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Professors' side jobs draw little scrutiny

Consulting work has impact on all Floridians

*BY MATT REED
FLORIDA TODAY*

Professor Jim Nicholas has helped raise hundreds of millions of dollars to build schools, roads and parks throughout fast-growing Florida.

Whether that makes him a saint or a scoundrel depends on your place in the housing market. But the professor is richer and wiser regardless.

Nicholas, you see, also works as a consultant and is one of the nation's leading experts on how to calculate impact fees that governments charge on new homes to provide services. When he's not teaching law and urban planning at the University of Florida in Gainesville, he's earning fees of \$15,000-\$28,000 to meet with local leaders and crunch numbers in places like Punta Gorda, Stuart and West Palm Beach -- completing a handful of such jobs every year.

This year in Charlotte County, he determined that impact fees should triple, generating an additional \$60 million over five years. Those fees tacked \$6,750 onto the price of a new house, an unpopular move to some.

"Most of the larger jurisdictions in Florida could have someone on their staff who could do this -- but why? It's much cheaper to rent," Nicholas said of his consultancy.

Nicholas is among the most visible and influential public university professors who shape life in Florida through side work as consultants, expert witnesses, authors and public speakers, a FLORIDA TODAY examination found. Such moneymaking opportunities appear to be growing, and in disciplines such as education and sociology that have drawn little attention in the past. Average annual consulting income has more than tripled in five years.

Today, tenured business professors already earning \$80,000-\$90,000 per year at Florida State University can expect to earn and keep an extra \$12,000-\$15,000 in fees from consulting as corporate trainers or analysts, records show.

"It's part of how you serve your profession and keep your edge," said Janie Fouke, University of Florida's provost, the second-ranking administrator in charge of academics. Professors who consult off campus bring practical experience back to the classroom, she said..

Influence, profits

Florida's public universities require professors to file forms disclosing outside work along with names of employers, form of compensation and estimated hours absent from campus. But they do not compile or review those forms to track resources, even as universities wrestle with tight budgets and tuition increases.

A FLORIDA TODAY review of two years of records from key departments at the University of Florida, Florida State University and the University of Central Florida found:

- **A world of opportunity.** About one-quarter of the professors disclosed working for government agencies, school districts, think tanks and other agencies that affect public policy. Other work ran the gamut: An FSU statistician works as a defense witness in medical malpractice cases for an Orlando law firm; a UF geography professor consults for the Mexican forestry and lumber industry.
- **Hours off campus.** Faculty members who disclosed such work spent an average of just under three hours per week working on the other jobs, either on campus or out of town, records show. Professors at UF can spend up to a day per week consulting off campus.
- **Slipshod reporting.** One-quarter of professors' disclosures failed to name the outside employers or gave only vague answers such as "law firms," "various" or "miscellaneous." The same portion failed to disclose how many hours per week they planned to work at outside activities.
- **Variety of income.** A close examination found that nearly three-quarters of faculty received straightforward fees and expenses. Other forms of payment included company stock, book royalties, salaries for side jobs and speaking honoraria.
- **Public resources used.** On 27 percent of the outside jobs, professors said they planned to use their publicly owned university computers, offices and laboratories in the course of work for other employers. The potential cost is unknown.

Such work has become a national phenomenon, says Derek Bok, a law professor and longtime president of Harvard University. He attributes the growth in consulting to an increasingly complex, knowledge-based economy hungry for data and expertise.

And some "land grant" public universities, including UF, were founded specifically to share knowledge with the state. Consulting furthers that mission, administrators from all three campuses said.

Wary of conflicts

Out of more than 3,600 documents from professors' personnel files, FLORIDA TODAY found one case of an outside job rejected by a supervisor.

In a memo three years ago, the dean of UCF's college of business skewered an accounting faculty member for also teaching at another, "competitive" Orlando university. Such work jeopardized the courseloads taught by other UCF professors, Dean Thomas Keon wrote. Moreover, "The public, Board and legislature are constantly concerned with faculty teaching only six or nine hours a week. Additional teaching strengthens their argument," he wrote.

Uncharted by UCF were the 38 other faculty members approved to teach at nearby Rollins College, Brevard Community College and Valencia Community College, records show.

At the University of Florida, deans and mentors must approve outside work. And they screen requests for two potential problems, Fouke said: conflicts of interest; and "conflicts of commitment," or more than a day per week away from university work.

"Unless it runs up against one of those two things, it doesn't matter to me whether you're writing a children's book or consulting for a drug company," Fouke said. She trusts department-level supervisors to understand the meaning of professors' sometimes-sloppy notes on forms before signing off.

"Whoever signs that form at that level should know what's under that 'miscellaneous,'" Fouke said.

Reputation everything

When Charlotte County in Southwest Florida wanted to raise its impact fees for roads and other services, UF professor Nicholas was among the first names to surface.

"He has a recognized, working methodology," Charlotte budget officer Ray Sandrock said. "His reputation is worth a whole lot when it comes to dealing with the public and commissioners."

After bidding for the job and agreeing to a \$28,000 fee, Nicholas went to work just as he has in 14 other Florida counties and eight cities, records show.

He studied county budget figures, questioned officials on costs and presented his findings in public workshops with developers and county commissioners.

In the end, the consultant-professor gave Charlotte County commissioners the data they needed to triple fees and boost revenue from \$30 million over five years to \$90 million.

Online news archives from around the state reveal hundreds of articles referring to Nicholas' findings, presented at public hearings. Almost all refer to Nicholas as a University of Florida professor. None mention his contracts or consulting fees, though Nicholas gladly discusses those.

Like a 'laboratory'

And he is far from the only professor to influence public affairs as a private consultant. For example:

- UCF economist Warren McHone has produced annual studies for Kennedy Space Center on NASA's economic impact on Florida. One recent report said the space agency provides a bigger economic benefit than the Walt Disney Cos.
- FSU urban-planning professor Tim Chapin has worked various sides of the stadium-development issue. In Milwaukee in 2001, he released a report on behalf of a developer touting the economic benefits of a retail and entertainment district adjoining the Brewers' baseball stadium (but not of the ballpark itself). In 2003, on behalf of the nonprofit Lincoln Institute of Land Policy, he torpedoed public investment in stadiums like one the Florida Marlins proposed, saying, "every reputable, empirical study has concluded that they are not good financial investments."
- In two years, FSU education professor Judith Irvin filed the highest number of outside-work disclosures (19) of any professor at the three universities. An expert on middle-school literacy, she has served as a consultant and speaker in Orlando, Tampa and a dozen other school districts across the United States and Canada.

"I think of it as a laboratory -- and the money's good too," Nicholas said. "You come back, and these things become your classes. This week, I'm teaching a class on how to calculate an impact fee, and we're using Charlotte County."

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