both undergraduate and graduate levels, going up to doctoral levels. His concern is that a faculty member that may have been recruited to a national research university may, after a couple of years, be asked to participate in activities that are much closer to a regional state university campus which may affect retention, especially on regional campuses. Dr. Dorn stated that he did not have a solution at hand, but wanted to bring it to the Board’s attention in light of the discussion on system governance.
Chair Law thanked Dr. Dorn for his comments and agreed that faculty retention is a very important component of the university system. President Genshaft commented that there is an opposite side of the two different missions, that a faculty member may be recruited to a department with bachelor’s level teaching only, but may move into a master’s and doctoral status of research. President Genshaft thanked Dr. Dorn for his thoughtful comments.

Seeing that no item was pulled from the consent agenda, Chair Law asked for a motion to approve items FL 103-120. Trustee Beard wanted to know what gap may exist in the budget included under FL 120 because of the lack of tuition increase. Dr. Carlucci stated that the operating budget is a continuation budget. There was no growth in the operating budget, so it was recorded as unrealized gain. Seeing no other questions, Chair Law asked for a motion. The motion was seconded and approved.

**FL 121 – USF System Governance**

President Genshaft said that one of the goals for this year was to work through the governance principles for the USF system. Last year it was announced that the USF St. Petersburg campus was accredited by SACS. It became clear that we needed governance principles that worked collaboratively with the strategic plan. After 25+ drafts, agreement has been reached on the principles. President Genshaft provided further detail. There is one office for the entire USF system for the areas of Diversity and Equal Opportunity, Governmental Relations, General Counsel, Audit and Compliance, Research, Purchasing and others. These are key areas where a centralized effort benefits the university as a whole. Student access and transferability also is addressed, so that students may move seamlessly throughout the USF system. President Genshaft said that the document looks at areas that are best served by one united system. On the other hand, it looks at the differentiated missions for various sites, whether it be USF Health, regional campuses or different institutes. Operationally, the university has set up councils. The councils come together at each of the different sites to discuss items before they come before the Board. President Genshaft said this is a dynamic document, but the university is ready to enact these principles with the approval of the Board.

Chair Law stated that the document is extraordinarily important because it has been widely vetted through all of the departments and there is agreement. There is also now a focus to be able to come together and use these as the building blocks as we go forward and implement our strategic plan.

President Genshaft made a comment that USF is different than other universities in the state in the way that their regional campuses function. Other universities have branch campuses, while USF has regional campuses that allow a student to start and complete their degree without having to take classes on the main campus. This allows USF to serve students in outlying areas using a different model that provides them a full degree at the campus nearest them. The only degree that is unavailable at the regional campuses is a doctoral degree.

Trustee Beard asked about the principles, whether they were the bullets on the front page. Trustee Arnold clarified that the Board is approving the governance document in its totality; the principles and policies are contained within the document. He also recommended that this document be reviewed annually and be reported out to the then-seated trustees to determine what is working and not working. The governance document is tied closely to the strategic plan, and should be reflected in the compact plans that will be built within each of the individual units.
Trustee Arnold motioned to approve the governance policies and principles under FL 121 with the requirement that it be formally reviewed and reported out annually. The motion was seconded and approved.

