

**Minutes
Board of Trustees Meeting
University of Central Florida
July 29, 2004**

Chairman Nunis called the meeting of the Board of Trustees to order in the Cape Florida Ballroom of the UCF Student Union at 1:12 p.m. The following members attended the meeting:

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| The Honorable Judy Albertson | The Honorable Phyllis Klock |
| The Honorable Olga Calvet | The Honorable Kevin Peters |
| The Honorable Arlen Chase | The Honorable Conrad Santiago |
| The Honorable Patrick Christiansen | The Honorable Richard Walsh |
| The Honorable Geraldine Ferris | The Honorable Thomas Yochum |

BUSINESS MEETING

Chairman Nunis welcomed the board members and announced that there would be a slight deviation in the flow of the business meeting. He called upon President John Hitt who opened the meeting with the following item for discussion:

- **BOT-5 – Establishing and Naming of the University of Central Florida Burnett College of Biomedical Sciences and the naming of the Building to House the College the Burnett Biomedical Sciences Center** – Al and Nancy Burnett have pledged to make a gift of \$10 million to assist the university in building its biomedical sciences program. This will be a transformational gift for the university, creating support for a critical mass of scientists conducting research at the cutting edge in the biosciences and will have a significant impact on biomedical technology throughout the state and region. President Hitt announced that we anticipate that the \$10 million gift will qualify for state matching funds of an additional \$10 million for a total of \$20 million in gift resources. In a telephone conference, President Hitt, on behalf of the Board of Trustees, thanked the Burnetts for their remarkably generous gift and called Al and Nancy Burnett “two great friends of the university.” A motion unanimously passed approving the establishment and naming of the University of Central Florida Burnett College of Biomedical Sciences and the naming of the building to be constructed, the Burnett Biomedical Sciences Center. President Hitt mentioned that the Board of Governors does not have to approve the naming of the college, but that we do need approval from the legislature for the naming of the building for living donors. In addition, the board concurred with President Hitt and Provost Hickey in the appointment of Dr. Pappachan Kolattukudy, currently director of the Biomolecular Science Center, as dean of the Burnett College of Biomedical Sciences.

REPORTS

President Hitt continued the business meeting by introducing **Joe Lacher**, the president of Florida-Bellsouth Communications, Inc., and the chair of the Higher Education Funding Task Force of the Council of 100. The task force was established in 2002 to consider all aspects of higher education funding and make recommendations for improvement. Mr. Lacher shared highlights of the task force's timely report, *We Must Do Better! Moving Florida's State University System to the Next Level in Quality and Accessibility: A Report from the Florida Council of 100*. The council has laid out a set of guidelines to free up and reinvest funds, which are projected to simultaneously increase Florida's return on state funds and provide the capital needed to improve quality and increase accessibility of higher education to low-income residents. These low-risk and practical recommendations have been arrived at through numerous discussions with educational and political leaders and extensive modeling and scenario testing. The specific recommendations are:

- Increase funding of need-based aid from \$80 million to \$243 million by 2008-2009, \$202 million of which is to ensure that changes in tuition and Bright Futures do not affect students who need aid, with an additional \$41 million to increase the state's accessibility even further for low-income families.
- Increase tuition and fees at 13.9% per year for the next five years to reach national tuition and fee averages.
- Raise the SAT requirements for the Bright Futures program to 1070 and 1330 for Medallion and Academic Scholars, respectively, beginning in 2005-2006.
- Further leverage private institutions by increasing the Florida Resident Access Grant (FRAG) from \$80 million to \$120 million.
- Accrue the \$101 million in funds per year beginning in 2005-2006 needed to ensure that all current pre-paid tuition contracts remain viable and re-price new contracts to factor in new rates of tuition increase.

In conclusion, Mr. Lacher reiterated that the projected collective impact of these recommended changes would be to improve the quality and accessibility of Florida's educational system, while improving the state's use of its invested funds.

After a brief discussion among the trustees, Chairman Nunis said he would speak with each of the university boards of trustees chairs by October and get a feel for where they are on this report. President Hitt agreed to speak with each of the state university presidents. Chairman Nunis stated that this report would be considered under general discussion at the September Board of Trustees meeting.

