



Item: SP: A-M

STRATEGIC PLANNING COMMITTEE

Wednesday, February 21, 2006

SUBJECT: ROLL CALL AND THE APPROVAL OF MINUTES

PROPOSED BOARD RECOMMENDATION

Initiate roll call to document member participation and ensure appropriate quorum numbers are achieved as well as approve the December 13, 2006 minutes.

BACKGROUND INFORMATION

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| Mrs. Nancy Blosser, Chair | _____ |
| Mr. Scott Adams | _____ |
| Dr. William Bryant | _____ |
| Mr. David Feder | _____ |
| Mr. Armand Grossman | _____ |
| Dr. Rajendra Gupta | _____ |
| Mrs. Lalita Janke | _____ |
| Dr. Roy Levow | _____ |
| Mrs. Sherry Plymale (ex-officio) | _____ |
| Mr. Austin Shaw | _____ |
| Mr. Robert Stilley | _____ |
| Mr. Norman Tripp | _____ |
| Dr. George Zoley | _____ |

Supporting Documentation: December 13, 2006 Minutes

Minutes Presented by: Mrs. Nancy Blosser, Chair



Strategic Planning Committee Meeting
Draft Minutes
Wednesday, December 13, 2006

Nancy Blosser, Chair of the Strategic Planning Committee, convened the meeting at 2:10 p.m. with the following Board of Trustee members present:

Trustees Scott Adams, David Feder, Armand Grossman, Rajendra Gupta, Lalita Janke, Sherry Plymale, Austin Shaw, Robert Stilley, Norman Tripp and George Zoley.

Absent: Trustees William Bryant and Trustee Levow

The following university officials participated:

Frank T. Brogan, President; John Pritchett, Provost; David Kian, General Counsel; Lawrence Davenport, Executive Vice President of University Advancement and Executive Director of FAU Foundation; Jennifer O'Flannery, Chief of Staff; Dr. Kristen Murtaugh, Vice President MacArthur Campus, and Tom Donaudy, Interim Vice President for Facilities.

SP: A-1: Roll Call and Approval of Minutes

A motion was made and seconded to approve the Minutes of the October 17, 2006 meeting. **The motion passed unanimously.**

Trustee Nancy Blosser introduced Dr. Kristen Murtaugh, the 2006-2007 United Way of Palm Beach County (UWPBC) Campaign Chair and Vice President of Florida Atlantic University MacArthur Campus to give update on the United Way campaign. Dr. Murtaugh gave an update of the campaign and thanked the staff for the hard work they have contributed to the campaign.

Trustee Blosser asked Mr. David Kian to give an update on the Boca Raton Community Hospital (BRCH) sublease revisions. At the June 28, 2006 BOT meeting, the Trustees approved a sublease of a portion of the FAU Boca Raton Campus to BRCH. The Florida Cabinet, who acts as the Trustees of the State of Florida's Internal Improvement Trust Fund (TIITF), submitted the sublease to the Florida Department of Environmental Protection's Division of State Lands for review and approval. At the November 8, 2006 BOT meeting, the BOT authorized the administration to negotiate, and the President and BOT Chair to execute, the amended version of the sublease provided there were no adverse material impact in FAU's interest. On December 12, 2006, the final agreement was reached with FAU, BRCH, and the State. The administration has requested formal approval by the TIITF at the next Florida Cabinet meeting, December 19, 2006. The changes to the sublease included additional rights to TIITF and additional compliance with various regulatory provisions of the Department of Environmental Protection. President Brogan commented that he and Trustee Norman Tripp will be representing FAU and Mr. Gary Strack and Mr. Dick Schmidt will be representing BRCH at the Cabinet meeting. Trustee Blosser asked if there were any questions from the BOT regarding the BRCH sublease revisions. There were no questions.

SP: A-2: Boca Raton Campus Master Plan Amendment

Mr. Tom Donaudy presented the Boca Raton Campus Master Plan Amendment. Mr. Donaudy clarified that it is not an approval of the Boca Raton Master Plan; rather it is approval for the University Architect's Office Division of Facilities to initiate the public hearing process consistent with the requirements of Florida Statutes. Before the campus Master Plan is adopted, the first public hearing must be held and a copy must be sent to a list of public agencies including: the Department of Environmental Protection, the Department of Transportation, the Department of State, the Fish and Wildlife Conservation Commission, the State Land Planning Agency, the applicable water management district, regional planning council, and any affected local governments. The approval of the Master Plan Amendment will not take place until summer 2007.

