

**University of North Florida  
Board of Trustees  
October 18, 2007**

**Minutes**

**Trustees in Attendance:** Mr. Wilfredo Gonzalez, Mrs. Ann Hicks, Dr. Chip Klostermeyer, Dr. Bruce Taylor, Mrs. Carol Thompson, Ms. Rachael Tutwiler, Mr. Kevin Twomey

**Trustees Absent:** Dr. Edythe Abdullah, Mr. Luther Coggin, Mrs. Toni Crawford, Mr. Hugh Greene, Ms. Wanyonyi Kendrick

**Item 1: Call to Order.** Chair Taylor called the meeting to order.

**Item 2: Chair's Report.** Chair Taylor thanked everyone for coming and said that he had nothing to report at this time.

**Item 3: President's Report.** President Delaney said there were some positive signs regarding funding for higher education. The first round of cuts was less than originally thought and a technology fee had been approved for fall 2009.

President Delaney reported on UNF's transition to NCAA Division I, stating that in some ways the certification process was similar to an accreditation review, affording the university the opportunity to review its procedures. Both the certification process and the budget were going well with all reports, including staffers and consultants, stating that the university was positioned well.

**Item 4: Open Comments.** Chair Taylor offered opportunity to guests in attendance for open comments and there were none.

**Item 5: Consent Agenda.** Chair Taylor presented the consent agenda for approval. He stated that the consent agenda also included minutes from the regular June Board meeting and from the special September meeting. He asked if Board members wished to pull any of the items from the consent agenda for further discussion. There were no requests so Chair Taylor asked for a motion for approval of the consent agenda as presented. A motion was offered, seconded and approved unanimously.

**Item 6: Schedule of Tuition and Fees.** Chair Taylor stated that there was a request before the Board to approve a 5 percent tuition increase for in-state undergraduate tuition. This increase was approved by the Board of Governors at their September meeting, with a parallel increase approved by the Legislature in their recent special session. He stated that this request would be the first of two actions on tuition.

Chair Taylor asked for a motion for approval of the schedule of tuition and fees. A motion was offered, seconded and approved without further discussion.

**Item 6A: Schedule of Tuition and Fees Regulation.** Chair Taylor stated that, subsequent to the approval of the 5 percent tuition increase, the Board must also approve an emergency amendment to the 2007-2008 tuition and fees regulation which would incorporate the tuition increase.

Chair Taylor asked for a motion for approval for the Schedule of Tuition and Fees regulation. Without further discussion a motion was offered, seconded and approved.

**Item 7: Purchase of the Auchter Building.** Chair Taylor asked Committee Chair Twomey to speak about this item.

Committee Chair Twomey stated that this item was presented to the Finance and Audit Committee at their last meeting and was coming forward as a recommendation for approval from the full Board. He asked Vice President Shuman to present the details of the transaction.

Vice President Shuman stated that the University was requesting permission to purchase the Auchter building and approval of a delegation of authority to the President to execute the purchase and sale agreement, as well as the closing documents required to complete the sale. The original bid started at \$4.2 million and was negotiated down to slightly less than \$3.9 million.

Vice President Shuman discussed an alternative to the university's direct purchase of the Auchter Building, stating that consideration was given to a third party's purchasing the building. This was dismissed as a viable alternative due to the timing constraints, leasing expenses and the impact of the recent purchase of UNF Hall on possible PECO funding.

Vice President Shuman provided a proposed financing plan for the purchase of the Auchter building. This proposed plan included the following:

- \$2.125 million from auxiliary reserves,
- A \$1 million loan from auxiliary reserves. The UNF Foundation, Inc. would repay this over five years. (This was yet to be approved by the Foundation Board. A special meeting would be called to finalize this commitment before the upcoming Foundation Executive Committee meeting.),
- \$250,000 from Alumni Services, and
- \$500,000 from Foundation, Inc. reserves.

Vice President Shuman stated that the proposed closing date for the purchase of the Auchter building was December 31, 2007. The purchase and sale agreement was included in the meeting materials with some minor changes forthcoming.

