

2019 BOT Retreat

Welcome and Expectations

Chair Anthony Barbar gave a welcome to the board retreat. He spoke about what to expect for the day and what we need from the attendees.

Beneficial Disruption

President John Kelly gave a presentation on current things happening at FAU. He started with new Board of Governors (BOG) expectations with their new Programs of Distinction funding model. The BOG wants us to identify one thing we do as a university of distinction. Dr. Kelly talked about the things we looked at and then decided on big data. FAU can make a difference with research in artificial intelligence (AI).

Dr. Kelly went over the media coverage and social media impressions for FAU. Public Affairs started a new branding and marketing campaign. TheLadders.com named FAU the Best Total Package in College number one in Florida.

The US News new ranking criteria include graduation and retention rates, social mobility, graduation rate performance, undergraduate academic reputation, and faculty resources. This year was the first time FAU was ranked in the Top Public Schools at No. 140. No. 45 in new social mobility ranking, based on graduation rates for students from lower-income backgrounds.

College of Business received top rankings in financial times and US News and World Report for its executive education program. Dr. Kelly went over the top 25 majors at FAU, ranked by reported starting salaries. Research expenditures have and grant applications have both increased by more than 100% over the past five years.

Artificial Intelligence is a big decision for FAU. Once we decide on this, FAU will own it for years to come. You can't decide in two years that you no longer want this to be your Program of Distinction. AI reaches across many disciplines at FAU. You don't have to be in science, math or engineering to be in AI.

Dr. Kelly spoke about key highlights:

- The library is evolving to include live labs, first of its kind in the State University System (SUS).
- Student Union is under a \$25 million construction project, which includes a new banquet facility and hall.

- The Board of Governors approved new student housing.
- The Jupiter Life Science Initiative on the Jupiter campus.
- The Schmidt Family Complex for Academic and Athletic Excellence is almost complete.
- FAU and the Max Planck Institute launched a first-of-its-kind Academy
- AD Henderson was named a 2018 National Blue Ribbon Award winner
- 12 FAU High students were named National Merit Finalists
- FAU has increased its National Merit Scholar students every year since Fall 2014.
- Med Direct Pipeline contributes to FAU's Mission and Goals
- FAU Israel Visit encouraged research collaborations with many universities in Israel
 - FAU is one of two co-sponsors of the Florida-Israel Institute
- Steve Swanson's Earth-To-Space Call
- FAU is once again named the most diverse public university in Florida
- FAU scientists are leading research on the causes of blue-green algae blooms
- FAU's Brain Institute partnered with the South Florida Science Museum
- Significant research in health related issues including cancer and Parkinson's disease

Emerging Issues include:

- BOG Classification
 - FAU 100
- Capital Campaign
- Medical Partners
- Universities of Distinction – formerly called Pre-Preeminence
- FAU Research Park
- Boca Raton and Jupiter New Master Plans
- University land as a "City"
- Brightline Terminal

Athletics Update

Chair Barbar introduced Vice President of Athletics Brian White and Rick Chryst, strategic advisor to athletics.

Brian White gave an update on the athletic strategic plan. White went through the background process and members of the steering committee. Dr. Kelly wants to develop an athletic brand that communicates with a national audience.

Rick Chryst spoke about the Division I – Football Bowl Subdivision. 130 institutions/10 conferences, with a Power Five (65 institutions) and Group of Five (65 institutions)

Conference USA was a merger of two “basketball conferences” in 1995. “New Conference” was formed in 2013 with 9 of current 14 members joining.

State of Florida has 12 institutions with six members of the football bowl subdivision. FAU is third in Conference USA for percentage from institutional support, where most institutions are in the 60-70% range. In comparison, American Athletic Conference schools are mostly in the 40% range.

Brian White spoke about Revenue Growth Opportunities. Premium seating is a high priority, including cabanas on the field. We want to rent out the stadium more during the year.

Mission statement: To create a brighter future for FAU through student-athlete success. The core values are purpose, inclusion, integrity, enthusiasm, and ambition.