Mr. Donaudy addressed Trustee Roy Levow's concerns (via memo) on the campus Master Plan. Trustee Levow's concerns were reviewed and forwarded to the consultant. Mr. Donaudy stated responses to Dr. Levow's concerns will be given in writing to each member of the BOT and he will give an update on the Master Plan at each Strategic Planning meeting. Mr. Donaudy asked if there were any questions from the BOT. Trustee David Feder gave his understanding of what a Master Plan was, an avenue to make sure that FAU has a right to do what it may or may not chose to do in the future. President Brogan stated that the Master Plan serves two purposes: (1) FAU has an idea of how it will grow, whether or not the Master Plan meets ancillary and programmatic needs (2) Compliance, what FAU is required to do to turn a vision into reality. President Brogan gave the example that Innovation Village Project is not on the Master Plan because the BOT has not decided whether to move forward with it. Mr. Donaudy reiterated that the Master Plan is not new, what is being presented is an amendment to a Master Plan that has been in place since 1995.

Mr. Donaudy gave summary of the Campus Master Plan Amendment. The most challenging aspect of the Master Plan is the incorporation of BRCH. FAU's five years of growth for academic core and the auxiliary side is approximately 15% (about 3% per year). FAU has already mitigated and shown growth from the old Master Plan. The major elements to the Master Plan Amendment, BRCH and a stadium, are now included in the horizon 2016. In the old Master Plan, the stadium was included just outside the development horizon of 2011. The City of Boca Raton wanted additional language in the Campus Development Agreement regarding the I-95/Spanish River interchange being fully funded prior to construction of the stadium. The City of Boca Raton has expressed concerns regarding FAU building a dome stadium. They have been assured that FAU has not deviated from the Master Plan with the open air stadium. President Brogan commented the way to move forward is to see if there are any questions from the BOT on any parts of the proposed Master Plan Amendment exclusive of Innovation Village and any questions on the process of the Master Plan Amendment. Trustee Norman Tripp asked if the items mentioned in Dr. Levow's memorandum regarding traffic, and emergency vehicles are part of the Master Plan or are they covered in other agreements. Mr. Kian responded that they are indirectly a part of the Master Plan. The issues of traffic and emergency vehicles are in a collection of agreements that follows the passage of the campus plan.

To align with the University's commitment of a more traditional campus in Boca Raton, Mr. Donaudy recommended that more housing be added to the Master Plan Amendment. The Master Plan Amendment currently has 600 beds and specialty type housing. President Brogan reiterated that even with the addition to the Master Plan Amendment, it would still need to go through the process of public hearings, draft, and approval. Trustee Armand Grossman asked for clarification of over a ten-year span the addition of 2400 beds. Mr. Donaudy requested the

addition of an additional 3000 beds including specialty housing be added to the Campus Master Plan Amendment.

Trustee Tripp made a motion to accept the amendment and include in the amendment the fact that the BOT expect a build-out of 3000 additional housing units, be they dorms, graduate housing, etc. Mr. Kian stated the motion authorizes the University Architect and the Associate Vice President's Office (UAVP) to send the Master Plan out to the public. The Master Plan will not be approved until it is brought back before the BOT with public comments. **A motion was made and seconded to approve the University Architect's Office Division of Facilities to initiate the public hearing process consistent with the requirements of the Florida State Statute 1013.30 "University Campus Master Plans and Campus Developments" and FAU Associate Vice President's Policy and Procedure #22. The motion passed unanimously.** Trustee Blosser asked if there were any questions from the BOT regarding the process. Trustee Blosser reiterated that the motion approved the concept to go through the public hearing process. Mr. Kian stated that it gave authority for the UAVP to distribute to the Master Plan to the appropriate agencies. **A motion was made and seconded to approve the concept to go through the public hearing process, not to approve the Master Plan. The motion passed unanimously.**

SP: I-2. Center of Excellence in Ocean Engineering Technology

President Brogan commented that FAU was awarded \$5 million for its second Center of Excellence. A few years ago the State set aside \$30 million, created a board and awarded the funds to three Centers of Excellence, including FAU's Cures from the Sea Program. The Center of Excellence is on going program whose intent was to do three things; force collaboration instead of seeing silo approach to research with State money, create accountability to ensure productivity from use of the money, and to create a leverage from the dollars being awarded. The FAU's Cures from the Sea Program leveraged their award to acquire an additional \$27 million.

