



IV. Strategic Planning Committee

SP: A-1: Trustee Nancy Blosser asked Mr. David Kian to give brief overview of the Boca Raton Community Hospital (BRCH) lease agreement. Mr. Kian stated that all conceptual points in the deal have been finalized. There were a few technical items that needed finalization. Parties are in agreement that FAU and BRCH committed to this transaction upon the approval of the lease by both parties. The purchase option that BRCH will obtain is not something that FAU can grant because the land is legally owned by the State. Both parties are currently working through issues, like how to define the effectiveness of the obligations that BRCH and FAU are sending, while recognizing that the State's approval through a Cabinet meeting is necessary. Outside counsel, Holland and Knight drafted a memo that identifies the changes that were made to version eighteen which was presented at the June 14, 2006, committee meeting. The final version twenty was emailed to the BOT. The memorandum identifies the non-grammatical changes that were made to the lease agreement. These were word choice changes that clearly articulated the parties' joint intention. Mr. Kian reviewed the payment stream as an example. It has always been the parties' agreement that BRCH will pay a total of \$21.25 million (present value) in rent compensation over a ten year span. The payments will be made over time and have been tagged to certain benchmarks. There are contingencies in the lease can affect the exact timing of the ground breaking and completion of construction. The payment stream was written to reflect the fact that after payments are made there needs to be a total amount of \$21.25 million summed together with the present discount rate of 7%. Trustee Blosser asked for discussion or questions for further clarification.

Trustee Blosser thanked President Brogan for leadership. She also thanked Mr. Kian, and Trustee Norman Tripp for time donated to this project. Trustee Blosser introduced Gary Strack, Dick Schmidt, and Paul Reisner from BRCH. President Brogan introduced Minor Anderson from University of Miami.

There was a motion to approve the Ground Lease By and Between the Florida Atlantic University Board of Trustees and Boca Raton Community Hospital, Inc. The motion was seconded. **The motion passed unanimously.**

Trustee Blosser invited Gary Strack from BRCH to comment. Mr. Strack stated that now that the Ground Lease is approved FAU, BRCH, and UMMS

indicated a new project added to the list. Ms. Dashtaki reviewed projects requiring Legislative approval; projects that need general revenue for maintenance, projects requiring the selling of bonds, and projects that would be constructed through Direct Service Organizations (DSO).

There was a motion to approve the university's 2007-2008 Capital Improvement Plan, as recommended by the Strategic Planning Committee. The motion was seconded. **The motion passed unanimously.**

Trustee Sherry Plymale asked for clarification on an article regarding a decline in PECO funds. President Brogan explained that PECO is funded out of the gross receipt tax and that it unexplainably rises and declines over the years. The recent PECO fund trend is down and the Board of Governors is currently discussing possible variables to present to Legislature as to how to continue to fund PECO projects.

V. Academic and Student Affairs Committee

AS: A-1: Trustee Plymale introduced Dr. John Pritchett to present the FAU Enrollment Plan through 2012-2013. Dr. Pritchett stated each year the Board of Governors request FAU update enrollment targets based on demographics, high school graduation rates, and college transfer rates. The BOG will use those figures in preparing their Legislative Budget Request (LBR) this summer. FAU's projection for the 2007-2008 is more than 27,500 students. Trustee Plymale asked the committee to review the enrollment projections annually. Trustee Plymale asked if there were any additional questions or comments.

There was a motion to approve FAU Enrollment Plans through 2012-2013. The motion was seconded. **The motion passed unanimously.**

AS: A-2: Trustee Plymale asked Dr. Pritchett to present for approval the 2007-2008 Legislative Budget Request for submission to the Florida Board of Governors. In past years the BOG did not set a limit. For the 2007-2008 LBR the BOG has set a limit of 8% of the university's base budget. This equates to \$13 million for FAU. In preparation of the 2007-2008 LBR the 2006-2007 was examined to determine what was and what was not funded, as well as a review of the newly adopted strategic plan. The absolute priority on the LBR is the joint medical program with the University of Miami. Trustee Plymale asked due to the fact that Florida International University (FIU) and University Central Florida (UCF) medical school funding requests will be outside of their LBR will FAU's LBR change. Dr. Pritchett responded that FIU and UCF's medical programs are outside of their LBR primarily due to the amount. FAU has been advised by the BOG's staff to include the medical program in the 2007-2008 LBR. Trustee Plymale asked if there were any additional questions or comments.

