

Minutes
Board of Trustees Meeting
University of Central Florida
July 28, 2005

Chair Nunis called the meeting of the Board of Trustees to order in the Cape Florida Ballroom of the UCF Student Union at 2:30 p.m. The following members attended the meeting:

The Honorable Willie Bentley, Jr.	The Honorable Conrad Santiago
The Honorable Manoj Chopra	The Honorable Richard Walsh
The Honorable Patrick Christiansen	The Honorable Al Weiss
The Honorable Phyllis Klock	The Honorable Thomas Yochum
The Honorable Harris Rosen	

The Honorable Judith Albertson participated via conference call.

BUSINESS MEETING

Chair Nunis welcomed the members of the board and called the meeting to order. He thanked Dan Holsenbeck, Vice President for University Relations, for setting up the tour of the Naval Air Systems Command (NAVAIR) and Department of Defense facilities in Research Park that took place prior to the committee meetings.

As the first order of business, Chair Nunis called for approval of the minutes of the May 26, 2005, meeting. The revised minutes were approved with a few non-substantive changes.

REMARKS

In his opening remarks, President John Hitt mentioned that over \$5 billion in contracts is managed through the NAVAIR facilities, a huge economic benefit to Central Florida, as well as to the University of Central Florida.

President Hitt stated that UCF professors received a record \$103.6 million in research funding in 2004-2005, exceeding the \$100 million mark for the first time in the university's history, a significant milestone in UCF's progress from promise to prominence. He added that the amount of grant and contract money acquired each year is a commonly accepted measure of the quality of a university's research programs.

M.J. Soileau, Vice President for Research, credits this achievement to the efforts of outstanding researchers and the support provided by the university through matching funds and start-up grants that help newly hired professors equip their labs. Other matching funds are provided through the High-Tech Corridor Council.

Other factors also help UCF compete for different types of grants, reported President Hitt. The university's emphasis on undergraduate research strengthens its applications with the National Science Foundation, for example, while UCF's extensive partnerships with industry and the military help the university compete for grants from the Department of Defense.

President Hitt went on to report that the Board of Governors has been approached about creating a medical school at UCF, which would significantly increase the amount of UCF's research funding. A study released last year by the nonprofit RAND Corporation showed that medical schools received 45 percent of all federal research and development dollars awarded to U.S. colleges and universities in the 2001-02 fiscal year. He added that UCF was well represented at the recent Board of Governors meeting held in Miami. Discussions there revealed the need to increase the number of physicians in the state, as well as the need for two additional medical schools in Florida. Both the University of Central Florida and Florida International University are seeking approval to start medical schools. In order to strengthen our case at the November presentation to the BOG in Jacksonville, President Hitt feels that we need to show that we can provide the requisite facilities without additional PECO money, using only private philanthropy and other private sources.

President Hitt discussed the Florida Bright Futures Scholarship Program audit that he distributed to the board. The audit revealed that the University of Florida leads the state with advances of \$57 million, UCF holds second place with \$34 million, and third place was held by Florida State with \$31 million. Hitt pointed out that the quality of our undergraduates is reflected in this state audit.

And, finally, President Hitt explained that UCF undergoes re-certification of its athletics programs by the NCAA every ten years. In April, after a year of preparations, we submitted our self-study and received our peer review team's initial response. Trustee Olga Calvet is a member of the steering committee for the self-study, and former trustee, Rick Lee, chaired one of its subcommittees. President Hitt reported that UCF received only five issues to which we must respond by August 5. In the world of athletics certification, our receiving only five issues from the peer review team means that UCF did well on its self-study and maintains a high level of compliance with NCAA, conference, and institutional guidelines.

The peer review team will visit our campus August 22 through August 24. A welcome reception and dinner will be held on August 22 and the review team has requested a meeting with the board on August 23. One of our responsibilities, Hitt stated, is to demonstrate that the president and the Board of Trustees have full oversight of UCF's intercollegiate athletics. The university, he added, has a long history of involving the board in UCF athletics, beginning with our board orientation in August of 2001. Since then, on no fewer than twenty-three occasions, the board has, among other things:

- reviewed budgets and financial statements
- heard reports on the NCAA certification process, athletics facilities, Title IX, and student athlete support
- certified the Athletics Association as a DSO
- approved athletics fee increases, conference affiliations, leases, feasibility studies, revisions to Athletics Association's by-laws, and names for athletics complexes
- authorized the university to proceed with the planning and financing of the stadium; its building, of course, is subject to the final approval of the board

INTRODUCTIONS

- President Hitt recognized Art Education Honors in the Major student, **Katherine Blair**, who has been awarded the Jack Kent Cooke Scholarship. It offers up to \$50,000 a year for up to six years for studies in any area at any graduate institution at home or abroad. Kati will be attending the Harvard Graduate School of Education in the fall. In addition, he congratulated **Denise Matias**, an administrative assistant in the English Department, the USPS April Employee of the Month, and **Betsy Guerrero**, an accountant in the Student Union, the USPS May Employee of the Month.