Goals:

1. Winning in Life
2. Nationally Competitive
3. Sustainable Financial Model
4. Synergy
5. Demonstrate Excellence
6. Embrace Competitive Advantages
7. Fulfill Fundamental Commitments to Student-Athletes
8. Develop Follow-Up Systems and Processes
9. Develop a National Brand
10. Grow Exposure

FAUF Board Chair Stewart Martin asked about how important the scholarship funding is for the Paradise Club. White answered that it costs about \$18,500 to fund a full scholarship, including room and board. The funding for scholarships from the Paradise Club is essential. Many people are becoming fans that don't have a history with FAU.

Trustee Dr. Michael Dennis asked how the strategic plan tracks and measures the achievement of its goals. White responded that the athletics department measures student success using the BOG's metrics on student success, on-field performance by using the Directors' Cup's competition metrics, and other elements of the plan using internally developed measures.

BOG Performance Metrics

Provost Bret Danilowicz presented on the Board of Governors' (BOG) performance metrics. Dr. Danilowicz spoke about the improvement to excellence points, average cost to the student, first time-in-college four-year graduation rate, academic progress rate, percent of baccalaureate degrees awarded without excess hours, percentage of graduate degrees awarded within programs of strategic emphasis, total research expenditures, percentage of bachelor's degrees awarded within programs of strategic emphasis, percent of undergraduates with a Pell grant, percentage of BA/BS graduates enrolled or employed at a salary of \$25k or more after the first year of graduation, and median wages of bachelor's graduates employed full-time.

From FY 2014-18 FAU's score has increased in nine of the ten metrics. This past year FAU had its highest point total ever. However, Provost Danilowicz further projected that we will go down next year compared to last year due to our improvement points going down. The good news is that our excellence points are starting to go up, and that should produce higher overall scores again in the following years. We are continuously developing strategies to address our performance in all metrics.

Provost Danilowicz finished by showing the lag times in what the metrics measure. Many metrics start with measurements of the class that enrolled in 2014. There is nothing we can do at this point to change results measured from that cohort.

Comprehensive Campaign

Vice President for Advancement Danita Nias presented on the upcoming comprehensive campaign. Also presenting were Jim Sullivan, Executive Director of HBOI and Pete Lasher, the campaign consultant. Nias went over last year's total dollars raised and total donors, including alumni, athletics and faculty/staff giving.

The goal for fiscal year 2020 is \$50 million. That number will build the momentum that shows our donor base to launch a capital campaign.

Nias went over the four phases of the campaign: Quiet, Pre-Launch, Launch/Public and Close. Most universities have 60% in closed donations when they publically launch a campaign. 90% of FAU's dollars come from 10% of the donors. Gift amounts over \$100,000 typically account for 80-90% of a campaign's goal, \$25-99k is 15% and under \$25k is 5%.

Ms. Nias gave an overview of our "Campaign Case," which is about 2/3 done. We have tested it in numerous stakeholder events and meetings, and have received useful feedback from prospective donors. First was they don't know much about FAU and we need to better communicate with the community. Second, we are missing an opportunity to weave FAU together with our Osher Lifelong Learning Institute.

A common question is how are you marketing the University?

Common insights were talk to the donors; share your stories/accomplishments with the community; invest in a long-term alumni strategy; grow your internal and external team of ambassadors who can help tell FAU's story; bring students to donor events.

Central Campaign vision includes academic and non-academic priorities & messaging. Our 113-mile stretch of the Atlantic draws a diversity of people: students, alumni, neighbors and patients, among others.

Danita introduced Jim Sullivan to speak about HBOI and its case for support. HBOI doubled its research dollars this year. They produce 30% of the research dollars that come to FAU. Sullivan spoke about what will HBOI look like in 10-20 years.