There was a motion to approve the 2007-2008 Legislative Budget Request. The motion was seconded. **The motion passed unanimously.**

VI. Audit and Finance Committee

AF: A-4. Trustee Norman Tripp introduced Dr. Ken Jessell to present the request for approval of regulation promulgation for the legislatively established increases in student fees for the 2006-2007. Every year FAU has to develop regulation regarding increase in student fees. The only fees that were included in the documentation were those that were mandated by statute, and that

is an increase in undergraduate tuition of 3%. There are no other fee increase recommendations. Trustee Tripp asked if there were any additional questions or comments.

There was a motion to approve the regulation promulgation for the legislatively established increases in student fees for the 2006-2007. The motion was seconded. **The motion passed unanimously.**

AF: A-5. Trustee Tripp asked Dr. Jessell present the approval of increase in housing rental rates. The Division of Housing gave presentation recommending that housing would increase approximately 4%. The additional \$501,500 will support:

| | |
|---------------------------------------|-----------|
| Utilities Increase, Boca Raton Campus | \$225,700 |
| Utilities Increase, MacArthur Campus | \$ 30,000 |
| Salaries and Benefits | \$110,500 |
| Maintenance and Repair | \$102,500 |
| Administrative Overhead Cost | \$ 30,000 |

Due to the fact that FAU has only adopted a 3% increase for undergraduate students, the average increase in total tuition and fees including housing per student is under 3% for graduate and out of state. Trustee Tripp asked if there were any additional questions or comments.

There was a motion to approve the increase in housing rental rates. The motion was seconded. **The motion passed unanimously.**

AF: A-6. Trustee Tripp asked Dr. Jessell to present the approval of the 2006-2007 Capital Outlay Budget. This budget was approved last year by the BOT, statutorily at the time the University's operating budget was approved the capital budget is also required to be approved. Items were included in the handouts and all items have been examined over the last two years since the development of the 2006-2007 PECO list. Trustee Tripp asked if there were any additional questions or comments.

There was a motion to approve the 2006-2007 FAU Capital Outlay Budget. The motion was seconded. **The motion passed unanimously.**

AF: A-7. Trustee Tripp asked Dr. Jessell to present the request for approval of the 2006-2007 Florida Atlantic University operating budget. FAU has developed an operating budget that is consistent with the strategic plan.

There was a workshop held on June 7, regarding the operating budget of the university. There is a recommendation is a 6.5% increase for a total operating budget of \$493 million. The budget breaks down as follows:

| | |
|--------------------------------|---------------|
| Educational and General Budget | \$263,885,648 |
| Student Financial Aid | \$122,803,303 |
| Contracts and Grants | \$ 59,163,175 |
| Auxiliary Enterprises | \$ 55,006,528 |
| Athletics | \$ 12,067,000 |

| | |
|--------------------|--------------|
| Student Government | \$ 6,678,124 |
| Concessions | \$ 572,575 |

For four of the budgets: concessions, student government, auxiliary enterprises, and grants and

that exists between any SGA official and the university at large. It is fragile relationship because the BOT has complete oversight of the entire university budget; there is also a day to day partnership that exists between university administration and SGA. Both the university administration and SGA has worked together to try to bring this issue to a successful conclusion.

