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September 24, 2018

CONFIDENTIAL – BY EMAIL

Beverly J. Seay Chair, Audit Committee University of Central Florida Board of Trustees 4365 Andromeda Loop N MH 360 Orlando, FL 32816

Re: Engagement of Bryan Cave Leighton Paisner LLP

Dear Trustee Seay:

We are pleased that the University of Central Florida Board of Trustees ("Board") has chosen to engage Bryan Cave Leighton Paisner LLP ("BCLP" or the "Firm") to conduct an independent investigation into the improper utilization of Education and General ("E&G") funds by the University of Central Florida ("UCF") for capital projects, including but not limited to the construction of Trevor Colbourn Hall. Specifically, you have asked us to answer the following questions:

- Was anyone besides the former Chief Financial Officer of UCF, William F. Merck II, involved in the decisions to use E&G funds for capital projects?
- Did anyone personally profit from these decisions?
- Were there additional capital projects beyond those identified to date in which E&G funds were improperly utilized?
- Were there internal controls that failed to prevent or detect this activity or that were violated?
- What additional controls should be put in place to ensure that this does not happen again at UCF?

Additionally, you have requested that we fully cooperate with the Inspector General of the Florida Board of Governors in connection with the investigation. All of the information that we learn, all documents that come into our possession or that we create, and all communications to which we are a party concerning this matter, are solely for the purpose of assisting the Board of Trustees and to facilitate the provision of legal advice to the Board of Trustees. At the conclusion of the investigation, we will provide you with a report containing our factual findings, legal analysis and recommendations. Beverly J. Seay University of Central Florida Board of Trustees September 24, 2018 Page 2

Consistent with our normal practice, this letter and the attached Statement of Engagement Terms and Billing Practices (the "Statement") set forth the terms of our engagement. The Statement is important and is provided to our clients so that they understand in advance how various issues will be handled.

To avoid any misunderstanding in connection with our current (and any future) engagement for you, and in the evaluation of conflicts, we confirm that we have not been asked to act as counsel for UCF or any subsidiary, parent, affiliated entity or individual as a result of our acting as counsel to you. Any such relationship, if undertaken by us with any such other entity or individual, must be separately entered into after consultation with you.

Our fees for legal services are based on the time we spend on the engagement. In the event the nature of the services requested justifies a departure from that approach, we welcome the opportunity to discuss alternative arrangements. We separately charge for expenses and other charges incurred in connection with rendering our services, all as described in the Statement.

A rate is determined for each of our lawyers, contract attorneys, and legal assistants on the basis of that person's seniority, experience or area of practice, and the geographic location of the office in which that person works. The hourly billing rates may be adjusted periodically most typically effective with the start of each calendar year. We will notify you of the increase in rates in advance, and if acceptable, an addendum to this contract will be executed to reflect the new rates. The rates for our professionals likely to be involved in rendering services in connection with this matter are as follows: Partner Joseph Burby/\$550 per hour; Counsel/\$470; Senior Level Associate/\$400 per hour; and Junior Level Associate/\$280 per hour. This represents a 17% discount off of the standard rate for these professionals.

Our billing statements are normally rendered on a monthly basis and are due and payable upon receipt. We endeavor to include expenses and other charges in the statement for the month in which they are incurred. On occasion, however, accounting for certain expenses and charges (i.e., late-posted items or international charges), may be delayed, in which case late-posted items will be billed on the next regular statement. The Firm reserves the right to charge a late payment penalty in the form of interest on any statements not paid within 30 days of the statement date at twelve percent (12%) interest.

Our representation is conditioned upon receipt of the signed copy of this letter from you confirming your understanding and approval of these terms of our engagement.

Beverly J. Seay University of Central Florida Board of Trustees September 24, 2018 Page 3

It is possible that some of our present or future clients will have disputes with the University of Central Florida during the time that we are representing you. Therefore, as a condition to our undertaking this engagement, you have agreed that if our Firm intends to represent existing or new clients in any matter potentially adverse to UCF, we will follow the requirements of the Model Rules of Professional Conduct in dealing with the potential conflict. You agree to consent to such representation except where as a result of our representation of you we have obtained sensitive, proprietary or other confidential information of a non-public nature that, if known to any such other client of ours, could be used in any such other matter by such client to the disadvantage of the University of Central Florida.

Our attorney-client relationship is one of mutual trust and confidence. We do our best to see to it that our clients are satisfied not only with our services but also with the fees charged for those services. I will be the Responsible Lawyer for this matter. Whenever you have any questions or comments regarding our services or fees, you should contact me or any other attorney in the Firm with whom you are working. We also encourage you to inquire about any matters relating to our fee arrangements or monthly statements that are in any way unclear.

We appreciate the confidence you have placed in us and look forward to working with you. If this letter and the Statement correctly set forth our mutual understanding, please sign and date the enclosed copy of this letter and return it to us with the attached Statement.

Very truly yours,

R. Joseph Burby, IV

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THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

THESE TERMS INCLUDING THE ATTACHED STATEMENT OF ENGAGEMENT TERMS AND BILLING PRACTICES ARE APPROVED.

DATED: <u>25 September</u> 2018

University of Central Florida Board of Trustees

Sea By: Beverly J. Seay

Its: Audit Committee Chair



1 Our Team

- 1.1 You may contact your client relationship lawyer at any time to discuss any aspect of our services.
- 1.2 Details of the team for each matter, including the Responsible Lawyer with overall responsibility, will be set out in our engagement letter. We may involve others as well or instead (if necessary without asking you first) including paralegals, contract attorneys, trainees, law clerks, non-practicing barristers and lawyers qualified or licensed in various jurisdictions.

2 BCLP Group

2.1 Bryan Cave Leighton Palsner (the "BCLP Group") is a global law firm comprised of a network of affiliated firms and entities ("BCLP Firms"). The locations of our offices and further jurisdiction-specific information, including a description of each of the BCLP Firms can be found at www.bclplaw.com.

3 Fees

- 3.1 Our general policy is to calculate fees for legal services on the basis of a rate for each lawyer, contract attorney, and legal assistant engaged in providing such services, multiplied by the number of hours (or fractions thereof) devoted to the rendering of such services by each such lawyer, contract attorney, or legal assistant.
- 3.2 In serving the client we attempt to utilize those lawyers, contract attorneys, and legal assistants having the lowest hourly billing rates commensurate with the legal knowledge and level of experience required in order to achieve the client's objective. Depending on the complexity of your matter, the Firm may use contract attorneys during our representation of you. Unless you are notified otherwise, contract attorneys will be supervised and billed by the Firm the same as other attorneys with similar experience. The selection of those lawyers, contract attorneys, and legal assistants who will render services will be made by the lawyer having overall supervisory responsibility for each engagement. taking into consideration the nature of the engagement, the office in which most of those services are likely to be rendered, the degree of legal experience and knowledge required in order to achieve the client's objective, the availability of lawyers, contract attorneys, and legal assistants to work on the engagement, and their hourly billing rates. We may involve others as well or instead (if necessary without asking you first) including trainees, paralegals, non-practicing barristers and lawyers qualified in various jurisdictions.

4 Conflicts of Interests

4.1 We have procedures in place to prevent our acting for clients when there is a legal conflict of interest. The conflicts of interest rules governing any instruction of the BCLP Group by you will be the applicable conflicts rules in the jurisdiction(s) where the work is being

undertaken and which the lawyers of the BCLP Group working on such matter are subject to. If you are aware, or become aware, of a possible conflict, please immediately notify the responsible lawyer for your matter or your client relationship partner.

- 4.2 Occasionally a conflict of interest involving another BCLP client may appear after we have started acting for you on a matter. If this happens; subject to our duty of confidentiality, we will discuss the matter with you to try to resolve the conflict, but we may have to stop acting for you on that matter; and you agree that we will be free, taking account of applicable rules and law, best practices and your and any other concerned client's interests and wishes, to decide whether to act for both clients, for one, or for neither.
- 4.3 In certain cases, more than one of our clients may have an interest in the same subject matter of a transaction, or be competing for the same asset. Examples might be buying an entity through auction sale or tendering for a contract. If this happens, you agree that we are free to act for you and one or more other clients with the same interest.
- 4.4 You agree that you will not seek to prevent us from acting for other clients, including clients whom you may regard as competitors, on matters in which you may have an interest but have not hired us to represent you. This includes but is not limited to our acting in relation to regulatory, transactional or corporate matters where you and/or your affiliates are involved.
- 4.5 We reserve the right not to assist you in taking action which is adverse to another client of a BCLP Firm or Associated Firm and we will not be obliged to do so.

5 Deposits

- 5.1 Any deposits that we receive from you will be placed in our client trust account on your behalf and are refundable to the extent not subject to disbursement. In light of the amount of the deposit we have requested in this case, we expect that it will be placed by us in our unsegregated trust account. Interest earned on that account, pursuant to Georgia Supreme Court Rule, is paid to the Georgia Bar Foundation to be used for providing civil legal assistance to low-income individuals, Improving the administration of justice and promoting such other programs for the benefit of the public approved by the Supreme Court.
- 5.2 Deposits are received with the understanding that we are expressly authorized to withdraw from the trust account the sums necessary to pay for services as they are performed and expenses as they are incurred. You will be notified in writing of the amounts applied or withdrawn, and you will also be provided with a statement explaining the services rendered and costs incurred. If the charges for services and costs exceed the balance on deposit, the statement will show the

excess due and payable. We may also request additional deposits to cover further services and costs, if circumstances warrant. When our services are complete or terminated, you will receive a final invoice. Any remaining balance after payment of our final invoice will be returned to the person or entity that paid the deposit. Thus, if a third-party pays the deposit on your behalf any monies remaining will be returned to the third-party unless you or the third-party instruct us otherwise prior to the distribution of such monies.

6 Litigation and Dispute Resolution Matters

6.1 The outcome, cost and the course of most litigation matters cannot be predicted. Should you ever have questions or concerns, we encourage you to contact us. Your timely and full cooperation and assistance will play a critical role in our efforts. You always retain the right to determine whether a compromise should be pursued and accepted, or, alternatively, whether the matter should be pursued to an adjudication on the merits at trial and thereafter to an appeal. While we cannot assure you that there will not be an adverse outcome, our efforts always are directed toward obtaining the most satisfactory resolution of this matter for you that is possible.

7 Criminal Finances

7.1 We have a legal obligation not to engage in any activity, practice or conduct that could facilitate the illegal evasion of paying UK, US or foreign tax.

8 Anti-Bribery and Corruption

8.1 We are committed to complying with all applicable antibribery and corruption laws and regulations to which we are subject, including the Bribery Act 2010 and the Foreign Corrupt Practices Act. To counter noncompliance, our firm and its staff operate under a zerotolerance approach to bribery and corruption in line with the firm's policy.

9 Data Protection and Marketing

- 9.1 We are committed to complying with our privacy obligations. Our Privacy Notice at www.bclplaw.com explains how we collect and use your personal Information (including personal information that you provide to us about other persons) (together, "Personal Information").
- 9.2 The BCLP Firm you engage is responsible (i.e. it is the 'Data Controller') for the Personal Information it collects from you in connection with our engagement and the manner in which it will be processed to enable us to provide you with our services and comply with our obligations. For further details, please see our engagement letter or contact the lawyer responsible for your matter.



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- 9.4 Please note in particular that: (a) we are under legal and professional obligations to undertake appropriate client due diligence (which will, in certain circumstances, include collecting information about criminal and regulatory convictions and proceedings and verifying such information through electronic data sources); (b) we will monitor and record email, telephone and similar communications in certain circumstances to ensure compliance with applicable rules and law and our internal policies, and for training, quality and business continuity purposes; (c) your Personal Information will be shared on a need-to-know basis within the BCLP Group and, under certain circumstances, to select third parties who provide services to us and to regulators (for further details, see our Privacy Notice). Some of these recipients of your information will be located in other countries (whose privacy laws may not be as comprehensive to those where you are based); and (e) unless agreed otherwise in writing, we may disclose that you are a client of ours. Once details of a matter are in the public domain (otherwise than through an unauthorized disclosure by any party), we may disclose that we acted for you and the general nature of our work. We will disclose this information mainly in pitches and marketing materials.
- 9.5 Subject to limited exceptions, individuals may have the right under applicable privacy laws to access and correct their Personal Information. If we have to provide information in response to a request from someone whose information we hold in connection with your current or past matters (typically referred to as a 'Subject Access Request'), providing that information will form part of our services to you for which we will be entitled to charge a reasonable fee. We will not charge the requestor.
- 9.6 You also agree that you will treat personal information and confidential information that you receive from us as confidential and in accordance with applicable data privacy laws and will use it only for the purpose for which you receive it, or as otherwise required by law.



- 9.7 We understand the obligations on us to take steps to help provide a secure environment and we will seek to treat Personal Information securely and in accordance with our privacy and information security policies.
- 9.8 For details of your privacy rights (including the right to object, where there are legitimate grounds to do so, to our processing of your Personal Data), please see our Privacy Notice. If you have any questions regarding our processing of your Personal Information or if you wish to exercise your privacy rights, please contact your matter/relationship partner, or send a written and dated request to privacy@bciplaw.com.

10 Anti-Money Laundering

- 10.1 In certain jurisdictions where the BCLP Firm operates, we are obliged to obtain and hold satisfactory evidence of the identity of our clients and sometimes of related people to comply with anti-money laundering ("AML") and anti-terrorist financing legislation.
- 10.2 We take a risk-based and proportionate approach to identifying clients for AML purposes. Sometimes we may need to: see original documents; check the information you provide; use corporate, personal and/or confidential information to check identity through electronic data sources; and ask you for up-to-date evidence of identity.
- 10.3 If we ask for documents or information, you must provide them promptly. If you do not, or if they are not satisfactory, we may not be able to act, or to continue to act, for you.
- 10.4 We have a central team, who handle client identification and AML legislation compliance. They will have access to your corporate, personal and/or confidential information. Other BCLP Firms and Associated Firms may also have access to the information on a need to know basis.
- 10.5 We do not accept payments in cash whether for our charges or otherwise.
- 10.6 If we are unable to satisfy ourselves as to source of funds, monies paid to us will usually be frozen and not applied to the transaction, unless and until the appropriate authorities consent.
- 10.7 We will not make payments to anyone other than you unless this is a necessary part of the transaction, and then only if you instruct us to do so.

11 Termination of Engagement

11.1 You may terminate our engagement with or without cause at any time on written notice to us. Termination of 14 Arbitration of Dispute our services will not affect your responsibility to pay for legal services rendered and all expenses and other charges incurred up to the date when we receive notice of termination, and for any further work required of us in order to facilitate an orderly turnover of matters in process at the time of termination.

- 11.2 We may terminate our engagement for any of the reasons permitted under the Georgia Rules of Professional Conduct, or any other applicable rules. including your failure to promptly pay our bills, misrepresentation of (or failure to disclose) any material facts, action taken contrary to our advice, or any other conduct or situation that in our judgment impairs an effective attorney-client relationship between us or presents conflicts with our professional responsibilities. This letter constitutes reasonable warning that we will withdraw from representing you in this matter if you fall substantially to fulfill an obligation to us regarding our services. Other grounds for terminating our representation are set forth in Rule 1.16 of the Georgia Rules of Professional Conduct, a copy of which we will provide you on request. We may request a stipulation executed by you allowing us to withdraw as your attorney in any judicial, arbitration or similar proceedings, in which event you agree in advance to our withdrawal.
- 11.3 Our attorney-client relationship will also terminate when a matter for which our Firm was hired has been completed, whether or not our bill to you for services has been rendered or paid. Upon termination of our relationship, the Firm has no duty to accept new engagements or to continue representation in any matters unless mutually agreed in writing,
- 11.4 Once a matter ends, we will not remind you about future time deadlines or obligations relevant to that matter unless we expressly agree to do so in writing.

12 Future Representation

12.1 In the event our engagement necessitates that we prepare an agreement which provides for ongoing rights and obligations on your part, a dispute concerning the interpretation or enforceability of that agreement may subsequently arise after our engagement has been terminated. In the absence of our express written agreement, you may not assume that the Firm will continue to be free to represent you in a future dispute concerning such agreement.

13 Retention of Files

13.1 Generally, we keep each client's legal files for ten years after we close the file. After ten years, we destroy those files unless the client tells us otherwise. If you want us to keep your files for a longer period of time, please tell US.

14.1 The Firm and University of Central Florida Board of Trustees agree to arbitrate any disputes regarding services related to the Representation. In the event that a dispute arises between us concerning the services we have provided to you, whether claims for legal malpractice, breach of fiduciary duty, breach of contract, or any other claim based upon alleged attorney

misconduct, then that dispute will be settled by arbitration before the AAA. Such an arbitration shall be heard in the Atlanta metropolitan area by a panel of three arbitrators, all of whom must be attorneys or former judges practicing in that area, and who have been practicing law at least 15 years, with one arbitrator to be selected by each party and the third to be chosen by the two arbitrators or the parties to the arbitration. The rules for the Arbitration shall be consistent with the procedural rules of the American Arbitration Association for commercial arbitrations; the arbitrators shall have the power to award all relief available in a court of law; and the arbitration proceedings shall be private and confidential and shall not be disclosed to the public by either the arbitrators or the parties to the arbitration unless required by law. The award of the arbitrators must be by a majority vote and shall be final and binding, not subject to challenge by either party in any court of law. Each party shall bear its own costs of the arbitration and shall pay one-half of the full costs of the proceeding.

15 Charges

- 15.1 Our statements to our clients are normally rendered on a monthly basis, and ordinarily include certain charges other than fees for legal services. These charges may include third-party expenses (such as filing fees, court reporters and travel) and internal expenses. Under some circumstances, clients may be asked to contract with and pay directly larger third-party invoices. Other thirdparty expenses will be added to our bills with no markup. The Firm has elected to charge for certain support activities on the basis of each client's individual use instead of covering them in its hourly rates for fee earners. The Internal charges will be billed in the following way:
- 15.2 **Mail**: There is no charge for regular mail. Clients are charged the actual cost of express mail and bulk mailings, as well as air express couriers.
- 15.3 **Messengers:** Clients are charged the actual costs of outside messenger service. In some instances, Firm personnel may be used in lieu of an outside messenger service to reduce delivery time. In those cases, delivery charges are competitive with those of the outside messenger.
- 15.4 **Reprographics Costs:** When required by size or time constraints of the specific project, reprographics services may be provided by outside vendors and will be charged to clients at actual cost.
- 15.5 **Binding:** The Firm charges \$5.00 for each binding (velo, spiral, fastback, etc.) job.
- 15.6 **Data Transfers**: The Firm charges a fixed rate for burning CDs and DVDs at \$8 and \$12, respectively.



- 15.7 **Computer Research**: The Firm uses several databases to conduct computer-assisted research. The Firm contracts for the majority of those database services in bulk and for several years in advance. The Firm bills clients at a discount from the vendors' regular rates to third parties where applicable. Charges for usage of databases that are not included under these advance contracts, and all other research databases, are billed to clients at actual cost.
- 15.8 **Long-Distance Telephone Calls**: The Firm does not charge clients for long-distance telephone calls.
- 15.9 Travel expenses shall be reimbursed in accordance with Florida laws on travel.



R. Joseph Burby, Esq. Bryan Cave Leighton Paisner LLP 1201 West Peachtree Street NE Suite 1400 Atlanta, Georgia 30309

Dear Mr. Burby,

This engagement letter dated September 26, 2018 (the "Effective Date") confirms that Bryan Cave Leighton Paisner LLP ("Counsel") on its own behalf and as counsel for its client, the University of Central Florida Board of Trustee ("Client") has engaged PricewaterhouseCoopers Advisory Services LLC. ("PwC") to perform the professional services described below. Client and PwC are sometimes referred to in this engagement letter as the "parties" and each, individually, as a "party."

PwC will work under the direction of Counsel in this matter. Accordingly, PwC's Services shall be subject to Client's attorney-client and work product confidentiality privileges. However, as a consultant, PwC makes no representation as to whether the privilege will apply, as the application of privilege is a legal question.

SCOPE OF PWC SERVICES, DELIVERABLES, AND TIMING.

(a) Services to be provided by PwC. Client is engaging PwC to provide the following professional services (the "<u>Services</u>"):

Forensic accounting services in connection with Counsel's independent investigation into the potential misuse of university funds for capital infrastructure projects at the Client.

PwC is not required to perform services that are inconsistent with the scope of Services or terms and conditions set forth in this engagement letter. Either party may request changes to the scope of Services. To be effective, such change must be agreed in a writing and signed by the parties.

(b) Deliverables. PwC will provide the following Deliverables (as defined below):

We may, at the direction of Counsel, prepare summaries of procedures and analyses performed. The Deliverables will be unbranded.

FEES, EXPENSES, AND PAYMENT.

(a) **Professional Fees and Expenses**

PwC's fee is based on the time required by PwC professionals to complete the engagement and will be billed hourly rates between \$350 and \$630 per hour. Hourly rates may be revised from time to time, and the adjusted rates will be reflected in billings.

In the event that there are any Client-initiated changes to the scope, schedule, responsibilities, or Deliverables that impact the effort required, PwC will address these changes through the change control process.

If PwC is requested or authorized by Client or required by government regulation, regulatory agency, subpoena, or other legal process to produce PwC's Deliverables, working papers, or personnel for testimony or interview with respect to services PwC performed for Client, Client



will reimburse PwC for PwC's, the PwC Subcontractors' (as defined below), and their respective counsels' expenses and professional time incurred in responding to such a request.

(b) Payment Terms.

PwC will bill Client for reasonable out-of-pocket expenses in accordance with Florida law, any applicable sales, use, excise, or-value added tax, and PwC's internal per-ticket charges for booking travel. Amounts billed for Services performed by PwC or the PwC Subcontractors (as defined below) shall be considered fees and not expenses and will be billed as set forth above. PwC will invoice Client on a monthly basis in arrears. Client will pay each invoice within 15 calendar days after the invoice date.

DELIVERABLES: TERMS AND DEFINITIONS.

(a) Ownership and License.

