

Minutes
Board of Trustees Meeting
University of Central Florida
January 19, 2006

Chair Richard A. Nunis called the meeting of the Board of Trustees to order in the Cape Florida Ballroom of the Student Union on the University of Central Florida campus at 1:30 p.m. The following members attended the meeting:

The Honorable Judith A. Albertson	The Honorable Harris Rosen
The Honorable Willie C. Bentley, Jr.	The Honorable Conrad Santiago
The Honorable Olga M. Calvet	The Honorable Richard J. Walsh
The Honorable Manoj Chopra	The Honorable Al Weiss
The Honorable Patrick T. Christiansen	The Honorable Thomas Yochum
The Honorable Phyllis A. Klock	

COMMENTS

Chair Nunis welcomed the board members and called for approval of the minutes of the November 9, 2005, regular board meeting, the November 28, 2005, telephone conference call meeting, and the December 14, 2005, stadium workshop meeting. Trustee Chopra requested a change on page 12 of the December 14, 2005, minutes in paragraph 2 under Stadium Workshop: in line 2, the date *March 1* should read *March 1, 2006*. There being no further changes, the remaining minutes were approved as written.

Chair Nunis called upon President John Hitt for opening remarks.

REMARKS:

President Hitt congratulated the UCF Golden Knight football team on its outstanding year. He congratulated **Coach George O'Leary**, who was not present at the meeting because he was on the road recruiting, for being selected to receive the following honors: Coach of the Year at Conference USA, National Coach of the Year by CBS sportsline.com and SportsIllustrated.com, finalist for the Bear Bryant Coach of the Year and the Eddie Robinson Coach of the Year awards, and nominee for the Bobby Dodd Coach of the Year award. The winner of the Bobby Dodd award will be announced at the Super Bow and is the same award Coach O'Leary received when he was at Georgia Tech.

President Hitt recognized the team's successes this year by noting the following highlights:

- **Joe Burnett** made the Freshmen All-American Team.
- **Brandon Marshall** and **Darcy Johnson** were invited for All-Star games.
- All 103 football players this fall earned eligibility for spring (even with 7 away games).

- **Mike Malatesta**, a senior legal studies major who graduates in May, earned a 4.0 this fall.
- The team GPA for Fall 05 was 2.7; the overall team GPA is 2.8.
- The team record was 8-5.
- The team was Conference USA Eastern Division champs.
- The team had its first bowl game at the Sheraton Hawaii Bowl on Christmas Eve Day.

Hitt congratulated the following UCF Golden Knight coaches and staff who were present in the audience: **Joe Gilbert**, offensive line; **D. J. McCarthy**, receiver; **Miles Aldridge**, defensive back; and **Marty O'Leary**, football operations. And, he recognized and congratulated players **Steven Moffett**, quarterback, and **Paul Carrington**, defensive end, for their tremendous gain in performance this year.

Chair Nunis added his sincere congratulations to the coaches, players, and all who played a role in this year's success.

Hitt gave an update on the accreditation process with the Southern Association of College and Schools and noted that UCF had a positive preliminary report from the SACS off-site review team. He also noted that although it is highly unusual and quite rare, UCF was given a commendation on the completeness, accuracy, and organization of the materials it provided in its submission. He extended his sincere appreciation to **Denise Young**, **Julia Pet-Armacost**, and all those who helped put the materials together for their fine work on the project.

The National Wildlife Federation's Campus Ecology Program granted UCF the esteemed Campus Ecology Recognition. This recognition was "granted to exemplary colleges and universities with measurable positive achievements and commitment to restoring wildlife habitat and slowing global warming during the 2004-2005 academic year and for the future."

INTRODUCTIONS

President Hitt called on Provost Terry Hickey, who introduced **Dr. José Fernandez**, associate dean of the College of Arts and Sciences since 1999, who will become the dean of the College of Arts and Humanities in the fall. Fernandez will become the first Hispanic dean at UCF. "He brings a wealth of experience to this leadership position. He has the skills required to lead the college through the transition and beyond. He is very highly qualified. In 2001, Dr. Fernandez received the Pegasus Professor Award, UCF's highest faculty honor for extraordinary teaching, research, and service. He has agreed to serve for up to five years," announced Hickey.

In addition, Hitt introduced the following members of the audience: **Dr. Kevin Meehan** is the director of UCF's Haitian Studies Project and an associate professor in English. UCF recently received a letter from Governor Bush commending its budding partnership with the Haitian Studies Project and Osceola and Orange County public schools to

enhance teacher training and curriculum development. Professors **Sudipta Seal** from the Department of Mechanical, Materials and Aerospace Engineering and the Advanced Materials Processing and Analysis Center and **James Taylor** from Civil and Environmental Engineering were selected by the National Science Foundation to help with developing emergency water sources following a catastrophic event such as Hurricane Katrina. And, he recognized **Dr. Maribeth Ehasz**, Vice President for Student Development and Enrollment Services, who received the 2005 Pacesetter Award from the National Academic Advising Association, which recognizes chief academic officers who exemplify a commitment to academic advising and serve as advocates for students and advisors.

