

2022 BOT Retreat Minutes

Sunday, September 18

Welcome and Expectations

Chair Brad Levine gave a welcome to the board retreat. He spoke about the expectations for the two-day retreat.

I. Roll Call

Chair Levine convened the agenda of the Florida Atlantic University Board of Trustees retreat with the following members participating: Mrs. Barbara Feingold, Mr. Brent Burns, Mr. Piero Bussani, Mr. Daniel Cane, Mr. Shaun Davis, Dr. Kimberly Dunn, Mr. Earnie Ellison, Mr. Robert Flippo, Mr. Pierce Kennamer, Ms. Elycia Morris, Mrs. Sherry Murphy, Mrs. Linda Stoch. **Roll was taken and a quorum was present.**

II. Public Comment

No public comments.

Information Item: FAU Budget Discussion

Chair Levine opened about the budget model and thanked Trustee Shaun Davis for spearheading this process. Trustee Davis spoke about the process, and with Vice President of Financial Affairs, Greg DuBois, presented a budget model assessment along with consultants from Deloitte.

The presentation included:

- Objectives
- Establishing a Vision for the Future
- FAU Stakeholder Engagement
- FAU Fiscal Year 2022 Operating Budget
- Revenue Pressure
- Budget Model Maturity/Transformation/Readiness
- Guardrails for the Future Model
- Focus on E&G and Carryforward Funds

Future Recommendations included:

- Incentive-Based Budgeting

- Key Questions for Design
- Incentive-Based Budgeting Functional Levers
- Option Comparisons
- Risks by Option Path
- Roadmap
- Discussion and Next Steps

President Kelly asked the consultants about the State of Florida having the 2nd lowest tuition in the nation and how FAU should plan for that fiscal challenge. Deloitte replied that universities will have to allocate resources for the best possible position.

The trustees engaged in a lively discussion about the budget and the need to implement a new budget model in conjunction with preparing for a new University strategic plan in 2025.

III. Action Item: Approval of the 2022-23 Carry Forward Spending Plan

Mr. DuBois, and Chief Operating Officer and VP for Administrative Affairs, Stacy Volnick, presented the item. The presentation included the planning process, historical E&G, Carryforward and Salaries. It also showed the restricted and committed carryforward of the university. Current carry forward balance is approximately \$114M, but CFO DuBois explained that much of that was an anomaly related to the pandemic. Vice President Volnick added that we have well over 400 open AMP and SP positions coming out of the pandemic disruptions, and those unfilled lines add to the anomalous balance. We are recruiting and filling those positions as aggressively as possible. Trustee Feingold requested a breakdown of Advancement revenues and expenses, which VP Delisio agreed to provide at the November Board meeting. **A motion was made and seconded to approve the 2022-23 Carry Forward Spending Plan. With no further discussion, the motion passed unanimously.**

Information Item: FAU 100

Interim Provost Michele Hawkins and Assistant Provost James Capp presented the item. The presentation included the focus on becoming a top 100 public university, a deep-dive into the rankings and U.S. News methodology. We have and continue to work at each metric to affect the ranking. The presentation gave strategic actions and objectives for the next year. Many of the trustees noted the improvements to student success, especially the increase in 4- and 6-year graduation rates at FAU. Provost Hawkins said students are at the center of everything we are doing. FAU is focused on creating a

great student experience and then succeed in high-paying jobs after graduation. They concluded with a plan for new faculty hiring and how that will help us move up in the rankings in the future.

The trustees discussed the plan and getting into the top 100. They talked about the rankings and different ways to get there from the highlights of the presentation.