The premise was the same for the second award, of approximately \$33 million. A board was created again for purposes of reviewing approximately 32 applications around the State. Four awards were made, there was technical errors found in the scoring of the Florida State application. The Florida Board of Governors (BOG) approved the top six applications, FAU's award was \$5 million. President Brogan introduced Dr. Frederick Driscoll to give presentation on the Center of Excellence in Ocean Engineering Technology (COEOET).

Dr. Driscoll gave the presentation that was given in Orlando to the board reviewing proposals for the Center for Excellence programs. The COEOET is a partnership of academic, navy, industry, and government experts that will foster research design, development, implementation, testing, and commercialization of cutting-edge ocean energy technology that is cost competitive with existing fossil fuel based power generation. The COEOET is expected to produce:

- a center for ocean energy technologies with an instrumental ocean test facility
- an industry in ocean energy technology creating 26,000 new jobs,
- technologies to harness the world's ocean current and thermal power
- an energy supply for Florida
- cold water A/C technology, revenue streams within 3-4 years
- changing Florida from an energy importer to a leader in energy exports
- ten year projection - \$3 billion per year in energy sales
- \$4 billion in technology sales
- ocean hydrogen technologies within 5-8 years.

Trustee Blosser thanked Dr. Driscoll for his presentation and requested the COEOET be added to the BOT's talking points. President Brogan commented that many of FAU's great ocean engineers have left Florida to work in Texas in the oil industry. The COEOET is a great way to keep people here in Florida. Dr. Driscoll mentioned the video was created by FAU's Center for Electronic Communication. President Brogan informed the BOT a celebration is scheduled at Sea Tech on Wednesday, December 20, 2006 at 4 p.m.

SP: I-1. BRCH Preliminary Construction.

Mr. Tom Donaudy introduced Mr. Gary Strack from BRCH. Mr. Strack thanked David Kian, Michael Friedland, and Tom Donaudy for their hard work. Mr. Strack introduced Mr. John Reiling. BRCH is striving to become the safest hospital in the nation. President Brogan commented that due to the fact that BRCH is a teaching hospital it would be more of a challenge making BRCH the safest hospital. Team tier delivery in a hospital is safest. FAU has the opportunity to shape a medical school, a nursing education process, and an institution to create a world class model. Mr. Reiling introduced Mr. Marc Budous from HKS, Architects to discuss the campus and to give an idea of where the hospital will be located on campus.

HKS, Architects has offices across the country and have been in the healthcare business for four decades. Mr. Budous reviewed the FAU site plan. President Brogan asked if there was any physical connectivity planned between the north and south of Glades Road portion of the hospital (i.e. walkovers, flyovers). Mr. Budous said there would be. Mr. Budous discussed the notion of teamwork. FAU is trying to create spaces in the hospital conducive to the teamwork concept, where all of the services are centrally available to the patient. Traditionally the services are departmentalized. The intersection at Glades Road will provide a safe and quick access from surface and garage parking structures. Mr. Reiling encouraged the BOT and administrators to continuously add any input and ideas to ensure there is dialogue to collectively create a world class hospital. Trustee Blosser thanked Mr. Reiling for his presentation.

SP: I-3. FAU Legislative Priorities.

Trustee Blosser introduced Mr. Tom Barlow to present the FAU Legislative Priorities. Mr. Barlow discussed the nine issues listed on the Legislative Budget Request (LBR) that were approved by the BOG. All of the funds mentioned are recurring. The first issue is the FAU/UMMSM Regional Medical Program with \$4.7 million requested. The funding will increase the freshman class from 32 to 64 members and from a two year program to a four year program. Trustee Blosser asked Mr. Barlow to explain the difference between recurring money and non-recurring money. Mr. Barlow explained that non-recurring money is one time funding. Recurring money has to have a recurring source and the Legislature looks at incoming fees or tax revenues for funding. Trustee Sherry Plymale stated recurring money becomes a part of the base budget. FAU requested \$2 million in Student Financial Aid to increase student success, achievement, retention, diversity, and improve FAU competitiveness. FAU requested \$800,000 for the Center for Teaching Excellence and Student Success to establish a center to provide mentoring, tutoring, and counseling to aid in student success. FAU request \$3,188,320 for Florida Initiative for the Advancement of Teaching (FIAT). This program increases the teacher pool in Florida by identifying students who have an interest in education and compensate them to work in the classroom while still in school. FAU requested \$1,556,250 for Recruiting and Retaining World Class Graduate Students providing stipend for these students to attend FAU. FAU requested \$1.1 million for the Expansion of Library Collections to increase the number of journals and periodicals. FAU requested \$1.08 million for the Strategic Missions of the Partner Campuses. FAU is the most distributed campus model in the State University System with 7 campuses. This funding will assist in serving those campuses. FAU requested \$200,000 for the

