



University of Florida President Bernie Machen speaks during the Faculty Senate meeting Thursday.

UF president plans to cover short-term deficit without resorting to layoffs or program cuts

Bernie Machen warns that even more difficult decisions could come in future years.

By Nathan Crabbe
Staff writer

University of Florida President Bernie Machen outlined a budget plan Thursday that avoids short-term pain — but might require long-term sacrifice.

Machen said a \$33 million budget

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■ A look at ideas for future savings at UF.

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gap in the next fiscal year would be closed using one-time money, without resorting to program cuts or layoffs. But he said state funding likely would continue to be reduced or flat over the next three years and that UF would have to consider additional steps such as cutting paid leave for employees and eliminating low-enrolled programs.

“We’re going to try to find as many one-time revenue sources as we can to

get us through most of next year,” he said. “But by a year from this summer, July ’12, we’ve got to have recurring revenues to cover that deficit.”

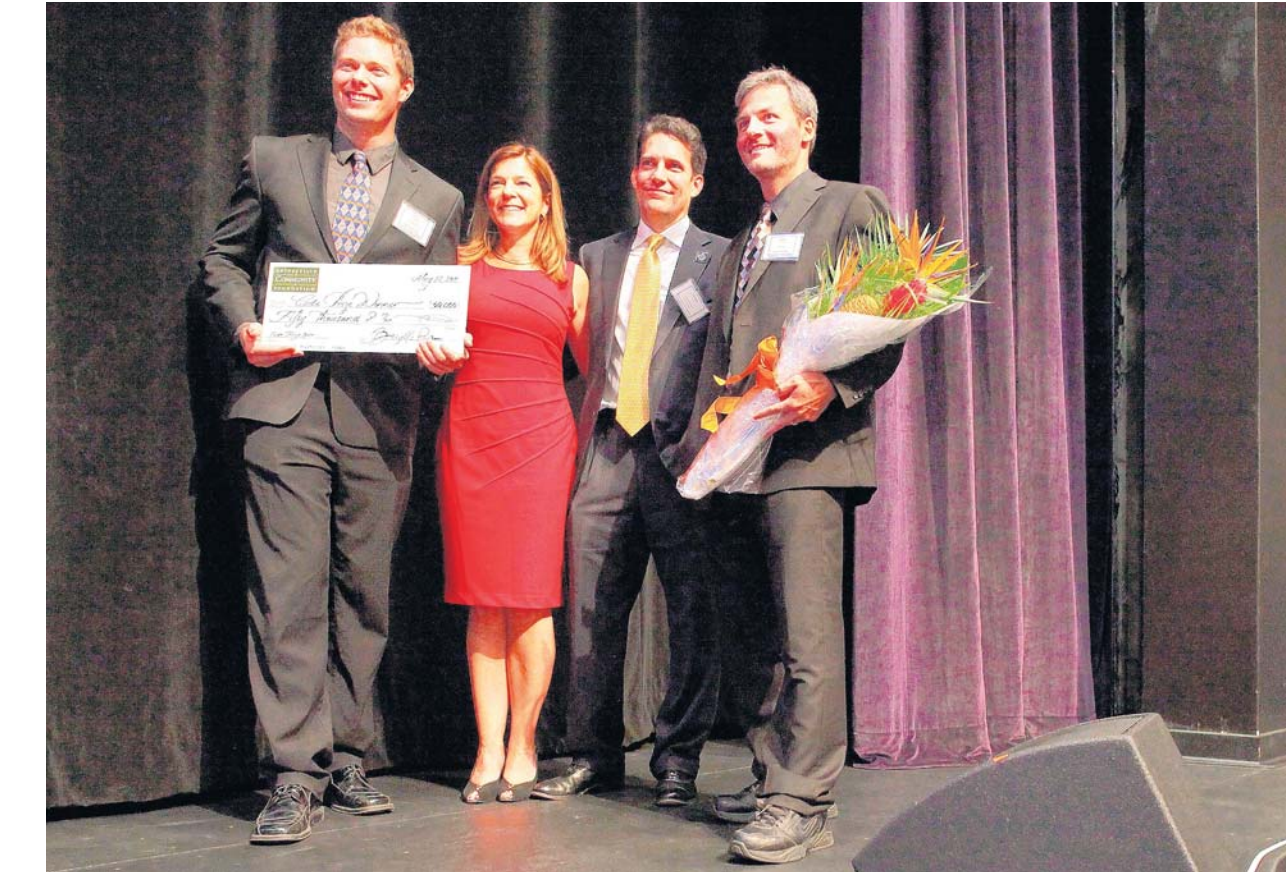
Machen spoke on the budget at a Faculty Senate meeting and board of trustees retreat. Lawmakers last week passed the state budget and sent it to the governor for final approval.