Chairman Nunis called for approval of the minutes of the May 13, 2004, meeting. The minutes were approved with one correction. On page 8 under **EPC-1- Business plan for offering selected UCF online, degree and certificate programs out-of-state and out-of-region**, Trustee Klock indicated that the Educational Programs Committee members agreed not to recommend any changes in out-of-state tuition rates for Web courses.

REMARKS

President Hitt reported that enrollment this fall is expected to be 44,500 with a projected SAT score of 1184 for incoming freshman—eight points higher than last fall’s score of 1176. He also reported that UCF, along with other member institutions within the Commission on Colleges of the Southern Association of Colleges and Schools (SACS), is scheduled for reaffirmation of accreditation in December 2006. The rigorous peer review process occurs once every ten years. Unlike program review and discipline accreditation, without which we cannot get federal aid, this process reviews and reaffirms accreditation for the entire institution. He added that an exciting new feature of the process is the Quality Enhancement Plan, which focuses on a topic we identify. There will be broad participation—including faculty, staff, students, community members, and trustees—in selecting the topic and developing and implementing the plan. He assured the board that pertinent policy issues from the self-study process will be provided to them with periodic updates on its progress.

INTRODUCTIONS

President Hitt recognized the following members of the audience: **Henry Daniell**, professor of molecular biology and this year’s winner of the Pegasus Professor Award. Dr. Daniell is the first UCF Trustee Chair in the life sciences and was inducted into our research Millionaires Club each of the last two years; **Dr. Neal Gallagher**, the new dean of the College of Engineering and Computer Science. Dr. Gallagher comes to us from Colorado State University, where he served for five years as the dean of the College of Engineering; **Teresa Russin**, a business major at UCF, who won the Economics Honors Society’s Omicron Delta Epsilon Outstanding Student Award for 2003-2004 and is one of only three winners nationwide; **Evelyn Rameriz**, an accountant in the Office of Research, and the May Employee of the Month; and, **Victoria Burchett**, an accountant in Finance and Accounting, and the June Employee of the Month.

GENERAL BUSINESS

- **BOT-1 – 2005 BOT Meeting Dates** – A motion passed approving the 2005 meeting dates for the University of Central Florida’s Board of Trustees as follows:
 - January 27, 2005 - Thursday
 - March 31, 2005 – Thursday
 - May 26, 2005 – Thursday
 - July 28, 2005 – Thursday
 - September 22, 2005 – Thursday
 - November 17, 2005 – Thursday

Trustee Ferris would like for the board to consider changing the July 28th meeting to July 21st due to a calendar conflict. The other trustees wanted an opportunity to check their calendars and the change will be discussed at the September meeting.

- **BOT-2 – G. Vince Amico Honorary Doctorate** – A motion passed approving an Honorary Doctorate in Science for G. Vince Amico in recognition of his accomplishments in modeling and simulation. For 56 years, he has been a driving force in the field and has gained nationwide respect for his record of innovative applications that have advanced the accuracy, practicality, and subsequent training value of modeling and simulation technology.
- **BOT-3 – Conferral of Degrees** – The board concurred unanimously on the conferral of the following degrees at the Summer 2004 commencement ceremonies on July 31:

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| 1,789 baccalaureate degrees | |
| 113 master’s degrees | |
| <u>52</u> doctoral degrees | |
| | 1,954 total |
- **BOT-4 – Delegating Authority to the President of the University** – A motion passed approving a *Resolution of the University of Central Florida Board of Trustees Delegating Authority to the President of the University* those powers and duties provided in Section 1001.75, Florida Statutes ratifying any previous actions of the president that were within such powers and granting to the president the authority to approve the development of university institutes and centers. In answer to a request by the chancellor for two people from each university to work with the Board of Governors on the devolution of powers, Chairman Nunis and General Counsel Scott Cole will represent the University of Central Florida.