Client will own each particular physical copy of the Materials (as defined below) prepared for and delivered to Client under this engagement letter that are identified as a "Deliverable" (collectively, the "Deliverables"). PwC shall own all intellectual property rights in and to the Deliverables and any other Materials (as defined below) that PwC, the PwC Subcontractors (as defined below), or their respective personnel may make, conceive, develop, or create during or as a result of the Services, including PwC's working papers (the "Work Product"). Each party will continue to own Materials made, conceived, developed, or created by or for such party independent from, or prior to commencement of, the performance of Services under this engagement letter and any intellectual property rights therein (collectively, the applicable party's "Background Materials"). Subject to Client's compliance with the terms of this engagement letter, PwC grants to Client under PwC's intellectual property rights a nonexclusive, non-transferable license to use the Deliverables and Work Product delivered to Client for Client's business purposes only, as set forth in this engagement letter. For the avoidance of doubt, neither the Work Product nor PwC's Background Materials include Client's Confidential Information (as defined below) or Client's Background Materials, both of which shall remain the sole and exclusive property of Client. As used herein, "Materials" means information, knowhow, data, and other technology, including works of authorship and other creations and ideas, databases, compilations, inventions, developments, software, firmware, and other computer programs (in source code, object code, or any other format), documentation, technical information, specifications, configuration information, designs, plans, drawings, writings, schematics, documents, reports, methods, procedures, concepts, techniques, protocols, systems, elements, components, subsystems, devices, equipment and other hardware.

(b) Use and Disclosure.

PwC provides the Services and the Deliverables, Work Product, and PwC's Background (i) Materials solely for Client's use and benefit as set forth herein and not for any other person's or entity's use, benefit, or reliance, and PwC disclaims any contractual or other responsibility, liability, or duty of care to any other person or entity based upon the Services, Deliverables, Work Product, or PwC's Background Materials. Except as described in this section, Client shall not discuss the Services with, or disclose the Deliverables, Work Product, or PwC's Background Materials to, any third party without PwC's prior written consent. Client may disclose Deliverables to, or discuss information relating to the Services with, Client's third-party professional advisors (including subcontractors, accountants, auditors, attorneys, financial, and other advisors) that are acting solely for Client's benefit and on Client's behalf and that have a need to know such information in order to provide advice or services to Client (collectively, "Third-Party Professional Advisors"), provided that such Third-Party Professional Advisors agree: (i) that PwC did not perform the Services or prepare Deliverables for such Third-Party Professional Advisors' use, benefit, or reliance and that PwC assumes no duty, liability, or responsibility to such Third-Party Professional Advisors; and (ii) not to disclose the Services or Deliverables to any other party without PwC's prior written consent. Notwithstanding the foregoing, PwC's prior written consent (which consent will include the requirement to enter into an access letter in PwC's standard form) shall be required if Client wishes to disclose the



Deliverables or discuss the Services with any person or entity that is not a Third-Party Professional Advisor. For the avoidance of doubt, Third-Party Professional Advisors do not include any parties that are providing or may provide insurance, financing, capital in any form, a fairness opinion, or selling or underwriting securities in connection with any transaction that is the subject of the Services or any parties that have or may obtain a financial interest in Client or an anticipated transaction. Notwithstanding terms to the contrary in this engagement letter including without limitation the above section, the parties agree that Client can publicly disclose that Client retained PwC to provide the Services and may also disclose the results of the investigation and its findings.

(c) Except to the extent prohibited by law, Client shall indemnify and hold harmless PwC and the Beneficiaries (as defined below) from and against all third party claims, losses, liabilities, and damages (including but not limited to any costs, expenses, and reasonable attorneys' fees) arising from or relating to the Services and/or Deliverables.

(d) Oral Advice and Draft Deliverables.

Client may rely only on final, written Deliverables and not on oral advice, draft Deliverables, or other information provided by PwC. Upon Client's request, PwC will confirm oral advice in a Deliverable on which Client may rely.

(e) Other Materials.

PwC may provide or otherwise make available certain Materials that are not Deliverables, including spreadsheets and hosted, web-based, data analytics, internet, cloud, visualization, or other tools or software used to provide the Services or deliver the Deliverables (collectively, "PwC Technology"). If PwC Technology is provided or otherwise made available, PwC hereby grants to Client a non-exclusive, non-transferable license to use PwC Technology in accordance with PwC's instructions for Client's internal use and benefit only and solely in connection with and during the term of PwC's performance of the Services. PwC Technology is provided on an "as is" and "as-available" basis, and PwC does not represent or warrant that PwC Technology or any content therein will be uninterrupted or error free or that it will provide useful, accurate, or specific information or results. PwC Technology is subject to change without notice, and PwC may change the functionality of, or suspend or discontinue access to, all or any portion of PwC Technology at any time without notice. PwC Technology, and all Materials contained therein, are PwC's Confidential Information. PwC Technology and information contained therein are not intended to be Client's permanent records and, unless otherwise agreed in writing, access to PwC Technology and such information terminates upon expiration, completion, or termination of the Services. PwC will, in its discretion, make data and records that are directly connected with the provision of the Services available to Client via PwC Technology. Client is responsible for separately maintaining copies of any relevant data and records made available through PwC Technology that Client may need. Client will provide PwC with written confirmation (by email or otherwise) of the names and employer email addresses of those users that Client authorizes to access and use PwC Technology on Client's behalf ("Client Users"), and Client will promptly notify PwC in writing of any changes thereto. Client shall only authorize Client Users to use and access PwC Technology in accordance with and subject to the same restrictions set forth above in the Use and Disclosure of Deliverables section that apply to Deliverables. Client is responsible and liable for all Client Users' access to PwC Technology. Client shall not (and shall not allow any Client User to) misappropriate, infringe, reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code, techniques, processes, algorithms, know-how, processes, formulae, methodologies, or other information or any of PwC's rights in PwC Technology, or otherwise use or access PwC Technology other than as expressly permitted herein.

PWC RESPONSIBILITIES.

(a) PwC will perform the Services in accordance with the relevant standards promulgated by the American Institute of Certified Public Accountants ("<u>AICPA</u>") as set forth below: Consulting Services will be performed under the Standards for Consulting Services; tax Services will be performed under the Standards for Tax Services; Accounting Advisory



Services for non-audit clients will be performed under the Standards for Reports on the Application of Accounting Principles; and valuation Services that represent an estimate of value will be performed under the Statement on Standards for Valuation Services.

(b) PwC's role is advisory only. PwC will not provide an audit, accounting, or attest opinion or other form of assurance. PwC will not verify or audit any information provided to it. Because PwC will provide the Services solely for Client's use and benefit and pursuant to a relationship exclusively with Client, PwC disclaims any contractual or other responsibility, liability, or duty of care to others based upon the Services or upon any Deliverables or advice PwC provides.

CLIENT RESPONSIBILITIES.

(a) Client is responsible for all management functions and decisions relating to the Services, including without limitation evaluation and acceptance of the adequacy of the scope of Services in addressing Client's needs. It is Client's responsibility to establish and maintain its internal controls. Client also is responsible for the results achieved from using the Services or Deliverables. Client will designate a competent member of Client's management to oversee the Services. Client will provide reasonable assistance and accurate and complete information on a timely basis, and PwC will perform the Services on that basis. Client represents and warrants that it has the requisite right, consent, and permission to use and disclose, and to permit PwC and the PwC Subcontractors to use and disclose, all information, materials (including without limitation emails), software, or hardware (including those of third parties) provided to PwC or the PwC Subcontractors in connection with the Services and this engagement letter.

CONFIDENTIALITY.

"Confidential Information" means non-public information marked "confidential" or "proprietary" or information that otherwise should be understood by a reasonable person to be confidential in nature, provided by a party or on its behalf. All terms of this engagement letter, including but not limited to the fee and expense structure, are considered Confidential Information. Confidential Information does not include any information that: (i) is rightfully known to the receiving party ("Recipient") prior to its disclosure; (ii) is released by the disclosing party ("Discloser") to any other person or entity (including governmental agencies) without restriction; (iii) is independently developed by Recipient without use of or reliance on Discloser's Confidential Information; (iv) is or later becomes publicly available without violation of this engagement letter; or (v) may be lawfully obtained by Recipient from a third party without applicable restriction. Recipient will protect the Confidential Information of Discloser using reasonable measures commensurate with those that Recipient uses to protect its own Confidential Information. Recipient may use or disclose the Confidential Information of Discloser only: (1) to perform the Services; (2) as permitted in this engagement letter; (3) as requested or directed by Discloser; or (4) as required by applicable law, statute, rule, regulation, or professional standard. Except as set forth in this section, Recipient will not disclose the Confidential Information of Discloser to third parties without Discloser's prior consent. Notwithstanding the foregoing, without Discloser's prior written consent, Recipient may disclose Confidential Information to professional advisors, subcontractors, PwC Subcontractors, or employees on a need-to-know basis, provided that such entities and individuals are required to comply with confidentiality obligations. If disclosure of Discloser's Confidential Information is required by law, statute, rule, or regulation (including any subpoena or other similar form of process), or by professional standards, Recipient shall provide Discloser with written notice prior to such disclosure (to the extent permitted by applicable law); provided, however, that prior written notice is not required in connection with requests for disclosures arising from or related to government audits, investigations, or supervisory examinations by regulatory authorities with jurisdiction over Recipient.

LIMITATIONS OF LIABILITY. Except to the extent finally determined to be prohibited by law, or except with respect to: (a) a party's express indemnification obligations hereunder; (b) Client's breach of Use and Disclosure restrictions; (c) Client's payment and reimbursement obligations hereunder; as to which the following limitations do not apply, each party's aggregate



liability for all claims, losses, liabilities, or damages in connection with this engagement letter or its subject matter, whether as a result of breach of contract, tort (including negligence), or otherwise, regardless of the theory of liability asserted, is limited to no more than one time the total amount of fees paid to PwC for the particular Service giving rise to the liability under this engagement letter. Furthermore, except for a party's express indemnification obligations hereunder, Client's breach of Use and Disclosure restrictions, and Client's reimbursement obligations, neither party will be liable in any event for lost profits, consequential, indirect, punitive, exemplary, or special damages. Also, PwC shall have no liability arising from or relating to any third-party hardware, software, information, or materials selected or supplied by Client.

OTHER PWC FIRMS; PWC SUBCONTRACTORS. PwC is a firm in the global network of separate and independent PricewaterhouseCoopers firms (exclusive of PwC, the "Other PwC Firms"). PwC may draw on the resources of and/or subcontract to its subsidiaries and affiliates, the Other PwC Firms, and/or third-party contractors and subcontractors within or outside of the United States (each a "PwC Subcontractor") in connection with the provision of Services and/or for internal, administrative and/or regulatory compliance purposes. Client agrees that PwC may provide information PwC receives in connection with this engagement letter to the PwC Subcontractors for such purposes. PwC will be solely responsible for the provision of the Services (including those performed by the PwC Subcontractors), for the protection of any Confidential Information provided to the PwC Subcontractors and for compliance with the other terms and conditions of this engagement letter. The PwC Subcontractors and the partners, principals, members and employees of PwC and the PwC Subcontractors (collectively the "Beneficiaries") shall have no liability or obligations arising out of this engagement letter. PwC disclaims any contractual or other responsibility or duty of care to any of Client's subsidiaries or affiliates. Client agrees to bring any claim or other legal proceeding of any nature arising from the Services against PwC and not against the Beneficiaries; provided however, that PwC shall be fully responsible and liable for the acts and omissions of Beneficiaries. Client shall ensure its subsidiaries and affiliates do not assert any claim or other legal proceeding against PwC or the Beneficiaries related to or arising from the Services, or Deliverables. Client assumes responsibility and liability in the event that Client's subsidiaries and affiliates pursue such claims or proceedings. While PwC is entering into this engagement letter on its own behalf, this section also is intended for the benefit of the Beneficiaries.

TERMINATION. Any party may terminate this engagement letter without penalty upon written notice to the other party. Any provisions of this engagement letter that expressly or by implication are intended to survive its termination will survive and continue to bind the parties.

DISPUTE OF RESOLUTION. Any disputes that arise between the parties that are not resolved by mutual agreement shall be resolved by arbitration. The arbitration will be conducted in accordance with the Rules for Non-Administered Arbitration of the International Institute for Conflict Prevention and Resolution (the "Rules") then in effect. The arbitration will be conducted before a panel of three arbitrators selected using the screened process provided in the Rules. The arbitration panel and not any federal, state, or local court or agency shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this engagement letter. The arbitration panel shall have no power to award non-monetary or equitable relief of any sort. It shall also have no power to award damages inconsistent with the limitations of liability provisions or any other terms herein. Judgment on any arbitration award may be entered in any court having jurisdiction. All aspects of the arbitration shall be treated as confidential. Client accepts and acknowledges that any demand for arbitration arising from or in connection with the Services must be issued within one year from the date Client became aware or should reasonably have become aware of the facts that give rise to the alleged liability and, in any event, no later than two years after the cause of action accrued.

<u>CHOICE OF LAW.</u> This engagement letter and any dispute between the parties, whether in contract, tort, or otherwise, will be governed by and construed, interpreted, and enforced in accordance with the laws of the State of Florida, without giving effect to any choice of law



principles or provisions relating to conflicts of laws that would require the laws of another jurisdiction to apply.

<u>CPA NOTICE.</u> PwC is owned by professionals who hold CPA licenses as well as by professionals who are not licensed CPAs. Depending on the nature of the Services, non-CPA owners may be involved in providing Services under this engagement letter.

NO LEGAL ADVICE; CHANGES IN LAWS. The Services do not include the provision of legal advice, and PwC makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation under federal, state, or any other type of law or regulation. Changes in the law and/or its interpretation may take place before PwC's advice is acted upon or may be retrospective in effect; PwC accepts no responsibility for changes in the law or its interpretation that may occur after the provision of the Services.

MISCELLANEOUS.

(a) Non-Exclusive Engagement Letter; Other Matters.

This is a non-exclusive agreement, and subject to its confidentiality obligations, PwC and the PwC Subcontractors are not prevented or restricted from providing services to other clients. PwC is an independent contractor, not a fiduciary or agent of Client, and shall not perform any obligation of Client, whether regulatory or contractual, nor shall PwC negotiate on Client's behalf.

Notwithstanding any other provision of this agreement, PwC and the Other PwC Firms may use Confidential Information received hereunder, including tax return information, to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings, and/or for development or performance of data analysis or other insight generation. Information developed in connection with these purposes may be used or disclosed to Client or current or prospective clients to provide them services or offerings. PwC and the Other PwC Firms will not use or disclose the Confidential Information in a way that would permit Client to be identified by third parties without Client's consent.

With respect to tax return information, Client may request in writing a more limited use and disclosure than the foregoing. The foregoing consent is valid until further notice by Client.

If PwC commenced Services prior to execution of this engagement letter, the terms of this engagement letter shall govern such Services.

(b) Order of Precedence. If there is a conflict between the terms contained in the main body of this engagement letter and any Exhibit to this engagement letter, the following order of precedence shall apply: (i) the applicable Exhibit and then (ii) the main body of this engagement letter.

(c) Entire Engagement Letter; Severability; Amendments. This engagement letter and its Exhibits represent the entire agreement between the parties with regard to the subject matter hereof and supersede any prior understandings, proposals, or agreements concerning the Services. If any provision (or any part thereof) of this engagement letter is found to be unenforceable or invalid, the remainder of such provision shall remain enforceable to the maximum extent permitted by law.

(d) Assignment. No party to this engagement letter may assign or transfer this engagement letter or any rights, licenses, obligations, claims, or proceeds from claims arising out of or in any way relating to this engagement letter, any Services provided hereunder, or any fees for this engagement letter or such Services to anyone, by operation of law or otherwise, without the prior written consent of the other parties; and any assignment without such consent shall be void and invalid. This engagement letter shall be binding upon and inure to the benefit of the parties hereto and their permitted successors and assigns, and except as expressly provided herein, nothing in this engagement letter shall confer upon any other person or entity



any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this engagement letter.

(c) Force Majeure. No party shall be liable for any delay or failure to perform any of the Services or obligations in this engagement letter due to causes beyond its reasonable control.

(f) Counterparts; Headings. This engagement letter may be executed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute one single document between the parties. Counterparts may be exchanged by facsimile or attached as a pdf, jpeg, or similar file type to an email or by DocuSign, Adobe Acrobat, or other electronic signature. Headings in this engagement letter are for convenience only and shall not be used in interpreting this engagement letter or any provision of it.

(g) Florida Public Records Law. Nothing in this agreement shall be interpreted as requiring client to violate Florida public records law, and Client's compliance with such law shall not be deemed a breach of this agreement.

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If Client has any questions about this engagement letter, please discuss them with Robert Gallagher at robert.e.gallagher@pwc.com Phone Number: (678) 419-4314. If the Services and terms outlined in this engagement letter are acceptable to Client, please sign one copy of this engagement letter in the space provided and return it to the undersigned.

Very truly yours,

PricewaterbouseCoopers Advisory Services LLC

By:

Robert Gallagher Partner September 26, 2018

Date:

ACKNOWLEDGED AND AGREED

Bryan Car By: Joseph B 26/18 (Date)

The University of Central Florida Board of Trustees

By: < ommittee Chair Date

2-2-2

Page 7 of 8



Law Offices of

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October 4, 2018

<u>VIA E-MAIL</u> [joey.burby@bclplaw.com]

R. Joseph Burby, IV, Esquire Bryan Cave Leighton Paisner, LLP One Atlantic Center, 14th Floor 1201 W. Peachtree St., N.W. Atlanta, GA 30309-3471

Re: Retention

Dear Mr. Burby:

I represent Lee Kernek and write in response to your request that she provide you with copies of personal notes she maintained relevant to events possibly pertinent to the investigation undertaken by your firm, including her notes concerning former President Hitt's instructions to Bill Merck and Ms. Kernek to use E&G carry forward funds to construct a new building to replace Colbourn Hall, which was destroyed and rendered uninhabitable as the result of mold and structural defects diagnosed by engineers during a forensic inspection of the existing building.

During your blatantly hostile interrogation of Ms. Kernek, she provided you with a summary of her personal notes and disclosed all UCF property to you. She also directed you to persons and places where you could uncover documents and proof that the use of E&G carry forward funds to replace the uninhabitable building had been approved by President Hitt and then Provost (now President) Whitaker. You angrily reacted to her disclosure of facts that did not fit the false narrative that is being disseminated by President Whitaker and Chairman Marchena. You accused her of lying and, at least implicitly, threatened her with retaliatory personnel action because she "blew the whistle" and did not tell you what you wanted to hear.

In our view, you are not searching for the truth but are trying to support a narrative preordained by some of those involved in hiring you. We will not support you in that endeavor. The suspension of monies owed to Bill Merck and the "litigation hold" referenced in communications from Scott Cole to Ms. Kernek indicate that this matter is destined for litigation. You are preparing for it. And we are as well.

R. Joseph Burby, IV, Esquire October 4, 2018 Page 2 of 2

Meanwhile, Ms. Kernek will comply with all of her duties and obligations as an employee of UCF. Ms. Kernek will not provide you with her personal phone, which contains her private information, or her personal notes.

Ms. Kernek will search her phone for text messages that may be related to your investigation. After she has done so, we will turn over anything we discover.

You have taken a position adverse to Ms. Kernek. Ms. Kernek is now represented by counsel. As outside counsel for the Board of Trustees, you should not have any further communications with her. She will respond to requests and directives from UCF in accordance with her duties as an employee.

Sinceret Charles M. Greene

Cc: Lee Kernek



BRYAN CAVE LEIGHTON PAISNER LLP One Atlantic Center 14th Floor 1201 W Peachtree St NW Atlanta GA 30309 3471 T: +1 404 572 6600 F: +1 404 572 6999 www.bclplaw.com

November 26, 2018

R. Joseph Burby, IV Direct: 404-572-6815 Fax: 404-420-0815 Joey.Burby@bclplaw.com

VIA E-MAIL (cmg@cmgpa.com)

Charles M. Greene, Esq. Law Offices of Charles M. Greene, P.A. 55 East Pine Street Orlando, FL 32801

Re: Lee Kernek

Dear Mr. Greene:

As you know, we represent the University of Central Florida Board of Trustees. The Board has engaged our firm to investigate the university's improper use of state funds for certain capital projects, including the construction of Trevor Colbourn Hall. All UCF employees are expected to cooperate with the investigation.

I received your letter dated October 4, 2018, in which you stated that you represent UCF employee Lee Kernek. As a courtesy, I am writing to inform you that we wish to interview Ms. Kernek again as part of our investigation. The interview will take place on December 6, 2018 at 9:00 a.m. at the UCF Communications and Marketing office, located at 12443 Research Parkway, Suite 301, Orlando, FL 32826-0900. Participating in the interview will be individuals from my firm and PricewaterhouseCoopers as well as Julie Leftheris, the Inspector General for the State University System of Florida. We expect the interview will last for several hours.

As Ms. Kernek's attorney, you will be permitted to attend the interview, but you may not interfere with the interview or disrupt it in any way. If you do, the interview will be terminated. Note that the request for this interview is also being communicated directly to Ms. Kernek by her supervisor at UCF, Misty Shepherd.

Charles M. Greene, Esq. November 26, 2018 Page 2

With respect to the baseless accusations in your October 4th letter about Ms. Kernek's prior interview and our investigation generally, consider them denied.

If you have any questions, please contact me.

Sincerely, l R. Joseph Burby, IV

For BRYAN CAVE LEIGHTON PAISNER LLP

cc: Beverly Seay, UCF Board of Trustees, Audit Committee Chair Misty Shepherd, UCF Interim Vice President, Administration and Finance CHARLES M. GREENE, P.A.

55 EAST PINE STREET ORLANDO, FLORIDA 32801

CHARLES M. GREENE

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November 30, 2018

<u>VIA E-MAIL</u> [joey.burby@bclplaw.com]

R. Joseph Burby, IV, Esquire Bryan Cave Leighton Paisner, LLP One Atlantic Center, 14th Floor 1201 W. Peachtree St., N.W. Atlanta, GA 30309-3471

Re: Interview of Lee Kernek

Dear Mr. Burby:

I am writing in response to your letter of November 26th and our e-mail from yesterday. I am not available on December 5, 2018. Therefore, the "interview" of Ms. Kernek will have to occur on another date, assuming it occurs at all.