Trustees discussed the depletion of reserves and the availability of funds for emergencies or other purposes. The conclusion was that there were other E&G funds available for emergencies and the university's budget was not being put at risk.

Operating funds for the Auchter building were discussed, concluding that this building would qualify for PO&M funding from the state.

Trustees discussed the regeneration of auxiliary reserves, closing with the understanding that these reserves could be built back up over time through revenue from some auxiliary units on a regular basis, such as the University Center and the bookstore.

Chair Taylor asked for clarification on the loan to Foundation, Inc. – would the satisfaction of this loan have any impact on various endowment accounts. Vice President Shuman stated that Foundation, Inc. had additional sources and this transaction would not affect any endowment accounts.

Chair Taylor asked for a motion to approve the purchase the Auchter building and approval of a delegation of authority to the President to execute the purchase and sale agreement, as well as the closing documents required to complete the sale. A motion was offered, seconded and approved without further discussion.

**Item 7A: Transfer of Funds to Purchase the Auchter Building.** Chair Taylor asked Vice President Shuman to speak about this item.

Vice President Shuman stated that the university was asking permission to transfer \$3,125,000 from auxiliary reserve funds for the purchase of the Auchter building.

A motion was offered, seconded and approved without further discussion.

**Item 8: Possible Budget Reductions in Response to Tax Revenue Shortfalls.** Chair Taylor asked Vice President Shuman to speak about this item.

Vice President Shuman stated that the university's entire budget was \$130 million. The state intended budget cuts were figured on funds provided by the state and did not include tuition revenues. At this time, the state had allocated about \$84.7 million to UNF for 2007-2008 in recurring and non-recurring general revenue dollars.

Of this amount, the state would reclaim funds for financial aid and casualty insurance, amounting to about \$1.5 million, leaving about \$83.2 million. There would be a 3.56 percent revenue reduction on this \$83.2 million, which amounted to about \$2.9 million (this was still tentative).

The state gave back, for this year only, about \$533,000. The state then gave back about \$581,000 in non-recurring dollars to cover what would have been raised had the 5 percent increase not been vetoed. The university would also gain about \$581,000 from the spring tuition increase. There was a slight reduction in financial aid. The technical

correction yielded additional funding to UNF for about \$95,000. Taking all these numbers into consideration, the adjusted reduction in state funding amounted to about 1.43 percent of the university's general revenue allocation.

Vice President Shuman stated that, when the university calculated an additional 10 percent of spring tuition dollars it was putting to funds financial aid and the \$17,000 of the call back that would be taken from the pass through funding for the Schultz Center, this would yield a state budget reduction of about \$1.2 million. UNF had put aside about \$1 million for possible state budget reductions. This left about \$200,000 which would be taken from reserves. She stated that this was how UNF intended to balance the 2007-2008 budget.

Trustee Thompson asked if the \$200,000 from reserves would impact next year's budget. Vice President Shuman stated that the outcome of next year's budget was an unknown. She spoke about upcoming budget needs including that Quality Enhancement Plan required for Southern Association of Colleges and Schools (SACS) accreditation renewal would have to be funded. While there was likely to be a tuition increase for next year in anticipation of lower state funding, the President had asked all non-academic units to cut their budgets by 2 percent. Academic Affairs would cut its budget slightly less than 1 percent. These cuts would give the university additional dollars and provide better footing going into next year without knowing what might happen next.

Further discussion clarified that funding for summer school would come from salary savings, not reserves.

Chair Taylor stated that the university's prudence with the budget had made these cuts less painful. He commended administration for their insight.

Chair Taylor asked for clarification regarding funds reserved for faculty growth - when would these funds become available? Vice President Shuman stated that the university was waiting on further discussion before these funds were released. Provost Workman stated that these funds were necessary to advance the institution's strategic plan. Chair Taylor stated that these funds were critical to progress.

After Chair Taylor asked for further discussion on budget reductions, he asked for a motion for approval. A motion was offered, seconded and approved.

Chair Taylor added a postscript, stating that everyone was mindful of salaries and the need for raises. He stated that the Board and the President would do everything they could to address this issue as soon as possible.

**Item 9: Reports from the Finance and Audit Committee.** Chair Taylor asked Committee Chair Twomey to speak about these reports.

