

University of South Florida
Board of Trustees Regular Meeting
September 10, 2019
Unofficial Minutes

Chair Jordan Zimmerman convened the regular meeting of the USF Board of Trustees at 9:33 AM and thanked everyone for being in attendance.

Chair Zimmerman remarked on the latest of USF's rankings in US News & World Report. He congratulated and gave thanks to Provost Ralph Wilcox and the university's deans, faculty and staff who have contributed to increases in student success. He then asked Chief of Staff and Assistant Corporate Secretary Dr. Cindy Visot to call the roll.

Dr. Visot called the roll with the following trustees present:

Trustee Michael Carrere
Trustee Brittney Deas
Trustee Stephanie Goforth – not in attendance
Trustee Michael Griffin
Trustee Oscar Horton – not in attendance
Trustee Deanna Michael
Trustee Harold Mullis
Trustee Leslie Muma
Trustee John Ramil – arrived during the President's rankings update
Trustee Byron Shinn
Trustee Charles Tokarz
Trustee Nancy Watkins
Trustee Jordan Zimmerman

New Business

FL 101 – Approval of Minutes

June 6, 2019
August 16, 2019
August 19, 2019

Chair Zimmerman asked if there were any changes to the minutes that needed to be reviewed. Having none from the trustees, the Chair asked for a motion. Trustee Hal Mullis moved for approval with a second from Trustee Nancy Watkins and the minutes were approved unanimously.

President Currall Report

Chair Zimmerman called on President Steve Currall to provide an update on national rankings and consolidation.

Rankings Update

President Currall presented a PowerPoint which highlighted USF's latest ranking from US News & World Report—number 44 among public Universities, making USF America's fastest rising university. The President echoed Chair Zimmerman's comments and thanked Provost Wilcox and his leadership team, as well as all deans, faculty, staff and students for their hard work.

Consolidation Update

The President provided a PowerPoint updating the Board on the progress of consolidation with the following highlights:

- USF's competitive advantage
- Key milestones in the consolidation process
- Guiding principles for consolidation
- Preeminence and national ranking improvements
- Proposed organizational Charts
- Requirements of SACSCOC for accreditation and state law
- Next steps

Trustee Watkins commented on the Florida statues and their requirements. Trustee John Ramil commented on his visit with SACSCOC and their requirements.

President Currall made comments about being deeply committed and in compliance to both SACSCOC and state law and reminded the Board that USF's accreditation will not lapse.

Trustee Byron Shinn commented on the requirements of maintaining accreditation, the organizational charts, academic hires and academic excellence. Trustee Mike Griffin commented on the topic of collaborating with regional chancellors and how that relates to the organizational charts. Trustee Mullis had questions concerning the draft request for substantive changes that the Board will receive. Trustee Deanna Michaels commented on the support of new faculty hires.

Consent Agenda (FL 102 – FL 107)

Governance Committee Approved Items

FL 102 – Approval of BOT Operating Procedures

FL 103 – Approval of DSO Board Members for USF Institute of Applied Engineering

Academics and Campus Environment Committee Approved Items

FL 104 – Approval of Tenure as a Condition of Employment (USF Tampa)

FL 105 – Approval of Textbook Affordability Report

FL 106 – Approval of USF 2019 Florida Equity Report

FL 107 – Approval of Industrial Hemp Pilot Project

Vice Chair Les Muma reported on behalf of the Governance Committee and recommended approval of the items.

Trustee Charles Tokarz reported on behalf of the ACE Committee and recommended approval of the items.

Chair Zimmerman then asked United Faculty of Florida representative Dr. Arthur Shapiro if he had any remarks related to the agenda. Dr. Shapiro congratulated USF's students, faculty and administration on their accomplishment of increasing the national prominence of the university.

Chair Zimmerman confirmed there were no requests to remove items from the consent agenda and then asked for a motion to approve all presented consent items. Vice Chair Muma made a motion for approval with a second by Trustee Mullis. The motion was approved unanimously.

