I. Call to Order

Chair Mullis convened the meeting of the USF Board of Trustees Strategic Initiatives Committee at 8:32 a.m. welcoming everyone.

President Judy Genshaft called roll with the following Trustees present:

Trustee Hal Mullis (Chair of Committee)
Trustee Scott Hopes
Trustee Mike Carrere
Trustee Stephanie Goforth
Trustee Jim Stikeleather
Trustee Jordan Zimmerman (joined meeting via teleconference after convening)

It was noted by President Genshaft that Trustee Zimmerman was not present upon convening, but would join by teleconference which he subsequently did.

II. Public Comments Subject to USF Procedure

Chair Mullis acknowledged no request for public comment had been submitted via Board Operating Procedures.

III. New Business – Information Items

a. Downtown MCOM/HHI Building Update

For the first information item, Chair Mullis asked Dr. Edmund Funai, Senior Vice President, USF and Chief Operating Officer for USF Health to present information about status of the downtown project. Dr. Funai proceeded by sharing a PowerPoint presentation given to the Board of Governors by Dean Lockwood during their meeting at USF on October 18, 2016. We are well on our way on the design, which will be 319,000 square feet, with 277,000 square feet of useable space which does not count the common areas such as stairwells, mechanical rooms, etc. Two designs are currently underway and will be shared with the Committee when they have been finalized, possibly by the end of November. It is planned to present an option that the building be engineered to support 13 floors, however, the current plan is only for 11. The project is on schedule, on scope and on budget. This facility and its proximity to our primary teaching hospital, Tampa General and CAMLS being only a seven minute walk, will help to attract high-caliber faculty and students. Our incoming MCOM student class has average MCAT scores of 34.1, which are the highest among the Florida state universities. Dr. Funai extended thanks to John Long and Calvin Williams who have kept this project on track. The current...
schedule is to begin construction in August 2017 and, in Fall 2019 open the building. There is a large amount of community engagement as we move forward. Our inaugural Director of the Heart Health Institute, scheduled to arrive at USF December 19, 2016, is Dr. Sam Wickline, an internationally eminent cardio-vascular researcher from Washington University in St. Louis, Missouri. It was noted by Dr. Funai that our original stated goal was to recruit 31 NIH principal investigators for the building and we currently have 10.

Chair Mullis asked for identification of the buildings in the slideshow and also queried existing and plans for private sector support for the project. Calvin Williams responded that we do have the dollars to begin construction of the design, however, anticipate needed private sector support to ensure complete and useable facility; President Genshaft noting that $33.3M is still needed via legislative appropriation and this is USF’s Number 1 priority for capital funding.

Trustee Garey remarked that the issue of labs on higher floors and using combustible reagents in the ISA Building had previously arisen and asked if this topic has been discussed for the MCOM/HHI building? Dr. Funai assured it has been raised and is being addressed with HOK and the City of Tampa who all must agree on placement.

Trustee Mullis offered the Committee’s congratulations to Dean Lockwood and his team on the recent Liaison Committee on Medical Education (LCME) accreditation letter that was shared with the Board of Trustees. Dr. Funai pointed out that there we no citations issued and longest possible cycle time before they come back in in 2022-23. Dr. Funai credited a team for this achievement, giving particular thanks to Dean Lockwood, Dr. Brian Bognar, Vice Dean for Educational Affairs and Dr. Gretchen Koehler, USF Health Assistant Vice President and Senior Associate Dean, who “hit it out of the park.”

Trustee Mullis welcomed Board Chair Brian Lamb to the meeting.

**b. Legislative Strategy for the 2017 Florida Legislative Session**

Mr. Mark Walsh, USF System Assistant Vice President for Government Relations thanked the Committee for inviting him to address the group. In 2017, the Legislative session will begin in March and run through May and in 2018, the session will once again be held beginning in January. Representative Richard Corcoran will likely be installed as the House Speaker and Senator Joe Negron will likely be installed as the Senate President on November 22, 2016. Senator Negron’s pledge to spend funds on the state university system is one of his top two priorities “to make our good universities great” and he has pledged to dedicate $1B of the state’s new money for educational needs over his two years as Senate President.

