

Board of Trustees Governance Committee
February 13, 2018
Draft Meeting Notes

Meeting called to order February 13, 2018 at 9:47AM.

Roll call by Corporate Secretary

Members present: Stephanie Goforth, Hal Mullis, Brian Lamb, John Ramil (by phone), Nancy Watkins, Jordan Zimmerman

Committee Chair Zimmerman welcomed the committee members and other trustees attending, and welcomed Trustee Goforth as the committee's new member. Board Chair Lamb and Committee Chair Zimmerman welcomed the three new trustees to the Board: Oscar Horton, Les Muma and Charlie Tokarz.

Committee Chair Zimmerman informed the committee there were no requests for public comment.

New Business – Action Items

FL 101 – Approval of 11/2/2017 and 1/19/2018 minutes

Committee Chair Zimmerman introduced the item and asked for a motion.

Motion made by Trustee Goforth and seconded by Board Chair Lamb; no discussion occurred and approved by all committee members present.

FL 102 – Approval of President's 2018–2019 Contract

Committee Chair Zimmerman introduced the item and explained how the process of approving the President's contract works for the new trustees. He noted that once the committee approves the contract it then moves to the Board of Trustees and then the Florida Board of Governors for final approval. He then reviewed the President's current salary: annual compensation of \$505,837 with a potential performance stipend of \$300,000. He then explained that the Governance Committee is responsible for awarding 70% of the performance stipend and the Board Chair is responsible for the remaining 30%. In addition the President receives deferred compensation of 20% of her base salary, totaling \$101,174 using non-state funds.

Committee Chair Zimmerman informed the committee that, similar to years past, the President is not requesting any increase in her compensation so he recommended the committee keep the same terms from the President's 2017–2018 contract for the 2018–2019 contract. A discussion took place regarding why the BOT does one-year contracts instead of five-year contracts: Chair Zimmerman explained that the Florida Board of Governors expect one-year contracts for presidents who have completed their first term and that the Board of Governors ratifies State University System presidents' contracts. BOT Chair Lamb commented that SUS institutions are permitted to offer multiyear contracts for new presidential appointments.

A discussion took place as to how President Genshaft's compensation compares to the other SUS institutions, especially the ones who have reached Preeminence. Trustee Watkins commented she wants to ensure a fair and competitive compensation package for both President Genshaft and whoever her successor may be. Committee Chair Zimmerman presented to the committee the salaries of the University of Florida and Florida State University presidents.

A motion was made by Committee Chair Zimmerman to recommend to the BOT that the current one-year employment agreement (July 1, 2017 to June 30, 2018) for President Genshaft be extended for one full year, creating an employment agreement which would cover the period of July 1, 2018 through June 30, 2019. Trustee Mullis seconded the motion and it was unanimously approved.

FL 103a – Approval of DSO Regulations

Committee Chair Zimmerman began by informing the new trustees on the background of the Direct Support Organization regulations: in August 2017 the committee heard the presented changes as an information item and are intended to allow for good governance on the part of the BOT. BOT Chair Lamb commented that both the committee and the full Board have had many conversations regarding DSOs and proper governance of them. Chair Zimmerman then introduced General Counsel Gerard Solis to take the committee through the proposed changes.

General Counsel Solis outlined the three changes to the DSO regulations. The first of which would require the BOT Chair to appoint a non-trustee representative to the board of directors and executive committee, as applicable, of each DSO as a way of keeping operations in the line of sight of the BOT. Second, each DSO would be required to adopt a number of policies, all of which are the norm for public organizations. Third, DSOs will be prohibited from giving to political action committees; General Counsel pointed out that no DSO has ever made such a donation. Lastly, DSOs would be prohibited from using state funds for DSO travel expenses, which again is not something USF DSOs have done in the past.

A motion was made by Committee Chair Zimmerman and seconded by Trustee Mullis with unanimous approval from the committee.

FL 103b – Approval of BOT Operating Procedures

Committee Chair Zimmerman turned the conversation to the BOT operating procedures and allowed General Counsel Solis to present the proposed changes. General Counsel began by explaining that the proposed changes are to keep the operating procedures in line with the changes to DSO regulations.

General Counsel Solis presented the first change which informs the BOT Chair of his/her responsibility to appoint at least one representative to the boards of each DSO. The second change permits trustees to serve on advisory committees subject to disclosure to the Board Chair, but trustees may not be on the board of a DSO. General Counsel explained that this policy is in place because the BOT serves in an oversight and governance function. General Counsel went on to explain that advisory committee memberships are still subject to the conflict of interest provisions of the Operating Procedures.

A discussion took place regarding whether or not trustees should be prohibited to sit on DSO boards. Committee Chair Zimmerman asked General Counsel Solis if other SUS institutions have trustees on DSO boards and General Counsel informed him that almost all do. Trustee Watkins expressed her concern that USF may be seen as an outlier and that having a trustee on a DSO board may be needed to fulfill the

BOT's role as an oversight entity. Trustee Ramil stated that it is good governance for r multi-entity corporations to have separate boards as it protects the entities from liability and that separation facilitates oversight.

A discussion took place about how a non-BOT representative could be held accountable to the BOT. General Counsel informed the committee that letters had already been drafted and that reporting to the BOT on a regular basis would be part of the appointee's responsibilities.

General Counsel then presented additional changes to the operating procedures that were technical and would result in no material changes.

A motion was made my Committee Chair Zimmerman and seconded by Trustee Mullis with unanimous approval from the committee.

Committee Chair Zimmerman asked if there was any further comments from the committee and having none adjourned the Governance Committee at 10:40am.

BOT Chair Lamb provided an update on HB 423, including thanking all those who took part in the Governance Committee conference call on January 19. He then asked for feedback from Trustees Shinn, Goforth and Garey.

Trustee Garey, USF System Faculty Council President spoke on behalf of the faculty and stated that the Tampa Faculty Senate sent a letter of support to the St. Petersburg and Sarasota-Manatee faculty in support of them.

Trustee Shinn, USFSM Campus Board Chair informed the trustees that he has had productive meetings with USFSM Regional Chancellor Karen Holbrook, faculty, regional CEOs and other Campus Board members to ensure that USFSM is well represented regardless of the fate of the bill.

Trustee Goforth, USFSP Campus Board Chair informed the trustees about her regular contact with USFSP Interim Regional Chancellor Martin Tadlock, faculty and the Chamber of Commerce to reassure that there is trust in the process and that students will continue to be the priority.

BOT Chair Lamb ended the conversation by informing the trustees of his talks with legislatures and his commitment to continue to operate with appropriate processes and transparency while keeping in mind the goal of student success.