The budget would require public employees at UF and elsewhere to pay 3 percent toward their retirement plans starting July 1. Machen said he

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UF startup is winner of \$50,000 Cade Prize

Florida Sustainable has a biodegradable plastic invented at UF



Cade Prize winners Ryan T. Martin, left, and Stephen Miller, far right, pose with Pheobe Cade Miles and her husband Richard Miles during the awards ceremony at the Santa Fe College Fine Arts Hall on Thursday.

By Anthony Clark
Business editor

A startup company with a biodegradable plastic invented at the University of Florida was the winner of the second \$50,000 Cade Prize for Innovation.

Florida Sustainable was announced as the winner at

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■ First winner says prize brought credibility. See Page 5A

the end of Cade Prize Night at the Santa Fe College Fine Arts Hall.

“This is incredible. I feel like I’m on ‘American Idol,’” Ryan Martin said in accepting the award.

Martin is a UF chemistry student who pitched the company with professor Steve Miller to a panel of

judges that included Karl Tryggvason, an expert in medical chemistry who is a member of the Nobel Prize selection committee.

The award was created by the Cade Museum Foundation to help strengthen a culture of innovation and create jobs in Gainesville and throughout the state.

Keynote speaker Dr. Richard

PRIZE on Page 5A

COMMUNICATION SYSTEM

Bin Laden used offline email for messages

The system allowed bin Laden to stay in touch with his followers without leaving any digital fingerprints.

The Associated Press

WASHINGTON — Despite having no Internet access in his hideout, Osama bin Laden was a prolific email writer who built a painstaking system that kept him one step ahead of the U.S. government’s best eavesdroppers.

His methods, described in new detail to The Associated Press by a counterterrorism official and a second person briefed on the U.S. investigation, served him well for years and frustrated Western efforts to trace him through cyberspace.

The arrangement allowed bin Laden to stay in touch worldwide without leaving any digital fingerprints behind.

The people spoke to the AP on condition of anonymity to discuss the sensitive intelligence analysis.

Bin Laden’s system was built on discipline and trust. But it also left behind an extensive archive of email exchanges for the U.S. to scour. The trove of electronic records pulled out of his compound after he was killed last week is revealing thousands of messages and potentially hundreds of email addresses, the AP has learned.

Holed up in his walled compound in northeast Pakistan with no phone or Internet capabilities, bin Laden would type a message on his computer without an Internet connection, then save it using a thumb-sized flash drive. He then passed the flash drive to a trusted courier, who would head for a distant Internet café.

At that location, the courier would plug the memory drive into a computer, copy bin Laden’s message into an email and send it. Reversing the process, the courier would copy any incoming email to the flash drive and return to the compound, where bin Laden would read his messages offline.

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Bin Laden

For Gainesville, this heat is a broken record

Forecasters warn drivers of continued morning smoke and fog.

By Karen Voyles and Cindy Swirko
Staff writers

Yes, it was very hot Thursday — record-setting hot.

The high of 98 degrees in Gainesville on Thursday topped the 97 degrees set in 1955, according to the National Weather Service in Jacksonville.

“With the dryness, it tends to act more like a desert, with cooler nights and heating up during the day,” meteorologist Jason Hess said. “We have high pressure stacked right over

the eastern Gulf (of Mexico) and the Florida peninsula.”