They came up with five WOW statements:

1. HBOI is creating the next generation of scientists who will solve real problems facing Florida – and the nation
2. HBOI is mining our marine environment to find new drugs that can treat or cure the most persistent – and pernicious – health challenges of our time
3. HBOI is protecting the quality of our waters from pollution, saltwater intrusion, toxins an sea level rise

4. HBOI is doing vital military defense research to protect our coast defensively in the aquatic environment
5. HBOI is addressing food security, the pending global food shortage, and exploitation of our fisheries and oceans by developing expertise in aquaculture

Danita Nias came back and went over the dollar goal for the campaign, including “reach back” gifts. She reminded the group that you want 60% of the dollars already raised in the campaign goal.

Pete Lasher presented on the campaign planning study. A high percentage of those interviews have a positive attitude toward FAU and 76% believe the University is on an upward trajectory. Many attributed this to President Kelly for his leadership.

Despite the positive perceptions, only 30% viewed FAU as a top philanthropic priority. Many believe the FAU brand is not strong enough, due in part to lack of communications with key constituents.

Respondents said a president plays a key role in fundraising, and almost half couldn't comment on his effectiveness as a fundraiser. Three out of four respondents believe that the stewardship of their gifts was on par with other nonprofits they support. Many were uncertain if boards help the campaign.

Lasher discussed developing a working goal for the campaign and some specifics on how to achieve it. Some actionable items include:

- Development of a presidential engagement strategy to guide President Kelly's externally facing activity and position him as a thought leader
- Deeper level of involvement by the provost, vice presidents and deans in the process.
- Develop a campaign operating plan designed to integrate all key activities and milestones
- Encourage advancement to strengthen business structures

With no further discussion Day 1 of the retreat was adjourned

Tuesday, September 17

Chair Anthony Barbar opened the second day of the retreat by going over the agenda and expectations for the day. He introduced VP of Financial Affairs, Jeff Atwater, to start the FAU 100 presentation.

FAU 100 – Metrics and Legislative Budget Request

Jeff Atwater presented the FAU 100 Legislative Budget Request. He went over the US News public national rankings, the known brands and the comparison of universities by 6-year graduation rates. Trustee Moabery asked about students who leave the university to go to other schools. Provost Danilowicz spoke about UCF cutting their freshman class size to help with their graduation rate. Most go to other schools, then go to UCF after one- or two- years. Trustee Stilley asked why students are taking so long to graduate. We need to expect these students to graduate on time. It is in the student's best interest. Trustee Wagner responded that we are going in the right direction.

Provost Danilowicz spoke about the time spent on students with gateway classes. We are working with the students to try and make them successful. Trustee Moabery asked about freedom to take some classes and not others, for example, can they take less math or science if they want a degree in something not in those fields. Danilowicz responded that while there is some freedom to change the classes the students want to take, there are state requirements we can't change.

Trustee Burns said the new VP of Enrollment will need to go through all the numbers and put markers on items that need attention.

Atwater went over percentage of classes with greater than 50 students and average faculty compensation. The peer assessment score is important in the rankings. FAU is on the road to 100. The top metric, graduation rates, is increasing yearly.

Provost Danilowicz went over the legislative budget request. We will request a recurring \$2.8 million in employment-based student incentives, \$1.2 million in success networks for undergraduate students, \$4.4 million in enhanced instruction via graduate students, \$1 million for Institute for Sensing and Embedded Network Systems Engineering (I-SENSE), \$2 million for research at HBOI, and \$1.4 million for an Institute for Artificial Intelligence, Autonomy, and Data Analytics.

We are requesting non-recurring dollars of \$5.3 million comprised of \$3 million for a Jupiter High Performance Computer (HPC) – AI/Data processing, \$500k for Fort Lauderdale Media Technology and Entertainment (MTE) Lab for AI integration, and \$1.8 million for AI Robotics Testbed – Ocean/sea surface/ground/air.

Provost Danilowicz then went over the measures of success including one-year accomplishments, return on investment with AI/DATA student outcomes, year one accomplishments in AI data and the national ranking in the US News.

Master Plan & Major Projects Status Update

Vice President of Administrative Affairs Stacy Volnick presented an update on the Boca Raton and Jupiter campus master plans and on capital projects. She presented the draft master plans as an informational item at the March meeting earlier this year. They had their first public hearings in June and the 90-day public review ends this month. The second public hearing will be in October and the plans will go to the full board in November. There are five phases of a master planning process. We are in the fifth phase. Trustee Rubin asked if there had been any public comments. Ms. Volnich said they have been dealt with through the process.