GENERAL BUSINESS

- **BOT-1a – Revised 2005 BOT Meeting Dates** – A motion passed approving the revised 2005 Board of Trustees' meeting schedule:

January 18, 2005 - Tuesday
 March 31, 2005 – Thursday
 May 26, 2005 – Thursday
 July 28, 2005 – Thursday
 September 22, 2005 – Thursday
 November 9, 2005 – Wednesday (revised)

Trustee Christiansen suggested that when future revisions are distributed to the board, the former date should also be listed so that calendars can be changed more efficiently.

- **BOT-1b – 2006 BOT Meeting Dates** – A motion passed approving the 2006 meeting dates for the University of Central Florida's Board of Trustees:

January 26, 2006 – Thursday
 March 30, 2006 – Thursday
 May 25, 2006 – Thursday
 July 27, 2006 – Thursday
 September 28, 2006 – Thursday
 November 16, 2006 – Thursday

- BOT-2 – Conferral of Degrees** – The board unanimously concurred that the following degrees be given at the Summer 2005 commencement ceremonies:

1,905 Baccalaureate Degrees
483 Master’s Degrees
<u>67</u> Doctoral and Specialist Degrees
2,455 Total
- BOT-3 – Revisions to University of Central Florida Rules** – There has been a major revision in the processing of university rules. Effective immediately, the Florida Board of Governors has adopted a new policy for adoption of university rules, now called “regulations.” The BOG policy requires only one hearing for adoption, repeal, or amendment to university regulations. Advertisements for regulation changes will be posted on our university Web site rather than in the newspaper, and the regulation will then go before the UCF Board of Trustees for approval. Under the new process, the board has the ability to delegate its approval authority to someone within the university. A motion passed approving the delegation of authority to the president of the University of Central Florida with the understanding that an informed listing of approved regulations would be presented to the board for its oversight. Because of the approved delegation of authority, action was not taken on the original BOT-3 item, which will be handled via the new process.
- BOT-4 – College of Medicine Proposal to Board of Governors** – For informational purposes, President Hitt provided an update on UCF’s plans to submit the proposal for a UCF College of Medicine, which will offer a program in allopathic medicine, to the Florida Board of Governors for consideration at its November meeting. He recognized the writing team of Patricia Bishop, Vice Provost and Dean of Graduate Studies, Julia Pet-Armacost, Assistant Vice President for Information, Analysis, and Assessment, and Joyce Dornier, Associate Dean, College of Health and Public Affairs, for their contributions to this proposal. He noted that there should be a high-quality proposal ready to present to the board at its September meeting. He also announced that the university would work to raise \$25 million before the BOG meeting in November to bolster its case for funding the facility.
- BOT-5 – Certification of UCF Development Corporation as a Direct Support Organization** – A motion passed certifying UCF Development Corporation as a direct support organization of the University of Central Florida. Trustee Patrick Christiansen suggested the corporation’s name be changed to reflect the project it supports. The motion, therefore, also included the entity’s name change to *UCF Convocation Corporation*. In addition, this motion approved the Articles of Incorporation and Bylaws of the UCF Convocation Corporation and authorized the president or his designee to undertake such actions as are necessary and desirable to establish the corporation as an operational, not-for-profit, 501(c)(3) corporation. The Board of Trustees directed the university to create this separate

direct support organization to facilitate the financing of the proposed \$104 million Convocation Center project.

ADVANCEMENT

There being no action items to bring before the full board, Trustee Patrick Christiansen, Advancement Committee Chair, discussed the following highlights from the morning committee session report by Bob Holmes, Vice President for Alumni Relations and Development, who indicated that:

- donor support is at its highest level at more than \$46 million
- donor participation is at its highest level at 14,569 donors
- there is a record 19% increase in alumni support over last year
- there is a record level of giving to the annual fund showing a 15% increase over last year
- support for athletics exceeds \$3,500,000
- the endowment level is close to \$100 million
- donors generated \$84 million in actual cash and pledges

With respect to fund raising activities for the proposed football stadium, Holmes stated that there are serious discussions going on for the naming rights to the stadium, with one suite reserved for that purpose, and that 21 luxury suites are available, 13 luxury suites have been committed, and 4 commitments are pending. The Foundation is currently accepting commitments to the stadium club suites, as well.