Before Ms. Kernek consents to another interview, I need to better understand your role. My understanding from a review of your retention papers is that you do not represent UCF and have no authority to speak on its behalf or compel Ms. Kernek to meet with you. But I will ask you directly:

Do you represent UCF? If you *do* represent UCF, please advise whether it has issued any written polices concerning the obligations of its employees to participate in outside investigations. If you *do not* represent UCF, on what basis do you claim the authority to interview Ms. Kernek? Do you consider yourself adverse to Ms. Kernek? Is Ms. Kernek a subject of your investigation?

Please explain your role to me so I can better advise Ms. Kernek.

To be perfectly clear, Ms. Kernek is not, at this time, declining to be interviewed. Rather, she is considering her duties and obligations as an employee of UCF; she will comply with her professional obligations. However, given things I have learned from others you interviewed that convince me you are targeting Ms. Kernek, and the adverse health effects this saga has already had upon her, I need to make sure I have gathered all R. Joseph Burby, IV, Esquire November 30, 2018 Page 2 of 2

relevant data so that she can make a knowing and intelligent decision as to how to proceed.

I will keep the dates of December 11th and 13th open. Assuming we move forward with the interview, perhaps we could do it on one of those dates. If we decide to proceed, we can discuss my role at the interview, but I am not, to echo other counsel, a "potted plant."

Sincerel Charles M. Greene

cc: Lee Kernek



BRYAN CAVE LEIGHTON PAISNER LLP One Atlantic Center 14th Floor 1201 W Peachtree St NW Atlanta GA 30309 3471 T: +1 404 572 6600 F: +1 404 572 6999

October 17, 2018

R. Joseph Burby, IV Direct: 404-572-6815 Fax: 404-420-0815 Joey.Burby@bclplaw.com

www.bclplaw.com

BE FEDERAL EXPRESS

William F. Merck, II 4614 North Landmark Drive Orlando, FL 32817

Re: UCF Board of Trustees Investigation of Capital Projects Funding

Dear Mr. Merck:

This law firm has been retained by the University of Central Florida Board of Trustees to investigate the funding of certain capital projects at the university while you were employed there. We would like to speak with you as part of our investigation.

Please contact me at your earliest convenience to let me know if you are willing to be interviewed. If you are represented by an attorney, please ask your attorney to contact me.

Thank you for your cooperation.

Sincerely,

R. Joseph Burby, IV

For BRYAN CAVE LEIGHTON PAISNER LLP

cc: Beverly J. Seay (By Email)



November 17, 2018

Mr. Joseph Burby, IV Bryan Cave Leighton Paisner LLP One Atlantic Center 14th Floor 1201 W Peachtree St NW Atlanta, GA 30309 3471

sent via U. S. Mail

RE: WFMerck Position Statement - Colbourn Hall

Mr. Burby:

I understand that you would like me to appear for an interview by you and others who represent UCF's Board of Trustees in the pending investigation concerning the use of internal non-recurring funds to construct Trevor Colbourn Hall. Respectfully, I decline to participate in the interview you requested.

I have already lost my job and been publicly vilified based upon a false story-line that has been perpetuated concerning the matter you are investigating. In addition, my accrued leave pay was withheld and my retirement funds have been threatened as a result of inaccurate conclusions hastily reached in September of 2018. I also understand from information posted on UCF's website and my conversations with others that I am a target of your efforts. I do not know if that is true or not. However, given the threats against my retirement funds, I would feel obliged to have counsel with me if I were to participate in an interview. I am just not willing to go through that burden and expense. I have lost enough already.

I gave my heart and soul to UCF. Although I have been falsely accused by some of those now associated with the university, I still feel a strong allegiance to it.

Therefore, I have taken the time to record my thoughts and memories concerning the subject of your investigation and I send them to you here. Every fact I describe can be readily verified by people other than me who were there and by e-mail, reports, and other documents. I hope that you consider all of the facts before you render a final report.

L



The Colbourn Hall Dilemma

In 2013, UCF faced a dilemma with respect to Colbourn Hall. The building, constructed in 1974, was the subject of many complaints that had increased in frequency and intensity. After an engineering report confirmed that the building lacked structural integrity and was filled with mold – findings that presented grave health and safety concerns – we felt that UCF had no alternative but to fix the problem. We explored renovations, but they were practically and economically unfeasible. Ultimately, in consultation with engineers, we determined that the only alternative was to construct a new building. Unfortunately, there was no Public Education Capital Outlay (PECO) funding available. Thus, we had to explore alternative funding sources.

I recommended, and President Hitt and others approved the use of non-recurring carry forward from Education & General (E&G) funds to do the construction. Although I felt and advised others that we would likely take an "audit hit" and have to later explain our use of the funds, I felt we were between "a rock and a hard place" and had no other choice. This was a matter affecting the health and safety of students, staff, and faculty. It was a true emergency and President Hitt and Provost/Chief Budget Officer Whitaker agreed that we had to use internal funds to construct a new building.

The decision to use E&G funds to construct the building may have gone against some of the ever-changing Board of Governors (BOG) guidance, but did not violate any rule or law that I knew about. Because of the threats to the health and safety of faculty and staff posed by the condition of the building, this was a real "calamity." As of 2016, our engineers told us that Colbourn Hall would be uninhabitable and therefore essentially destroyed as a result of the defects that were discovered. The use of E&G funds to replace buildings destroyed by a "calamity" is expressly allowed by Section 1013.74 of the Florida Statutes. Regardless, although I thought we may have to address the issue with state auditors, I did not think that we were violating any specific rule, regulation or law in constructing Trevor Colbourn Hall and never thought anyone would accuse us of doing so.

The source of the funds that were used to replace the old Colbourn Hall with a new building was not hidden but was reported to my superiors (President Hitt), my peers (Provost Whitaker), persons below me in the UCF hierarchy (Lee Kernek and Tracy Clark), the Board of Trustees (including Marcos Marchena), and to the Board of Governors through its staff. Everyone with whom the issue was addressed agreed we had no other choice and no one – no one – ever told me the expenditure was illegal.



Disappearing PECO Funds

In 2008-09, following the "Great Recession," the State of Florida decreased funding for PECO projects largely by eliminating the bonding of the PECO revenue stream. In the last two or three years, the legislature also eliminated Plant Operations and Maintenance (PO&M) funding for new buildings, which was historically used to fund minor repairs, water and sewer, electricity, and custodial services to buildings.

Obviously, operational needs still had to be met in order to provide safe, functioning buildings. This need for funding was met in two ways—deferring maintenance and dipping into the E&G operating funds to cover the unavoidable costs.

With PECO funding no longer available for major renovations and with the reduction in PO&M funding, UCF staff found it increasingly necessary to use the E&G operating budget to cover these requirements in some of the older UCF buildings. As the years passed and buildings inevitably aged, the use of operating funds to keep the buildings safe and operational increased. This became a constant topic at university facilities budget meetings and a hot topic in Board of Trustees meetings. UCF's deferred maintenance has grown to approximately \$260 million today with no meaningful planned or anticipated relief from the State.

Trevor Colbourn Hall

Built in 1974, Colbourn Hall was one of the most needful of the university buildings for funding. It became increasingly unsafe because of air quality issues. In 2009, the Board of Trustees agreed that the building should be renovated and it was a high priority legislative request that year. Colbourn Hall stayed on the funding list for years, but with no funding forthcoming. Eventually, it was determined that the unsafe conditions and air quality issues could no longer be mitigated. Therefore, a renovation plan was developed through UCF's capital outlay planning process, approved by the Board of Trustees and submitted to the Board of Governors, to renovate Colbourn Hall, utilizing E&G carry forward dollars for the renovation work.

Midway through the renovation planning process, a forensic testing report prepared by a licensed professional engineering firm indicated the problems with the building were even worse than we thought. The engineers determined that the building lacked structural integrity --- the building was standing but the engineers could not explain how it was doing so because of rusting and deteriorated structural steel and because brick was not properly affixed to the building and had the potential for breaking away and falling.

WFMerck Position Statement - Colbourn Hall |1.17.18



During the exit meeting with the forensic engineering team, I asked them how long they thought we had before we needed to move everyone out of the building. They represented to me, based on their experience, that we had about two years. At this point the situation further escalated to a premise liability issue with legal ramifications for UCF because of the Owner's Duty of Care responsibility. If no action were taken, this calamitous situation could result in a real catastrophe. The design team professionals recommended the building be demolished and a replacement structure be erected. With the preliminary studies that had been done, I believed we could finish the design of a new building and get it built in that two-year window. The new project was estimated to cost \$38 million. The cash balances we had on hand, while sufficient to fund the project, were not sufficient in strictly non-E&G funds.

The Decision to Move Forward

This revised approach, i.e., new construction versus renovation, was discussed in Board of Trustees meetings and acknowledged by the Board of Governors. No new state funding was offered. The funding source was identified as UCF non-recurring funds. UCF's PECO request list continued to request PECO money to replace the operation funds that were contemplated to be used.

The increasingly unsafe conditions and the need for a new building was discussed in many meetings, both prior to and subsequent to the board meeting where final approval was given.

Prior to the board meeting where final approval was given, I discussed the specific funding source with President Hitt. He agreed that we needed to move forward because of the documented health and safety concerns that threatened hundreds of students, faculty, and staff in the old Colbourn Hall. The proposed use of E&G carry forward funds to construct the new Trevor Colbourn Hall Building was also discussed with and approved by then Provost and Chief Budget Officer, and now UCF President, Dale Whittaker. Tracy Clark, the Associate Provost for Budget, Planning and Administration and Associate Vice President for Finance, reported directly to Dale Whitaker and reviewed the budget for upcoming projects with him, including the proposed use of E&G carry forward to construct Trevor Colbourn Hall.

During my meetings with the people I worked with and for, I made no secret of the fact that we would probably take an "audit hit." I thought we might take an "audit hit" because of the size of the project. However, I believed that an audit comment would not be overly harsh, especially considering we had no alternative because a delay would

WFMerck Position Statement - Colbourn Hall 11.17.18



needlessly put lives at risk and cost UCF a lot more money. I did not think we would have to do anything more than explain the expenditure and, at most, replace the funds with others subsequently obtained. I did not think there was any blanket prohibition against the use of E&G carry forward to fund capital projects. Indeed, the use of E&G carry forward for smaller projects was not uncommon and was approved by the trustees and representatives of the BOG, including Chris Kinsley, a member of the BOG staff, who always helped the university to the best of his abilities and authority. I certainly did not know of any specific statute that would bar the use of E&G carry forward funds for the Trevor Colbourn Hall project. Particularly after funds from the legislature dried up, BOG guidance in this area was always ever-changing and never clearly communicated.

I also believed with a high degree of certainty that, if challenged in an audit, UCF would be in a cash position with non-E&G funds obtained at a later date to make the accounting transfers necessary to make the E&G accounts whole. In fact, that is exactly what subsequently happened.

Approval from the Trustees

The construction of Trevor Colbourn Hall was approved by the Board of Trustees. The agenda for the meeting where the expenditure was approved clearly showed that the source of funding for the project was "UCF non-recurring funds," which is a budget term that was commonly used to refer to a pool of internal funds which included funds carried forward from E&G.

I presented information to the board during the board meeting where final approval was given. Also present were President Hitt, Provost/Chief Budget Officer Whittaker, and Tracy Clark. Ms. Clark, who sat beside me in these presentations to the board, provided budget information for the construction project documents to me, Provost Whitaker, and President Hitt. Obviously, none of them thought that the use of E&G carry forward funding was prohibited or they would have surely raised the issue to the Board or with me. All of them understood that the construction of the new building was necessary to protect the health and safety of students, faculty and staff. The current furor over this issue was never anticipated.

After the Board approved the expenditure, I openly shared the potential for an audit comment in campus master plan and budget presentations which I made to faculty and student groups, all of whom agreed the choice between acting to protect students, faculty and staff and taking an audit hit was a no-brainer. I also mentioned it at a later Board of Trustees Finance Committee meeting where we discussed a list of pending

WFMerck Position Statement - Colbourn Hall 11.17.18



projects; no questions were raised by any of the Trustees. At a Board Funding Retreat on March 3, 2017, Tracy Clark reported having to use internal carry-forward funds for capital projects. No one raised that as an issue. No one, especially me, believed that this action, taken to protect people and address a calamity, would later become so blown out of proportion.

Our Motivation

In my 46-year career in higher education, I am proud to have served for thirtyseven of those years as the Chief Business Officer at three institutions for four presidents leading generations of teams who were all dedicated to fulfill the long-term mission of higher education providing high-quality services in support of education, research, and community service while creating a conducive learning environment benefitting thousands of students, faculty, and staff. Twenty-two of my forty-six years in public service were at UCF, where the campus was transformed to attract world-class students, faculty, and staff who take pride in the beautiful and safe environment in which they work, study, teach, learn and, sometimes, play.

The accomplishments for the Division of Administration and Finance are all documented in the Annual Reports that I submitted to President Hitt from 1997 to 2018 and include the following departments: Business Services, Facilities Planning and Construction, Finance and Accounting, Landscape and Natural Resources, Parking and Transportation Services, Purchasing, Resource Management, Sustainability Initiatives, University Police, Security and Emergency Management, Human Resources, Utilities and Energy Services, Debt Management, Environmental Health and Safety, Facilities Operations, Quality Management and Improvement, the CFE Arena, the UCF Convocation Corporation and the UCF Downtown Campus Facilities.

Throughout my tenure at UCF, I and those I worked with, had the health, welfare, and safety of students, staff, and faculty as our highest priority. We had that very priority in mind when we moved forward to construct the new Trevor Colbourn Hall. We were also motivated by what we viewed as a critical two-year window in which we had to fulfill our duties to students, staff, and faculty. We also were motivated by our duty as guardians of public funds. With increasing construction costs, a delay of the project, it was estimated, would cost taxpayers millions of additional dollars, not even including the potential liability that would arise if someone were injured as a result of the unsafe conditions that we knew about. In sum, we had moral, ethical, and legal responsibilities



to take the action that we did. It is the people that make a great university and it is the university's duty to protect these people.

Fall Out

In September of 2018, I resigned in order to protect UCF and those people who worked with and for me. Since my resignation, I have been disappointed at the disgraceful way politics and power have been played with a short-term focus on an accounting issue versus a statesman-like long-term approach to providing a safe and effective campus environment.

The un-statesman-like approach to this issue was largely instigated by the impolitic letter of Richard Corcoran, former Speaker of Florida's House of Representatives, dated September 14, 2018, in which he rushes to judgment by unambiguously accusing me and others of fraud and conspiracy and demanding that we be punished. Instead of defending UCF personnel who were doing their best to protect the health and safety of those who visited Colbourn Hall, some UCF representatives first rushed to distance themselves. Towards that end, some of those associated with UCF readily committed to commence an investigation to see who was involved in intentional wrongdoing instead of first asking "did any one intentionally do something wrong." Instead of defending good, honest, hardworking people who always tried their best to comply with their duties to UCF, some UCF higher-ups gave overly defensive reports to the media in which they denied their participation in a decision that they should have defended from the outset.

In an effort to protect UCF and its people, I resigned. But the hysteria continued to grow.

Some have falsely asserted that I acted without their knowledge. There are numerous people who can attest, and documents that can corroborate, that the people I worked with were fully advised about and approved the use of E&G carry forward funds to construct Trevor Colbourn Hall (TCH). Among the documents that reflect their knowledge are the *Trevor Colbourn Hall Building Program* signed by all key UCF leadership (pg 26 shows TCH being funded by E&G); a Capital Projects Current Funding Plan prepared by Tracy Clark, which expressly states that TCH was funded with E&G and which has the Provost's handwriting all over it, proving it was carefully reviewed; several Five Year Capital Improvement Plans presented to the Board of Trustees, which expressly state that TCH was funded by E&G; and slides from a presentation made at a Board of Trustees "retreat" in March of 2017 regarding using internal carry forward funds for capital projects because state funding was not provided.

WFMerck Position Statement - Colbourn Hall 11.17.18



Unfortunately, I and others who gave their heart and soul to UCF have been targeted as scapegoats.

Your investigation was spawned from the hysteria created by the knee jerk reaction of the UCF Leadership. That leadership should have proudly accepted their role in that decision. Instead, they ran from it.

We Did Not Intentionally Do Anything Wrong-We Protected People!

The persons who I worked with at UCF were motivated by an ardent sense of duty to the university to protect the students, staff, and faculty. The staff involved in the Trevor Colbourn Hall project all "bleed black and gold." To see these dedicated and loyal staff members persecuted for acting to protect students, staff, and faculty from harm is the tragedy here, not the use of arguably restricted funds which have been restored through a simple set of accounting transactions. No money has been lost to the State or UCF, and no personal gain accrued to anyone involved. UCF has a great new, safe building, students, staff, and faculty have been protected, all accounting records have been adjusted to the required order, but the search for people to "punish" for these actions continues. Is this justice? Perhaps the leadership condemning what happened need to seriously check their own moral compasses.

I did not know of any law against the use of non-recurring E&G carry forward to construct a new building to replace one that was so old and deteriorated that it posed a threat to the health and safety of UCF students, staff, and faculty. As noted above, I think the decision was well within the authority provided by the Florida statutes with respect to buildings destroyed by calamities. I am no lawyer and I may be misreading the statute. But, even if I am misreading the statute, we certainly did not intentionally try to hide what we were doing. Everyone involved in the budget process knew about and approved of the decision to move forward with Trevor Colbourn Hall. And we all believed it was the right thing to do.

<u>Aftermath</u>

There have been and continue to be mixed communications and confusion about permissible funding for construction projects. The result is a pattern of similar Trevor Colbourn Hall cases that have been reported at FSU and I am certain will be reported at other universities.



It is reasonable to restrict the use of E&G funds appropriated by the legislature for a given year. However, if through good budget management and wise spending, a university is able to realize savings in a given year, or years, and accumulate a sum in carry forward funds, it seems prudent that those savings be used for much needed capital outlay expenditures. This is especially true in these times when the state legislature is not providing adequate funds to maintain its very large investment in campus buildings. If this restrictive environment continues, other universities will be in their own "Trevor Colbourn Hall" predicament.

The UCF staff involved in facilities maintenance and construction are experienced professionals who are dedicated to making the university experience the best they can with the resources available to them for the faculty and students. They are also keenly aware of their responsibility to provide a safe environment.

We should look for answers to the challenges posed by operating and capital needs in a time of decreasing funding from the legislature, rather than rushing to blame those who rise to the challenge and try to find solutions that can meet it.

During the "Golden Era" at UCF, when President Hitt was in charge, doing the right thing mattered. I hope it still does. I just do not understand the quest to blame someone here. We had moral, ethical, and legal premise liability responsibilities to take the action that we did. I am proud of the action we took to protect our students, staff, and faculty.

I hope that in reporting your findings you report the whole story, and not just the false story-line that ended my 46-year career. Although my job is gone, other innocent people will be affected by what you report. I pray you report the whole truth and not just what those to whom you report want the UCF community to believe.

Regardless of what you decide, and although I have suffered personal humiliation and economic loss as a result of the unfair machinations of others, I will always retain fond memories of the good years and good people I met along the way.

Sincerely,

will J. menter

William F. Merck II

cc: UCF Board of Trustees

WFMerck Position Statement - Colbourn Hall

11.17.18

JOHN C. HITT

988 Carnoustie Way Oregon, WI 53575

R. Joseph Burby, IV, Esquire Bryan Cave Leighton Paisner, LLP One Atlantic Center, 14th Floor 1201 W. Peachtree St., N.W. Atlanta, GA 30309-3471

Re: Trevor Colbourn Hall Investigation

Dear Mr. Burby:

I am writing to follow up our interview on October 25, 2018. This letter addresses some of the issues raised during the interview as well as thoughts that I had afterwards when I continued to deliberate about the matters we discussed. My intent is to make sure there is a complete and accurate record of my position concerning the matter which is the subject of your investigation, and I also wanted to comment on the process.

Frankly, I was unprepared for an interview that was, from my perception, unexpectedly adversarial. I probably should have reviewed documents in advance of the interview and/or had counsel with me to make sure I was prepared and that the process was otherwise fair. In all candor, I think I was led to say some things that were not accurate and I want to correct them here. Since the interview, I have reacquainted myself with facts that occurred years ago. I now provide this statement to make sure my position is not misconstrued in some way.

There are several overriding points that need to be made: First, the Colbourn Hall situation presented a real emergency because we were facing a catastrophic situation which required immediate action. Second, the action we took was, as far as we knew, legal and within the scope of my authority as President of UCF. Third, E&G carry forward funds were sometimes used for capital projects and there was no clear guidance from the Board of Governors concerning the use of such funds. Fourth, we did not conceal any facts associated with the Trevor Colbourn Hall project and it was reported in the same manner as we did other capital projects. Fifth, moving forward with the Trevor Colbourn Hall project saved UCF and the State millions of dollars and was the only financially responsible route to travel. Sixth, and most importantly from my perspective, I and everyone that worked with and for me, always acted with the best interests of UCF being their objective and no one –no one– intentionally did anything wrong or engaged in actions that were designed for their personal benefit.

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First, the old Colbourn Hall, which was constructed in 1974, was a very old building indeed. Beginning in the early 2000's, the building became the subject of increasing complaints by faculty and staff. It was suspected that because of continuing moisture intrusion there was a severe ongoing mold problem in the building and there were several complaints of respiratory ailments.

In 2013 and 2014, we received reports from independent professional engineers which revealed that the problems were far worse than we had thought. Not only was there a serious mold issue, the structure of the building was deteriorating and, it was reported to me, would soon be so unsafe that it would be uninhabitable.

This presented a real problem because we had the building on the list of projects for which we had requested specific PECO funding for years, but no funding was forthcoming. We were also faced with rapidly rising construction costs, while the useful life of the building was near its end. Moreover, it was my obligation to look out for the health and safety of UCF students and personnel who used the building. The condition of the building posed a real threat to their health and safety; the health and safety of those who trusted me with their care was my primary and greatest concern. I was also concerned with the risk of damage to the reputation of UCF which had clear proof that the people who used Colbourn Hall could be injured if nothing was done. Finally, UCF was also exposed to possible legal action because it could be sued if someone was injured or caused to be sick by the conditions of which we now had positive proof. This was a real problem that needed to be solved.