Ms. Volnick then turned to capital projects, going over the Schmidt Family Complex for Academic & Athletic Excellence project scope and status. It is due to be completed in December at its final approved cost of \$74.5M. She also spoke about the Student Union Expansion & Renovation project scope, funded at \$27.5M from CITF and Auxiliary funds, and expected to be completed in February 2021. The renovation of the existing Student Union will include food services and market, conference rooms, computer store and gaming room.

She also discussed the housing project on the Boca Raton campus, whose project scope includes a 7-story residential hall, 616 beds, and the first floor includes a get wise center for student success. On the Jupiter campus, the housing project will have a three-story residential hall, 165 beds and the first floor includes a recreation center for all Jupiter housing students. Both project are slated to be completed by July 2021 at a combined cost of \$70.2M.

The final items she discussed were five cooling towers to be replaced on the Boca Raton campus at \$3.5M in April 2020; the FPL ESCO project will be done June 2020; the Seimens ESCO will be done in February 2021; the Jupiter STEM/Life building at \$35M if a final appropriation is received; and the request for \$35.8M in PECO funding for the AD Henderson Lab School to replace the existing K-8 building, new gymnasium and new auditorium.

Florida Commission on Ethics Presentation

Chief Compliance & Ethics Officer Elizabeth Rubin introduced Christopher Anderson, Executive Director The Florida Commission on Ethics, to present on the state ethics laws. Anderson opened that the ethics

commission is not one that targets people. An inquiry that exonerates someone is as valid as one that indicts them.

Mr. Anderson said they have nine member board. Since the FAU trustees are at the state level, they would need to disclose if they had any voting conflicts in the performance of their public duties. He described the Commission's process if a complaint comes in. He also described the State's statutory "doing business with" provisions for public officers.

Finally, Mr. Anderson described the ethics-related constitutional amendments that were approved by the voters in 2018. He highlighted the new provisions prohibiting the abuse of a public position, and the Commission's discretion in developing the standard for that offense.

Action Agenda

Chair Anthony Barbar convened the action agenda of the Florida Atlantic University Board of Trustees with the following members participating: Mr. Kevin Buchanan, Mr. Brent Burns, Mr. Shaun Davis, Dr. Michael Dennis, Dr. Malcolm Dorman, Mr. Brad Levine, Mrs. Mary Beth McDonald, Mr. Abdol Moabery, Mr. Robert Rubin, Mr. Bob Stilley, and Dr. Kevin Wagner. **Roll was taken and a quorum was present.**

Public Comment

There were no public comments.

Approval of the June 4, 2019 Full Board Minutes

Chair Barbar asked for a motion to approve the minutes as written. **A motion was made and seconded to approve the June 4, 2019 Full Board Minutes. With no further discussion or amendments, the motion passed unanimously.**

I. Approval of the 2017-18 Florida Educational Equity Report

Ms. Rubin presented the equity report to the board. Trustee Stilley asked about our female athlete participation numbers. Athletics Director White responded that we are working towards compliance under the DOE's prong 1 standard. **A motion was made and seconded to approve the 2017-18 Florida Educational Equity Report. With no further discussion, the motion passed unanimously.**

II. Approval of the 2019 Textbook and Instructional Materials Affordability Report

Provost Danilowicz presented the textbook affordability report. He noted that we are more than 95% compliant. **A motion was made and seconded to approve the 2019 Textbook and Instructional Materials Affordability Report. With no further discussion, the motion passed unanimously.**

III. Approval of the Revised 2020-21 Five-Year Capital Improvement Plan

Ms. Volnick presented the revised capital improvement plan. **A motion was made and seconded to approve the Revised 2020-21 Five-Year Capital Improvement Plan. With no further discussion, the motion passed unanimously.**