He also recognized the members of the **Leadership Enhancement Program**, a successful leadership program for women and people of color. The members of this year's class who were in attendance included: **Koren Bedeau, Bianca Ferguson, Megan Greene, Sarah Hill, Dr. Karen Hofmann, Suzi Katz, Cheryll Kinlaw, Dr. Weili Luo, Eugene Manselle, Brenda Posey, Hillary Sweeney, and Jennifer Wright**. He also recognized **Dr. Valarie King**, who was unable to attend the meeting, for being an outstanding mentor and director of the program.

And, finally, Hitt recognized the following employees of the month: **Tania Gutierrez**, program assistant in Physical Plant, for October, and **Sherri Pilkington**, office manager in Student Disability Services, for December. Hitt thanked them both for all that they do to help make UCF a great university.

BUSINESS MEETING

Chair Nunis called on President Hitt to present the first item for approval:

- **BOT-1: 2006 BOT Meeting Dates – Revised – Dr. Beth Barnes**, Vice President, Chief of Staff, and Associate Corporate Secretary, presented the 2006 Board of Trustees' meeting schedule that had been revised due to business conflicts. The listings also include the previous dates for clarity. The new schedule is:

March 16, 2006 – Thursday (revised from March 30)

May 25, 2006 – Thursday

July 27, 2006 – Thursday

September 28, 2006 – Thursday

November 30, 2006 – Thursday (revised from November 16)

ADVANCEMENT

Trustee Patrick Christiansen, chair of the Advancement Committee, discussed the following committee items:

ADV-1: Naming of Nicholson School of Communication Building – A motion passed approving the naming of the facilities currently housing the School of Communication to be named the *Nicholson School of Communication* in recognition of the generous gift of \$2,000,000 from Anthony and Sonja Nicholson. The gift will be to used to recruit the best faculty and students to the school's programs and may also support an endowed scholar chair, equipment, program endowment, graduate fellowships, or visiting faculty positions. It was noted that under current law, the naming of a building for a living person also requires the approval of the state legislature.

In addition, Trustee Christiansen presented the following items for information purposes:

As an update on fund-raising, he announced that the university had raised \$34.2 million, which is eligible for state matching funds of approximately \$33 million for the proposed medical college. UCF's biomedical fund-raising efforts total approximately \$95.1 million, including a donation of \$8 million in land and a \$10 million donation for the Burnett Biomedical Sciences Building, which is eligible for a state match.

He reported that the university has raised \$4.5 million in private donations for the planned on-campus football stadium and is negotiating naming rights. In addition, the university has leased all of the stadium's suites and club seats for a total of about \$8.3 million.

He also reported that the university has raised about \$224 million toward its \$250 million comprehensive campaign goal that concludes on June 30. That amount includes fund-raising for the stadium but not for the medical college. The fund-raising for the medical college will be included in the campaign if the Board of Governors approves that proposal in March.

And, finally, Trustee Christiansen addressed the topic of legislative efforts on direct support organizations for board discussion. He stated that the important issues are that the proposed legislation that would 1) severely restrict the ability of state universities to use non-appropriated dollars to build facilities for the benefit of students, 2) unnecessarily restrict the ability of the boards of trustees to make prudent financial decisions for their universities, and 3) restrict the constitutional authority of the Board of Governors to manage the state university system. He further added that if the legislative effort is successful, it could harm UCF and all state universities. The board expressed concern over the many aspects of the proposed legislation. He offered as examples that 1) the bill provides that licensing and royalty revenues, as well as overhead from research grants generated within one unit of the university, could not be used to secure debt for projects of another unit of the university unless the activities and facilities are "functionally related," 2) the bill provides that gift pledges from private donors could be used only to secure debt with a maturity of five years or less, 3) the bill provides that auxiliary revenues from one university auxiliary unit could not be used to secure bonds relating to another auxiliary unit unless the activities and facilities are "functionally related," 4) that the Board of Governors could not approve a university's financing plan without an

analysis by the Division of Bond Finance, and 5) that the debt of a direct support organization may not be secured by, or be payable under, an agreement or contract with a state university, if the source of payments under such agreement or contract is appropriated funds.

Board members felt that the proposed bill overly restricts the ability of the university boards of trustees and the Board of Governors to manage the universities in an efficient and business-like manner to maximize student benefits. "It is a complicated issue," stated General Counsel Scott Cole. "It affects the authority of the Board of Governors, it affects the boards of trustees, and it extends beyond even bond financing or other loans. It really goes to the whole separation of power between the legislature and the Board of Governors." He suggested that the Board of Governors either not support the bill at this time or make it so broad that whatever policy comes up at a later date would be consistent with legislation. Chair Nunis remarked that he is very concerned because he believes the proposed legislation is going to hurt the very university they are trying to help. President Hitt encouraged board members with a relationship with a Board of Governors member to express their concerns on behalf of UCF by requesting that the Board of Governors retain the flexibility to make decisions on bonding issues and delegate as much authority as possible to the boards of trustees.