Bill Merck, Dale Whitaker, and those who worked under them set out to find a solution to the problem. The solution was found in the availability of E&G carry forward funds to finance the construction. Bill Merck told me that we might receive a comment from auditors concerning the use of the E&G carry forward, if we decided to go that route. However, we still thought it was the appropriate course of action because (1) the Board of Governors had approved the use of E&G carry forward for smaller capital projects on other occasions, (2) we believed it was permissible to use E&G carry forward for renovation projects, which is how this project began, (3) we were facing a real emergency, and (4) we had no other viable choice. Thus, being cognizant of my obligations to act in the best interests of UCF, I told Merck and Lee Kernek that there was no other option and we should proceed with plans to replace the old building with a new one, using E&G carry forward to the extent we needed to do so.

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Second, the old Colbourn Hall was virtually destroyed and had to be replaced. The use of E&G carry forward to replace buildings destroyed by catastrophe is specifically authorized, I have been advised, by Florida law. I refer you in that regard to Florida Statutes, Section 1013.74. Moreover, my obligation as President of UCF was to act as the "chief executive officer" of the University. As such, I was "responsible for the operation of the university, including efficient and effective budget and program administration" and was otherwise obligated to act in "the best interest of the university." Section 5.1, Seventh Amended and Restated Bylaws of UCF Board of Trustees. I felt I was acting in the best interests of UCF when I approved the Colbourn Hall project.

Third, E&G carry forward was sometimes used by UCF – and I believe other universities – for the construction of various capital projects. There was certainly no clear guidance from the Board of Governors. Indeed, Chris Kinsley of the BOG approved the use of E&G carry forward for some capital projects at UCF and, I am told, at other universities. Although I have recently heard discussions about a two million dollar limit on those projects, no one ever told me about such a limit during the time when we were considering the Trevor Colbourn Hall project.

Fourth, no one concealed the fact that E&G carry forward funds were used for the Trevor Colbourn Hall project. It was known and condoned by Bill Merck and Dale Whitaker. Moreover, many honest, competent, and reliable UCF employees who worked under the supervision of Merck and Whitaker were well aware of the project and the fact that E&G carry forward funds were being used for it; none of them ever expressed any concern about the propriety of using E&G carry forward to finance it, either to me or their direct superiors in the UCF hierarchy. Given the extensive involvement of Scott Cole, General Counsel for UCF, in similar matters, I also believe he was aware we sometimes used E&G carry forward for capital projects and he did not express any concerns.

The use of E&G funds to finance the project was specifically noted in a number of reports, including the Trevor Colbourn Hall Building Program which is signed by myself, Provost Whitaker, and many others. Page 26 of that report expressly states that the Trevor Colbourn Hall project is "funded by E&G." Then Provost and now President Whitaker was well aware of the use of E&G carry forward to fund the project and his handwriting and signature are on multiple documents proving that fact.

The minutiae of our capital projects and funding for them was not reported to the Board of Trustees for any project. The reports for the Trevor Colbourn Hall project were just like the other project reports. Nothing in our reporting process was modified to conceal anything concerning Trevor Colbourn Hall.

We did not typically share all of our thoughts and concerns with the Trustees with respect to any project. It was my job at the University level, and the job of those who worked with me, to get down into the details. What the Trustees wanted was the big picture and summary of our projects and we honestly and accurately gave that to them. The Board of Trustee's role is to make policy and it was our job at the University level to get into the weeds and implement that policy. I did not think that anything we did conflicted with the policies of the Trustees and the overall mission that we were all trying to accomplish. And any Board member could ask for and had access to detailed data concerning any project if he or she wanted it.

We absolutely did not think there was any legal or ethical prohibition against the project or the use of the funds designated for it and we did not fail to report anything that, even now looking back, I think should have been reported. There was an imminent, real, and serious threat to the faculty, students, staff, parents, and others who visited Colbourn Hall and it needed to be fixed.

Tracy Clark made a presentation to all of the Trustees in March of 2017 that expressly went over the fact that E&G carry forward funds were used to construct a new building to replace Colbourn Hall. Neither Chairman Marchena nor any other Trustee objected or raised any concerns about whether such action was
appropriate. Neither did Provost Whitaker who was involved with the project from the very outset. No one at that time considered the use of carry forward funds to be a significant issue.

Fifth, if we had delayed construction of a new building to replace the old Colbourn Hall it would have cost UCF and the State, we estimated, more than \$10 million because of rapidly growing costs of construction. In addition, delaying construction past the time when we were told that the old building would be uninhabitable could have also caused us to be in a situation where we had no place to put 300 faculty members and we would have had to incur increased exorbitant costs to put them somewhere when the old building was no longer usable. These faculty members were involved in core mission activities that were vital to the university. This was not just a staff lounge but was space that the university needed to survive and fulfil its mission.

In addition to the moral dilemma we would face if we had to make the choice of leaving people in an unsafe building or moving them out, we also feared the financial ramifications that would be suffered if someone were injured from a building that we now knew was unsafe. There is the reputational risk I previously noted as well as the fact that there are undoubtedly lawyers who would love to take such a readily provable premises liability case. Regardless of the costs, I, certainly, was not going to compel staff and students who depended on me while I was President to risk their lives and limbs using an unsafe building.

Sixth, in making the decision to move forward with the Trevor Colbourn Hall project, I relied upon what was reported to me by others, including Bill Merck. Mr. Merck and his team were extremely valuable assets of UCF for many years and helped me to help UCF move forward with leaps and bounds. I believed then, and I believe now, that Mr. Merck and those who worked with him reported the relevant facts, findings, and overall situation to me honestly and competently. I have seen nothing that would make me question the honesty or competence of anyone who reported to me.

Neither I nor anyone else involved in the decision to move forward with Trevor Colbourn Hall or the implementation of that decision received any personal gain from the project. Rather, all of the people at UCF involved in the project acted in the best interests of the University within the boundaries of the law and our authorities as we understood them. We were not making decisions to benefit ourselves. We were trying to do our jobs and fulfill our duties to all of those within the UCF family that relied upon us and trusted us.

It is therefore distressing for me to see the manner in which good people from UCF have been pilloried in the press and on UCF's own website. In my view, the focus should not be on finding people to blame but should instead try to identify the issues, paramount among which are the health and safety of our faculty, staff and students. But beyond these, there needs to be a clearer communication of policy and real alternatives to fund health and safety issues in university buildings.

UCF is presently in the national spotlight. I hope your final decision is not harmful to UCF as it attempts to continue its move forward.

Sincerely, Jun C. Hill

John C. Hitt, President Emeritus University of Central Florida

I am writing in response to your letter of October 5, 2018, in which you demanded that I produce copies of various personal records by 5:00 p.m. on October 8, 2018. Your letter is unfair, both in its substance and its implicit allegation that I have somehow been insubordinate because I was compelled to hire personal counsel to protect my rights after I learned that I am on Chairman Marchena's "hit list" of UCF employees he intends to fire to cover up the role that he and President Whittaker played in approving the use of E&G carry forward funds to construct Trevor Colbourn Hall ("TCH").

I have fully cooperated with this investigation from the start. Over the last three weeks, I have spent more than 100 hours of my personal time going through my personal notes, searching for information that might be relevant to the investigation at issue. These notes are kept in notebooks that I paid for and which I own. No one would even know about the notes unless I had voluntarily disclosed their existence. Believe me, I do not want the notes concealed. I want them made public, because they prove that UCF's President and the Board of Trustees were advised about and approved the use of E&G carry forward funds for capital projects, including TCH.

In addition to disclosing that I maintained notes pertinent to the investigation, I provided a synopsis of two years of the notes to counsel for UCF's Board of Trustees, Joseph Burby. I told Mr. Burby that I would provide him with copies of the notes for his use. Mr. Burby then demanded copies of all of my personal notebooks, which are akin to my personal diary, for the years 2013 through present, the bulk of which have nothing whatsoever to do with the ongoing investigation.

I also disclosed that I maintained texts on my personal cell phone which relate to issues involved in the investigation. I told Mr. Burby that I would search my phone and provide him with copies of relevant texts when I found them. After I had already volunteered to produce relevant texts, I received a demand that I turn over my personal cell phone, which is filled with personal photographs and other private information, so that an image could be made of all the data on it.

Further still, I voluntarily participated in what can euphemistically be described as an "interrogation" by Mr. Burby and four other people, which was hostile from the outset. During the interrogation, Mr. Burby got extremely angry because he did not like my answers. He tried to make me say things that were not true because my answers did not fit the false narrative that is being disseminated by President Whittaker and Chairman Marchena and, undoubtedly, by Mr. Burby as well.

In view of the above, I was compelled to hire counsel to protect my rights. My attorney wrote a letter to Mr. Burby which makes it clear that, while I will not provide him with my personal cell phone or original notebooks, I would continue to search for relevant texts and other data and would turn it over when I found it. My counsel's letter also clearly stated that I would continue to fulfill my duties as an employee of UCF.

The implication that I have been insubordinate or in any way impeded the ongoing investigation is not true and is not warranted. I was forced to hire counsel to respond to counsel for UCF's Board of Trustees who threatened me. I hired counsel to protect my rights. I will still do my job as an employee of UCF. However, I will not sit silently while my rights are violated, and I will not lie to protect President

Whittaker and Chairman Marchena while they disseminate false narratives to conceal their roles in approving the use of E&G carry forward funds to construct TCH and other facilities.

In response to my attorney's letter to Mr. Burby, you wrote me a letter, delivered late on Friday October 5, 2018, demanding that I produce copies of my notes and any texts relevant to the ongoing investigation by 5:00 p.m. on the next business day, Monday October 8, 2018. You advised that my failure to turn over the documents demanded by the deadline you set would be viewed as an act of insubordination.

It is physically impossible for me to comply with your demands within the unreasonably limited time-period allowed. I have already spent weeks searching for relevant notes and texts. Since I received your demand, I spent the entire weekend and virtually every waking hour trying to comply with it.

I began my search for relevant notes weeks ago. These are not type-written notes with complete sentences. Rather, they are handwritten notes, consisting of abbreviations and bullet points, which are often illegible and which I have to carefully peruse to remind myself of the events and persons to which they relate. It is not a review that can be completed quickly or done by anyone else.

I have been able to complete my review of my notes for the years 2013, 2014, and 2015. Copies of the notes I have found are enclosed. However, I am still going through my notebooks for the years 2016 to present. I will turn over any relevant notes when my continuing review is complete. I anticipate it will take another three weeks. I, therefore, request more time to comply with your demand. I cannot physically complete the task any quicker. I have stayed up into 2:00 or 3:00 a.m. every morning trying to comply with your directive, and my health is already suffering the consequences.

I have completed my search for texts. Enclosed are all text messages I have that may be pertinent to the investigation.

I want to object to the adverse employment action that is implicit in your letter and which I believe is being threatened against me as a consequence of me merely doing my job and objecting to unethical actions taken by President Whittaker and Chairman Marchena.

I previously filed an ethics complaint with UCF because Dale Whittaker, while he was employed at UCF, falsified a resume he submitted to Iowa State University when he sought a position there. I do not believe that persons who have the responsibility to educate and help shape the lives of college students should fraudulently represent their credentials. Ironically, the matters that Dr. Whittaker falsified pertain to the alleged role he played in overseeing capital projects at UCF. After I complained, Dr. Whittaker changed his resume and my complaint was covered up as part of the "Save the Dale" campaign implemented by Chairman Marchena and others associated with the Board of Trustees.

I also complained on multiple occasions when Chairman Marchena tried to arrange for his friends, cronies, and business associates from the Orlando Airport to get involved in overseeing projects at UCF, a maneuver that would have cost UCF millions of dollars more than it would otherwise pay.

Now, President Whittaker and Chairman Marchena are taking retaliatory action against me because I and others have documents and proof which demonstrate that President Hitt and then-Provost Whittaker expressly approved the use of E&G carry forward funds to construct TCH and other capital projects. I have referred the investigators to reports and places where e-mails could be obtained which show the knowledge and participation of Dr. Whittaker and the Board of Trustees in approving the construction of TCH with E&G carry forward funds. Indeed, while he was Provost, Dr. Whittaker formed the University Facilities Budget Committee, from which Tracy Clark reported directly to him concerning the use of E&G funds for TCH and other facilities.

I reiterate, as I told the investigators, that I do not believe the funds were misused. The old Colbourn Hall was destroyed and rendered uninhabitable as the result of mold and structural defects, as engineering reports from 2014 clearly show. President Hitt told Bill Merck and me that we "had no choice" but to use E&G carry forward to construct the new building. It was a matter of health and safety. Dale Whittaker signed documents which expressly stated E&G carry forward funds were being used to construct TCH. I believe the use of E&G carry forward funds was disclosed by Tracy Clark in emails to Dale Whittaker and in reports she annually prepared for the Board of Trustees. This was not something that anyone considered to be illegal, immoral, or wrong at the time.

My superiors who directed the use of the funds thought we might take an "audit hit." However, they felt their actions were legally justified and could be supported. No one thought they were doing anything wrong then, and I do not now know that they did. We all did our jobs to protect the health and safety of UCF students and faculty and to save UCF money. That was our job, and we did it the best we could.

So the record is clear and not concealed. I refer you, as I did the investigators, to the Trevor Colbourn Hall Building Program, which was signed off by thirteen people, including the President and the Provost. Page 26 of that report clearly states that the \$38 million to construct TCH originated from of E&G carry forward.

I have had communications with Board of Governors' staff, who advised that carry forward funds could be used on projects, and I have spoken with many representatives of other State universities who also used E&G carry forward funds for capital projects. They also routinely use those funds to purchase furniture and other non-education specific items. There is apparently a miscommunication between the Board of Governors and all of the universities. We are regularly told to spend down E&G carry forward. This is not an issue that is black and white, and it is not limited to UCF.

I request that this be placed in the public record concerning the ongoing investigation, along with your letter to me.

Law Offices of

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55 EAST PINE STREET ORLANDO, FLORIDA 32801

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January 7, 2019

Board of Governors State University System of Florida 325 West Gaines Street, Suite 1614 Tallahassee, Florida 32399-0400

Re: Trevor Colbourn Hall/UCF Investigation

Dear Board of Governors:

On September 13, 2018, Dale Whittaker, UCF President, and Marcos Marchena, Chairman of UCF's Board of Trustees, gave a presentation to you and other members of the Board of Governors ("BOG") concerning UCF's use of E&G Carry Forward funds to finance the construction of Trevor Colbourn Hall. Messrs. Whittaker and Marchena clearly told the BOG they were misled about Trevor Colbourn Hall. Anyone seeing and hearing their statements would reasonably conclude that neither Whittaker nor Marchena knew E&G Carry Forward funds were being used to fund the Trevor Colbourn Hall project.

I represent several persons who are affected by the ongoing investigation being conducted by the Atlanta firm retained by UCF's Board of Trustees. In the course of that representation, I have requested and gathered documents from UCF and other sources. I am writing to share with you some of the documents I have gathered because they seem to contradict what you were told on September 13th. I am concerned you may not see the documents if I do not share them with you because some of them were concealed by UCF and not produced in response to a Freedom of Information Act request that clearly encompassed these obviously public records.

With respect to Whittaker, the documents discussed below clearly show he knew about the use of E&G Carry Forward for Trevor Colbourn Hall, was instrumental in the decision to use E&G Carry Forward, and even gave presentations to the Trustees and President Hitt about the source of funding for the project. With respect to Marchena, an objective person reviewing the following documents could reasonably conclude that he either knew E&G Carry Forward was being used to fund Trevor Colbourn Hall or put his hands over his eyes and ears so that he did not read/hear what he was being shown and told. The first document attached is a transcript of the presentation that was given by Messrs. Whittaker and Marchena on September 13th, together with colloquy from BOG members. This is not a document that was concealed, but is one I had a certified court reporter prepare. I think you will find it enlightening to compare the transcribed statements of Whittaker and Marchena with the attached documents.

I. <u>The September 13th BOG Meeting</u>

At the beginning of the September 13th meeting, President Whittaker gave a prepared statement to the BOG in which Whittaker noted that a State auditor "flagged [the use of \$38 million of E&G Carry Forward] in a preliminary finding with us a few weeks ago." Tr., p. 4. Whittaker then stated "This came to my attention and I immediately took several actions." Tr., p. 4. Anyone listening to Whittaker's statement would reasonably conclude that he did not learn E&G Carry Forward was used to construct Trevor Colbourn Hall ("TCH") until the State Auditors brought it to his attention in August of 2018. As shown by the documents discussed below, such a conclusion would be absolutely erroneous. In fact, Whittaker was involved in making and implementing the decision to fund the TCH project with E&G Carry Forward from early in the decision-making process in the year 2014. In his own resume, Whittaker portrays himself as the "Chief Budget Officer" for UCF who was intimately involved in the capital projects that were ongoing while he was Provost *and* Executive Vice President. Yet, when he appeared before you on September 13th, he acted as though he knew nothing about budget matters.

The false notion that Whittaker was not involved in the TCH funding decision is compounded by Whittaker's representations as to the actions he was taking to make sure that the use of E&G Carry Forward to fund new construction would not happen again. Whittaker states, "it's evident that the controls governing how decisions were made at the institutional level broke down" and "information about funding sources was not transparently shared." Tr., p. 5. Whittaker states that he appointed an Associate Director of University Auditing who would report directly to him. Tr., p. 5. The foregoing statements are obviously intended to give the impression that, had Whittaker known of the use of E&G Carry Forward, he would have stopped it or at least objected. In fact, as shown below, Whittaker did know, and he did not object, but supported the decision to fund TCH with E&G Carry Forward.

In his prepared statement, Whittaker stated that UCF's former CFO "accepted responsibility for the decision to inappropriately use E&G funds." Tr., p. 4. Throughout the September 13th meeting, members of the BOG professed skepticism that the CFO acted alone and repeatedly stated they wanted to know who else was involved in the funding decision. Tr., p. 8 (Governor Link: "[I]s it your understanding that the CFO acted independently? Is that what I understand?"); Tr., p. 10 (Governor Morton: "You have an outside…law firm that is looking into this. Are they going to give you eventually a final report or some--their assessment of how this occurred? And who was involved?")

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A candid response to these inquiries required Whittaker to acknowledge his role in the TCH funding decision. Instead of candidly responding, Whittaker repeatedly deflected these inquiries away from himself by reiterating, "our CFO took immediate and full responsibility." Tr., p. 8; *see also* Tr., p. 20 (Whittaker: "And that's something that I—that our CFO took full responsibility for").

After Whittaker spoke, Marcos Marchena also gave a prepared statement to the BOG in which he stated, "[a]t all times, it was represented to [UCF's Board of Trustees] that we had the appropriate source of funds to utilize for carrying out this project....The representations were very clear that we had the necessary funds and the appropriate funds to conduct this." Tr., pp. 11-12. Marchena unambiguously states that the Trustees asked the right questions but were "misled." Tr., p. 12. I urge you to review the documents identified below under the heading "Reports to UCF's Board of Trustees" to determine whether Marchena was also less than candid with you on September 13th. Bear in mind that before he became chair of UCF's Board of Trustees, Marchena was chair of UCF's Finance and Facilities Committee, which was presented with detailed information concerning the capital projects that were ongoing at UCF, including the Trevor Colbourn Hall project.

II. <u>Internal UCF Documents</u>

The following documents are email and other internal documents which show that many persons at UCF were involved in formulating and/or implementing the decision to use E&G Carry Forward to fund the Trevor Colbourn Hall Project, including Dale Whittaker. The notion that the use of E&G Carry Forward was being concealed is preposterous considering how many people were involved in transferring, recording and reporting the use of those funds.

a. <u>Email</u>

Email from Christina Tant dated May 22, 2013 with attached report entitled "Planned E&G Budget Allocations," which included \$8 million for Colbourn Hall Renovations

Email from Christina Tant dated August 22, 2013: "Please transfer \$700,000 from the university's central reserve. This amount will be used for testing, planning and design work related to Colbourn Hall."

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Email from Tracy Clark to Dale Whittaker and Bill Merck dated March 22, 2016, with various others copied: "Dale and Bill: We have put together a list of unfunded and funded capital projects for your meeting tomorrow with Dr. Hitt." The attached "*Capital Projects Current Funding Plan Updated 3/22/16*" report states that \$38 million was funded for TCH *from E&G*.

Email from Tracy Clark dated March 22, 2016 to Dale Whittaker and Bill Merck, which includes, upon information and belief, Dale Whittaker's handwriting on the "*Capital Projects Current Funding Plan Updated 3/22/16*" report, which states that \$38 million was being paid for TCH from E&G. This document clearly shows that Whittaker knew about the funding source for Trevor Colbourn Hall. Indeed, he asked questions and took notes about funding for the project.

Email from Dale Whittaker to a group of UCF staff dated June 23, 2016, Subject: Trevor Colbourn Hall. In this Email, Whittaker announces that the BOT will review a revised plan to construct TCH because of rapidly rising construction costs and the need for more space. This shows that Whittaker is involved in the TCH budgeting decisions.

Email from Dale Whittaker dated July 8, 2016 regarding continuing discussion of the design of the new Trevor Colbourn Hall.

Email from Tracy Clark dated December 9, 2016, noting creation of "UCF Facilities Budget Committee," which was headed by Whittaker, to whom Tracy Clark directly reported. The "mission" of the committee was to "review the University's proposed capital budget and develop recommendations regarding the priority use of funding for major additions, repairs and renovations." Upon information and belief, Tracy Clark can attest that she expressly reported to Whittaker that E&G Carry Forward was used for the TCH project.

b. Internal Reports

The Trevor Colbourn Hall Building Program, signed by Dale Whittaker and others. Page 26 expressly provides, "2017-18 Fixed Capital Outlay Projects that May Require Legislative Authorization and General Revenue Funds to Operate and Maintain, including Trevor Colbourn Hall at 135,600 GSF, *funded by E&G*." (emphasis added) Page 57 expressly states that all funding came from "University Funding" and there was *no* "PECO" money.