Meanwhile, wildfires continue to ignite and burn throughout the region.

A brush fire that sparked about 4 p.m. near Williston on Thursday quickly burned 40 acres, burning a mobile home and forcing the

WEATHER on Page 5A

TODAY:
Warm, sunny.
10% chance
of rain.

HIGH
90

LOW
64

TOMORROW:
High: 89 Low: 67
60% chance of rain.
5-day forecast, 6B

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For last year’s winner, Cade Prize provided some instant credibility

By Anthony Clark
Business editor

Last year’s Cade Prize winner put its \$50,000 into paying people for software development and client relations. Perhaps of more value was the instant credibility Tutor Matching Service received for winning the award, opening doors that led to partnerships with more universities and other clients, and interest from investors. “Universities are not good about taking the first step. They want to see a track record,” said Ethan Fieldman, president and co-founder of Tutor Matching Service. “The Cade Prize was incredibly helpful with that.” Now the company is building on that momentum, adding more universities, tutors and students. Tutor Matching Service is a Facebook application that matches students with tutors and allows them to schedule in-person sessions. The company makes its money from a 10 percent commission from tutors and subscriptions from universities. Since winning the prize, the service has gone from about 100 to 500 tutors and 200 to 2,000 active weekly users. Employees have gone from working out of their homes to a free office at the Gainesville Technology Enterprise Center as part of the award. Fieldman points out that they have also created work for tutors. “A lot of it is because of the Cade Prize, but also we’re a very young company, so a year is a long time,” he said. “At the time it was a part-time hobby. Now it’s a full-time company.” Tutor Matching Service was founded in October 2009. The Cade Prize also marked a sort of coming out for the local information technology and student startup phenomenon. Competing against applications from more entrenched fields such as biotechnology, medical devices and engineering, Tutor Matching Service was deemed the most viable business by a panel of scientists and entrepreneurs, bringing a level of awareness and credibility to info tech that has opened doors for others in the field locally. Fieldman said people in Gainesville contacted them as a result of the prize, leading to partnerships with Santa Fe College’s Pathways to Persistence program that offers services to help students with GEDs stay in school, and with the Center for Applications of Psychological Type, publisher of the Myers-Briggs Type Indicator. Looking ahead, Fieldman said the iPad 2 with its front-facing webcam will open doors for distance tutoring.

PRIZE: Second time is charm for company

Continued from 1A

Lister of the UF Department of Neurological Surgery said that nurturing an environment of creativity takes a community and with Innovation Square, Innovation Gainesville, the Cade Museum and the awards, “we are started on that path.” Florida Sustainables — a new name for the company that had been going by Sestar Sustainables — won after finishing in the final four last year, the first year of the prize. The company had another product in the final 16 this year. After coming so close last year, Martin said they honed in on exactly what they needed to focus on. That is exactly what Phoebe Cade Miles wants the other finalists to do. Miles is president of the Cade Museum Foundation and daughter of the late Gatorade inventor Robert Cade. Instead of just having winners and losers, Miles said she wants the other finalists to keep

More online
Check out a photo gallery from the Cade Prize Night at the Santa Fe College Fine Arts Hall at www.gainesville.com

improving their businesses to help build an ecosystem of innovation. To that end, the 12 sweet 16 finalists not in the final four were showcased in the lobby of the arts hall before the awards ceremony so they could meet investors and people interested in their products. In a short presentation before the awards, Martin said Florida Sustainables has developed biodegradable plastic polymers that can be made from corn or other crops, has the quality of petroleum-based plastics and biodegrades in five to 10 years. Florida Sustainables is negotiating with retail companies for using the plastic in shopping bags. Miller, the UF professor, said

in the prize application that he hopes the Cade Prize brings attention that helps secure investments. In addition to the \$50,000 prize donated by the Gainesville Community Foundation, the winner is offered a year of free rent and services at the Gainesville Technology Enterprise Center courtesy of the Council for Economic Outreach and \$5,000 in legal services courtesy of Edwards Angell Palmer & Dodge. The three runners-up this year won \$5,000 each donated by successful local entrepreneurs and \$2,500 in legal services. They include Optima Neuroscience, with its seizure detection monitor and software; Sol-Gel Solutions, with composites used for indoor air purification for airplanes; and Xobotix, with a robotic exoskeleton to help rehabilitate people who have trouble walking. While the prize drew more than 100 applicants in 2010, this year’s prize drew 92 applicants.