Mr. Walsh recounted the long range financial outlook for Florida, a 3-year and 5-year estimate of state finances and critical needs. The latest state revenue estimates project a $1.35B increase in the State’s general revenue fund for FY 2017-18 over the current fiscal year; however, increases in funds needed for Medicaid, K-12, and employee health plans will draw from these funds. There are among 18 funding items in the State budget which are of a permanent nature; thus, even a “surplus” can be quickly committed.
The Legislature also seeks detailed reports from each SUS member, including USF, about previously appropriated expenses. PECO (Public Educational Capital Outlay Trust Fund), which pays for construction of all (including K-12, state colleges and SUS) public education facilities represents one of the two major state funding sources received by USF, along with Education & General (E&G) operating dollars for the university. The current outlook for PECO funding in August increased slightly - up 6% or $20M. Within the total PECO budget for all education (about $373M) traditionally the SUS has received about 1/3 of the total each year, which under this projection would amount to about $125M in cash for SUS maintenance and construction funding for FY 2017-18. Since PECO funds are constitutionally allowed to be bonded funds, the state could choose to issue PECO bonds in FY 2017-18, which could result in up to about $2.9B in K-20 construction funds using current trust fund revenue projections. While it’s unlikely the state would tap all $2.9B of its available PECO bonding capacity in any one year, there is precedent for this choice of utilizing some PECO bonded revenues based on the current fiscal year’s experience and in some amount each fiscal year from at least FY 1992-93 through FY 2010-11.

Mr. Walsh next covered the Florida Board of Governors (BOG) Legislative Budget Request process whereby two lists - Capital and Operational – are submitted by the BOG to the Governor and Legislature that demonstrate the SUS’s critical and other high priority funding needs. Within the BOG’s Operational budget request is an additional $100M for Performance based funding. Mr. Walsh noted this is very positive news for the USF System as we are a leading institution on the BOG’s performance-based metrics each year and that is projected to be the case again next year. Additionally, the BOG is also requesting funds for critical needs this year including campus security (police officers/equipment) in the amount $14M for the SUS, of which USF would obtain $2M; mental health initiatives (which, among other items, would support the hiring of counselors) in the amount of $14M for the SUS and of which USF may obtain $2.3M if approved. Of this amount, discrete funds are planned for the USFSP and USFSM campuses.

The priority needs list from the BOG also contains requests for research in the amount of $135M, expansion of Graduate Medical Education residency programs statewide in the amount of $80M; and increases for the hiring/retention of nursing faculty SUS-wide in the amount of $15M and a request for the Florida Institute of Oceanography in the amount of $1.8M.

All Capital needs were presented and heard by each SUS member at the October 18th meeting of the BOG Facilities Committee. For USF, the BOG retains interest in and seeks information about the downtown initiative (Morsani College of Medicine/HHI project), the Cyber and Data Security Centers, the Interdisciplinary Sciences Building completion ($9M to complete the top floor), and a CITF project for a new student health services complex. Votes on these items relative to the BOG LBR will be taken at their January 21 meeting.

Chair Mullis inquired if the proposal by the BOG for general Research funding was based on specific proposals or represented an aggregate figure. Mark explained is was anticipated that those funds, if forthcoming, would be used to invest in SUS infrastructure, equipment and strategic cluster hires as both Senator Negron and BOG Chair Kuntz are both very committed to those issues.

Trustee Garey noted USF needs to reinvest in STEM programs as it is imperative to strengthen our existing units; Mark noted that USF is one of the state’s leaders with research dollars, yet has
significantly lower faculty levels than the #1 ranked university, thereby making USF the state’s leader in research dollars per faculty member. Therefore growing the number of faculty researchers hired by USF would be a good strategy to increase total research funding for the institution.

Chair Mullis commended the BOG on their “A” list for tackling safety and mental health within the campus community.

The Committee discussed that other legislative issues may become priorities in the future; e.g., emerging preeminence, and that although the BOG did not specifically request new preeminence program funding in its LBR, they have been very supportive of it in the past while the Legislature and Governor invested approximately $80M into the program over the last 3-4 years.

It was also noted that STEM funding present opportunities and challenges for USFSP and USFSM, especially with respect to the hire of additional facility. For instance, USFSM has projected additional STEM faculty funding needs to be $2.5M, as has USFSP which is focused on offering new programs online. In addition, USFSP and USFSM both need additional space for STEM offerings and each campus has a capital request for such new space on the BOT’s annual fixed capital outlay request list approved in June.