III. <u>Reports to UCF Board of Trustees</u>

The following documents show that UCF reported the source of funding for Trevor Colbourn Hall to the Board of Trustees on many occasions throughout the years 2013 through 2018. It is important to note that the terms "non-recurring funds" and "university sources" were often used synonymously with E&G Carry Forward, though those sources could also include non E&G funds. However, the BOT was presented with information which clearly showed the funding source was "E&G," a fact confirmed by the BOT minutes of July, 20, 2017. In all events, details as to the precise source of funding were presented to Marchena as head of the Finance and Facilities Committee. and were available to other members of the BOT.

a. <u>Proposed Action as to TCH</u>

University of Central Florida Board of Trustees Minutes dated May 22, 2014, re: "Colbourn Hall Renovations, Proposed Action: "The cost of the new building is estimated at \$21.3 million. *In the absence of PECO funding and considering the need to move forward expeditiously, construction costs will be paid from UCF non-recurring funds.*" (emphasis added) This information was reported to the Trustees in connection with their consideration and approval of the TCH project.

b. "Project Status" Slides from Presentations to Trustees concerning Colbourn Hall and Trevor Colbourn Hall Construction

The following are copies of slides that were produced to UCF's Board of Trustees and were discussed with them as part of presentations made in the month and year indicated:

April 2013 re: Colbourn Hall Renovation: "No external funding from the state has been made available and leaves the question of how to pay for this project."

October 2014: "University funded-internal sources and PECO listed: Lack of funding will hamper the University's goals for faculty growth due to lack of space to house such faculty."

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April 2015: "University funded-internal sources"

May 2015: "University funded-internal sources"

November 2015: "University funded-internal sources"

April 2016: "University funded-internal sources"

May 2016: "University funded-internal sources"

June 2016: "University funded-internal sources"

November 2016: "University funded-internal sources"

April 2017: "Funding Source: University"

May 2017: "Funding Source: University"

May 2018: "Funding Source: University"

June 2018: "Funding Source: University"

c. Dale Whittaker's May 13, 2016 Presentation to BOT

Dale Whittaker gave a presentation to UCF's Board of Trustees on May 13, 2016. As part of that presentation, Whittaker specifically discussed funding for Trevor Colbourn Hall. The following documents are pertinent to that presentation:

clusive

Email chain dated May 11-12, 2016 amongst UCF staff re: "Questions from Dale:" The information provided to Dale Whittaker for his presentation included a report showing that the \$23 million that was approved for Trevor Colbourn Hall came from "UCF Internal Funding."

Email chain dated May 11, 2016 amongst UCF staff re: "Questions from Dale," which included the question of, "what are the funding sources for the \$160.2 million" in capital projects that were then ongoing. This email includes a slide that Whittaker gave to UCF's Board of Trustees discussing funding for TCH and other capital projects. As shown by the email from Tracy Clark dated March 22, 2016 to Dale Whittaker and Bill Merck, which includes Dale Whittaker's handwriting on the "*Capital Projects Current Funding Plan Updated 3/22/16*," Dale Whittaker knew that the \$38 million being paid for TCH came from E&G Carry Forward before he gave his presentation to the BOT.

BOT Retreat: May 13, 2016: includes slides presented by Whittaker concerning TCH funding to UCF's Board of Trustees.

d. BOT Retreat: March 2017

Presentation at March 3, 2017 Retreat of UCF's Board of Trustees: includes slide showing "UCF has had to self-fund many projects...Examples include Trevor Colbourn Hall"

IV. UCF Board of Trustees' Minutes

BOT Minutes, dated May 22, 2014: "A motion was made and unanimously passed to proceed with the new construction to replace Colbourn Hall." This was the same date that the BOT was given a document dated May 22, 2014, re: "Colbourn Hall Renovations, Proposed Action," which provided: "The cost of the new building is estimated at \$21.3 million. In the absence of PECO funding and considering the need to move forward expeditiously, construction costs will be paid from UCF non-recurring funds." (emphasis added)

BOT Minutes Item FF-4, dated July 20, 2017, Five-Year Capital Improvement Plan Concerning Fixed Capital Outlay Projects: this document expressly states that the \$38 million TCH Project is "*Funded by E&G*." (*emphasis added*)

V. <u>Lee Kernek's Notes</u>

Lee Kernek, UCF's Associate VP for Core Facilities and Safety, was in various internal meetings at UCF concerning the funding of Trevor Colbourn Hall. She also regularly discussed funding issues with Chris Kinsley, the BOG liaison with UCF and other universities. Ms. Kernek maintained notes of many of her meetings and discussions, for use in performing her job. Pertinent notes of Ms. Kernek are attached, and the following is a synopsis of their relevant content. Ms. Kernek's notes show that the funding of UCF was discussed with Whittaker and also with Chris Kinsley, who acknowledged that UCF was in an emergency situation with respect to the deteriorating Colbourn Hall. Building and effectively told UCF that it should "do what it had to do."

2/8/12. As part of a discussion about the State taking funding from the universities, Chris Kinsley (Board of Governors (BOG) staff), said we should save reserve to cover budget cuts, but that there was no clear guidance on use. He said that renovations less than or equal to \$2M were allowed. I asked, what if they are greater than \$2M but critical? Chris said that there was no regulation saying you can't. He said that, if it was for new construction, we might not get O&M. He said we weren't supposed to do, but there were no penalties for doing, and that there was no clear guidance on what we can do. There was also no policy on conversion of space. He said try to respect the intent; if abuse the intent, you get legislative action. He said we should follow the spirit and past practices. The question was whether it was reasonable. Chris said that, if it didn't make sense, someone would do something to clamp down on the flexibility. He said that, if a project was on the PECO list, we might not want to put carryforward

there. He gave as an example, "3.6M on the list – wait on the final decision until after session."

2/15/13. For Colbourn, Chris Kinsley discussed the possibility of the State giving UCF some immediate money, us combining that with University money, and trying for more money from the State in the next year.

2/7/14. I informed Chris Kinsley that the reports on Colbourn Hall were bad and that we needed to fix it ASAP. Chris said he would check to see if money could be made available out of cycle for Colbourn.

2/20/14. Bill Merck, the President, and the Provost discussed cost and possible sources of payment for Colbourn: at the time the cost to renovate was estimated to be approximately \$18M; they agreed that the renovation can't wait; \$10M was unfunded: \$5M was to come from Academic Affairs and \$5M from auxiliary overhead – with payback into those accounts later; Lynn (Gonzalez) & Tracy (Clark) were looking at from where. It was estimated that 350 people were affected.

8/13/14. Chris Kinsley advised again that no State funds were available for Colbourn. He said that he understood that we had to do something, but UCF would have to figure out how to fund it if we couldn't wait for PECO.

9/27/14. Tracy Clark advised Bill Merck that the Auditor had concerns about the \$9.8M transfer to construction for Colbourn, that we might have to refund it from another source or cause problems with the rest of the \$28M. Bill stated that he expects an audit comment, but what's the alternative? People are in a building that will become unsafe. Merck said he would let the President know about the Audit issue.

1/27/15. Diane Chase (formerly the Acting Provost and advisor to Dale Whittaker as he transitioned into the role) said that it was the perfect time to get the programs right and approved using \$5M in Academic Affairs funds (E&G) for the Colbourn project.

2/4/15. Chris Kinsley said that he was OK with Surplus funds being used on the Surplus/PO facility; re: loan and payback over 2-3 years, I said I might do that. (Bill) Merck later reiterated that he wanted me to move out and get the swing space in that building, and that the State had problems with our carryforward balances, so I should spend those down.

3/3/15. Bill Merck informed his AVPs that a university budget committee would be used in an advising vs. governance role and that funding decisions would be made by the President, Provost, and CFO.

5/20/15. In a meeting with Bill Merck and Dr. Hitt, Mr. Merck advised that it was not looking likely that we would get money from the State for Colbourn and would have to pay for the project ourselves and may have to pull money from carryforward balances; he said that we may take an audit ding, but that we couldn't let it wait and that the State had been after us about our carryforward balances. The President said that he agreed that we had to do it, that there was no choice.

10/2-6/15. In a meeting with Bill Merck, Tracy Clark, and John Pittman regarding projects, Bill requested that John account for A&F money, and that Tracy develop a master list of facilities and "money-suckers," including funding sources. He said that, by December/January, the information was to be ready for Dr. Hitt and Dale Whittaker (Provost).

1/29/16. Along with faculty, General Counsel Representatives, the College of Arts and Humanities Dean, a representative from the United Faculty of Florida (UFF) et al, both Bill Merck and Dale Whittaker were present at the President/Provost Consultation meeting with United Faculty of Florida (UFF). In his introduction, Mr. Merck discussed the issue with declining State funds and no State funding support for the Colbourn Hall renovation/Trevor Colbourn Hall construction, and he stated that UCF was taking money from our existing budgets, including loans, auxiliaries, interest funds, and cash balances (E&G).

3/22/16. A copy of The Capital Projects Current Funding Plan Updated 3/22/16 was in the notebook, and it showed E&G funding for: Trevor Colbourn Building \$23M; Colbourn Hall Renovation \$15M; Global UCF Building \$1.8M; IRIF Phase I \$3M; CREOL Lab Phase I and II \$2M; Generator for Biology \$1M; CEM Renovation \$5M; Band \$300K; USTA \$3.5M; Venue HVAC \$1M; Road Improvements N. Orion \$777,250. It further showed additional funds in Division/Unit Resources.

5/20/16. Bill Merck reviewed the drawings showing getting rid of Colbourn renovation and adding a smaller Trevor building and, instead, going to one, larger building for \$38M. Bill stated that Dale took it to Dr. Hitt, who was OK, and that we could get rolling on Monday.

2/24/17. At the Facilities Budget Committee (FBC) (created by Dale Whittaker, with Tracy Clark, and led by Dale Whittaker and Bill Merck, with representation

from throughout the University) kick-off meeting, Dr. Whittaker provided an introduction, after which, Mr. Merck and Tracy Clark gave most of the presentation to the group. Of note:

- a. Mr. Merck stated that what comes out of the Committee will go from the Provost to the President to the Board of Trustees (if necessary).
- b. Mr. Merck, in talking about Colbourn, stated that it had been on the list to renovate for quite a while; that it was poorly built and 40 years old. He stated that the State did not fund the renovation, but that he could foresee down the road, it could be a sick building, which is unacceptable, so it was being funded with internal funds.
- c. Dr. Whittaker later discussed the philosophy and politics around State funding.
- d. Tracy Clark stated that the Research Building was on the list but never funded, and that we couldn't wait any longer, so we pulled funds from various sources.

5/9/17. Chris Kinsley advised no PECO for UCF...Chris stated that, unless the State provides more money, it will have to come ... from other operations. Legislative staff said funds could be taken from performance funding or reserves; just find a way; they don't care about the silos.

VI. <u>State Board of Governors</u>

The following records from the Board of Governors show that the BOG also had reports showing that Trevor Colbourn Hall was funded by E&G:

January 21-22, 2015 Agenda and Meeting Materials, UCF requests PO&M funds for "New Trevor Colbourn Hall" to cost \$26,000,000 *funded by "E&G.*"

October 10, 2018, BOB-2 Form requesting PO&M funds showing Trevor Colbourn Hall and Colbourn Demo costing \$38 million, "*funded by E&G*."

VII. <u>Letters from Hitt and Merck</u>

I am attaching copies of letters that were previously distributed by former UCF President Hitt and Former VP of Finance Bill Merck concerning the TCH project. The letters from Dr. Hitt and Mr. Merck explain the environment in which the Trevor Colbourn Hall funding decision was made. The University was faced with a real dilemma posed by reduced legislative funding and a catastrophic situation arising from the old Colbourn Hall which was on the brink of collapse and which posed a real health and safety hazard to the students, staff, and faculty who used the building. Dr. Hitt and Mr. Merck acknowledge that they would likely have to explain the use of the funds to State auditors. Nonetheless, Dr. Hitt and Mr. Merck believed they had no realistic choice other than to replace the old building which independent engineering professionals reported was about to fail and become uninhabitable. In all candor, Messrs. Hitt and Merck were unaware of BOG Regulation 9.007, which restricts the use of E&G Carry Forward. However, Florida Statute § 1013.74 supersedes BOG 9.007 and allows E&G Carry Forward to be used to replace buildings destroyed by "calamity." That statute seems applicable and controlling. However, that is not the point being made here. The point of the letters from Dr. Hitt and Mr. Merck is to explain that many persons were involved in the TCH funding decision and none of them intentionally violated any rule or regulation. Instead, they were all doing their best to comply with their fiduciary obligations to UCF and the persons who work, play, and study there.

VIII. <u>Conclusion</u>

The purpose of this letter is not to impugn Whittaker and Marchena. I also do not intend to argue that there are not issues which should be addressed concerning the appropriate uses of E&G Carry Forward by universities in the State of Florida.

Instead, I am trying to counter the notion that anyone at UCF acted independently, concealed their actions from those to whom they reported, or otherwise knowingly took any actions that were illegal, immoral, or in conflict with their responsibilities as they understood them. Every significant person within the UCF hierarchy – including the President, various Vice Presidents, the Provost, and UCF's General Counsel -- were expressly advised and/or presented with information which clearly showed E&G Carry Forward was used to fund the construction of Trevor Colbourn Hall. No one, including UCF's General Counsel, Scott Cole, objected or advised UCF leadership that the funds should not be used for that purpose. Neither did Marchena, who clearly had enough information to at least ask more questions and had the obligation to provide guidance and oversight.

There was also, as shown above, ambiguity in the direction that UCF received from BOG staff concerning the use of E&G Carry Forward. Nevertheless, while there was clearly a breakdown in communication -- and probably in oversight -- no one intentionally violated the rules and regulations which governed them.

Unfortunately, the impolitic reactions of Whittaker and Marchena to your legitimate inquiries fueled hysteria at UCF which continues to infect and pervade the investigation now being conducted by an Atlanta law firm. Instead of asking, "Did anyone knowingly do anything wrong?" OR "Do the universities need additional guidance on use of funding sources?" the mantra of the investigators seems to be, "Who can we blame?" One cannot help but wonder whether this rush to blame is designed to prevent the roles of Whittaker and Marchena in the TCH funding decision from being uncovered.

If the hysteria could be swept aside, then productive policy decisions could be made that did not leave so many innocent UCF employees running for cover, when there is really nothing to cover up. January 7, 2019 Page **12** of **12**

I sincerely appreciate your attention to this matter. I am sorry to impose upon your time, but I thought the foregoing might be of interest to you as you search for the truth. If you have any questions or need additional information, please advise.

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Sincerely,

Enclosure(s)	Charles M. Greene	JSN0
	C+C	
	ens	

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January 8, 2019

<u>VIA EMAIL</u> [joey.burby@bclplaw.com]

R. Joseph Burby, IV, Esquire Bryan Cave Leighton Paisner, LLP One Atlantic Center, 14th Floor 1201 W. Peachtree St., N.W. Atlanta, GA 30309-3471

Re: Trevor Colbourn Hall/UCF Investigation

Dear Mr. Burby:

I am writing to share with you documents I have gathered pertinent to your ongoing investigation concerning Trevor Colbourn Hall. I share the attached documents to make sure they see the sunshine and are considered by you before your final report is issued. I am concerned because some of the more material documents were concealed by UCF and not produced in response to a Freedom of Information Act request that clearly encompassed these obviously public records.

Among the documents attached is a transcript from a presentation that Dale Whittaker and Marcos Marchena gave to the Board of Governors on September 13, 2018. Messrs. Whittaker and Marchena clearly told the BOG they were misled about Trevor Colbourn Hall, and anyone seeing and hearing their statements would reasonably conclude that neither Whittaker nor Marchena knew or could have known that E&G Carry Forward funds were being used to fund the Trevor Colbourn Hall project.

With respect to Whittaker, the documents discussed below clearly show he knew about the use of E&G Carry Forward for the Trevor Colbourn Hall project, was instrumental in the decision to use E&G Carry Forward, and he gave presentations to the Trustees and President Hitt about the source of funding for the project. With respect to Marchena, an objective person reviewing the following documents could reasonably conclude he either knew E&G Carry Forward was being used to fund Trevor Colbourn Hall or put his hands over his eyes and ears so that he did not read/hear what he was R. Joseph Burby, IV, Esquire January 8, 2019 Page 2 of 11

being shown and told. It is enlightening to compare the transcribed statements of Whittaker and Marchena with the attached documents.

I. The September 13th BOG Meeting

At the beginning of the September 13th meeting, President Whittaker gave a prepared statement to the BOG in which Whittaker noted that a State auditor "flagged [the use of \$38 million of E&G Carry Forward] in a preliminary finding with us a few weeks ago." Tr., p. 4. Whittaker then stated "This came to my attention and I immediately took several actions." Tr., p. 4. Anyone listening to Whittaker's statement would reasonably conclude that he did not learn E&G Carry Forward was used to construct Trevor Colbourn Hall ("TCH") until the State Auditors brought it to his attention in August of 2018. As shown by the documents discussed below, such a conclusion would be absolutely erroneous. In fact, Whittaker was involved in making and implementing the decision to fund the TCH project with E&G Carry Forward from early in the decision-making process in the year 2014. In his own resume, Whittaker portrays himself as the "Chief Budget Officer" for UCF who was intimately involved in the capital projects that were ongoing while he was Provost *and* Executive Vice President. Yet, when he appeared before you on September 13th, he acted as though he knew nothing about budget matters.

The false notion that Whittaker was not involved in the TCH funding decision is compounded by Whittaker's representations as to the actions he was taking to make sure that the use of E&G Carry Forward to fund new construction would not happen again. Whittaker states "it's evident that the controls governing how decisions were made at the institutional level broke down" and "information about funding sources was not transparently shared." Tr., p. 5. Whittaker states that he appointed an Associate Director of University Auditing who would report directly to him. Tr., p. 5. The foregoing statements are obviously intended to give the impression that had Whittaker known of the use of E&G Carry Forward he would have stopped it or at least objected. In fact, as shown below, Whittaker did know and he did not object, but supported the decision to fund TCH with E&G Carry Forward.

In his prepared statement, Whittaker stated that UCF's former CFO "accepted responsibility for the decision to inappropriately use E&G funds." Tr., p. 4. Throughout the September 13th meeting, members of the BOG professed skepticism that the CFO acted alone and repeatedly stated they wanted to know who else was involved in the funding decision. Tr., p. 8 (Governor Link: "[I]s it your understanding that the CFO acted independently? Is that what I understand?"); Tr., p. 10 (Governor Morton: "You have an outside…law firm that is looking into this. Are they going to give you eventually a final report or some--their assessment of how this occurred? And who was involved?")

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A candid response to these inquiries required Whittaker to acknowledge his role in the TCH funding decision. Instead of candidly responding, Whittaker repeatedly deflected these inquiries away from himself by reiterating "our CFO took immediate and full responsibility." Tr., p. 8; *see also* Tr., p. 20 (Whittaker: "And that's something that I—that our CFO took full responsibility for").

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Email from Dale Whittaker to group of UCF staff dated June 23, 2016; Subject: Trevor Colbourn Hall. In this Email, Whittaker announces that the BOT will review a revised plan to construct TCH because of rapidly rising construction costs and the need for more space. This shows that Whittaker is involved in the TCH budgeting decisions.

Email from Dale Whittaker dated July 8, 2016 regarding continuing discussion of the design of the new Trevor Colbourn Hall.

Email from Tracy Clark dated December 9, 2016, noting creation of "UCF Facilities Budget Committee" which was headed by Whittaker and to whom Tracy Clark directly reported. The "mission" of the committee was to "review the University's proposed capital budget and develop recommendations regarding the priority use of funding for major additions, repairs and renovations." Upon information and belief, Tracy Clark will attest that she expressly reported to Whittaker that E&G Carry Forward was used for the TCH project. R. Joseph Burby, IV, Esquire January 8, 2019 Page 5 of 11

b. Internal Reports

The Trevor Colbourn Hall Building Program, signed by Dale Whittaker and others. Page 26 expressly provides, "2017-18 Fixed Capital Outlay Projects that May Require Legislative Authorization and General Revenue Funds to Operate and Maintain, including Trevor Colbourn Hall at 135,600 GSF, *funded by E&G*." (emphasis added) Page 57 expressly states that all funding came from "University Funding" and there was *no* "PECO" money.

III. <u>Reports to UCF Board of Trustees</u>

The following documents show that UCF reported the source of funding for Trevor Colbourn Hall to the Board of Trustees on many occasions throughout the years 2013 through 2018. It is important to note that the terms "non-recurring funds" and "university sources" were often used synonymously with E&G Carry Forward, though those sources could also include non E&G funds. However, the BOT was presented with information which clearly showed the funding source was "E&G," a fact confirmed by the BOT minutes of July, 20, 2017. In all events, details as to the precise source of funding were presented to Marchena as head of the Finance and Facilities Committee and were available to other members of the BOT.

a. Proposed Action as to TCH

University of Central Florida Board of Trustees Minutes dated May 22, 2014, re: "Colbourn Hall Renovations, Proposed Action: "The cost of the new building is estimated at \$21.3 million. In the absence of PECO funding and considering the need to move forward expeditiously, construction costs will be paid from UCF non-recurring funds." (emphasis added) This information was reported to the Trustees in connection with their consideration and approval of the TCH project.

b. <u>"Project Status" Slides from Presentations to Trustees concerning Colbourn</u> <u>Hall and Trevor Colbourn Hall Construction</u>

The following are copies of slides that were produced to UCF's Board of Trustees and were discussed with them as part of presentations made in the month and year indicated:

April 2013 re: Colbourn Hall Renovation: "No external funding from the state has been made available and leaves the question of how to pay for this project."

October 2014: "University funded-internal sources and PECO listed: Lack of funding will hamper the University's goals for faculty growth due to lack of space to house such faculty."

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April 2015: "University funded-internal sources"

May 2015: "University funded-internal sources"

November 2015: "University funded-internal sources"

April 2016: "University funded-internal sources"

May 2016: "University funded-internal sources"

June 2016: "University funded-internal sources"

November 2016: "University funded-internal sources"

April 2017: "Funding Source: University"

May 2017: "Funding Source: University"

May 2018: "Funding Source: University"

June 2018: "Funding Source: University"

c. <u>Dale Whittaker's May 13, 2016 Presentation to BOT</u>

Dale Whittaker gave a presentation to UCF's Board of Trustees on May 13. 2016. As part of that presentation, Whittaker specifically discussed funding for Trevor Colbourn Hall. The following documents are pertinent to that presentation:

Email chain dated May 11-12, 2016 amongst UCF staff re: "Questions from Dale:" The information provided to Dale Whittaker for his presentation included a report showing that the \$23 million that was approved for Trevor Colbourn Hall came from "UCF Internal Funding."