JOE BYRNES/STAFF

Smoke and fog shrouds U.S. 441 north of Ocala on Thursday morning.

WEATHER: Wildfires are burning all around

Continued from 1A

evacuation of five other homes in the vicinity. Williston Fire Rescue spokesman Danny Wallace said the cause of the fire is not known, adding that it was not fully contained as of late Thursday afternoon. “We opened up an evacuation spot at the Church of God in Williston and we have multiple fire departments on the scene,” Wallace said. “We don’t believe the mobile home was occupied at the time.” Wallace said the fire was in a wooded area that has homes scattered throughout. Wildfires that continue to burn to the northeast of Gainesville in the Okefenokee Swamp, to the west and southwest in the Goethe State Forest and to the east and northeast in Putnam County are all figuring into the weather equation for the next several days. Florida Division of Forestry officials said there is not much wind in the near-term forecast. Also, conditions are not conducive for the smoke to disperse, so it will linger, officials said.

Gainesville forecast

Today: Sunny, with a high near 90. Calm wind becoming west between 8 and 11 mph.
Tonight: Partly cloudy, with a low around 65. West wind between 5 and 10 mph.
Saturday: A 40 percent chance of showers and thunderstorms, mainly after 2 p.m. Mostly sunny, with a high near 89. West wind between 3 and 10 mph.
Saturday night: A 30 percent chance of showers and thunderstorms. Mostly cloudy, with a low around 67.
Sunday: A 30 percent chance of showers and thunderstorms. Partly sunny and breezy, with a high near 85.
Sunday night: Partly cloudy, with a low around 62.

SOURCE: National Weather Service

And several smaller fires also are adding to the smoky conditions. The National Weather Service is warning drivers to be prepared to slow down, especially during early morning hours, when the combination of fog and smoke could significantly limit visibility. Isolated to scattered thunderstorms are in the forecast through Sunday. Some of the storms could be severe, according to meteorologists, and pack winds gusts of 40 mph or more.

Storms are most likely on Saturday just ahead of the next cold front, meteorologists said. For those heading to the beaches along the Atlantic coast over the weekend, expect northeasterly swells that will carry a moderate risk of rip currents. While today’s highs should again push into the 90s, Saturday through Tuesday should be a shade cooler. In fact, the forecast for next Tuesday calls for a high of only 82, with a low dipping back into the high 50s.

UF budget-balancing possibilities

University of Florida President Bernie Machen outlined measures Thursday to address a \$33 million budget gap in the coming academic year, along with additional proposals to deal with reduced or flat state funding over the next three years. Those proposals include:
■ Cut paid sick and vacation leave to five weeks from the current seven weeks.
■ Reduce payouts given to faculty members for accumulated sick and vacation days when they leave the university.
■ Require employees to use leave for four personal days they are given between Christmas and New Year’s Day.

■ Tap into a portion of grant money slated for research overhead, which currently is allowed to be split between researchers, departments and colleges.
■ Increase distance learning programs and out-of-state students.
■ Increase faculty workload in selected areas.
■ Reduce college budgets by as much as 2 percent and administrative budgets by as much as 4 percent, effective July 2012.
■ Postpone Harn Museum of Art Asian wing opening.
■ Eliminate low-enrolled programs.
■ Suspend raises for promoted faculty and performance-based raises for senior faculty.