**FL 122 – USF Strategic Plan, 2007 – 2012**

Dr. Ralph Wilcox made a presentation on the development of the strategic plan, highlighting distinctive themes and performance measures and focusing on AAU eligibility. Dr. Wilcox offered to answer any questions. Trustee Beard asked for an example regarding the performance metric matrix. Dr. Wilcox explained a line item for federal R&D expenditures, which consists of competitive research grants brought in by faculty. Using a linear model for projected federal R&D expenditures for AAU institutions over the next five years, the university sitting in the middle of the 62 universities in AAU will bring in approximately $404 million in federal research expenditures in the year 2012. Given our current position and relative youth, that may be a stretch for USF. Looking at the 25th percentile in the AAU, the number would be closer to $205 million. That is within reach for USF. They anticipate that USF will be reporting about $155 million in federal research funding this year, which would require an incremental increase of $50-60 million over the next five years. USF will make some gains given the current faculty cohort. However, the reality is that in order to make the level of gains necessary additional faculty will need to be hired. In order to hire 200 new research faculty over the next five years, it will cost $24 million in recurring funds. Dr. Wilcox explained that the Governor’s promised veto of the differential tuition bill was so devastating for USF because the increase in tuition over five years would have brought in about $24 million to invest in additional faculty and academic advisors. It will be a uphill battle, but the university will need to find the resources to invest $4.5-5 million annually to grow the faculty base and retain the current faculty.

Non-recurring investments relates to office space, instructional space and research lab space that will be necessary with the hiring of new faculty. The current gap between the research space at UF and FSU compared to USF is $660 million in capital investment. USF is last in terms of space needs met. The likelihood of filling that gap with state funds is slim, and it will mean that USF will need to look to alternate sources of funds to construct the labs and classrooms needed to reach the point that we aspire to be at in five years.

Dr. Wilcox then described the compact planning process. Once the Board approves the five year strategic plan, the next step is for member units of USF to develop their own mini-plans. Compact plans are a model that have been used successfully in public higher education institutions across the US.

Trustee Smith asked what the small numbers were in parentheses in the pink columns of the matrix. Dr. Wilcox explained that there are a set of notes that go along with the matrix that go into deep detail to explain the logic behind the numbers.

Trustee Arnold stated that the next step is to have the accountability section of the plan go up on the website as it is now.

President Genshaft thanked Dr. Wilcox and his team in the Provost’s office on their work to provide this information to the board. Dr. Wilcox thanked the faculty for their engagement in setting goals for the next five years.
Trustee Arnold also thanked Dr. Wilcox for his work on the strategic plan. He said it will be important to see how the governance interacts with this plan, and to see how the plan is working annually.

Trustee Beard asked Dr. Wilcox to provide the total projected investment needs. Dr. Wilcox said that the total is a little over $1.2 billion over the next five years. Trustee Arnold asked how many students USF would have at the end of the five years. Dr. Wilcox said that student growth was not necessarily a high priority because the focus is on quality and student success. The number of projected students would reach just under 50,000. The university would like a higher growth of FTEs because they would like students to attend more full-time. Trustee Beard asked about the recurring funds in relation to one-time investments; $46 million would have to come from the state and $280 million from the Foundation. A significant amount of funding would need to come from campaign efforts. Chair Law noted that the Board of Trustees would have to work significantly with the Foundation in order to reach these aggressive goals. Trustee Ramil asked if there were any common themes or questions received during the town hall meetings. President Genshaft responded by saying that most of the town hall meetings were very supportive of the concepts. Many people asked about how we are going to get the resources to make this happen. There were some questions on the regional campuses about how they fit in so that they are part of the whole system. President Genshaft acknowledged that not every department or college will meet every goal in the strategic plan. Some areas will have a stronger affinity for one goal; others will focus on other goals that make the most sense for their area.