Adjournment of Day 1

Monday, September 19

Information Item: FAU Health

Dean of the Charles E. Schmidt College of Medicine, Dr. Julie Pilitsis, presented the item. She introduced the ECG Consulting Group, who led the presentation. The presentation included:

- Strategic Vision
- Current Healthcare Landscape
- Where Florida Ranks in health care access, health care quality and public health
- Collaborative Solution to Address Anticipated Workforce Shortages
- 100% Support from FAU Health Partner Entities
- A Comprehensive Education and Research University
- Legislative Budget Requests
- Enrollment Increase at the College of Medicine
- Technology
- Revenue
- The Market and Patients Value Academic Medical Centers
- Faculty Group Practice
- The Changing Role of Academic Faculty Physicians
- Investment of Clinical Revenue in the Academic Enterprise Propels Growth
- A Robust Clinical Practice is Key to Success
- What We Intend to Accomplish
- Next Steps

The trustees discussed different scenarios regarding FAU Health Network.

Action Item: IV. Approval of Proposal for Establishing a College of Dentistry and Associated Legislative Budget Request

Dr. Pilitsis and Ryan Britton, Executive Director of Government Relations, presented the item. FAU seeks to confer the degree of Doctor of Dental Medicine (DMD) through a newly-established College of Dentistry. They aim to start this college in 2025.

The Legislative Budget Request for this item is a university-unique budget request since it falls outside of the three distinct BOG categories for budget requests. The cost totals \$123.3 million: \$37.8 million in recurring operational funds and \$85.5 million in nonrecurring startup costs.

Trustee Dunn inquired whether funding would be taken from other programs to support the new college. Mr. Britton responded that no funding would be taken from existing programs, this would be a separate stand-alone budget, like the College of Medicine.

The trustees discussed the need to proceed promptly with seeking BOG and legislative approval for the program and funding requests.

A motion was made and seconded to approve the proposal to create and offer a new Doctor of Dental Medicine degree program that will be housed in a newly-establish College of Dentistry. With no further discussion, the motion passed unanimously.

A motion was made and seconded to approve the Legislative Budget Request to establish the College of Dentistry. With no further discussion, the motion passed unanimously.

Information Item: Legislative Objectives

Mr. Britton presented the item. The presentation included:

- The 2022 Legislative Session Recap
- Undergraduate Tuition and Fees by State
- SUS Appropriated Operating Funds
- 2022 BOG Request
- Performance Based Funding
- PECO/Critical Deferred Maintenance
- 2023 Legislative Budget Requests (LBR)
- FAU Health LBR

- Dental School LBR
- Engagement and Advocacy
- Federal Priorities

Presidential Search

Chair Levine introduced the search consultant Rod McDavis from AGB Consulting. Mr. McDavis spoke about the steps that go into running a presidential search. Those steps include:

- Search Process
- Committee Selection
- Contacting Possible Candidates
- Timeline
- Responsibilities of the Board

Mr. David Kian, VP Legal Affairs, spoke about the new law on presidential candidates being confidential and exempt until the final interviews. Trustee Cane asked about who would be on the search committee. Chair Levine replied that the BOG regulations have committee criteria on who can be on the committee. He is still going over the criteria and who best can serve on it.

V. Action Item: Selection of Interim President

Chair Levine said after considering some candidates for interim president beginning in January, 2023, there was only one that could truly do the job. That person is Ms. Stacy Volnick. The trustees concurred and agreed that Ms. Volnick's experience and knowledge of the university makes her a great fit for the position. Trustee Cane asked Ms. Volnick whether she intended to apply for the permanent position. She replied that she did not.

A motion was made and seconded to approve Stacy Volnick as Interim President and delegate authority to the Chair to negotiate an Interim President's Employment Agreement with Ms. Volnick.

With no further discussion or amendments, the motion passed unanimously. The trustees congratulated Ms. Volnick and are looking forward to working with her as interim president.

Informational Item: Presidential Update

President John Kelly gave the trustees of some updates going on at the university, including the capital campaign which should get underway in December.