Email chain dated May 11, 2016 amongst UCF staff re: "Questions from Dale," which included the question of, "what are the funding sources for the \$160.2 million" in capital projects that were then ongoing. This email includes a slide that Whittaker gave to UCF's Board of Trustees discussing funding for TCH and other capital projects. As shown by the email from Tracy Clark dated March 22, 2016 to Dale Whittaker and Bill Merck, which includes Dale Whittaker's handwriting on the "*Capital Projects Current Funding Plan Updated 3/22/16*," Dale Whittaker knew that the \$38 million being paid for TCH came from E&G Carry Forward before he gave his presentation to the BOT.

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BOT Retreat: May 13, 2016: includes slides presented by Whittaker concerning TCH funding to UCF's Board of Trustees

d. BOT Retreat: March 2017

Presentation at March 3, 2017 Retreat of UCF's Board of Trustees: includes slide showing "UCF has had to self-fund many projects...Examples include Trevor Colbourn Hall"

IV. UCF Board of Trustee's Minutes

BOT Minutes, dated May 22, 2014: "A motion was made and unanimously passed to proceed with the new construction to replace Colbourn Hall." This was the same date that the BOT were given a document dated May 22, 2014 re: "Colbourn Hall Renovations, Proposed Action," which provided: "The cost of the new building is estimated at \$21.3 million. In the absence of PECO funding and considering the need to move forward expeditiously, construction costs will be paid from UCF non-recurring funds." (emphasis added)

BOT Minutes Item FF-4, dated July 20, 2017, Five-Year Capital Improvement Plan Concerning Fixed Capital Outlay Projects: states \$38 million TCH Project *Funded by E&G. (emphasis added)*

V. <u>Lee Kernek's Notes</u>

Lee Kernek, UCF's Associate VP for Core Facilities and Safety, was in various internal meetings at UCF concerning the funding of Trevor Colbourn Hall. She also regularly discussed funding issues with Chris Kinsley, the BOG liaison with UCF and other universities. Ms. Kernek maintained notes of her meetings. Pertinent notes of Ms. Kernek are attached, and the following is a synopsis of their relevant content. Ms. Kernek's notes show that the funding of UCF was discussed with Whittaker and also with Chris Kinsley, who acknowledged that UCF was in an emergency situation with respect to the deteriorating Colbourn Hall Building and effectively told UCF that it should "do what it had to do."

2/8/12. As part of a discussion about the State taking funding from the universities, Chris Kinsley (Board of Governors (BOG) staff), said we should save reserve to cover budget cuts, but that there was no clear guidance on use. He said that renovations less than or equal to \$2M were allowed. I asked, what if they are greater than \$2M but critical? Chris said that there was no regulation saying you can't. He said that, if it was for new construction, we might not get O&M. He said we weren't supposed to do, but there were no penalties for doing, and that there was no clear guidance on what we can do. There was also no policy on conversion of space. He said try to respect the intent; if abuse the

intent, you get legislative action. He said we should follow the spirit and past practices. The question was whether it was reasonable. Chris said that, if it didn't make sense, someone would do something to clamp down on the flexibility. He said that, if a project was on the PECO list, we might not want to put carryforward there. He gave as an example, "3.6M on the list – wait on the final decision until after session."

2/15/13. For Colbourn, Chris Kinsley discussed the possibility of the State giving UCF some immediate money, us combining that with University money, and trying for more money from the State in the next year.

2/7/14. I informed Chris Kinsley that the reports on Colbourn Hall were bad and that we needed to fix it ASAP. Chris said he would check to see if money could be made available out of cycle for Colbourn.

2/20/14 Bill Merck, the President, and the Provost discussed cost and possible sources of payment for Colbourn: at the time the cost to renovate was estimated to be approximately \$18M; they agreed that the renovation can't wait; \$10M was unfunded: \$5M was to come from Academic Affairs and \$5M from auxiliary overhead – with payback into those accounts later; Lynn (Gonzalez) & Tracy (Clark) were looking at from where. It was estimated that 350 people were affected.

8/13/14. Chris Kinsley advised again that no State funds were available for Colbourn. He said that he understood that we had to do something, but UCF would have to figure out how to fund it if we couldn't wait for PECO.

9/27/14. Tracy Clark advised Bill Merck that the Auditor had concerns about the \$9.8M transfer to construction for Colbourn, that we might have to refund it from another source or cause problems with the rest of the \$28M. Bill stated that he expects an audit comment, but what's the alternative? People are in a building that will become unsafe. Merck said he would let the President know about the Audit issue.

1/27/15. Diane Chase (formerly the Acting Provost and advisor to Dale Whittaker as he transitioned into the role) said that it was the perfect time to get the programs right and approved using \$5M in Academic Affairs funds (E&G) for the Colbourn project.

2/4/15. Chris Kinsley said that he was OK with Surplus funds being used on the Surplus/PO facility; re: loan and payback over 2-3 years, I said I might do that.

(Bill) Merck later reiterated that he wanted me to move out and get the swing space in that building, and that the State had problems with our carryforward balances, so I should spend those down.

3/3/15. Bill Merck informed his AVPs that a university budget committee would be used in an advising vs. governance role and that funding decisions would be made by the President, Provost, and CFO.

5/20/15. In a meeting with Bill Merck and Dr. Hitt, Mr. Merck advised that it was not looking likely that we would get money from the State for Colbourn and would have to pay for the project ourselves and may have to pull money from carryforward balances; he said that we may take an audit ding, but that we couldn't let it wait and that the State had been after us about our carryforward balances. The President said that he agreed that we had to do it, that there was no choice.

10/2-6/15. In a meeting with Bill Merck, Tracy Clark, and John Pittman regarding projects, Bill requested that John account for A&F money, and that Tracy develop a master list of facilities and "money-suckers," including funding sources. He said that, by December/January, the information was to be ready for Dr. Hitt and Dale Whittaker (Provost).

1/29/16. Along with faculty, General Counsel Representatives, the College of Arts and Humanities Dean, a representative from the United Faculty of Florida (UFF) et al, both Bill Merck and Dale Whittaker were present at the President/Provost Consultation meeting with United Faculty of Florida (UFF). In his introduction, Mr. Merck discussed the issue with declining State funds and no State funding support for the Colbourn Hall renovation/Trevor Colbourn Hall construction, and he stated that UCF was taking money from our existing budgets, including loans, auxiliaries, interest funds, and cash balances (E&G).

3/22/16. A copy of The Capital Projects Current Funding Plan Updated 3/22/16 was in the notebook, and it showed E&G funding for: Trevor Colbourn Building \$23M; Colbourn Hall Renovation \$15M; Global UCF Building \$1.8M; IRIF Phase I \$3M; CREOL Lab Phase I and II \$2M; Generator for Biology \$1M; CEM Renovation \$5M; Band \$300K; USTA \$3.5M; Venue HVAC \$1M; Road Improvements N. Orion \$777,250. It further showed additional funds in Division/Unit Resources.

5/20/16. Bill Merck reviewed the drawings showing getting rid of Colbourn renovation and adding a smaller Trevor building and, instead, going to one, larger

building for \$38M. Bill stated that Dale took it to Dr. Hitt, who was OK, and that we could get rolling on Monday.

2/24/17. At the Facilities Budget Committee (FBC) (created by Dale Whittaker, with Tracy Clark, and led by Dale Whittaker and Bill Merck, with representation from throughout the University) kick-off meeting, Dr. Whittaker provided an introduction, after which, Mr. Merck and Tracy Clark gave most of the presentation to the group. Of note:

- a. Mr. Merck stated that what comes out of the Committee will go from the Provost to the President to the Board of Trustees (if necessary).
- b. Mr. Merck, in talking about Colbourn, stated that it had been on the list to renovate for quite a while; that it was poorly built and 40 years old. He stated that the State did not fund the renovation, but that he could foresee down the road, it could be a sick building, which is unacceptable, so it was being funded with internal funds.
- c. Dr. Whittaker later discussed the philosophy and politics around State funding.
- d. Tracy Clark stated that the Research Building was on the list but never funded, and that we couldn't wait any longer, so we pulled funds from various sources.

5/9/17. Chris Kinsley advised no PECO for UCF...Chris stated that, unless the State provides more money, it will have to come ... from other operations. Legislative staff said funds could be taken from performance funding or reserves; just find a way; they don't care about the silos.

VI. State Board of Governors

The following records from the Board of Governors show that the BOG also knew Trevor Colbourn Hall was being funded by E&G:

January 21-22, 2015 Agenda and Meeting Materials, UCF requests PO&M funds for "New Trevor Colbourn Hall" to cost \$26,000,000 *funded by "E&G*."

October 10, 2018, BOB-2 Form requesting PO&M funds showing Trevor Colbourn Hall and Colbourn Demo costing \$38 million, "*funded by E&G*."

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I am working with Lee Kernek to finish additional synopses of her relevant notes. I expect to provide you with them later this week or early next.

Sincerely, Charles M. Greene A

Enclosure(s)

cc w/o encs: Lee Kernek

From:	Tracy Clark
Sent:	Monday, July 22, 2013 10:49 AM
То:	Dan Mayo; Tera Alcala
Subject:	FW: Data Request: Various Amended Regulations
Attachments:	7-001 tuition and associated fees regulation DRAFT 7-9-13.doc; 7-003 Fees-fines- penalties regulation DRAFT 07-09-13.docx; 7-008 waiver of tuition and fee waivers
	DRAFT 7-9-13.doc; 9-007 Operating Budget Regulation revised 07-10-13.docx; collegiate license plate_NEW_07-10-2013.docx

Can each of you review the changes and give me any comments you have?

Thanks.

Tracy Clark, CPA Assistant Vice President for Finance and Controller UCF Finance and Accounting 12424 Research Parkway, Ste 300 Orlando, Florida 32826 Phone: 407-882-1006 Fax: 407-882-1102 Tracy.Clark@ucf.edu

From: SUS-Submissions [mailto:SUS-Submissions@flbog.edu]
Sent: Thursday, July 11, 2013 8:57 AM
To: #SUS Data Administrators; Calkins, Kevin
Cc: #SUS Council for Admin/Fin Affairs; #SUS Budget Officers; rdeiulio@floridapolytechnic.org; vleonard@fgcu.edu;
Shirley, Vikki; dsmolker@bsbpropertylaw.com; Scott Cole; prevaux@admin.usf.edu; lgore@uwf.edu; Stone, Karen; Keith, Jamie; David.Kian@fau.edu; kraattam@fiu.edu; cegan@admin.fsu.edu; avery.mcknight@famu.edu
Subject: Data Request: Various Amended Regulations



<u>MEMORANDUM</u>

- TO: Institutional Data Administrators
 CC: Council for Administrative & Financial Affairs General Counsels Budget Officers
- FROM: Tim Jones, Chief Financial Officer

THROUGH: Gene Kovacs, Assistant Vice Chancellor/CIO

DATE: July 11, 2013

SUBJECT: Various Amended Regulations

DUE DATE: July 30, 2013

There are several regulations that need to be updated in preparation for the September Board meeting. A summary of the proposed changes for each regulation are as follows:

- 1. 7.001 Tuition & Associated Fees
 - i. Eliminates the specific amount charged for undergraduate tuition and references the GAA and statutory authority.
 - ii. Eliminates reference to the building fee (the building fee and capital improvement fee were combined).
 - iii. Eliminates the additional charge associated with college prep course. This change is made pursuant to the modification in SB 1720 to section 1009.28. this was the citation that FAMU used to charge an additional fee for college prep classes.
 - iv. Eliminates the date when a block tuition proposal is to be submitted. (NOTE: Will rely on our data request system to establish the date.)
 - v. Modifies the date the tuition differential report is due to the legislature (NOTE: the date was modified in SB 1514)
- 2. 7.003 Fees, Fines & Penalties
 - i. Changes date when the budget committee will consider increases to existing fees from January to June.
 - ii. Changes date when the budget committee will consider new fees from March to June.
 - iii. Clarifies that excess hours applies to FTIC students.
- 3. 7.008 Waivers of Tuition & Fees
 - i. Clarification is provided on the number of credit hours allowed for homeless waivers.
- 4. 9.007 Operating Budgets
 - i. Adds language regarding the inclusion of carryforward funds in the expenditure data.
 - ii. Adds language that E&G funds are to be used for operating activities, unless specifically authorized by law.
 - Adds language requiring universities to comply with all applicable federal, state, and local laws when implementing grants, contracts and sponsored research programs. (this is to address a Board audit comment on not having guidelines addressing sponsored research)
 - iv. Adds language regarding the inclusion of technology fee revenues/expenditures and Board approved fees.
 - v. Clarifies the use of E&G interest earnings.
- 5. X.xxx Collegiate License Plates Revenues New regulation that includes the university expenditure allocation for fundraising and scholarships.

Please submit one response per institution by **July 30, 2013**. Please send all responses to <u>SUS-SUBMISSIONS@flbog.edu</u>.

Thank you for your cooperation and assistance.

Attachments:

Regulations 7.001, 7.003, 7.008, and 9.007 New regulation on collegiate license plates

Eugene Kovacs

Assistant Vice Chancellor/CIO Information Resource Management



STATE UNIVERSITY SYSTEM of FLORIDA Board of Governors

Board of Governors State University System of Florida 325 West Gaines Street, Suite 1625 Tallahassee, Florida 32399 (850) 245-0837 (850) 245-0419 FAX Visit us online at <u>www.flbog.edu</u>

7.001 Tuition and Associated Fees

(1) All students shall pay tuition and associated fees, unless waived pursuant to Regulation 7.008, as authorized by the Board of Governors or its designee.

(2) Tuition shall be defined as the basic fee assessed to students for enrollment in credit courses at any of the state universities. Non-resident tuition shall be defined as the basic fee and out-of-state fee assessed to non-resident students for enrollment in credit courses at any of the state universities. The out-of-state fee is the additional fee charged to a non-resident student. The non-resident tuition must be sufficient to offset the full instructional cost of serving the non-resident student. Calculations of the full cost of instruction shall be based on the university average of the prior year's cost of programs using the expenditure analysis.

(3) Undergraduate tuition per credit hour shall be established by university board of trustees pursuant to the General Appropriations Act and statutory authority.

(4) Each university board of trustees may set tuition for graduate, including professional, programs pursuant to the General Appropriations Act and statutory authority.

(5) Each university board of trustees may set out-of-state fees for undergraduate and graduate, including professional, programs pursuant to the General Appropriations Act and statutory authority.

(6) Associated fees shall include the following fees and other fees as authorized by the Board of Governors:

- (a) Student Financial Aid Fee;
- (b) Capital Improvement Fee;

(c) Health Fee;

- (d) Athletic Fee;
- (e) Activity and Service Fee;
- (f) Non-Resident Student Financial Aid Fee, if applicable;
- (g) Technology Fee; and
- (h) Tuition Differential Fee.

(7) Students shall pay tuition and associated fees or make other appropriate arrangements for the payment of tuition and associated fees (installment payment, deferment, or third party billing) by the deadline established by the

university for the courses in which the student is enrolled, which shall be no later than the end of the second week of class.

(8) Registration shall be defined as the formal selection of one or more credit courses approved and scheduled by the university and tuition payment, partial or otherwise, or other appropriate arrangements for tuition payment (installment payment, deferment, or third party billing) for the courses in which the student is enrolled as of the end of the drop/add period.

(9) Tuition and associated fees liability shall be defined as the liability for the payment of tuition and associated fees incurred at the point at which the student has completed registration, as defined above.

(10) Tuition and associated fees shall be levied and collected for each student registered in a credit course, unless provided otherwise in Board of Governors regulations.

(11) Each student enrolled in the same undergraduate college-credit course more than twice shall pay tuition at 100 percent of the full cost of instruction and shall not be included in calculations of full-time equivalent enrollments for state funding purposes. Students who withdraw or fail a class due to extenuating circumstances may be granted an exception only once for each class pursuant to established university regulations. The university may review and reduce these fees paid by students due to continued enrollment in a college-credit class on an individual basis contingent upon the student's financial hardship. For purposes of this paragraph, first-time enrollment in a class shall mean enrollment in a class fall semester 1997 or thereafter. Calculations of the full cost of instruction shall be based on the systemwide average of the prior year's cost of undergraduate programs in the state university system using the expenditure analysis.

(13) A university board of trustees may submit a proposal for a block tuition policy to the budget committee for consideration. The proposed block tuition policy for resident undergraduate or graduate students shall be based on the percredit hour tuition amount. The proposed block tuition policy for nonresident undergraduate or graduate students shall be based on the percredit-hour tuition and out-of-state fee amount. The block tuition policy can only be implemented beginning with the fall term.

(a) The proposal shall be submitted in a format designated by the chancellor and include at a minimum:

1. An explanation of the process used to determine the block tuition ranges.

2. An explanation of how the university will ensure that sufficient courses are available to meet student demand.

3. A description of how the policy is aligned with the mission of the university.

4. A declaratory statement that the policy does not increase the state's fiscal liability or obligation.

5. An explanation of any proposed restrictions, limitations, or conditions to be placed on the policy.

6. A clear statement that any student that is a beneficiary of a prepaid tuition contract, purchased prior to the first fall term in which the block tuition is implemented, will not be included in any block tuition policy and will be billed on a per-credit-hour basis. The university shall work with the Florida Prepaid Board to determine how block tuition will be paid for beneficiaries of prepaid tuition contracts after implementation of block tuition. The university shall report the final resolution to the budget committee.

7. An estimation of the economic impact that implementation of the policy will have on the university and the student by identifying the incremental revenue the university anticipates collecting if this policy is implemented and the financial impact on the typical student subject to the policy.8. A description of any outcome measures that will be used to determine the success of the policy, including but not limited to, time to degree, course load impact, and graduation rates.

(b) The Board of Governors will act upon the budget committee recommendation at the next scheduled meeting. If a university board of trustees' proposal is denied, within five calendar days, the university board of trustees may request reconsideration by the board Tuition Appeals Committee, which shall consist of the chair of the board and the chair of each board committee. The Tuition Appeals Committee will meet within ten calendar days after the board's denial to consider a university board of trustees request for reconsideration.

(c) Every five years, the university board of trustees shall review the policy to determine if it has met its intended outcomes and whether the policy should be continued or modified. The university board of trustees shall submit its findings to the Board of Governors.

(14) As a component of the annual university work plan, a board of trustees may submit a proposal to the budget committee of the Board of Governors by May 31 of each year to establish an increase in the undergraduate tuition differential to be implemented with the fall academic term. The tuition differential shall promote improvements to undergraduate education and provide financial aid to undergraduate students who have financial need. University boards of trustees shall have flexibility in distributing need-based financial aid awards according to university policies and Board of Governors' regulations.

(a) The aggregate sum of tuition and tuition differential can not be increased by more than 15 percent of the total charged for the aggregate sum of these fees in the preceding fiscal year.

1. The tuition differential may be assessed on one or more undergraduate courses or all undergraduate courses and may vary by campus or center location.

 The sum of undergraduate tuition and associated fees per credit hour may not exceed the national average undergraduate tuition and fees at four-year degree granting public postsecondary educational institutions.
 Students having prepaid contracts in effect on July 1, 2007, and which remain in effect, are exempt from paying the tuition differential.

4. Students who were in attendance at the university before July 1, 2007, and maintain continuous enrollment may not be charged the tuition differential.

(b) The university board of trustees' proposal shall be submitted in a format designated by the chancellor, and include at a minimum:

1. The course or courses for which the tuition differential will be assessed.

2. The amount that will be assessed for each tuition differential proposed.

3. The purpose of the tuition differential.

4. Identification of how the revenues from the tuition differential will be used to promote improvements in the quality of undergraduate education and to provide financial aid to undergraduate students who have financial need.

a. For the purposes of the following subsection,

i. "Financial aid fee revenue" means financial aid fee funds collected in the prior year.

ii. "Private sources" means prior-year revenue from sources other than the financial aid fee or the direct appropriation for financial assistance provided to state universities in the General Appropriations Act.

b. At least thirty percent of the revenue shall be expended to provide need-based financial aid to undergraduate students to meet the cost of university attendance. If the entire tuition and fee costs of resident students who have applied for and received Pell Grant funds have been met and the university has excess funds remaining, the university may expend the excess portion on undergraduate education. i. Universities shall increase undergraduate need-based aid over the prior year by at least thirty percent of the tuition differential.

ii. This expenditure shall not supplant the amount of needbased aid provided to undergraduate students in the preceding fiscal year from financial aid fee revenues, the direct appropriation for financial assistance provided to state universities in the general appropriations act, or from private sources.

iii. If a university's total undergraduate need-based awards does not meet or exceed the sum of the prior year's undergraduate need-based awards plus thirty percent of new tuition differential funds, the university may still be considered in compliance. However, the university shall provide detailed documentation demonstrating that the difference is attributed to a decrease in financial aid fee collections (Regulation 7.003(18)), tuition differential collections, the direct appropriation for student financial assistance in the General Appropriations Act, and/or a decrease in foundation endowments that support undergraduate need-based aid awards.

c. The remaining revenue shall be expended on undergraduate education.

5. Indicate how the university will monitor the success of the tuition differential in achieving the purpose for which the tuition differential is being assessed.

(c) The budget committee will examine data gathered as part of the university annual reports instituted pursuant to Regulation 2.002 to inform members' deliberations regarding institutional proposals for tuition differential increases. At a minimum, the committee will review:

1. Undergraduate retention and graduation rates.

2. Percentage of students graduating with more than 110 percent of the hours required for graduation.

3. Licensure pass rates for completers of appropriate undergraduate programs.

4. Number of undergraduate course offerings.

5. Percentage of undergraduate students who are taught by each instructor type.

6. Average salaries of faculty who teach undergraduate courses.

7. Undergraduate student-faculty ratio.

8. Other university specific measures identified by the boards of trustees pursuant to subparagraph (14)(b)5.
9. Number of need-based financial aid awards provided, average award, and median award.

(d) The budget committee shall review each proposal and advise the university board of trustees of the need for any additional information or revision to the proposal. The budget committee will make a recommendation to the Board of Governors at the next scheduled meeting.

(e) The Board of Governors will act upon the budget committee recommendation at the next scheduled meeting. If a university board of trustees' proposal is denied, within five calendar days the university board of trustees may request reconsideration by the board's Tuition Appeals Committee, which shall consist of the chair of the board and the chair of each board committee. The Tuition Appeals Committee will meet within ten calendar days after the board of Governor's denial to consider a university board of trustees request for reconsideration.