Chair Mullis asked about the process of the BOT seeking priority requests of the BOG in its LBR. While the protocols surrounding submittal of such requests are not yet established, it is understood that the BOG appreciates USF (and all other SUS members) seeking their advice and coordination of such requests via the BOG to allow correspondingly coordinated legislative requests.

III. New Business – Action Items

a. Approval of August 25, 2016 Meeting Minutes

Chair Mullis mentioned that he inadvertently skipped over the approval of the August 25, 2016 Meeting Minutes that were submitted to all and posted on the website. Motion to Approve made by Trustee Goforth, Seconded by Trustee Carrere. Vote was taken and the Meeting Minutes were unanimously approved as submitted and posted.

IV. New Business – Information Items (continued)

c. Report on the Trustee’s tour of Tampa General Hospital

Chair Mullis reported on the tour, which was arranged for the Trustee Committee members to see the facility and meet with the senior leadership of TGH. Three hours were spent in total, two hours viewing the facility and one hour meeting with the TGH senior management team. After the tour, Mr. Mullis had received a call from Jim Burkhart, CEO of Tampa General, thanking the USF Board of Trustees for its interest and time. Trustee Goforth found the tour to be informative and witnessed the positive energy between USF and TGH leadership. Dr. Funai reported that Dr. Lockwood’s aspirations of the medical school being in the top quartile is inextricably linked to TGH’s success. USF and Florida Orthopedic Institute admissions equate to 70% of hospital admissions into TGH; 90% of USF’s inpatient activity is performed at TGH.
Trustee Carrere asked about whether there was a specific contract/timeline agreed to regarding the previously discussed JOA and other efforts to generally improve the relationship going forward. Dr. Funai relayed there were active discussions to continue working on the Joint Operating Agreement draft, that generally TGH and USF agree at a high-level as to strategic direction, but need to memorialize the agreement so that Chairs would have defined support and accountability to both entities, an economic interest in the successful bottom line of both, including of utmost importance, enhanced joint quality and safety programs. TGH has retained an outside consulting firm called ECG regarding this relationship, including analysis of the basis for this JOA, which USF Health hopes to have finalized by the end of this calendar year. The goal of such an agreement is to align guiding principles of quality and interest at a high level, and have future agreements fall under that one.

Trustee Hopes requested a list/index of all active agreements between TGH and USF/USFPG so as we move toward the JOA, we will have a history of the transactional nature of the relationship to this point. Dean Lockwood and his team were thanked for making significant progress in the USFH/TGH relationship. Trustee Hopes relayed that he was relieved to hear Mr. Burkhart state that TGH does not want to be in the physician business, moving toward a model that can be truly ongoing and consistent between USF and TGH, by recognizing what each organization can contribute. When asked, Dr. Funai relayed that USF Health has an affiliation agreement with TGH that is “evergreen” or a rolling term basis contract, but it also has approximately 200 individual contracts regarding clinical practice matters and that, at the Board’s request, the indexed list will be provided.

Trustee Stikeleather noted that in the future, we, as a University, have a tremendous opportunity to enter into agreements with affiliates taking into account healthcare related ecosystems, including the social aspects of moving forward together in modernizing the way healthcare is provided. He also stated there were opportunities for USF Health to partner with other University colleges, e.g., Business, in this regard.

d.  **Trustee Roundtable Discussion on the NC State Visit**

Vice Chair Hopes began the discussion of the trip to North Carolina State by thanking Trustee Zimmerman for providing transportation and Trustee Stikeleather for coordinating the trip. Some of the attendees for the trip included Dr. Ed Funai, USF System Senior Vice President for Strategic Development, Dr. Paul Sanberg of Office of Research & Innovation, John Long, USF COO, President Genshaft. North Carolina State (NC State) is a land grant university that has created a large portion of its campus using P3 funding, such as the Hunt Library which is both an innovation center and work of art. Via its model, NC State has reenergized the textile industry in North Carolina and is a model of how a state university can partner with industry, research and the community to bring innovative initiatives to market. The purpose of the trip was to showcase the technology shift in education with an intermix of community business and academics at the Centennial Campus, where the same buildings and equipment are used to live, work and be educated. They have proceeded with this model via restructured IP agreements, acquisition of real estate, shared services, and degree offerings evolving to meet market needs. Trustee Hopes related his aspiration to take some of these ideas and integrate them into USF and conform them to what we do best in the fields of business, medical, and engineering for example.
Chair Mullis queried as to whether the NC state system had governance similar to that of USF and Trustee Hopes relayed that NC State had been instrumental in getting statutory changes to enable some of its model.