expansion of the College of Nursing's Memory and Wellness Center to provide additional services and programs for seniors and caregivers in the area. FAU requested \$1 million for technology resources to provide funding for adequate Information Resource Management staffing, support teaching, and research. Mr. Barlow asked if there were any questions of the BOT. Trustee Blosser asked if there was a particular order to the LBR. President Brogan stated that there was a new list that eliminated numbers and listed the items in the order of BOG approval. Trustee Blosser asked how the technology fees affect the LBR for technology support. Dr. Pritchett commented the funding provides the back bone infrastructure for technology. The tech fee was more geared to the student's interest. President Brogan stated that if the \$1 million was not in place, and FAU assessed the tech fee it could be used. Whether or not the tech fee passes the funding is needed for the backbone infrastructure.

Trustee Plymale commented that this list represents an 8% increase in FAU's budget that the BOG approved. This is FAU's list of how the funding will be spent. The next milestone is the Governor's budget. Mr. Barlow stated that the list is the approved by BOG to go forward. Trustee Tripp commented the BOG's last meeting encouraged the state universities to stay focused on the LBR list. Mr. Barlow reviewed the BOG approved PECO list.

- Capital Renewal/Infrastructure \$1,659,384
- FAU/SCRIPPS \$2,000,000
- FAU/UF Joint Use Facility Davie \$9,475,000
- Engineering Building Phase I \$17,982,000

Trustee Plymale asked if there was any expectation for additional PECO funding this year. Mr. Donaudy commented that the BOG staff encouraged the universities to request \$3.4 million for the Capital Renewal/Infrastructure. That was approved by the BOT in the Capital Improvement Plan. If there is more money available the BOG will put it back into the budget. President Brogan commented that the infrastructure dollars are those dollars that are spread throughout the university for projects that don't get attention, so it is FAU's hope that if the BOG comes up with any additional money it can be put back to cover the money that was taken away. FAU's original list was much larger, this list has been reduced. Everything on the list up to the redline FAU will be funded if the next round or two of revenue estimation conferences show any additional revenue FAU may get back the funds lost. Trustee Plymale asked when the BOG adjusted the Capital/Renewal Infrastructure funds did the BOG do it by percentage, across the board to all the universities. Mr. Donaudy responded the BOG did not. Trustee Plymale asked if the administration can make sure FAU gets a fair share back. President Brogan stated that last year FAU's PECO funding went down significantly. Therefore, the BOG committed that FAU would receive a higher percentage in the next round of funding at approximately 14%. That represented 14% of a smaller amount of money. The BOG have committed to the fact if more funds become available, FAU should receive a higher percentage of whatever new funding becomes available. Mr. Donaudy mentioned the \$2 million for FAU/SCRIPPS has not been cemented as the other items on the PECO list, but it is for the most part secure. The distribution of the construction dollars are being closely monitored. Trustee Plymale stated that it is important to monitor the BOG that they align all the universities on the same page and holding to their end of the bargain. Trustee Tripp commented that the Chancellor of the BOG has committed to FAU. Trustee Robert Stilley asked if the PECO funding for FAU/UF Joint Use Facility in Davie belonged to FAU. Mr. Donaudy responded that the PECO funding for the FAU/UF Joint Facility belongs to FAU, but University of Florida gets a certain percentage of the funding.

Mr. Donaudy stated the BOG will tour the Boca Campus in January. President Brogan stated that the buildings do not belong to FAU, but the State of Florida. If FAU does not have the resources to keep up on the maintenance issues it affects the State. Trustee Tripp mentioned the Chancellor is aware FAU did not receive hurricane funds.

Mr. Barlow discussed the new Governor, Charlie Christ and how he will approach budget, system LBR issues, and FAU budget issues. He also discussed the different elected offices. FAU touches 41 service districts, when sponsors are sought after we will have a mix of Republicans and Democrats. Trustee Plymale expressed appreciation for the letter sent to Legislators on behalf of FAU. As FAU continues to grow, the BOT needs to let the Legislators know that FAU is their university. Trustee Tripp commended Mr. Barlow on the work he continues to do.

SP: I-4. Harbor Branch Oceanographic Institute.