**Item 9A: Direct Support Organization's (DSO's) Audits.** Committee Chair Twomey stated that this item included the audits from the UNF Financing Corporation (UNFFC),

the Training and Service Institute (TSI) and the UNF Foundation, Inc. These audits were reviewed by the FAC.

Chair Taylor asked for questions and/or comments. There were none.

This item was for review only. No further action was required.

**Item 9B: Annual Audit Report 2006-2007.** Committee Chair Twomey stated that this item was presented to the FAC by Mr. Robert Berry, Interim Director for Internal Auditing. He asked if there were any questions from the Board, stating that Mr. Berry was present for further discussion.

The Board offered no additional discussion and no further action was required.

**Item 9C: Accounts Receivable Write-offs.** Committee Chair Twomey stated that this item was discussed by the FAC and it was determined that there were no issues of concern. He stated that the university had maintained good control over accounts receivable and all write-offs were within the constraints of the delegation of authority given to the President.

This item was for discussion only. No further action was required.

**Item 9D: Treasurer's Report.** Committee Chair Twomey stated that this report was discussed at the FAC and it was determined that there were no issues of concern. He stated that funds were managed and reported well.

This item was for discussion only. No further action was required.

**Item 9E: Capital Projects Quarterly Report and Change Orders.** Committee Chair Twomey stated that there were no significant issues to be addressed within this report.

This item was for discussion only. No further action was required.

**Item 10: Reports from the Educational Policy Committee.** Chair Taylor asked Committee Chair Hicks to speak about these reports.

**Item 10A: Reports on Animal Research and Care, New Administrative and Faculty Hires, UNF's Graduate School, and U.S. News and World Report Rankings.** Committee Chair Hicks asked Provost Workman to speak about these reports.

Provost Workman referenced the *Fall 2007 Convocation and New Faculty Profiles, September 7, 2007*. (All trustees received a copy of this publication). He stated that this publication listed the new faculty hires along with their credentials.

Provost Workman stated that the Educational Policy Committee had received a substantive report addressing animal care and research. He said that UNF had three active

committees that collectively provided oversight for research undertaken by faculty and students. One committee oversaw any research that might involve human subjects, one oversaw research that might involve dangerous or toxic materials, and the Animal and Research Care Committee. A responsibility of the latter committee was to ensure that animal research was engaged in when no alternative was available. In cases where animals were used for research this committee reviewed the practices to ensure ethical treatment of the animal subjects. Provost Workman stated that this committee were deemed to be responsible and appropriately constituted.

Provost Workman spoke about UNF's Graduate School, stating that the university had recently appointed Dr. David Fenner as the full-time dean. He said that the most recent data suggested a resurgence of interest in UNF's graduate programs. Provost Workman credited Dean Fenner for systematically targeting and recruiting potential graduate students. He stated that the recently approved graduate programs also made a considerable difference in recruiting.

Provost Workman spoke about graduate tuition, stating that the cost for out-of-state students was prohibitive, however graduate fellowships would be addressed by the upcoming capital campaign.

Chair Taylor stated that he was very glad to hear that the prohibitive out-of-state tuition might be offset by additional graduate fellowships offered through funding from the upcoming capital campaign.

Provost Workman spoke about the *U.S. News and World Report* rankings, stating that the meeting materials included comparisons over the past three years. These comparisons showed that UNF had improved in rankings going from 47<sup>th</sup> to 43<sup>rd</sup>, up 4 positions. Specific ranking categories showed that the average freshmen retention rate was steady and graduation rates increased by 1 percent. Provost Workman asked Ms. Deb Kaye and Mr. John Yancey to include comments on the other factors of these rankings in their report on the fall 2007 student profile (discussed in Item 10B).

These reports were provided for information only. No further action was required.

**Item 10B: Fall 2007 Student Profile.** Committee Chair Hicks stated that the SAT scores were at 1177 and the GPA was 3.65 and these were statistics to be proud of. She asked Associate Vice President Kaye and Mr. Yancey, Director of Admissions, to provide more details.