New Business – Action Items (FL 108 – FL 114)

FL 108 – Approval 2019-20 University E&G Carry forward Spending Plan and Authority for the Chairs Approval of FY 2020 Budget Certification Form

Chair Zimmerman called on Vice President and CFO Nick Trivunovich to present. Mr. Trivunovich presented a PowerPoint highlighting:

- Examples and general restrictions on use of carry forward funds
- Guidelines and reporting standards for carry forward enact this year
- Newly established forms
- USF System E&G carry forward balances
- USF System E&G carry forward plan summary proposed
- USF System E&G carry forward usage by category

Chair Zimmerman questioned the total funds available and the carry forward budget. The Chair also had questions pertaining to \$25.2 million for renovation, repairs and maintenance. Trustee Mullis had questions concerning the carry forward and E&G balances.

President Currall had questions about the annual reoccurring budget of \$650 million.

Trustee Watkins had questions concerning Faculty Research Startup Funds. Trustee Mike Carrere had questions concerning the \$240 million carry over and the \$50 million reserves. Trustee Shinn commented on the Fixed Capital Outlay Plan and the possibility of expansion for USF Sarasota-Manatee. Trustee Ramil commented on spending resources. Trustee Griffin had a question regarding student fees.

Chair Zimmerman asked for a motion to approve the item. Trustee Ramil moved for approval, with a second from Trustee Shinn. The motion was approved unanimously.

FL 109 – Fixed Capital Budget

Mr. Trivunovich presented the item and informed the Board that the procedures for capital outlay budgets remains in flux with the Board of Governors as it pertains to improvements and efficiencies, but he thanked the trustees for their patience as they work through the system. Mr. Trivunovich informed the Board that there were two different types of projects being presented for approval: ones that are currently in process in need of more funding and ones that have not yet begun. He also stated that the approval of the budget does not necessarily approve the project itself, the Board's normal expenditure approval process would be followed (over \$1 million approved by Chair Zimmerman, over \$2 million approved by the Finance Committee).

Chair Zimmerman had questions concerning the overrun on the downtown Morsani College of Medicine and Heart Institute building. Trustee Watkins had questions pertaining to the stream of revenue. Trustee Shinn had questions concerning a building that was in the developmental stage at USFSM and also had questions about housing at USFSM. Trustee Griffin had questions pertaining to parking and transportation Capital Outlay Projects. Trustee Shinn asked for an amendment as it relates to including the expended funding for the STEM building at USFSM.

Trustee Watkins commented on ratifying previously approved budget items.

Trustee Mike Carrere commented on the annual capital outlay budget, Morsani line items and approved budgets.

After the discussion between the trustees, Chair Zimmerman read the motion and asked for approval:

1. Approve fiscal year 2019-2020 Fixed Capital Outlay Budget
2. Delegate authorize the USF President to make nonmaterial changes to the budget with consultation with the Board Chair. Any material changes must be approved by the Full BOT. Nothing in this motion is exempt from the requirements of USF policy 0-1000, delegations of presidential authority (includes expenditure authority of the established powers and duties of the Board Chair.

This does not include ratification of unapproved Morsani overages.

3. Authorize the President, Board Chair and CFO to execute a certification form required by the State University System Board of Governors relating to the Fixed Capital Outlay Budget.

Trustee Mullis moved to approve with a second from Trustee Ramil and the motion was approved unanimously.

FL 110 – Approval of the Revised 2019 USF Accountability Plan

Chair Zimmerman called on Provost Ralph Wilcox to present the item. Provost Wilcox provided an overview of the 2019 USF Accountability Plan and reported that following the original presentation of accountability plans to the BOG in June 2019, a few revisions were required by the BOG, none of which were substantive in nature, nor are actual performance data being modified.

Provost Wilcox then presented a PowerPoint with the necessary revisions.

Trustee Shinn moved for approval with a second from Trustee Watkins and the motion was approved unanimously.

FL 111 – Approval of the Revised Legislative Budget (LBR) Request

Chair Zimmerman called on President Currall to present the item. President Currall provided an overview of the LBR and stated that he was recommending an update to the previous LBR approved by the Board on August 19, 2019. This is in response to the 2020-2021 LBR Development Policy Guidelines adopted by the BOG.

USF is requesting a recurring investment of new state dollars beginning in FY 2020-21 of \$50 million.

Trustee Watkins gave recognition to the BOG's vision and commented on the national recognition of all three Preeminent universities. Trustee Griffin made comments about the gap as it relates to Preeminent funding. Trustee Brittney Deas made comments concerning USF's national rankings.