One item that was a substantial issue was the goal to reach American Research Library (ARL) status, which would require all libraries in the system to report to one central librarian. It was debated by the USF St. Petersburg campus, and an agreement was reached that the USF St. Petersburg campus would have its own autonomy within the USF system for the library. The USF St. Petersburg administration is very clear that they will not be a part of the AAU goal, and this is reflected in the governing principles document. Trustee Arnold stated that he believes that the USF St. Petersburg campus should review this item carefully to ensure that it is in the best interest of the university. He stated that there are many below-the-line operational questions that the Board of Trustees should not get involved in that the governance principles will force conversations on at the council level. Trustee Arnold noted that there are still many questions regarding the operations of a regional campus in a Research I university system, and those will continue to be talking points going forward. President Genshaft said that there is collaboration between all of the libraries, and that they will continue to work together. Trustee Soran asked if not having the USF St. Petersburg library within the USF library system would negatively affect USF’s opportunity to reach AAU status or will it impact costs in any way. President Genshaft said that she spoke to a consultant who said that there are many other institutions that have AAU status on their main research campus, but not necessarily on their regional campuses. She cited Ohio State, Pittsburgh and Penn Sate as examples of this. In terms of the ARL status, the regional campuses are having ongoing discussions with the ARL to determine whether or not they should be reporting in to one central area. Trustee Ramil commented that in any organization that has multiple operating areas, this is a common struggle. He gave IT as an example of the advantages of centralization and de-centralization. President Genshaft stated that USF is as close to an equilibrium point as it will get right now, and that the issues will need to be reevaluated in a year. Trustee Arnold agreed.
Chair Law thanked everyone who helped with the strategic plan. Chair Law asked for a motion to approve FL 122. The motion was seconded and approved.

**FL 123 – USF Enrollment Growth Plan**
Dr. Wilcox said that each year following the conclusion of the legislative session there are two items brought before the Board before the next fiscal year. One is enrollment and the other is tuition. Tuition will not be brought before the Board today. The Chancellor’s office asked that enrollment growth recommendations be made annually by level by campus for each of the next eight years. It is important for four reasons: 1) to ensure ample opportunity to meet state access goals; 2) to ensure alignment with the strategic plan; 3) in theory, it provides an incremental increase in revenues (however, no enrollment growth plan has been fully funded in the last five years, and thus the projections are considerably moderated); 4) the state uses the projections to make recommendations for capital improvements. Dr. Wilcox stated that USF expected to climb to 33,000 FTE over the next eight years. This is up from 28,000 in the current year.

Dr. Wilcox went through the enrollment growth plans for each separately-funded unit. For USF Health, there is an expected growth of 660 FTEs over a five year period. This represents a managed reduction, deliberately slowing enrollment because in the last five years they have realized a 123% growth which has created challenges with space. Significant growth will take place at the doctoral level, as is consistent with an AAU university.

USF Lakeland presently is projecting a 116 FTE growth over the next five years. Although it is slower than their growth over the past five years, there is still significant growth at the undergraduate and graduate level. The first freshman class is anticipated to enroll in fall 2011. Dr. Wilcox noted that there may be modifications made to these projections. President Genshaft added that the USF Lakeland plan will be amended.

USF St. Petersburg is projecting an 850 FTE growth in order to accommodate the increased access needs, particularly at the undergraduate and the professional master’s level. This reflects a significant amount of growth over the past five years.

USF Sarasota-Manatee is projecting a 306 FTE growth. This is slowing down a little bit from the prior five-year growth, but is a plan that acknowledges the role of regional campuses in accommodating the access needs across the state.

USF Tampa will experience a considerable management of growth; 1979 FTE growth projected. This reflects an effort to shape rather than grow the enrollment. They anticipate very few new heads, but want to derive some growth out of the same number of students enrolling here. The USF Tampa campus is enrolling a more selective student body to ensure that those students succeed on a higher level; it will be important to enroll students that demonstrate the aptitude to graduate in four years as challenges continue to find space. There is a move afoot in the State of Florida to fund performance, as defined by students graduating in four to five years as freshman or two to three years as transfer students. As with USF Health, there will be considerably more growth at the graduate level. However, space is still a challenge with only 43% of space needs currently being met.

President Genshaft asked if the USF Lakeland campus amendments should be made in June. Dr. Wilcox recommended that the Board grant authority to the President to modify the USF Lakeland enrollment numbers. Chair Law asked for a motion to approve FL 123 with the
authority granted to the President to amend the USF Lakeland figures. The motion was seconded and approved.