He continued by highlighting a report by Dan Holsenbeck, Vice President for University Relations, who gave a legislative update indicating that it was a productive session for UCF with the master plan bill being signed by the governor. Greg Schuckman, Assistant Vice President for University Relations and Director of Federal Relations and Research Advancement, and who represents UCF's interests in Washington, D.C., indicated that the education bill had passed last week. Tom Huddleston, Vice President for Marketing, Communications, and Admissions, distributed a new UCF marketing brochure to the board containing the UCF Integrated Brand Marketing Plan, sports marketing and national publication highlights, news and information items, and undergraduate admissions standards.

EDUCATIONAL PROGRAMS

Trustee Phyllis Klock, filling in for Trustee Judith Albertson, Educational Programs Committee Chair, discussed the following committee items:

- **EP-1a – Joint-use facility, Valencia Community College** – A motion passed approving a joint resolution of the District Board of Trustees of Valencia Community College and the University of Central Florida Board of Trustees indicating their commitment to a joint-use facility to be located on the West Campus of Valencia Community College.

- **EP-1b – Joint-use facility, Seminole Community College** – A motion passed approving a joint resolution of the District Board of Trustees of Seminole Community College and the University of Central Florida Board of Trustees indicating their commitment to a joint-use facility to be located on the Sanford-Lake Mary Campus of Seminole Community College.

The joint-use facilities, which could open by Fall 2009, would allow UCF to expand its baccalaureate degree offerings at Valencia and Seminole. David Harrison, Vice Provost for Regional Campuses, said that adding the buildings will increase capacity by about 1,000 students at each location. More than 2,600 students transferred to UCF from the two community colleges last year. The facilities, if approved by the legislature, would cost about \$43 million, with UCF splitting the costs with each campus.

- **EP-2 – Academic Learning Compact Policies and Procedures** – A motion passed approving the policies and procedures for implementing Academic Learning Compacts for baccalaureate degree programs at the University of Central Florida as required by the state Board of Governors. These proposed guidelines will allow UCF to institute a process that will certify that each baccalaureate graduate has completed a program with clearly articulated core student learning expectations and corresponding robust and effective assessment mechanisms. The Academic Learning Compacts will build upon the process for measuring and documenting student-learning outcomes present in the institutional effectiveness plans.
- **EP-3 – UCF School of Medicine Proposal** – Item EP-3 was deleted and replaced with item BOT-4 previously discussed.
- **EP-4 – 2004-2005 Program Reviews** – As an informational item, Trustee Phyllis Klock reported that Academic Affairs offered an informative and beneficial program review workshop on July 14, 2005, that summarized the results of this year's program reviews. UCF reviewed 23 programs in two colleges during its 2004-2005 program review process. The programs are:
 - **College of Arts and Sciences**
 - Advertising and Public Relations, B.A.
 - Interpersonal Communication, B.A., M.A.
 - Journalism, B.A.
 - Mass Communication, M.A.
 - Organizational Communication, B.A.
 - Radio and Television, B.A.

- **College of Engineering and Computer Science:**
 - Aerospace Engineering, B.S., M.S.
 - Civil Engineering, B.S., M.S., Ph.D.
 - Environmental Engineering, B.S., M.S., Ph.D.
 - Industrial Engineering, B.S., M.S., Ph.D.
 - Material Science and Engineering, M.S., Ph.D.
 - Mechanical Engineering, B.S., M.S., Ph.D.

In her final comments, Trustee Klock noted that on behalf of SACS accreditation, UCF has two major initiatives moving forward: the Compliance Certification Report and the Quality Enhancement Program (QEP). Both activities are proceeding on schedule. The Compliance Certification Report is due September 10, 2005.