Trustee Mullis moved for approval with a second from Trustee Ramil and the motion was approved unanimously.

FL 112 – Approval of USF Mission Statement and Goals

President Currall presented the item, an update to USF's mission statement and goals effective July 1, 2020 for one USF geographically distributed. The President stated that this change is needed in preparation for the submission of the substantive change prospectus to SACSCOC for consolidation.

The President announced that he will be structuring a process of strategic renewal for USF, which will happen over the next 12 to 18 months.

Trustee Griffin had questions concerning inclusion of alumni and friends as it relates to the goals. Trustee Deanna Michael had questions of the mission statement and goals extending past SACSCOC submission. Trustee Watkins had questions relating to the process of the mission statement and wanted to know who was involved and who had input in the decision-making; she also suggested having a Board conference call in the future to approve before November 1.

Chair Jordan Zimmerman made comments concerning mission statements, that they should be memorable and repeatable, short and simple. Trustee Carrere remarked that the Strategic Initiatives Committee should be involved in the process of developing a mission statement and had questions concerning professional students and their inclusion in the mission statement (i.e. the difference between graduate and professional students).

Trustee Watkins moved to refer the mission statement and goals agenda item to the Strategic Initiatives Committee. Trustee Les Muma seconded the motion. The motion was unanimously approved.

FL 113 – Approval of Naming Projects

Chair Zimmerman called on Senior Vice President for Advancement Joel Momberg to present the item.

Mr. Momberg provided background information on Nicholas Vojnovic, MBA '12 and his support to the USF System and Muma College of Business, including gifts and commitments of \$85,000 to support and promote the future success of USF students and the educational mission of the university. Mr. Momberg asked the Board to approve the naming of the lobby area outside the Dick Bowers Multipurpose Room in the Muma College of Business the "Nick Vojnovic MBA '12 Lobby" in recognition and appreciation of philanthropic support provided to this University.

Trustee Mullis made a motion to approve with a second by Trustee Watkins and the motion was approved unanimously.

FL 114 – Approval of MCOM Budget increase

Senior Vice President for Business and Financial Strategy David Lechner, Vice President and CFO Nick Trivunovich, Vice President for Administrative Services Calvin Williams and Senior Associate Vice President and CFO for USF Health Richard Sobieray presented the item.

The team presented slides showing highlights of the history of the Morsani College of Medicine, Taneja College of Pharmacy and Heart Institute Building in downtown Tampa, as well as current needs to increase the budget from the previously approved \$173 million to \$189 million. Various factors were presented to the Board that have impacted costs, including an inability to do a fixed price contract. The Board also received information on items that were not previously in budgets for the building itself but were included in the construction project overall.

A discussion occurred between members of the Board and Mrs. Lechner, Trivunovich, Williams and Sobieray. Trustee Watkins had questions concerning cost estimates and commented on the glare caused by the building's windows and the old USF logo currently on the building. Chair Zimmerman requested to see the change orders and made a suggestion to speak with the architect who designed the building concerning the glare. The Chair also made comments pertaining to fundraising in order to complete the project properly and for the Board members to receive a detailed write up of everything that is expected to be covered should the new \$189 million budget be approved.

Trustee Shinn commented on holding people accountable, as well raising the remaining money as it relates to the cost to complete the project. Trustee Carrere addressed cost-related issues and echoed other Board comments on the need for full transparency. Trustee Ramil requested an after-action review by the Board.

Chair Zimmerman made a motion to approve the cost increase of the Morsani College of Medicine, Taneja College of Pharmacy and Heart Institute Building up to \$189 million with the following conditions:

1. Management will provide a floor-by-floor breakdown to the Board of the contents of each floor within five business days of this meeting.
2. Management's representation of \$189 million will fund a fully functional Morsani College of Medicine and a research-ready and capable Heart Institute.
3. A detailed best practices and lessons learned review of the processes and decisions which have led to the shortfalls will be completed in a reasonable amount of time.
4. Management will regularly update the Board at each subsequent meeting on this project until a certificate of occupancy is issued.

The motion was seconded by Trustee Mullis and approved unanimously by the Board.

Chair Zimmerman made closing remarks and adjourned the meeting at 1:09 PM. Provost Wilcox's enrollment update was not presented.