UF: Employees could see more cuts to their benefits

Continued from 1A

wants to offset that amount but might be able to do so initially only for lower-paid employees with a commitment to do it later for everyone. “Depending on how these numbers work out, we may not be able to restore it for everybody next year,” he said. For subsequent years, he outlined a list of steps that would be considered to balance the budget. Some involve students, including planned 15 percent in-state tuition increases in each of the next three years, higher enrollment of out-of-state students and increased distance-learning programs. Others involve employees, such as requiring staff to use their leave for four days they’re given off when UF closes between Christmas and New Year’s Day. The university has closed during that time in recent years to save energy. Sick and vacation leave might be reduced to five weeks, from a combined total of as much as seven weeks. UF also might collect a greater portion of grant money slated for research overhead, which currently is split between researchers, departments and colleges. Faculty Senate Chair Mary Ann Ferguson, whose last meeting as chair was Thursday, said the money has been an incentive for producing research and that faculty would be disappointed with the change. Cuts to benefits would be difficult for employees to accept, she said, although administrators were being creative in addressing cuts without layoffs. “I applaud them for that, but it’s still going to fall on the backs of faculty and staff,” she said. “It’s been a difficult five years.” UF has seen its state funding cut by about one-third over the past five years. That equates to more than \$190 million, although tuition increases offset about half that amount. The recently passed state budget would cut funding for state universities by about 5 percent, or by \$26.3 million at UF. Changes to financial aid mean additional costs for universities. Universities also are facing the end of the federal

stimulus, which UF had used to hire more than 80 faculty members whose salaries now must be paid through other sources. UF said it expects those commitments, after tuition increases of 15 percent for undergraduates and at least 10 percent for graduate and professional students, will result in the \$33 million deficit. Machen said he won’t cut programs or impose layoffs, instead relying on non-recurring funds to close the gap. They include unspent money from this year, a one-time \$3.8 million allocation from the state and a \$6 million contribution from the University Athletic Association. “The strategy we’re using is taking one-time moneys to cover our shortfall next year and figuring out how to either increase revenues or make further cuts for July ’12,” he said. Possibilities include across-the-board cuts to colleges and administrative units, tapping additional money from the University Athletic Association and other auxiliaries, and requiring some faculty to increase their workloads. The opening of the Harn Museum of Art’s Asian art wing, scheduled for spring 2012, might be delayed. A proposal to reduce payouts given to faculty members for accumulated sick leave when they left the university also was revived. Machen two years ago had proposed eliminating the payouts as a budget-saving measure but withdrew the idea under faculty opposition. Ferguson said the plan again would be controversial, particularly among older faculty. “They’ve been counting on that as part of their retirements, so that will be a little difficult to accept,” she said. Machen said most people expect the state will not restore cuts, so UF has to plan for that possibility. “If we didn’t have to, we wouldn’t cut anything,” he said. “But of course we do have to, because the budget is going to be significantly less.”

Contact Nathan Crabbe at 338-3176 or nathan.crabbe@gvillesun.com.

BIN LADEN: U.S. sifts through electronic documents

Continued from 1A

It was a slow, toilsome process. And it was so meticulous that even veteran intelligence officials have marveled at bin Laden’s ability to maintain it for so long. The U.S. always suspected bin Laden was communicating through couriers but did not anticipate the breadth of his communications as revealed by the materials he left behind. Navy SEALs hauled away roughly 100 flash memory drives after they killed bin Laden, and officials said they appear to archive the back-and-forth communication between bin Laden and his associates around the world. Al-Qaida operatives are known to change email addresses, so it’s unclear how many are still active since bin Laden’s death. But the long list

of electronic addresses and phone numbers in the emails is expected to touch off a flurry of national security letters and subpoenas to Internet service providers. The Justice Department is already coming off a year in which it significantly increased the number of national security letters, which allow the FBI to quickly demand information from companies and others without asking a judge to formally issue a subpoena. Officials gave no indication that bin Laden was communicating with anyone inside the U.S., but terrorists have historically used U.S.-based Internet providers or free Internet-based email services. The cache of electronic documents is so enormous that the government has enlisted Arabic speakers from around the intelligence community to pore over it.