FINANCE

Trustee Conrad Santiago, chair of the Finance Committee, discussed the following committee items:

Trustee Santiago stated that numerous items required discussion only and were covered during the morning session of the Finance Committee. For informational purposes, he listed those report topics and their presenters:

- update on the UCF 2005 Campus Master Plan – William Merck, Vice President Administration and Finance
- review of the 2005-2006 UCFAA, Inc., budget – Steve Orsini, Director of Athletics
- update on the proposed football stadium – Steve Orsini, Director of Athletics
- update on operating budget status – Vanessa Fortier, Director, University Budget Office
- update on campus construction – William Merck, Vice President for Administration and Finance
- **FIN-1 - Five-year capital improvement plan** – A motion passed approving the Capital Improvement Plan for 2006-2007 through 2010-2011. Each year, the university must submit an updated Capital Improvement Plan to the State Board of Education. This plan identifies projects that will be included in the three-year Public Education Capital Outlay (PECO) list, identifies projects that may be included in future Courtelis Facilities Enhancement Challenge Grant lists, and provides information to the State Board of Education for its request for capital project funding for 2006-2007. The State Board of Education has asked that the Capital Improvement Plan be submitted by August 1, 2005.
- **FIN-2 – Approval of 2005-2006 tuition rule** – A motion passed approving an emergency rule to implement the 2005-2006 tuition rates approved at the May 26, 2005, Board of Trustees meeting and also approving a new permanent rule 6C7-9.001 for further rule development. Section 1001.75(11), F.S., requires the university president to recommend to the Board of Trustees a schedule of tuition

and fees to be charged by the university. Section 1001.74(11), F.S., requires the Board of Trustees to set university tuition and fees according to the proviso in the General Appropriations Act. Section 146 of the 2005-2006 Conference Report on the General Appropriations Act sets a maximum 5% tuition increase for all students, with tuition and fees for graduate and non-resident students limited to the average full-time tuition and fees for corresponding programs at public institutions that are members of the Association of American Universities. The board voted to implement a 5% increase in tuition and non-resident fees for the Academic Year 2005-2006 at its May 26, 2005, meeting.

Approval of the rule was required in addition to approval of the tuition. Because of the time required to comply with statutory rulemaking requirements, it was necessary 1) to enact an emergency rule for immediate implementation while the permanent rule is proceeding through rule development and 2) to approve the permanent rule for further rule development.

The motion also included the Board of Governors directive to change the word “rules” to “regulations” from this point forward.

- **FIN-3 – Exclusive benefit plan for university president that allows tax deferral of existing compensation** – A motion passed approving a resolution authorizing the adoption of an exclusive benefit plan to provide tax deferral of existing compensation for the president of the University of Central Florida. This exclusive benefit plan would allow the eligible participant to defer, on a pretax basis, participant compensation already authorized and paid through the UCF Foundation. This voluntary plan will be funded with participant compensation and will involve no additional cost to the university or the UCF Foundation. This plan would allow the participant to defer compensation in accordance with Section 401(a) and within the limits set forth in Section 415 of the IRS Code.
- **FIN-4 – Approval of amended campus master plan** – A motion passed approving amendments to the UCF campus master plan as ordered by the Administration Commission. The university is required to update its campus master plan every five years. The most recent update to the plan was adopted by the University Board of Trustees on November 30, 2004. The plan was subsequently challenged and the university has completed the statutory challenge process, including mediation, informal hearing before the Department of Community Affairs, and final hearing before the Administration Commission. On June 2, 2005, the Administration Commission approved the plan with minor amendments. In order for the university to operate under the provisions of the new plan, the amendments ordered by the Administration Commission must be adopted by the Board of Trustees.

In addition to these items, the following motions were entertained:

- A motion passed certifying that the board would replenish the debt service reserve fund on the Convocation Center project up to \$7.5 million from legally available funds.
- A motion passed directing UCF to disallow the auxiliary fund balance to go below \$7.5 million without bringing the item before the board for approval.

NEW BUSINESS

The Board re-elected The Honorable Richard Nunis as chair and The Honorable Thomas Yochum as vice chair of the UCF Board of Trustees.

ANNOUNCEMENTS AND ADJOURNMENT

Chair Nunis took the opportunity to compliment President Hitt on his work with the area community colleges, reminded the board members about the Board of Governors dinner on September 14 and the BOG meeting on campus September 15, thanked the board members for their participation in buying tables for the football kick-off luncheon, and, finally, reminded the board members that UCF plays USF on September 17 and encouraged their participation.

Trustee Willie Bentley, Jr., UCF Student Government Association President, presented President Hitt with a plaque representing a resolution developed by the SGA Senate showing 100% support by the UCF student body for the creation of a medical school on campus. Also, on behalf of the SGA, Trustee Bentley presented each board member with a bag of UCF memorabilia to thank them for their support and commitment to the students.

Chair Nunis announced that the next meeting would be held September 22, 2005.

The meeting was adjourned at 4:00 p.m.

Respectfully submitted: _____ Date: _____

John C. Hitt
Corporate Secretary