The university administration perspective as far as the individual budget and the allocation of funds, as long as SGA is acting in accordance with the constitution and the rules laid out and approved by the BOT that is exclusively allowed to be the covenant between SGA leadership and the student organizations. Acting SGA President Kim Nguyen agreed with President Brogan's comments. Ms. Nguyen stated that her role is the elected Governor of the Boca Raton campus and the chairperson of the University-wide Council and her duties are to ensure that the student body has an elected SGA President and Vice President. President Brogan stated that any questions that any of the speakers have in reference to the day to day operations of SGA; they can contact their SGA representatives, as well as their student affairs office.

President Brogan introduced student identified as Maria. Her question was directed to Ms. Nguyen as to why she felt it necessary to appoint a chief justice. Trustee Tripp asked if the questions addressed to the BOT can be limited to the budget. Ms. Nguyen stated that the next University-wide Council meeting will be held Thursday, June 29, 2006 and questions can be addressed in open forum.

President Brogan introduced Tony Texteira to address the BOT. Mr. Texteira spoke regarding the SGA and UWC actions regarding the presidential election. Trustee Tripp, asked again if the questions can be restricted to the budget. President Brogan stated there is a motion on the floor to provide provisional approval for the SGA budget pending the successful completion of the constitutionally held election to be completed in July, any questions or comments need to pertain to that issue. Mr. Texteira asked that before the budget is allocated towards the future election to please be sure the election is fair and constitutional. He also asked if Student Affairs can be charged with the duty of running the election. President Brogan assured that it is all the parties involved intent to make certain that the election is constitutional. Trustee Tripp stated that from the BOT's point of view, the students do not want the BOT to run the SGA organization. The BOT's role is to ensure the election is fair and constitutional. From the BOT's point of view, the students any ques6

anti-harassment policy. Approximately two years ago, the Board of Education requested that each state university have a anti-harassment policy covering all federal and state protected

In regards to staff and faculty, the report is provides better insight on areas that FAU is doing well with regards to diversity and areas FAU can do better. FAU is facing impacts in areas that the entire higher education system is facing. Therefore, FAU needs to find new and innovative opportunities to increase diversity numbers. Trustee Tripp asked if there were any additional questions or comments.

There was a motion to approve the report on diversity. The motion was seconded. **The motion passed unanimously.**

Trustee Tripp asked that next year it would be helpful if President Brogan makes a report on the budget request to a joint meeting of the Strategic Planning Committee and the Audit and Finance Committee that the BOT can have clear understanding of why the budget is being done the way it is. President Brogan stated he and Trustee Blosser discussed this at length regarding developing a type of report that creates a strategic planning template for the BOT. This template will help the BOT to see what activities FAU is funding, how they fit within the strategic plan, how much they are funded for, and what FAU would request on top of that from either new money or money gleaned from greater efficiency.

VII. President's Report

President Brogan announced this summer FAU has been hosting alumni events have been held in: Washington, DC; Miami; and Orlando. The turnout has for these events have been outstanding. FAU has hit its hundredth thousand mark in degrees granted, swelling the number of alumni. President Brogan extended an invitation to the School of the Arts, summer Festival Repertoire which includes; Okalahoma, A Streetcar Named Desire, and Cole Porter's American Songbook. The performances take place in the Schmidt Auditorium and will run through the months of June and July. FAU also is hosting the City of Boca Raton's 4th of July Celebration. Summer classes have been robust in terms of enrollment, summer camps are taking place in athletics and at the Scripps Institute. President Brogan invited all to summer commencement and thanked everyone for their hard work on budget.

VIII. New Business

Trustee Tripp thanked Dr. Ken Jessell for a great job in putting together the budget and continuing to give excellent leadership in that area.

XI. Member Comments

Ms. Kim Nguyen stated that she is honored to serve as the student representative and assured the BOT the issues with SGA will be quickly resolved. Trustee Armand Grossman stated that there is a tremendous sense of gratitude to FAU from the community speaks regarding Boca Raton Community Hospital and FAU partnership. Trustee Grossman thanked Mr. David Kian and Dr. Stack. Trustee Levow stated that SGA is a critical partner to the BOT and university administration in creating and enhancing student life environment. It is his hopes that the BOT can look for ways to enhance the relationship and