IV. Approval of the Florida Atlantic University Revised 2019-20 Fixed Capital Outlay (FCO) Budget

Ms. Volnick presented three proposed revisions to the previously approved fixed capital outlay budget: (1) and additional \$1.8M from the College of Business's auxiliary account for their portion of the Schmidt Complex; (2) at Student Government's request, re-allocating \$3.2M in CITF funds from the Breezeway renovation toward the Student Union renovation; and (3) allocating an additional \$250,000 to the Gruber Sandbox/AI Lab project . **A motion was made and seconded to approve the Revised 2019-20 Fixed Capital Outlay (FCO) Budget. With no further discussion, the motion passed unanimously.**

V. Approval of the 2019-20 Carryforward Spending Plan

Mr. Atwater presented the 2019-20 Carryforward Spending Plan. Trustee Moabery asked whether all line amounts were from lawful sources. Mr. Atwater confirmed that they are. **A motion was made and**

seconded to approve the 2019-20 Carryforward Spending Plan. With no further discussion, the motion passed unanimously.

VI. Approval of the Florida Atlantic University 2020-21 Legislative Budget Request

Mr. Atwater presented the 2020-21 Legislative Budget Request. **A motion was made and seconded to approve the Florida Atlantic University 2020-21 Legislative Budget Request. With no further discussion, the motion passed unanimously.**

VII. Approve Naming of University Elements

Ms. Nias presented the requests for naming of university elements.

a. Michael L. Friedland M.D. Dean's Suite - **A motion was made and seconded to approve the Michael L. Friedland M.D. Dean's Suite. With no further discussion, the motion passed unanimously.**

b. Gentile Family Counseling and Tutoring Office - **A motion was made and seconded to approve the Gentile Family Counseling and Tutoring Office. With no further discussion, the motion passed unanimously.**

c. Irving M. Lurie Executive Office - **A motion was made and seconded to approve the Irving M. Lurie Executive Office. With no further discussion, the motion passed unanimously.**

d. Donna More Compliance Office - **A motion was made and seconded to approve the Donna More Compliance Office. With no further discussion, the motion passed unanimously**

e. Shapiro Family Video Board - **A motion was made and seconded to approve the Shapiro Family Video Board. With no further discussion, the motion passed unanimously.**

VIII. 2018-19 Presidential Review

Chair Barbar reviewed the process he followed in preparing President Kelly's 2018-19 annual review. He spoke with the Chair and officers of the BOG, all of whom were strong supportive of Dr. Kelly's

performance. He met with many community members, all of whom had positive feedback. He noted that last year's review found several requests that Dr. Kelly focus more attention on our Broward campuses, and he had done so in the current year.

Trustee Stilley complimented Dr. Kelly on the effectiveness of the administrative team he has assembled.

Trustee Rubin asked Dr. Kelly what he wished to improve about his performance in the coming year. Dr. Kelly replied that he wanted to launch the comprehensive campaign and expand our clinical activity.

Chair Barbar suggested that Dr. Kelly adjust his upcoming year goals to include a utilization schedule for his time to devote to the campaign. **A motion was made and seconded to amend Dr. Kelly's proposed 2019-2020 goals to include a utilization schedule in support of the comprehensive campaign. With no further discussion, the motion passed unanimously.**

A motion was made and seconded to approve Dr. Kelly's proposed 2019-20 goals, as amended. With no further discussion, the motion passed unanimously.

A motion was made and seconded to approve Chair Barbar's 2018-19 performance review of Dr. Kelly's. With no further discussion, the motion passed unanimously.

A motion was made and seconded to award Dr. Kelly a 2018-19 performance bonus of 20% of his base salary pursuant to section 6.1.1 of his employment agreement. With no further discussion, the motion passed unanimously.

A motion was made and seconded to authorize the Chair and General Counsel to work with Dr. Kelly to develop language amending the vesting provisions of section 6.2 of his employment agreement to be consistent with those in section 6.1.2. With no further discussion, the motion passed unanimously.

With no further discussion, the 2019 Retreat of the Florida Atlantic University Board of Trustees was adjourned.