Discussion Items

Chair Law asked President Genshaft to speak to two issues: the legislative wrap-up and the illegal downloading on campus. President Genshaft first provided a legislative update. The good news is that the legislature funded and the governor approved the interdisciplinary science teaching and research facility for $35 million, Phase II of the long overdue visual and performing arts complex at $14 million, and the USF St. Petersburg science and technology general academic facility at $9 million. All the infrastructure requests for all campuses were funded, which is key to keeping up with what we have. This year the Governor allowed the state university system to have the highest capital projects budget that the state has ever had. There was much disappointment that Phase I of the USF Lakeland campus phase was vetoed. It was a $10 million project that went through the Board of Governors process and through the legislative process. More information is needed in order to move forward.

The 2007-08 budget places $100 million on the table for competitively solicited research and academic application dollars. These are Centers of Excellence dollars. Last year there was $30 million; this year there is $100 million. Last year USF’s Center of Excellence was ranked at the top statewide as the single largest beneficiary of these funds. The criteria have not been established yet. Full funding was received for the SUS state matching grants program. Unfortunately, the list of vetoed items included the proposed 5% tuition increase for all state universities and community colleges. The legislature recognized UF, USF and FSU as the three research universities that were eligible for tuition differentiation. It passed the legislature, but the governor stated his intention to veto. The bill would have allowed the top three universities to charge tuition at higher levels than the other eight public state universities. The intention was to put the funds toward undergraduate education, faculty and advisors. Students in financial need or on pre-paid would have been exempt. There is a one-time bonus that will take the place of pay raises for USF’s hard-working faculty and staff. During a time of fiscal uncertainty, the legislature was reluctant to commit recurring dollars that may be unavailable next year. Combined with the 5% tuition increase that was cut, this leaves all state universities in a difficult situation. President Genshaft and Chair Law thanked everyone who helped with the legislative process this year.

President Genshaft provided four strategies that address the copyright infringement issue regarding USF students using university computing networks to illegally share files. She stressed that this is a national issue, and the university is not involved in any wrongdoing. The first of the four strategies is to develop programs and orientation materials to educate students about their moral and legal responsibilities to respect the rights of copyright owners, and to make clear what practices are and are not acceptable on the university’s computing networks. This has already been put into practice with ads, websites, emails, videos, etc. The second strategy refers to penalties and sanctions imposed on students who violate these laws and policies. USF has acceptable use policies that make it clear that illegal file sharing is forbidden and will result in loss of access and possible additional disciplinary action. The first two strategies are already in place and have been in use. The third strategy is to adopt filters and other technologies to detect and block illegal activity. This has not been done up to this point, but steps will be taken immediately to implement the last two strategies. The fourth strategy is to adopt legal content delivery services to provide a legal alternative to stealing. The issue is
complicated because if all materials are blocked, then that includes legal instances of file sharing with students and faculty. USF will install technology to block peer-to-peer file sharing. The technology will be monitored so that only illegal activity is blocked and that legitimate use may still occur among faculty and students. Students will have access to free file sharing software that will allow them to download music to their computers and mp3 players, and there will be a website with links to other legal file sharing sites. Students will also be encouraged to make use of the USF iTunes website for music downloading. All of this will be completed by fall semester. USF has been singled out as a problematic university in this area, and we will be taking action on it. President Genshaft said that they are looking at the way other universities are dealing with this. Chair Law noted that USF has been doing something to address the issue, but up until this point have chosen not to block so as not to impede other appropriate activities taking place. However, the problem now requires harsher action and so the blocking software will be implemented with the understanding that hardships will arise.

Chair Law invited the representatives from the USF Chapter of the Society of Automotive Engineers to make a presentation. The members provided an overview of the chapter’s activities, including the construction and competitive racing of cars. Chair Law thanked the club members for their presentation and for the notoriety that they bring to the university. President Genshaft complimented all of the members on their dedication.

Adjournment
Having no further business, Chair Law adjourned the University of South Florida Board of Trustees Meeting at 11:45 a.m.