President Brogan reviewed the Harbor Branch Oceanographic Institute (HBOI). HBOI is not on the PECO list or the LBR, due to timing issues, both lists were approved through the BOG and the Legislature. HBOI is on 500 acres in Indian River, the campus itself is approximately 100 acres. HBOI has had difficult financial straits due to change in leadership, change in foundation revenue streams, debts, and a low endowment. HBOI planned to lease a significant portion of the acreage for commercial development. Senator Pruitt suggested that would not be in the best interest of the people of the State of Florida. A team from FAU consisting of Dr. John Pritchett, Dr. Ken Jessell, and Mr. Tom Donaudy, has been working for 3 months with the State of Florida and St. Lucie County regarding their interest in purchasing a significant portion of the acreage. Sometime shortly after the first of the year, a package will be put together and presented to the BOT and the Board of HBOI to see if it would be something they are interested in pursuing. HBOI's desire is to protect the integrity of the HBOI, bring their endowment back, and pay down the debt.

President Brogan introduced Dr. Pritchett to give an overview of HBOI. The Provost's office has taken the lead organizing the team. The original deadline given was mid-December; it is anticipated to have everything completed by mid-January. HBOI has recently reorganized and reduced the number of staff. There are two major areas that HBOI is centered around, ocean exploration and the center for coastal research. If the proposal is accepted, these areas would be fully merged into FAU. Currently there are 181 employees at HBOI including 25 research scientists and 21 research support personnel that would be merged into FAU. There is approximately 525 acres of land, of that 125 acres is developed. HBOI's foundation endowment is approximately \$40 million. Trustee Tripp asked if there is any debt on the \$40 million endowment. Dr. Pritchett responded that the \$40 million endowment is net, the interest earnings of the endowment is being used for operational expenses. The majority of operational expenses are funded by soft money, contracts, and grants. HBOI is running at a slight deficit, the annual operating budget is between \$20-21 million.

Dr. Pritchett reviewed the two-part proposal. The existing HBOI would be merged into FAU. FAU would retain the HBOI historic integrity. HBOI would be identified as a research institute within the Division of Research. The major issues are:

1. The current HBOI Foundation. The decision could not be made until mid-February. The three options are:
 - Foundation can remain independent
 - Foundation can be merged into FAU's Foundation

- Foundation can become a FAU direct support organization. This is preferred. HBOI can remain within the FAU umbrella, but all activities would be directed to HBOI.
2. Faculty. Diane Alperin is coordinating this effort.
 - The status of the faculty; tenure or non-tenure
 - Research faculty
 3. Merging existing staff at HBOI.
 4. Land access and finance issues. HBOI will have to seek additional resources from the State government.
 5. HBOI, being a research institute has a lot of patents, and intellectual property.
 6. Deferred maintenance
 - Demolish buildings
 - What are the environmental/health issues to demolishing buildings.

The HBOI staff has worked diligently working with FAU to resolve these issues. Trustee Plymale stated the issues were things that needed to be completed during the acquisition stage. Then quickly design the next steps, how to make it viable. Dr. Pritchett stated that the commercialization from the standpoint of intellectual property, patent, and licensing that falls under the umbrella of FAU's Sponsored Research Office. President Brogan commented that in order for this partnership to work it must include the support of the BOT, HBOI board, St. Lucie County, BOG and the Legislature. The Legislature would have to provide the money necessary for FAU to acquire the assets associated. President Brogan stressed that FAU has to recognize the assets and the liabilities. Trustee Plymale asked if she can be added to the possibility committee. Trustee Tripp asked if FAU is exploring the idea of the State taking some of the property due to the environmental purposes. President Brogan responded that through the Florida Lands Forever program the State and St. Lucie County would purchase land to protect it. The idea is the entire 500 acres would be preserved forever, protected from commercial enterprise. Trustee Scott Adams stated that once the issues are resolved, FAU needs to develop a joint long-term strategic plan including the changes HBOI needs to make. President Brogan stated that all of those issues would need to be resolved prior to FAU taking it on and it going before BOT for approval. Trustee Lalita Janke asked if there were any forces of resistance. President Brogan responded not external forces. Trustee Blosser asked for additional questions. There were none.

The Trustees were encouraged to attend the holiday open house that begins at 5:30 p.m. at the Baldwin House.

Trustee Blosser thanked everyone who worked with the Strategic Planning committee during her tenure as Chair of the committee.

Meeting adjourned at 4:37 pm.