Mr. Yancey stated that it had been an interesting and challenging year. He talked about the impact of the university's decision to level out FTIC enrollments, stating that total enrollment at UNF for the fall 2007 term was 16,561, an increase of about 500 students, which represented a 2.92 percent growth in total enrollment over last year. Of these currently enrolled students, 1,617 were FTIC students, which was a slight and intentional decline from the past year. The increase in overall enrollments was the result of transfer students and doctoral students.

Mr. Yancey stated that UNF was among three other institutions that leveled out the freshman class, including the University of Florida, the University of Central Florida and the University of South Florida. This action was in anticipation of forthcoming budget issues and was a concerted effort to decrease lower-level enrollment because of under funding from the state.

Mr. Yancey stated that geographic diversity continued to remain strong with the crown region accounting for about 55 percent of FTIC enrolled students – this included about 34 percent from Duval County. This impacted university housing in that many of these students lived at home.

Mr. Yancey spoke about minority enrollment, stating that fall 2007 minority enrollment increased slightly to 22.4 percent and the percentage of FTIC minority students new to UNF for fall 2007 was 22.7 percent, also a slight increase over last year.

Mr. Yancey stated that the freshman academic profile was the best profile the university has ever had. The average newly enrolled FTIC GPA for fall 2007 was 3.61, up from 3.58 last year. SAT scores for the same group were 1177, a significant increase over last year's score of 1166. He added that this was a direct result of leveling out the freshman class.

Mr. Yancey spoke about the future academic profile, stating that the university was on target for 2009 SAT scores to reach 1200. The profile should continue to move in a positive direction with increased applicants and lower FTIC admissions which should result in a higher academic profile.

Mr. Yancey spoke about scholarships, stating that 82.6 percent of FTIC students enrolled in fall 2007 received state scholarships, amounting to about \$6.88 million being accepted by all matriculated students.

Mr. Yancey discussed the Presidential Scholarship Awards, stating that this program was extremely effective in increasing the student profile and had been ongoing for four years. Last year there were 198 recipients, compared to 179 this year, with the decrease attributable to the intentional reduction in FTIC enrollment. Mr. Yancey stated that there was a 95 percent retention rate for these scholarship recipients, compared to a 75 percent rate for the general population.

Ms. Kaye stated that stricter admissions deadlines had been set and adhered to this year. This was done intentionally to remain within funded enrollment targets.

Mr. Yancey stated that the institution was changing its academic reputation and this message was being sent to students across the state. He stated that, as the profile changed, the university would become more selective as an institution.

Mr. Yancey profiled a decade of change, from 1997 to 2007, stating that there was a huge growth in headcount and a dramatic change in student age. In 1997, headcount was 11,397 and in 2007 it was 16,561. He spoke about the male/female split, stating UNF was slightly ahead in male enrollments than the national average by between 2 to 3 percent. Ethnic diversity had improved significantly during this decade. There was also a remarkable increase in the number of degrees awarded.

Mr. Yancey spoke about enrollment goals for next year, stating that the BOG had called for a freeze in freshman admissions, allowing the university to increase the academic profile of students.

Chair Taylor asked for further data regarding applications received with the first choice listed as UNF. Mr. Yancey stated that there wasn't a quantifiable way for gathering this data but the trend suggested that more applicants listed UNF as their first priority because they were looking for a place where they might make a difference in the classroom. There was an opinion among applicants that UNF was an institution that was moving forward and becoming more selective. Chair Taylor asked if there might be a way to gather this data.

Provost Workman asked for clarification on the difference between the SAT and ACT. Ms. Kaye stated that the ACT was readily accepted at the national level because students seemed to perform better on this exam. The SAT was scored in two parts, compared to four parts for the ACT. Mr. Yancey stated that the ACT did not have a foothold in Florida but had seen tremendous growth.

This item was presented for discussion only. No further action was required.

**Item 11: Adjournment.** Chair Taylor reminded everyone that a calendar listing scheduled meetings for the remainder of 2007 and 2008 was included in the meeting materials.

Trustee Gonzalez asked for an update regarding required health insurance coverage for students. President Delaney stated that this was up for discussion by the BOG but no real action had been taken at this time.

The meeting was adjourned.