A motion was made and seconded in support of the Board of Governors retaining its authority to devolve authority to the boards of trustees until it had a chance to thoughtfully consider the issues and the recommendations outlined in the attached resolution (Attachment A). The resolution has been approved by the UCF Board of Trustees and forwarded to the governor, the Board of Governors, and the chairs of the university boards of trustees.

EDUCATIONAL PROGRAMS

Trustee Judy Albertson, chair of the Educational Programs Committee, said that a positive preliminary report was received from the SACS off-site team and UCF will be reviewed by the on-site team in April. She reiterated that the commendation given to UCF for the organization and submission of materials was very unusual.

Trustee Albertson also announced the separation of the departments of Sociology and Anthropology, a natural culmination of a process of growth in the two disciplines and the university, and the renaming of the Department of Communicative Disorders to the Department of Communication Sciences and Disorders. And, she commended Dr. Maribeth Ehasz, Vice President for Student Development and Enrollment Services, and the student peer leaders for their outstanding report, *Students Helping Students*, that highlighted the student mentorship programs at UCF.

And, finally, Trustee Albertson highlighted a report on internationalization at UCF presented by Dr. Diane Chase, Assistant Vice President for International and Interdisciplinary Studies, and Dr. M. J. Soileau, Vice President for Research and Commercialization, and strongly encouraged more internationalization in the UCF core curriculum to better train world leaders.

FINANCE

Trustee Conrad Santiago, chair of the Finance Committee, reported that a discussion took place regarding the use of a guaranteed investment contract as an alternative way to manage cash during the construction phase of campus projects. Trustee Santiago reported that it seemed to be a good opportunity to manage reserves in a more effective way.

He also reported that Vanessa Fortier, director of the University Budget Office, presented the operating budget that included revenue and expenditures and compared it to the budget for the five months ending November 30, 2005. The report highlighted preliminary credit hour information for summer and fall of 2005 that reflects increases of 3.5% and 5.6% over summer and fall of 2004, with credit hours for the two semesters at 7.4% above budget and 5.0% above the prior year. In addition, he noted a report by David Norvell, UCF's energy manager, on the various energy cost-saving measures used on campus; a resolution signed by the Student Government Association's 38th Student Senate in support of the construction of the Arts II Complex at UCF, a theatre and music performance facility, recommended to begin no later than January of 2007, and, finally, an announcement by Linda Bonta, University Controller, that Oracle had selected UCF as the only higher education institution to participate in testing the new Early Success Program for managing Version 8.9 financials, with a go live date of May 1.

Trustee Santiago presented the following item for board approval:

- **FIN-1: Housing Rental Rates 2006-2007** – A motion passed approving the establishment of on-campus housing fees for 2006-2007. The Department of Housing and Residence Life requested an average rental rate increase of 4% for all types of accommodations for 2006-2007. In addition to rental revenues, income will be generated from interest, conferences, and other miscellaneous sources. The rate increases resulted from inflationary increases in the cost of goods and services, additional staff, salary increases, necessary repairs and replacements, and a twenty-one (21%) percent increase in utilities costs. Additionally, the department has taken an aggressive approach toward renewal and replacement projects.

In a carryover from the morning session of the Finance Committee meeting, William Merck, Vice President for Administration and Finance, included a campus construction update on the following projects:

- Psychology Building
- student housing

- Convocation Center project, including retail space
- additional retail space across from the Fairwinds Alumni Center
- Career Services and Experiential Learning Building
- women's softball complex
- Engineering III Building
- Parking Garage V (1,600 spaces)
- realignment of Gemini Boulevard
- intramural playing fields

In addition to the construction update, Vice President Merck gave a virtual fly-over presentation to illustrate how the campus will look once the construction is completed.

NEW BUSINESS

Chair Nunis congratulated President Hitt on the outstanding article that appeared in the *Insight* section of the *Orlando Sentinel* and for the honor of being named the 2005 Central Floridian of the Year. The article cited Hitt as "UCF's man with a plan."

Trustee Christiansen suggested that it would be appropriate to have a retreat on DSO governance as it relates to the board and the university. A motion was made and seconded appointing Trustee Christiansen to work with Vice President Barnes to organize the retreat.

ANNOUNCEMENTS AND ADJOURNMENT

Chair Nunis encouraged the board members to attend the National Conference on Trusteeship being held April 1-4, 2006, at the Peabody Orlando Hotel. In addition, he recommended that the board consider participating in the upcoming UCF sponsored trip to Belize scheduled for February 26-March 4, 2006. And, finally, he reminded the board that the next meeting was scheduled for March 16, 2006.

There being no further business, Chair Nunis adjourned the board meeting at 3:20 p.m.

Respectfully submitted: _____ Date: _____

John C. Hitt
Corporate Secretary