



**Board of Trustees
Finance and Facilities Committee Meeting
May 23, 2013**

MINUTES

CALL TO ORDER

Trustee Jim Atchison, vice chair of the Finance and Facilities Committee, called the meeting to order at 10:53 a.m. Committee members Robert Garvy, Reid Oetjen, and Melissa Westbrook were present. Trustees Richard Crotty and Beverly Seay were present.

MINUTES APPROVAL

The minutes of the February 20, 2013, Finance and Facilities Committee meeting were approved as submitted.

2013-14 Tuition and Fees, Amendments to University Tuition and Fees Regulations UCF 9.001 and UCF 9.006 (FFC-1)

William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer, and Tracy Clark, Assistant Vice President for Finance and Controller, presented the recommended tuition and fees increases for 2013-14, the proposed amendment to University Regulation UCF 9-001 to establish tuition and fees for the 2013-14 academic year, and the proposed amendment to University Regulation UCF 9.006 for miscellaneous fees.

There is a statutory requirement that tuition and fees increase by the previous year's CPI adjustments if there is no tuition increase by the legislature. Last year's CPI increased by 1.7 percent. If it is determined that tuition should increase by this amount for all of the SUS schools, then the university will need to have authority to amend the budget accordingly. The committee unanimously approved allowing the 1.7 percent increase without reconvening the committee if it is determined by legal counsel that the statutory requirement applies.

Merck reported that the financial aid fee for the Doctor of Physical Therapy program was higher than other programs, and the proposed decrease is an effort to make this fee uniform among the programs. The financial impact to decrease the fee is minimal.

Merck also reported that the Florida Interactive Entertainment Academy program began as a continuing education program, eventually worked into an auxiliary-type program, and since has received E&G funding. The E&G reporting rules have been clarified, and this program had not been reported under E&G fees, and it needs to be reported appropriately.

The committee unanimously approved 2013-14 tuition, tuition differential, out-of-state fees, financial aid fees, and technology fees as presented, as well as amendments to University Regulations UCF 9.001 and UCF 9.006 that quantify fees that show no increase and include fees that were approved at prior meetings.

University Operating Budget report quarter ended March 31, 2013 (INFO-1)

Clark reviewed the third quarter University Operating Budget report.

2013-14 University Operating Budget (FFC-2)

Clark gave an overview of the proposed 2013-14 operating budgets for Educational & General, Medical School, Auxiliary Enterprises, Sponsored Research, Student Financial Aid, Student Activities, Technology Fee, and Concessions. The Educational & General and Medical School budgets reflect the amounts proposed by the legislature and approved by the governor. The committee unanimously approved the 2013-14 University Operating Budget.

2013-14 Capital Outlay Budget (FFC-3)

Lee Kernek, Associate Vice President for Administration and Finance, reviewed the 2013-14 capital outlay projects budget that supports the five-year capital improvement plan list for UCF. The committee unanimously approved the university's 2013-14 capital outlay budget with authorization for the president to make necessary adjustments during the year.

2013-14 College of Medicine Self-insurance Program Budget (FFC-4)

Deborah C. German, Vice President for Medical Affairs and Dean of the College of Medicine, presented the 2013-14 Self-insurance Program budget for the College of Medicine. The committee unanimously approved the budget as presented.

2013-14 College of Medicine Faculty Practice Plan Budget (FFC-5)

German presented the proposed 2013-14 College of Medicine's Faculty Practice Plan budget. The committee unanimously approved the budget as presented.

Direct Support Organizations' 2012-13 second-quarter financial reports (INFO-2)

Merck reported that the fourth-quarter financial reports of the DSOs were provided as information items.

University and DSO Debt Report (INFO-3)

Merck reported that the University and DSO Debt Report was provided as information.

UCF Investments Policy Amendment (FFC-6)

Merck reported that at an earlier meeting a discussion was held regarding the need to move a portion of UCF's operating cash funds into higher yielding vehicles than money market funds. The committee at that time decided to delay moving any funds until after the investment managers' three-year review was completed. The sub-committee to review the investment manager presentations was made up of Trustees Grindstaff, Atchison, Calvet, and Garvy. After discussion and review of the performance of the investment managers, a recommendation by the sub-committee was made to move away from active equity managers

and to use equity index funds. The committee unanimously approved the amended investment policy to accommodate the changes.

This investment program was started in March 2010. Through April 2013, the program generated investment earnings of \$26 million, before management fees. This represents a gross return of 3.98 percent compared to 2.4 percent with SPIA during the same time period

University Depositories (FFC-7)

Clark presented the current university funds depositories and included authorization for the president or his designee to transfer funds between depositories and designate specific university employees to sign checks for payment of university obligations. Clark noted that no bank will be used unless it is a qualified depository as provided by Florida Statutes. The committee unanimously approved the university depositories.

Vice Chair Atchison adjourned the Finance and Facilities Committee meeting at 12:00 p.m.

Respectfully submitted: _____

William F. Merck II
Vice President for Administration and Finance
and Chief Financial Officer

_____ Date