Educational Programs Committee

Trustee Geraldine Ferris, chair of the Educational Programs Committee, discussed the following committee items:

- **EP-1- 2003-2004 Program Reviews** – As an information-only item, Trustee Ferris informed the board that twenty-four programs in the College of Arts and Sciences, Rosen College of Hospitality Management, and College of Health and Public Affairs were evaluated on the following criteria: demand, centrality, quality, competitive advantage, and cost. The ultimate outcome of the program review will result in administrative resource decisions that specify the programs to be enhanced, reduced, maintained, eliminated, or studied further. Academic Affairs offered a program review workshop on July 23, 2004, to summarize the results of this year’s program reviews.
- **EPC-2- Research Comparison Update** – In response to a question raised at the May 13 Board of Trustees meeting, M. J. Soileau, vice president for Research, provided an update on UCF’s comparisons with other State University System institutions on several research funding items. He addressed the amount of research funds received, excluding medical schools, types of projects funded by major funding agencies, strategies UCF has and will employ to capture new funds for activities such as centers and interdisciplinary dream teams, and UCF’s areas of strength and unrealized potential. He also provided information on strategies for pursuing additional federal funding opportunities. In summary, Dr. Soileau announced that booked funding is up 230% over the last five years and federal funding has

tripled in four years. He reported that 325 faculty received funding in Fiscal Year 2004; the top 23 faculty account for 50% of all funding; the top 68 faculty account for 75% of all funding; and, the top one-third of those receiving funding (129) account for 90% of all funding (or \$650,000 each, on average). While it appears that other Florida institutions are receiving more funding, it must be taken into consideration that those institutions have medical schools. Trustee Ferris emphasized the need to do all we can to move toward the realization of a medical school on the UCF campus.

- **EPC-3 – Enrollment and Degree Plans, 2004-2015** – Robert L. Armacost, director of University Analysis and Planning Support, gave an overview of UCF’s enrollment plans. He said that the Division of Colleges and Universities requires each SUS institution to submit long-term enrollment plans at the program and university level. The plans include estimates of fall headcount and annual degree production at the program level for 2004-2014 and annual FTE projections at the university level for 2004-2015. He indicated that DCU has requested similar enrollment plans in the past; however, this is the first time they have required institutions to submit enrollment and degree projections for each degree program. The provost has directed his staff to evaluate program performance on the enrollment projections in the future as part of the seven-year program review process.
- **EPC-4 – Online Learning Initiative** – Joel Hartman, vice provost of Information Technologies and Resources, provided an overview of the economic impact of online learning at UCF in response to a request by the trustees at the May 13, 2004, meeting of the Educational Programs Committee. Dr. Hartman reported that distributed learning at UCF includes fully online Web-based courses, mixed-mode courses that have reduced seat time, face-to-face courses that are enhanced through use of Web-based instruction, interactive two-way television, videotape-based courses, and FEEDS courses that are distributed over the Internet through streaming video on demand. The UCF Virtual Campus enhances the role of UCF’s regional campuses by providing fully online access to degree programs and graduate certificates. Seven bachelor’s degree programs, eight master’s degree programs, and seven graduate certificate programs can be completed through online courses. To date, 486 different courses have been offered fully online, 515 different courses have been offered in the mixed mode/reduced seat time mode, and 430 faculty members have completed UCF’s faculty development program for teaching online. In conclusion, Dr. Hartman reported that as a result of students enrolling in UCF’s online courses, the total construction cost avoidance is more than \$3.6 million with an associated annual saving of nearly \$170,000 in operation and maintenance costs. Annual revenues in 2003-2004 from fully online students, inclusive of matriculation fees and state support, totaled more than \$17.7 million.
- **EPC-5 –Block Tuition Proposal** – Trustee Ferris announced that this proposal does not need the board’s approval at this time, but rather its unanimous concurrence. She reported that the Board of Governors asked the universities interested in implementing block tuition to submit proposals by September 1, 2004. Under the plan we submitted, students enrolled for twelve or more credit hours (full-time students) pay a fixed tuition equal to that required for fifteen credit hours. Once the block tuition is paid, however, students could enroll for

additional credit hours at no additional costs. Simply put, block tuition provides an incentive for students to enroll for at least fifteen hours each semester and, thus, supports the Board of Governor's goal of increasing the number of students who graduate from college in four years. It is important to note that although students would pay the block tuition rate for a total of thirty hours during the normal academic year, they could bank six of those hours and take up to six of those hours during the summer at no extra charge. While it appears that block tuition could be advantageous to our students, further analysis is required before a recommendation can be made to the board.

In her closing comments, Trustee Ferris announced that the Ph.D. in Applied Sociology had been approved.