VI. Action Item: Approval of the Full Board Meeting Minutes

Chair Levine asked for a motion to approve the minutes as written. **A motion was made and seconded to approve the June 7, 2022, and the August 23, 2022 Full Board Minutes. With no further discussion or amendments, the motion passed unanimously.**

VII. Action Item: Approval of FAU's Revised 2023-24 Five-Year Capital Improvement Plan to Include College of Dentistry

Ms. Volnick presented the item. Ms. Volnick went over the PECO, CITF and Back of Bill Projects. The revised CIP includes the College of Dentistry project for legislative approval and project details to support the request.

A motion was made and seconded to approve the Revised 2023-24 Five-Year Capital Improvement Plan to Include College of Dentistry. With no further discussion or amendments, the motion passed unanimously.

VIII. Action Item: Approval of the FAU 2022-23 Fixed Capital Outlay (FCO) Budget

Ms. Volnick presented the item. Ms. Volnick explained that the FCO includes state appropriated and non-state appropriated funds for projects in the following categories: Education & General, Minor and Major Carryforward Projects, State Appropriated Projects, and Non-State Appropriated Projects.

A motion was made and seconded to approve the FAU 2022-23 Fixed Capital Outlay (FCO) Budget. With no further discussion or amendments, the motion passed unanimously.

IX. Action Item: Movement from SACS Accreditation body to The Higher Learning Commission (HLC)

Interim Provost Hawkins presented the item. Dr. Hawkins gave an overview of the accreditation change activities, regional accreditors, accreditor member universities, final observations, next steps, and timeline. **A motion was made and seconded to approve the Movement from SACS Accreditation body to The Higher Learning Commission (HLC) after conclusion of the current SACS reaffirmation cycle. With no further discussion, the motion passed unanimously.**

X. Information Item: Board Self-Evaluation

Mr. Kian presented the item. Mr. Kian went over evaluations the board of trustees can do to assess the board.

XI. Action Item: Approve a Modification of Article 23 of the 2022-2025 FAU BOT/UFF Collective Bargaining Agreement

Mr. Kian presented the item. Mr. Kian explained that in the 2020 and 2022 Florida legislative session, the legislature passed and Governor DeSantis signed an allocation to increase classroom teacher base salaries. FAU Schools received a portion of those funds. The administration and the United Faculty of Florida agreed to distribute these funds in accordance with the state's requirements that result in a new starting salary of \$53,000 for permanent faculty and non-permanent faculty at \$48,960. In addition, to the base salary increases, the faculty will receive a maximum 3% increase.

A motion was made and seconded to approve the Modification of Article 23 of the 2022-2025 FAU BOT/UFF Collective Bargaining Agreement. With no further discussion, the motion passed unanimously.

XII. Action Item: Election of Second Vice Chair of the Board. Trustees Cane and Morris were nominated. **Trustee Cane was elected Second Vice Chair of the Board on a vote of 7 - 5.**

XIII. Action Item: Election of Vice Chair of the Board. Trustees Ellison and Feingold were nominated. **Trustee Feingold was elected Vice Chair of the Board on a vote of 7 - 5.**

XIV. Action Item: Election of Chair of the Board. Chair Levine was nominated without opposition. **Chair Levine was elected Chair of the Board by unanimous vote.**

XV. Action Item: 2021-22 Presidential Evaluation. Chair Levine presented his written evaluation of President Kelly's annual performance. The Trustees expressed their appreciation for President Kelly's tenure as FAU President. **A motion was made and seconded to approve Chair Levine's annual performance evaluation. With no further discussion, the motion passed unanimously. A motion was made and seconded to award President Kelly a performance bonus of 20% of his base salary, in accordance with the terms of his employment agreement. With no further discussion, the motion passed unanimously.**

XVI. Action Item: Extension of President Kelly's Employment Agreement. A motion was made and seconded to extend President Kelly's presidential employment through December 31, 2022, with revised compensation and provisions to create the position of President Emeritus after he steps down. **With no further discussion, the motion passed unanimously.**

Board Discussion. The Board discussed the need to expand FAU's prominence in our service area and various strategies for doing so.

Adjournment

A motion was made and seconded to adjourn the retreat. The motion passed unanimously and the meeting was adjourned.