(f) Each university board of trustees that has been approved to assess a tuition differential shall submit the following information to the Board of Governors General Office in a format and at a time designated by the chancellor, so that such information can be incorporated into a system report that will be submitted to the Governor and Legislature by February 1.

- 1. The amount of tuition differential assessed.
- 2. The course or courses for which the tuition differential was assessed.
- 3. Total revenues generated.

4. Number of students eligible for a waiver as outlined in Regulation 7.008(20), number of these students receiving a waiver, and the value of these waivers.

5. Detailed expenditures (submitted as a part of the August operating budget).

6. Detailed reporting of financial aid sources and disbursements sufficient to meet the requirements in subparagraph (14)(b)4.

7. Data on indicators outlined in subparagraph (14)(c).

(g) Universities must maintain the need-based financial aid revenue generated from the tuition differential in a separate Education and General account, with the revenue budget in the Student and Other Fee Trust Fund. (h) If, after approval by the Board of Governors, a university determines that modifications need to be made to the monitoring and implementation of the proposed undergraduate improvement programs, the university shall notify the chancellor. (15) A university board of trustees may submit a proposal for market tuition rates for graduate-level courses offered online or through the university's continuing education unit when such courses constitute an approved degree program or college credit certificate program. Proposals shall be submitted to the budget committee for consideration by the committee during a November meeting.

(a) Proposals to charge market tuition rates for degree programs and college credit certificate programs shall be considered by the board only if documentation is provided that demonstrates:

1. The programs have been approved in accordance with Regulation 8.011 and have established one or more separate market tuition rate student cohorts, each of which can be tracked for administrative and reporting purposes.

2. The programs do not lead to initial licensing or certification for occupational areas identified as state critical workforce need in the State University System of Florida Strategic Plan, 2005-2013, Areas of Programmatic Strategic Emphasis, as amended in 2009. A university may request establishment of market tuition rates for such programs for non-residents if such programs do not adversely impact development of other programs for Florida residents. A university, upon a written request for a special exception from the chancellor, may submit a proposal for market tuition rate for a program leading to initial licensing or certification in a state critical workforce need area if it can be demonstrated to increase the number of graduates in the state.

3. The program admission and graduation requirements shall be the same as similar programs funded by state appropriations.

(b) If approved by the Board of Governors, the university shall operate these programs for a pilot period in order to collect sufficient information to determine the merit and success of market tuition rate courses. During the pilot period, the board shall approve no more than five new graduate-level degree programs or college credit certificate program proposals per academic year. After three years, the university shall present its findings to the board budget committee. The university findings shall include, but not be limited to, program enrollments, degrees produced, and enrollments in similar state funded programs. The budget committee will then make any appropriate recommendations to the board for changes of market tuition rates programs.

(c) The proposal for market tuition rate programs shall be submitted in a format designated by the chancellor and include at a minimum:

1. A description of the program and its compliance with the requirements outlined in (15)(a).

2. An explanation of the process used to determine the market tuition rate and the tuition at similar programs from at least five other institutions, including both private and public.

3. A description of similar programs offered by other state university system institutions.

4. An estimate of the market tuition rate to be charged over the next three years. Any annual increase shall be no more than 15 percent over the preceding year.

5. A description of how offering the proposed program at market tuition rate is aligned with the mission of the university.

6. An explanation and declaratory statement that offering the proposed program at market tuition rate does not increase the state's fiscal liability or obligation.

7. An explanation of any differentiation in rate between resident and non-resident students paying market tuition rate.

8. An explanation of any proposed restrictions, limitations, or conditions to be placed on the program.

9. A description of any outcome measures that will be used to determine the success of the proposal.

10. In addition, the following information will be included with the proposal:

a. An explanation of how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration.

b. A baseline of current enrollments, including a breakout of resident and nonresident enrollment, in similar state-funded courses.

c. An estimation of the economic impact that implementation of the proposal will have on the university and the student by identifying the incremental revenue the university anticipates collecting if the proposal is approved.

d. A description of how revenues will be spent, including whether any private vendors will be utilized, and which budget entity the funds will be budgeted.

(d) The Board of Governors will act upon the budget committee recommendation at the next scheduled meeting. If a university board of trustees' proposal is denied, within five calendar days, the university board of trustees may request reconsideration by the board's Tuition Appeals Committee, which shall consist of the chair of the board and the chair of each board committee. The Tuition Appeals Committee will meet within ten calendar days after the board's denial to consider a university board of trustees request for reconsideration.

(e) If a university charges a market tuition rate for a course within an approved program, preference shall be given to Florida residents in the admission process for similar state funded programs.

(f) Enrollments and degrees granted in market tuition rate program cohorts shall be reported in a manner to be determined by the chancellor.(g) Credit hours generated by courses in market tuition rate program cohorts shall not be reported as fundable credit hours and all costs shall be recouped within the market tuition rate.

(h) Programs and associated courses approved for market tuition rate shall not supplant existing university offerings funded by state appropriations.

(i) Each university approved to offer market tuition rates shall provide an annual status report in a format designated by the chancellor.

Authority: Section 7(d), Art. IX, Fla. Const.; History–Formerly BOR Rule 6C-7.001, Adopted 4-8-79, Renumbered 12-16-74, Amended 6-28-76, 7-4-78, 8-6-79, 9-28-81, 12-14-83, 7-25-84, 10-2-84, 10-7-85, Formerly 6C-7.01, Amended 12-25-86, 11-16-87, 10-19-88, 10-17-89, 10-15-90, 9-15-91, 1-8-92, 11-9-92, 7-22-93, 8-1-94, 11-29-94, 4-16-96, 8-12-96, 9-30-97, 12-15-97, 8-11-98, 9-30-98, 8-12-99, 8-3-00, 8-28-00, 8-12-01, Amended and Renumbered as 7.001 09-25-08, Amended 12-10-09, 11-04-10, 01-20-11, 9-15-11,______.

7.003 Fees, Fines and Penalties.

(1) The Board of Governors must authorize all fees assessed to students. Accordingly, the specific fees listed in this section, and the tuition and associated fees defined in Regulation 7.001, are the only fees that may be charged for state fundable credit hours without the specific approval of the board, except as authorized in Regulation 8.002. For purposes of clarification, the term "at cost" or "cost" as used in this regulation includes those increased costs that are directly related to the delivery of the goods, services, or programs.

(2) Each university board of trustees is authorized to assess the following fees at the statutory amounts listed:

- (a) Security / Access / Identification Card, Duplicate Security / Access / Identification Card, Fee Card, or Passbook:
 - 1. Annual cost up to \$10.00.
 - 2. All duplicates cost up to \$15.00
- (b) Orientation Fee up to \$35.00.

1. Effective fall 2011, the board of trustees of the University of West Florida may assess a \$50 Orientation Fee.

- (c) Admissions Deposit Up to \$200. The admissions deposit shall be imposed at the time of an applicant's acceptance to the university and shall be applied toward tuition upon registration and budgeted in the Student and Other Fee Trust Fund. In the event the applicant does not enroll in the university, the admissions deposit shall be budgeted in an auxiliary account of the university and used to expand financial assistance, scholarships, student academic and career counseling services, and admission services at the university.
- (d) Transcript Fee per item; up to \$10.00.
- (e) Diploma Replacement Fee per item; up to \$10.00.
- (f) Service Charge up to \$15.00 for the payment of tuition and fees in installments.
- (g) Audit Registration Fees -- Audit registration assures a course space for the student; however, no grade is awarded. This fee is the same as the tuition and associated fees provided in Regulation 7.001. Budgeting of fee proceeds shall be in the Student and Other Fee Trust Fund.
- (h) Registration of Zero Hours -- Such registration provides for examinations, graduations, use of facilities, etc., when deemed appropriate by the institution. The student is assessed tuition and associated fees for one credit hour. The Zero Credit Fee shall be budgeted in the Student and Other Fee Trust Fund.
- (i) Application Fee -- Individuals who make application for admission to universities within the State University System shall pay a non-refundable Application Fee of not more than \$30.00. The fee shall be budgeted in the

Student and Other Fee Trust Fund. Provisions may be made to waive the application fee as specified by the university.

- (j) Late Registration Fee -- Universities shall assess a Late Registration Fee to students who fail to register before the end of the regular registration period. This fee may also be assessed to students reinstated after their course schedules were cancelled due to non-payment of fees. The fee shall be not less than \$50 nor more than \$100 with a minimum of 50 percent budgeted to the Student and Other Fee Trust Funds and the balance budgeted in an Auxiliary Trust Fund. Provisions may be made to waive the Late Registration Fee as specified by the university.
- (k) Late Payment Fee -- Universities may assess a Late Payment Fee to students who fail to pay, or make appropriate arrangements for payment (installment payment, deferment, or third-party billing), of tuition and associated fees by the deadline set by each university. The fee shall be not less than \$50 nor more than \$100 with a minimum of 50 percent budgeted to the Student and Other Fee Trust Fund and the balance budgeted in an Auxiliary Trust Fund. Provisions may be made to waive the Late Payment Fee as specified by the university.

(3) Before the board's last meeting of each calendar year, the university board of trustees shall notify the board of any potential increases in fees outlined in subparagraph (2). A university board of trustees may then submit a proposal for an increase in that fee to the Board of Governors' budget committee for consideration by the committee during a June meeting.

(a) The proposal shall be submitted in a format designated by the chancellor and include at a minimum:

1. The current and proposed increase to the fee and a description of the process used to determine the need for the increase, including any student involvement.

2. The service or operation currently being funded by the fee.

3. An analysis of whether the service or operation can be performed more efficiently to alleviate the need for any increase.

- 4. The additional or enhanced service or operation to be implemented.
- 5. Identification of other resources that could be used to meet this need.
- 6. The financial impact on students, including those with financial need.
- 7. The current revenue collected and expenditures from the current fee.

8. The estimated revenue to be collected and expenditures for the fee increase.

- (b) The board will act upon the budget committee recommendation at the next scheduled meeting.
- (c) An increase in these fees can only be implemented with the fall term.
- (d) Every five years the university board of trustees shall review the fee increase to determine if the fee has met its intended outcomes and whether the fee should be increased, decreased or discontinued. The

university board of trustees shall submit its findings to the board. Any subsequent decreases or continuation in these fees are delegated to the university board of trustees, with notification to the chancellor.

(4) Each university board of trustees is authorized to establish separate activity and service, health, and athletic fees on the main campus, branch campus, or center.

- (a) The fees shall be retained by the university and paid into the separate activity and service, health, and athletic funds. A university may transfer revenues derived from the fees authorized pursuant to this section to a university direct-support organization of the university pursuant to a written agreement approved by the Board of Governors.
- (b) The sum of the activity and service, health, and athletic fees a student is required to pay to register for a course shall not exceed 40 percent of the tuition. Within the 40 percent cap, universities may not increase the aggregate sum of activity and service, health, and athletic fees more than 5 percent per year or the same percentage increase in tuition, whichever is higher.
- (c) A university may increase its athletic fee to defray the costs associated with changing National Collegiate Athletic Association divisions. Any such increase in the athletic fee may exceed both the 40 percent cap and the 5 percent cap imposed by this subsection. Any such increase must be approved by the athletic fee committee in the process outlined in subparagraph (4)(d) and cannot exceed \$2 per credit hour.
- (d) Increases in the health, athletic, and activity and service fee must be recommended by a fee committee, at least one-half of whom are students appointed by the student body president. The remainder of the committee shall be appointed by the university president. A chairperson, appointed jointly by the university president and the student body president, shall vote only in the case of a tie. The recommendations of the committee shall take effect only after approval by the university president, after consultation with the student body president, and approval by the university board of trustees. An increase in these fees may occur only once each fiscal year and must be implemented beginning with the fall term.
- (e) The student activity and service fee shall be expended for lawful purposes to benefit the student body in general. This shall include, but shall not be limited to, student publications and grants to duly recognized student organizations, the membership of which is open to all students at the university without regard to race, sex, or religion. The fee may not benefit activities for which an admission fee is charged to students, except for student-government-association-sponsored concerts. The allocation and expenditure of the fees shall be determined by the student government association of the university, except that the president of the university may veto any line item or portion thereof within the budget when

submitted by the student government association legislative body. The university president shall have 15 school days from the date of presentation of the budget to act on the allocation and expenditure recommendations, which shall be deemed approved if no action is taken within the 15 school days. If any line item or portion thereof within the budget is vetoed, the student government association legislative body shall within 15 school days make new budget recommendations for expenditure of the vetoed portion of the fees. If the university president vetoes any line item or portion thereof within the new budget revisions, the university president may reallocate by line item that vetoed portion to bond obligations guaranteed by activity and service fees.

(f) Unexpended fees and undisbursed fees remaining at the end of a fiscal year shall be carried over and remain in the student activity and service fund and be available for allocation and expenditure during the next fiscal year.

(5) Technology Fee – Each university board of trustees may establish a technology fee to be paid by all students. The fee may be up to 5 percent of the tuition charged per credit hour. The revenue from this fee shall be used to enhance instructional technology resources for students and faculty. The revenue and expenditures shall be budgeted in the Local Fund budget entity.

(6) Off-Campus Educational Activities - As used herein, "off-campus" refers to locations other than state-funded main campuses, branch campuses, or centers. Each university board of trustees is authorized to establish fees for state fundable off-campus course offerings when the location results in specific, identifiable increased costs to the university. These fees will be in addition to the tuition and associated fees charged to students enrolling in these courses on-campus. The additional fees charged are for the purpose of recovering the increased costs resulting from off-campus vis-à-vis on-campus offerings. The university shall budget the fees collected for these courses to the Student and Other Fee Trust Funds. Each university shall use the additional fees collected to cover the increased cost of these courses and reimburse the appropriate Educational and General fund, or other appropriate fund if the costs are incurred in other than Educational and General funds.

(7) Material and Supply Fees - Each university board of trustees is authorized to assess Material and Supply Fees not to exceed the amount necessary to offset the cost of materials or supply items which are consumed in the course of the student's instructional activities, excluding the cost of equipment and equipment repairs and maintenance. Revenues from such fees shall be budgeted in the Auxiliary Trust Fund.

(8) Housing Rental Rates – Basic rates for housing rental shall be set by each university board of trustees. In addition, the university board of trustees is authorized to establish miscellaneous housing charges for services provided by the university at the request of the students.

(9) Parking Fines, Permits and Decals -- Each university board of trustees shall establish charges for parking decals, permits and parking fines.

(10) Transportation Access Fee - Each university board of trustees is authorized to establish a transportation access fee, with appropriate input from students, to support the university's transportation infrastructure and to increase student access to transportation services.

(11) Returned Check Fee -- Each university board of trustees shall assess a service charge for unpaid checks returned to the university.

(12) Collection costs -- Each university board of trustees is authorized to assess a charge representing reasonable cost of collection efforts to effect payment for overdue accounts. Amounts received for collection costs shall be retained by the university.

(13) Service Charge -- Each university board of trustees is authorized to assess a service charge on university loans in lieu of interest and administrative handling.

(14) Educational Research Center for Child Development Fee -- Each university board of trustees is authorized to assess child care and service fees.

(15) Transient Student Fee – Each university board of trustees is authorized to assess a fee not to exceed \$5.00 per course for accepting a transient student and processing the student's admissions application pursuant to Section 1006.73.

(16) Capital Improvement Fee – This fee may be used to fund any project or real property acquisition that meets the requirements of Chapter 1013. Each university board of trustees shall assess \$4.76 per credit hour per semester. Any increase in the fee beyond \$4.76 must be first recommended by a fee committee, at least half of whom are students appointed by the student body president. The remainder of the committee shall be appointed by the university president. A chairperson, appointed jointly by the university president and the student body president, shall vote only in the case of a tie. The recommendations of the committee shall take effect only after approval by the university president, after consultation with the student body president, and approval by the university board of trustees. An increase in these fees may occur only once each fiscal year and must be implemented beginning with the fall term. The fee may not exceed 10 percent of the tuition for resident students or 10 percent of the sum of tuition

and out-of-state fees for nonresident students. The fee for resident students shall be limited to an increase of \$2 per credit hour over the prior year, and any proposed fee increases or decreases must be approved by the Board of Governors. No project proposed by a university which is to be funded by this fee shall be submitted to the Board of Governors for approval without prior consultation with the student government association of that university.

(17) Student Financial Aid Fee – Each university board of trustees is authorized to collect for financial aid purposes an amount not to exceed 5 percent of the tuition and out-of-state fee. The revenues from fees are to remain at each university. A minimum of 75 percent of funds from the student financial aid fee shall be used to provide financial aid based on demonstrated financial need. Each university shall report annually to the Board of Governors on the revenue collected pursuant to this subsection, the amount carried forward, the criteria used to make awards, the amount and number of awards for each criterion, and a delineation of the distribution of such awards. The report shall include an assessment by category of the financial need of every student who receives an award, regardless of the purpose for which the award is received. Awards which are based on financial need shall be distributed in accordance with the federal methodology for determining need. An award for academic merit shall require a minimum overall grade point average of 3.0 on a 4.0 scale or the equivalent for both initial receipt of the award and renewal of the award.

(18) Each university board of trustees is authorized to assess the following fees which will have varied amounts:

- (a) Development Research School Fees activity fees which shall be discretionary with each university.
- (b) Library Fines per book or unit, per day; the funds shall be budgeted to the Student and Other Fee Trust Fund.
- (c) Overdue Reserve Library books per book, per library hour; the funds shall be budgeted to the Student and Other Fee Trust Fund.
- (d) Late Equipment Fee, Physical Education per item, per day.
- (e) Fees and fines relating to the use, late return, and loss and damage of facilities and equipment.
- (f) Distance Learning Fee.

(19) Each university board of trustees is authorized to assess reasonable fees for incidental non-academic services provided directly to individuals. This could include, but not be limited to, fees for duplicating, lost keys, copyright material, breakage, standardized tests, library loans.

(20) Each university board of trustees is authorized to assess an international student service fee to cover the university costs associated with reporting requirements of the Student and Exchange Visitor Information System

administered by the Department of Homeland Security for F-Visa and J-Visa degree seeking students.

(21) Excess Hour Fee – This fee shall be budgeted in the Student and Other Fee Trust Fund.

- (a) All state university undergraduate students who entered a postsecondary undergraduate program at any Florida public institution of higher education as a first-time-in-college student in fall 2009 or thereafter and prior to fall 2011 shall pay an excess hour fee equal to 50 percent of the undergraduate tuition identified in Regulation 7.001(3) for each credit hour in excess of 120 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.
- (b) All state university undergraduate students who entered a postsecondary undergraduate program at any Florida public institution of higher education as a first-time-in-college student in fall 2011 or thereafter shall pay an excess hour fee equal to 100 percent of the undergraduate tuition identified in Regulation 7.001(3) for each credit hour in excess of 115 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.
- (c) All state university undergraduate students who entered a postsecondary undergraduate program at any Florida public institution of higher education as a first-time-in-college student in fall 2012 or thereafter shall pay an excess hour fee equal to 100 percent of the undergraduate tuition identified in Regulation 7.001(3) for each credit hour in excess of 110 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.
- (d) Each university shall implement a process for notifying students of this fee upon a student's initial enrollment. A second notice must be provided to the student when the student has attempted the number of credit hours needed to complete the baccalaureate degree program in which the student is enrolled. The second notice must include a recommendation that each student who intends to earn credit hours at the university in excess of the credit hours required for the baccalaureate degree program in which the student is enrolled meet with the student's academic advisor.
- (e) All credit hours for courses taken at the university from which the student is seeking a baccalaureate degree shall be included when calculating the number of hours taken by a student, including:
 - 1. Failed courses.

2. Courses dropped or withdrawn from after the university's advertised last day of the drop and add period, except as provided for in subparagraph (21)(f).

3. Repeated courses, except repeated courses for which the student has paid the full cost of instruction as provided in Regulation 7.001(11).

4. All credit hours earned at another institution and accepted for transfer by the university and applied toward the student's baccalaureate degree program.

(f) All credit hours earned under the following circumstances shall not be calculated as hours required to earn a baccalaureate degree:

1. College credits earned through an articulated accelerated mechanism.

2. Credit hours earned through internship programs.

3. Credit hours required for certification, recertification, or certificate programs.

4. Credit hours in courses from which a student must withdraw due to reasons of medical or personal hardship.

5. Credit hours taken by active-duty military personnel.

6. Credit hours required to achieve a dual major taken while pursing a baccalaureate degree.

7. Remedial and English as a Second Language credit hours.

8. Credit hours earned in military science courses that are part of the Reserve Officers' Training Corps program.

(22) Convenience fee – Each university board of trustees may establish a convenience fee when accepting payments by credit cards, charge cards, and debit cards. The fee shall not be greater than the cost of providing the service. The fee is not refundable to the payor.

(23) Before the Board of Governors' last meeting of each calendar year, the university board of trustees shall notify the board of any potential new fees that are being considered by the university. A university board of trustees may then submit a proposal for a new fee not currently authorized in board regulation or statute to the Board of Governors' budget committee for consideration by the committee during a June meeting.

(a) The proposal shall be submitted in a format designated by the chancellor, and include at a minimum:

1. The purpose to be served or accomplished with the fee.

2. The demonstrable student-based need for the fee that is currently not being met through existing university services, operations or another fee.

3. The process used to assure substantial student input or involvement.

4. Any proposed restrictions, limitations, or conditions to be placed on the fee.

5. The financial impact of the fee on students, including those with financial need.

6. The estimated revenue to be collected and proposed expenditures for the new fee.

7. The outcome measures that will be implemented to determine when the purpose of the fee will be accomplished.

(b) The aggregate sum of any fees approved by the board that a student is required to pay to register for a course shall not exceed 10 percent of tuition. All other fees shall be based on cost.

(c) The fee can only be implemented in the fall term.

(d) The revenue generated by this fee may not be transferred to an auxiliary enterprise or a direct-support organization and may not be used to pay or secure debt.

(e) The university shall account for the revenue and detailed expenditures of this fee in the Annual Report.

(f) The fee cannot be an extension of, or cover the same services, as an existing statutory fee.

(g) The fee cannot be utilized to create additional bonding capacity in an existing fee.

(h) The fee should support a new service or activity that is not currently supported or should be supported with education and general funds (state and tuition).

(i) The fee shall not supplant revenue from other sources that are currently used or have been used to support a service or activity.

(j) The fee should support a service or activity in which a majority of students is able to participate or from which derive a benefit.