Advancement Committee

Trustee Patrick Christiansen, chair of the Advancement Committee, reported that there were no action items to bring before the full board. He shared the following informational items: In his legislative update, Dan Holsenbeck, vice president, University Relations, reported that most of the current legislative activity is with elections. He reported that the Board of Governors is in the process of submitting its budgets, and our board will receive an update at the next meeting. Dr. Holsenbeck acknowledged Jeannie Hartig, director and assistant vice president, University Relations, and Nancy Rodriguez, assistant director, for their work on the new graphic standards manual that was distributed to the board. He noted that this document has won a regional CASE award for the thoroughness of its content. With respect to the UCF Foundation, Inc., Trustee Christiansen referred to a four-year comparison contribution report distributed by Vice President and CEO Bob Holmes that indicates year-to-date contributions to be at \$16,399,186.09, which is represented by 12,400 donors, a figure right on track for the estimated goal of \$20 million.

Finance Committee

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

- **Update on the 2005-2015 Campus Master Plan** – Bill Merck, vice president for Administration and Finance, reported that about fifty residents learned about UCF's plans for new academic buildings, land conservation, and new parking garages during the first of two public hearings on the proposed 2005 campus master plan. A second public hearing will be held in October and the board will most likely have an opportunity to vote on the plan in November.
- **Review of UCFAA, Inc., 2004-2005 Budget** – Steve Orsini, Athletics Director, gave an overview of the sources and uses of funds for the fiscal year ending June 30, 2005, for the Department of Athletics. Trustee Yochum suggested that an actuals column be added to the report to enable a comparison of actual versus planned line items in the budget going forward.

- **Monthly Financial Reports for April, May and June** – Vanessa Fortier, director of the university budget office, gave an overview of the monthly budget reports for April, May, and June. Trustee Santiago reported that the review of the financial reports is still a work in progress. The budget staff will continue to work on the presentation of their monthly reports for board review.

- **FIN-1 – Five-Year Capital Improvement Plan** – A motion passed approving the capital improvement plan for 2005-2006 through 2009-2010. Each year the university must submit an updated Capital Improvement Plan to the State Board of Education. This plan is used for several purposes. It 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 2005-2006.

- **FIN-2- Approval of 2004-2005 Parking Rule** – A motion passed approving changes to the rule pertaining to the UCF parking and traffic regulations. UCF publishes these regulations, which also apply to the general public as they visit the campus and use campus facilities. Thus, we are required by law to publish the pertinent information from those regulations in the form of a rule (6C7-6.007), which, after meeting state requirements for public comment, carries the force of state law. The full text of the regulations, including information not necessary for inclusion in the rule, can be found at www.parking.ucf.edu.

- **FIN-3- Approval of 2004-2005 Tuition Rule** – A motion passed approving the emergency rule to implement the 2004-2005 tuition rates approved at the May 13, 2004, Board of Trustees meeting and approving the new permanent rule 6C7-9.001 for further rule development. The board voted to implement the legislative mandated increase of 7.5% for undergraduate resident students and 12.5% for all other students for the academic year 2004-2005 at its May 13, 2004, meeting. Since that meeting, the Division of Colleges and Universities has provided clarification of the interpretation of the mandated increase. In prior years, increases for non-resident students have not applied to the matriculation portion of the fees. For Fall 2004, the mandated 12.5% increase for non-resident student is to be applied to both the matriculation fee and the non-resident fee. This interpretation changes the matriculation as well as the non-resident financial aid fee for non-resident undergraduate students as presented at the May 13 meeting. Approval of the rule is 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.

- **FIN-4 Block Tuition Proposal** – This item was discussed during the Educational Programs Committee meeting under item EPC-5.

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ANNOUNCEMENTS

Chairman Nunis thanked the board members for their participation in purchasing tables for the UCF Community Kick-off Luncheon. He reminded the board that spouses were also invited. He reported receiving eight checks to date. He thanked Trustee Calvet for selling an additional three tables. He recognized Jacob Stuart for doing a great job on marketing the upcoming event and he encouraged the board to ask others to get involved in purchasing tickets.

Chairman Nunis announced that the next meeting would be held on September 23, 2004.

The meeting was adjourned at 2:57 p.m.

Respectfully submitted:  Date: _____
John C. Hitt
Corporate Secretary