Trustee Zimmerman offered that he was extremely impressed with everything he saw, noting that for every dollar they were investing, they were getting $6 to pay off long term debt. The Strategic Initiative ad-hoc committee on marketing/branding as headed by him will do some preliminary work to create an online survey to distribute to see how we can/should move forward with a similar model. Chair Mullis stated the Board’s support about the ad-hoc committee charge and offered whatever Committee support may be needed.

Trustee Stikeleather observed that significant benefits of the NC State model resulted in a slowing of North Carolina’s “brain drain” of students because it offered services enabling student to live, learn and work in the same location, including internship opportunities. He noted that the NC State model made optimum use of Information Technology, public-private partnerships and joint use facilities.

Trustee Lamb thanked the NC State tour attendees, adding this was not anticipated to be a one-time event; but rather, the Board need to maintain momentum and operating rhythm to move forward.

President Genshaft contributed that 14 people had attended this tour and that administration was working on action items to be brought back for Committee strategic guidance. She stated that Washington University had also been visited and additional trips were planned.

Trustee Zimmerman extended congratulation to Brian Lamb, USF BOT Chair for his wonderful promotion at Fifth Third Bank, a promotion that will, unfortunately, require a move to Cincinnati, but during which Chair Lamb has committed to remaining as BOT Chair.

Trustee Lamb affirmed his pride in being able to represent the University of South Florida, reiterating that Tampa Bay was his home where family and friends are; but that this latest career move would necessitate relocation to Cincinnati. He had advised the Governor that he would be stepping down from all other boards except for that of the USF BOT, because of his commitment to students, faculty and staff by “staying the course.” He added that the trajectory of USF is amazing and finally, “Go Bulls!”

Chair Mullis, on behalf of the Committee, expressed relief and gratitude that Chair Lamb’s leadership would continue for the BOT.

IV. e. Consulate Update

Before moving forward with the Consulate presentation, Chair Mullis extended his congratulations to Senior Vice President Paul Sanberg and his team for a record year of technology transfer, recognizing that all on the BOT had received the recent report.

Prior to the beginning of the Consulate presentation, Trustee Hopes left the meeting room.

Dr. Funai presented slides regarding the process of USF/Consulate discussions. Consulate is the nation’s 6th largest provider of post-acute health care, with over 70 facilities in Florida. After a 15-
year hiatus, Florida (via the Agency for Healthcare Administration) had begun issuing certificates of need for post-acute care beds. Due to the benefits outlined in the slideshow, USFH had previously supplied information for that application and several potential sites had been discussed with Consulate; including two at USF (one close to the Morsani Ambulatory Surgery Center and one in the USF Research Park. However, due to the upcoming automatic expiration of the Certificate of Need, the State CON process would need to be readdressed by Consulate prior to further analysis of all State, BOG and BOT requirements for proceeding with a facility on any USF site, including the Research Park location.

President Genshaft noted that she believed Consulate was reviewing all its options, including that of a privately held property.

Trustee Stikeleather offered that a location near the Morsani ACS could be of great importance by CMS, etc. to keep costs low and Dr. Funai noted that, should those discussions proceed, USF Health would need to assess payer support for possible volume of ambulance transfers/traffic, etc.

Chair Mullis briefly asked about status of this project on the PECO list and response was that no state funds were currently requested therefor. As follow-up, he asked the Board’s Finance Committee to review this project if and when any University action is needed.

Trustee Hopes re-entered the meeting room, having not participated in the Consulate discussion.

For final remarks, President Genshaft favorably reported good progress on discussions regarding system wide collaborative health related professions between USFSP, USFSM and USF Tampa and hoped there would be a presentation regarding plans to the Board in the near future.

Trustee Lamb reminded all that there would be a SUS wide Trustee Summit on Wednesday, November 2, 2016 and that the schedule promised to be full and a productive meeting held. He looked forward to seeing all USF trustees there.

V. Adjournment

With no further business, Chair Mullis adjourned the meeting at 10:51 a.m.

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Prepared by: Cheryl Lesko and Roberta Burford