



UNIVERSITY OF CENTRAL FLORIDA

Foundation, Inc.

UCF Foundation Board of Directors Board Enrichment Program

Legal Hot Topics Part II

February 12, 2025, at 3:00 PM to 4:00 PM EDT

Members Present:

Cecile Bertot, Teresa Borcheck, Roslyn Burttram, Peter Counce, Scott Fagan, Esteban Garcia, Carrie Hall, James Harhi, Stuart Heaton, Carol Hendren, Ryan Kelley, John Mahony, Heather Pigman, Mark Plaumann, Jeremy Sloane

I. Welcome and Call to Order

The Legal Hot Topics session was called to order at 3:00 p.m.

II. Legal Hot Topics

Richard Welsh, *Senior Associate General Counsel*, University of Central Florida led discussion on the following item. The session was designed to cover topics that will be helpful to the UCF Foundation Board of Directors and Committee Advisors when considering short and long-term strategic decisions and strategy.

Welsh provided an overview of recent tax and legislative conversations that may have an impact on higher education. Items involved for consideration include taxation on endowments, extension of individual tax cuts, the estate tax exemption, and tax exempt financing on bonds. Welsh notated that the current proposed language of taxation of endowments (currently proposed as 14 percent) would not impact the University of Central Florida; this item would only impact the wealthiest of institutions. Rumblings of eliminating tax exemption for financing and bonds would have a significant impact on higher education; Welsh felt this was highly unlikely to come to fruition. A key hot topic nationally has been around curriculum and diversity, equity, and inclusion changes; Welsh noted that Florida has been on the positive side of the curve for several years and will not be severely impacted by proposed federal legislation.

Welsh transitioned to discussion NIL (Name, Image, and Likeness). After reviewing *House v. NCAA*, Welsh noted two key areas the settlement would impact:

1. The current proposed settlement of \$2.8 billion would be distributed among collegiate athletes from 2016 – 2022.
2. Institutions would be capped at \$20 million per year, with a formula that dictates how NIL funds are distributed. The settlement would preserve the amateur status of athletes and require reporting of any NIL deals over \$600.

Welsh noted considerations for Title IX and its impact on the road ahead. He also mentioned *Johnson v. NCAA* (currently in an appeals court) which argues that athletes should be treated as employees; some basketball and football programs could be impacted by this.

Welsh noted that UCF has again worked to stay ahead on this issue, establishing the Competitive Success Fund and actively fundraising for NIL. Questions from attendees included whether Deloitte or another entity would serve as an independent clearing house to allow for transaction transparency, as well as whether states would serve in any capacity as a funding source.

III. Closing Remarks and Announcements

Attendees were encouraged to attend the Exolith Lab Tour scheduled for February 20, 2025.

IV. Adjournment:

The session was adjourned at 3:49 p.m.

Approved by the UCF Foundation Board of Directors on **April 3, 2025**.

Respectfully Submitted by:

Dana Patton '93, *Secretary*, UCF Foundation Board of Directors

Minutes prepared by: Janelle Hom '10MA, *Director, Foundation Board Relations and Advancement*, UCF Advancement and Partnerships