(k) Once the board approves a fee under this section, a university fee committee shall be established similar to other existing fee committees.(l) The board will act upon the budget committee recommendation at the next scheduled meeting.

(m) Every five years the university board of trustees shall review the fee to determine if the fee has met its intended outcomes and whether the fee should be increased, decreased or discontinued. The university board of trustees shall submit its findings to the board. Any subsequent decreases or continuation in these fees are delegated to the university board of trustees, with notification to the chancellor.

(n) If a university board of trustees' proposal is denied, within five calendar days the university board of trustees may request reconsideration by the board's Tuition Appeals Committee, which shall consist of the chair of the board and the chair of each board committee. The Tuition Appeals Committee will meet within ten calendar days after the Board of Governors denial to consider a university board of trustees request for reconsideration.

(24) Pursuant to subparagraph (23), the university boards of trustees designated below are authorized to assess the following fees:

(a) Green Fee – This fee may be assessed to establish or improve the use of renewable energy technologies or energy efficiencies that lower the university's greenhouse emissions.

1. University of South Florida: up to \$1.00 per credit hour

2. New College of Florida: up to \$1.00 per credit hour

3. University of West Florida: up to \$1.00 per credit hour (b) Test Preparation Fee – at cost. This fee may be assessed to increase accessibility to test preparation courses in programs where students are expected to obtain specific preparation for a practice-based examination.

1. Florida International University

2. Florida A&M University – (bar test preparation)

(c) Student Life and Services Fee – This fee may be assessed to expand student participation in transformational learning opportunities that build new and enhances ongoing activities which connect students to the institution.

1. University of North Florida: not to exceed 5 percent of tuition.

Authority: Section 7(d), Art. IX, Fla. Const.; History–Formerly BOR Rule 6C-7.003. Derived from 6C-2.74 and 6C-2.76, Amended and Renumbered 12-17-74, Amended 2-22-76, 6-22-76, 6-28-76, 11-1-76, 9-8-77, 2-14-79, 9-28-81, 12-7-82, 12-13-83, 10-2-84, Formerly 6C-7.03, Amended 1-8-86, 8-11-86, 12-25-86, 6-2-87, 10-17-89, 4-10-90, 1-7-91, 7-2-91, 9-15-91, 8-4-92, 11-9-92, 4-12-93, 5-30-93, 9-23-93, 8-1-94, 1-24-96, 4-16-96, 12-15-97, 8-28-00, 8-12-01, Amended and Renumbered as 7.003 9-25-08, Amended 12-10-09, 11-04-10, 9-15-11, 6-21-12, 11-08-12, _____.

7.008 Waiver of Tuition and Fees

(1) Each university board of trustees is authorized to waive tuition, non-resident tuition and associated fees for purposes that support and enhance the mission of the university. All tuition, non-resident tuition and associated fees waived must be based on regulations that are adopted by the university board of trustees and where applicable, consistent with regulations adopted by the Board of Governors.

(2) Sponsored Credit Institutes and Programs – Each university board of trustees is authorized to waive tuition, associated fees and material and supply fees for participants in sponsored credit institutes and programs.

- (a) Sponsored credit institutes and programs are entities where substantially all the direct costs are paid by the external sponsoring entity, where there is no direct expenditure of Educational and General funds for the conduct of the programs, and where no fees or other assessments are collected from students by the sponsoring entity, the university, or any other entity.
- (b) In determining whether the direct costs are paid by the sponsoring entity, funds paid directly to the participants in a form such as, but not limited to, stipends, travel or book allowances should not be taken into account. "Direct costs" refer to the costs associated with the instruction or training which a participant receives. All funds collected from sponsoring entities for sponsored credit institutes will be remitted to the university's contract and grants trust fund and/or auxiliary trust funds.
- (c) Funds collected from courses offered through continuing education should be budgeted in the Auxiliary Trust Fund.
- (d) Neither the number of participants nor student credit hours in these institutes and programs may be counted for state-funding purposes.

(3) Deceased Law Enforcement, Correctional, or Correctional Probation Officers Employed by the State or Political Subdivision thereof – Each university board of trustees shall waive certain educational expenses that the child or spouse of the deceased officer incurs while obtaining an undergraduate education or a postgraduate education if a law enforcement, correctional, or correctional probation officer is accidentally killed or receives accidental bodily injury which results in the loss of the officer's life while engaged in the performance of the officer's law enforcement duties on or after June 22, 1990, or is unlawfully and intentionally killed or dies as a result of such unlawful and intentional act on or after July 1, 1980, while the officer was employed by a political subdivision of the state.

(a) The amount waived by the university shall be an amount equal to the cost of tuition and associated fees for a total of 120 credit hours. The child or spouse may attend on either a full-time or part-time basis. The benefits

provided to a child under this section shall continue until the child's 25th birthday. The benefits provided to a spouse under this subsection must commence within 5 years after the death occurs, and entitlement thereto shall continue until the 10th anniversary of that death.

- (b) Upon failure of any child or spouse benefited by the provisions of this subsection to comply with the ordinary and minimum requirements of the institution attended, both as to discipline and scholarship, the benefits shall be withdrawn as to the child or spouse and no further moneys may be expended for the child's or spouse's benefits so long as such failure or delinquency continues.
- (c) Only a student in good standing in his or her respective university may receive the benefits.
- (d) A child or spouse receiving benefits under this subsection must be enrolled according to the customary rules and requirements of the university attended.

(4) Deceased Firefighters Employed by the State or a Political Subdivision thereof - Each university board of trustees shall waive certain educational expenses that the child or spouse of the deceased firefighter incurs while obtaining an undergraduate education or a postgraduate education if a firefighter is accidentally killed or receives accidental bodily injury which results in the loss of the firefighter's life while engaged in the performance of the firefighter's duties on or after June 22, 1990, or is unlawfully and intentionally killed or dies as a result of such unlawful and intentional act on or after July 1, 1980, while the firefighter was employed by a political subdivision of the state.

- (a) The amount waived by the university shall be an amount equal to the cost of tuition and associated fees for a total of 120 credit hours. The child or spouse may attend on either a full-time or part-time basis. The benefits provided to a child under this section shall continue until the child's 25th birthday. The benefits provided to a spouse under this subsection must commence within 5 years after the death occurs, and entitlement thereto shall continue until the 10th anniversary of that death.
- (b) Upon failure of any child or spouse benefited by the provisions of this subsection to comply with the ordinary and minimum requirements of the institution attended, both as to discipline and scholarship, the benefits shall be withdrawn as to the child or spouse and no further moneys may be expended for the child's or spouse's benefits so long as such failure or delinquency continues.
- (c) Only a student in good standing in his or her respective university may receive the benefits.
- (d) A child or spouse receiving benefits under this subsection must be enrolled according to the customary rules and requirements of the university attended.

(5) Acceleration – Each university board of trustees shall waive tuition and associated fees for students who earn credit in courses toward both a Florida high school diploma and an associate or baccalaureate degree, or students enrolled in a dual enrollment or early admission program.

(6) Florida Department of Children and Family Service Adoptions - Each university board of trustees shall waive tuition and associated fees for any student who is or was at the time he or she reached the age of 18 in the custody of the Department of Children and Family Services or a relative under s. 39.5085; who was adopted from the Department of Children and Family Services after May 5, 1997; or was placed in a guardianship by a court after spending at least 6 months in the custody of the Department after reaching 16 years of age. Additionally, material and supply fees and fees associated with enrollment in career-preparatory instruction shall be waived. Any student requesting such a waiver must provide certification of eligibility from the Department of Children and Family Services to the university in which the student seeks to enroll. This waiver shall remain valid up until the time the student reaches the age of 28, and shall be limited to undergraduate degree programs, and shall not exceed 120 credit hours.

(7) School Psychology Training Program – Each university board of trustees shall waive tuition and associated fees for internship credit hours applicable to an internship in the public school system under the supervision of the Florida Department of Education certified school psychologist employed by the school system for any graduate student.

(8) Florida Linkage Institutes – Each university board of trustees shall exempt from non-resident tuition and non-resident financial aid fee up to 25 full-time equivalent students per year enrolled through the Florida Linkage Institutes Program.

(9) Deceased Teacher or School Administrator Employed by a Florida District School Board – Each university board of trustees shall waive certain educational expenses that the child of the deceased teacher or school administrator incurs while obtaining an undergraduate education or a postgraduate education if the teacher or school administrator is killed or is injured and dies as a result of an unlawful and intentional act, provided such killing or injury inflicted by another person and the motivation for the act is related in whole or part to the fact that the individual is a teacher or school administrator, or such act is inflicted while he or she is engaged in the performance of teaching duties or school administration duties while employed by a Florida district school board. The amount waived by the university shall be an amount equal to the cost of tuition and associated fees for a total of 120 credit hours at a university. The child may attend on either a full-time or part-time basis. The benefits provided under this paragraph shall continue until the child's 25th birthday.

- (a) Upon failure of any child benefited by the provisions of this paragraph to comply with the ordinary and minimum requirements of the university attended, both as to discipline and scholarship, the benefits shall be withdrawn as to the child and no further moneys may be expended for the child's benefits so long as such failure or delinquency continues.
- (b) A student who becomes eligible for benefits under the provisions of this paragraph while enrolled in an university must be in good standing with the institution to receive the benefits provided herein.
- (c) A child receiving benefits under this paragraph must be enrolled according to the customary rules and requirements of the university attended.

(10) Homeless – Each university board of trustees shall waive tuition and associated fees for up to a total of 120 credit hours for an undergraduate degree program for any student who lacks a fixed, regular, and adequate nighttime residence or whose primary nighttime residence is a public or private shelter designed to provide temporary residence for individuals intended to be institutionalized, or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(11) Purple Heart Recipients – Each university board of trustees shall waive undergraduate tuition and associated fees for each recipient of a Purple Heart, or another combat decoration superior in precedence which was awarded for valor, and who:

- (a) Is enrolled as a full-time, part-time, or summer-school student in an undergraduate program that terminates in a degree or certificate;
- (b) Is currently, and was at the time of the military action that resulted in the awarding of the Purple Heart or other combat decoration superior in precedence, a resident of this state; and
- (c) Submits to the state university the DD-214 form issued at the time of separation from service as documentation that the student has received a Purple Heart or another combat decoration superior in precedence. In situations where admissions or financial aid application deadlines preclude providing a DD-214 in time to meet such a deadline, the official (service specific) transmitting correspondence that would normally accompany such an award to a previously discharged service member would suffice until an updated DD-214 could be obtained and presented to the postsecondary institution. However, the updated DD-214 must be submitted to the postsecondary institution by the start of

the student's next term of enrollment for continued eligibility for the waiver. In situations where a service member is on active duty and has not been issued a DD-214, the official (service specific) transmitting correspondence that would normally accompany such an award or a certification of the appropriate combat award by the service specific administrative record holder [e.g., Adjutant, G-1 (general staff officer - personnel), or JAG (Judge Advocate General)] would meet the documentation requirement.

(d) A waiver for a Purple Heart recipient or recipient of another combat decoration superior in precedence shall be applicable for 110 percent of the number of required credit hours of the degree or certificate program for which the student is enrolled. This waiver is considered "countable aid" for student financial aid purposes. Therefore, if this waiver is administered by an office other than the college financial aid office, college officials must notify the Director of Financial Aid that a student has qualified for the waiver. The waiver covers only tuition and fees associated with credit hour instruction provided directly by the university and does not include any additional fees that may be charged for specialized programs or by external organizations. This includes, but is not limited to, flight school, study abroad travel and living expenses, and courses taken elsewhere as a transient student.

(12) State Employees - Each university board of trustees shall waive tuition and associated fees for up to 6 credit hours per term on a space available basis for state employees.

(13) University Employees – Each university board of trustees may allow fulltime university employees to enroll up to 6 credit hours of tuition-free courses per term on a space available basis.

(14) Florida residents 60 years of age or older - Each university board of trustees may waive any or all application, tuition, and associated fees for persons 60 years of age or older who are residents of this state and who enroll to audit courses being offered for college credit. No academic credit shall be awarded for attendance in classes for which fees are waived under this subsection. This privilege may be granted only on a space-available basis, if such classes are not filled as of the close of registration. A university may limit or deny the privilege for courses which are in programs for which the Board of Governors has established selective admissions criteria. Persons paying full fees and state employees taking courses on a space-available basis shall have priority over those persons whose fees are waived in all cases where classroom spaces are limited.

(15) Intern Supervisors – Persons who supervise interns for institutions within the State University System may be given one non-transferable certificate (fee waiver) for each full academic term during which the person serves as an intern supervisor. This certificate shall provide for waiver of the basic fee (as defined in Regulation 7.001).

- (a) Certificate holders are entitled to a waiver of tuition for a maximum of six (6) hours credit instruction (including credit through continuing education) during a single term at any state university.
- (b) Certificates shall be valid for three years from date of issuance.
- (c) Eligible recipients of an Intern Participation Certificate may be identified by a university as a person who engages in the direct supervision of at least one university intern for 300 contact hours, which may be accumulated over multiple semesters provided at least 100 contact hours of direct supervision is provided per semester.
- (d) To be eligible for a Certificate, the internship program must be an essential part of the course of instruction and must be required as part of the degree.
- (e) Each university shall develop procedures and policies to govern the issuance, distribution, security, and redemption of certificates.
- (f) Each university shall maintain accurate data on Intern Participation Certificates and annually submit a report of certificate activity to the Board of Governors according to a prescribed format.

(16) Non-resident students – Non-resident students who are non-degree seeking may be entitled to a waiver of the out-of-state fee if the credit hours generated by such students are non-state fundable and the cost for the program of study is recovered from the fees charged to all students.

(17) Admissions Deposit – A university that establishes an admissions deposit must adopt policies that provide for the waiver of this deposit on the basis of financial hardship.

(18) Wrongfully Incarcerated – A university shall waive tuition and associated fees for up to 120 hours of instruction if the wrongfully incarcerated person meets and maintains the regular admission requirement of the university; remains registered and makes satisfactory academic progress as defined by the university in which the person is enrolled. A wrongfully incarcerated person is someone who has had a felony conviction and sentence vacated by a court and the original sentencing court has issued its order finding that the person neither committed the act, nor did not aid, abet or act as an accomplice or accessory to the act or offense.

(19) A university may waive the tuition differential for students who meet the eligibility requirements for the Florida public assistance grant.

(20) Public School Classroom Teacher – Each university board of trustees may waive tuition and fees for a classroom teacher who is employed full-time by a school district and who meets the academic requirements established by the university for up to six credit hours per term on a space-available basis in undergraduate courses related to special education, mathematics or science approved by the Department of Education. The waiver may not be used for courses scheduled during the school district's regular school day.

(21) Each university shall report the purpose, number, and value of all fee waivers granted annually in a format prescribed by the Board of Governors.

Authority: Section 7(d), Art. IX, Fla. Const.; History–Formerly BOR Rule 6C-7.008 and 6C-2.53, Amended 7-19-74, Amended and Renumbered 12-17-74, Amended 1-10-78, 9-28-81, 8-11-85, Formerly 6C-7.08, Amended 12-25-86, 9-7-87, 12-9-91, 11-9-92, 9-23-93, 8-1-94, 10-10-95, 4-16-96, 12-15-97, Amended and Renumbered as 7.008 9-25-08, Amended 12-10-09, 9-17-10, 11-08-12, _____.

9.007 State University Operating Budgets

(1) Each university president shall prepare an operating budget for approval by the university board of trustees, in accordance with instructions, guidelines, and standard formats provided by the Board of Governors.

(2) Each university board of trustees shall adopt an operating budget for the general operation of the university as prescribed by the regulations of the Board of Governors. The university board of trustees-ratified operating budget is presented to the Board of Governors for approval. Each university president shall implement the operating budget of the university as prescribed by regulations of the Board of Governors, policies of the university board of trustees, provisions of the General Appropriations Act, and data reflected within the SUS Allocation Summary and Workpapers publication.

(3) The operating budgets of each state university shall represent the following budget entities:

- (a) Education and General (E&G)- reports actual and estimated year operating revenues and expenditures for all E&G funds, including: General Revenue, Student and Other Fees, Educational Enhancement Trust Fund (Lottery), Phosphate Research Trust Fund, – and including the following previously-appropriated trust funds: Experiment Station Federal Grant, Experiment Station Incidental, Extension Service Federal Grant, Extension Service Incidental, UF-HSC Incidental, and UF-Health Science Center Operations and Maintenance. In addition, expenditures from university carryforward funds (unexpended E&G balances from all prior-period appropriations) shall be included in the actual history year reporting. University carryforward funds shall not be included in any estimated-year (budgeted) amounts.
 - 1. Unless otherwise expressed by law, E&G funds are to be used for E&G operating activities only, such as, but not limited to, general instruction, research, public service, plant operations and maintenance, student services, libraries, administrative support, and other enrollment-related and stand-alone operations of the universities.
 - 2. Universities shall accumulate ending fund balances for activities such as, but not limited to, a contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in university operations, and prior year encumbrances. At any time the unencumbered available balance in the E&G fund of the

university board of trustees approved operating budget falls below five (5) percent of the approved total, the president shall provide a written notification and explanation to the Board of Governors.

- 3. Expenditures from any source of funds by any university shall not exceed the funds available. No expenditure of funds, contract, or agreement of any nature shall be made that requires additional appropriation of state funds by the Legislature unless specifically authorized in advance by law or the General Appropriations Act.
- 4. The following units are required to report under this budget entity:

State Universities UF - Institute of Food and Agricultural Science UF Health Science Center USF Medical Center FSU Medical School UCF Medical School FIU Medical School FAU Medical School

- (b) Contracts and Grants reports actual and estimated year revenues, expenditures, and positions for university functions which are supported by foundations, various state and federal agencies, local units of governments, businesses, and industries. Universities shall comply with all applicable federal, state, local, and university regulations and guidelines as they relate to grants, contracts, and sponsored research programs.
- (c) Auxiliary Enterprises reports actual and estimated year revenues, expenditures, and positions for self-supporting functions such as, but not limited to, parking services, housing, bookstore operations, and food services.
- (d) Local Funds reports actual and estimated year revenues, expenditures, and positions for the following specific areas:
 - Student Activities revenues generated primarily from the activity and service fee each university is authorized to charge its students as a component of the mandatory fee schedule. Activities commonly supported by these revenues include student government, cultural events, student organizations, and intramural/club events.

- 2. Intercollegiate Athletics revenues generated from the student athletic fee that each university is authorized to collect as a component of the mandatory fee schedule, and from other sources including ticket sales, radio/TV, bowl games, and tournament revenues.
- 3. Concession Fund revenues generated from various vending activities located around the campuses. The university's budget must reflect the various departments/activities on each campus which benefit from receipt of these funds.
- 4. Student Financial Aid revenues received by the university for loans, grants, scholarships, and other student financial aid. Expenditures of these funds must be reported by activities such as externally-funded loans, student scholarships, need-based financial aid, academic-based financial aid, and athletic grants/scholarships.
- 5. Technology Fee revenues generated from the technology fee that a university is authorized to charge its students as a component of the mandatory fee schedule. Proceeds from this fee shall be used to enhance instructional technology resources for students and faculty.
- 6. Board-Approved Fees student fees presented to the Board of Governors for approval by a university board of trustees that is intended to address a student need not currently being met through existing university services, operations, or another fee.
- 7. Self-Insurance Programs revenues received by the university from entities and individuals protected by the self-insurance programs. This budget must reflect expenditures related to the administration of the self insurance programs and the judgments or claims arising out of activities for which the self-insurance program was created.
- (e) Faculty Practice Plan related to the activities for the state universities' medical schools and health centers. This budget must be designed to report the monetary level of clinical activity regarding the training of students, post-graduate health professionals, and medical faculty.
- (4) The operating budgets of each university shall represent the following:

- (a) The university's plan for utilizing the resources available through direct or continuing appropriations by the Legislature, allocation amendments, or from local sources including tuition. The provisions of the General Appropriations Act and the SUS Allocation Summary and Workpapers publication will be taken into consideration in the development and preparation of the E&G data.
- (b) Actual prior-year revenues, expenditures (<u>including</u> E&G carryforward amounts expended), and positions, as well as currentyear estimated revenues, expenditures, and positions. University carryforward funds shall not be included in any estimated-year (budgeted) amounts.
- (c) Assurance that the universities are in compliance with general legislative intent for expenditure of the appropriated state funds and with the Board of Governors' guidelines and priorities.

(5) Interest earnings resulting from the investment of current-year E&G appropriations are considered to be of the same nature as the original appropriations, and are subject to the same expenditure regulations as the original appropriations. E&G interest earnings are not to be utilized for non-E&G related activities or for fixed capital outlay activities except where expressly alloed by law. Interest earnings resulting from invested carryforward funds are considered to be additions to the university's carryforward balance.

Anticipated interest earnings for the estimated year from invested E&G funds should not be included when building the detailed operating budget schedules. Estimated-year E&G interest earnings and planned expenditures of these funds should only be reported on the manually-prepared E&G Schedule I and Summary Schedule I reports.

(6) Any unexpended E&G appropriation carried forward to the fund balance in a new fiscal year shall be utilized in support of E&G operating activities only except where expressly allowed by law.

Authority: Section 7(d), Art. IX, Fla. Const., History-New 12-6-07, _____

XXX.X Collegiate License Plates Revenues

(1) Pursuant to Section 320.08058(3)(b), Florida Statutes, each university board of trustees must submit an expenditure plan to the Board of Governors for approval of all funds generated from the sale of collegiate license plates. The revenues generated may be used only for academic enhancement, including scholarships and private fund raising activities.

(2) The expenditure plan shall indicate the percentage of revenues allocated for academic enhancement, including scholarships and private fund raising activities.

	Scholarships	Fundraising	Academic Enhancement
FAMU	<u>85%</u>	<u>15%</u>	
FAU	<u>75%</u>	<u>25%</u>	
<u>FGCU</u>	<u>100%</u>		
<u>FIU</u>	<u>75%</u>	<u>25%</u>	
<u>FSU</u>	<u>90%</u>	<u>10%</u>	
NCF	<u>50%</u>	<u>10%</u>	<u>40%</u>
<u>UCF</u>	<u>20%</u>	<u>30%</u>	<u>50%</u>
<u>UF</u>	<u>60%</u>	<u>40%</u>	
<u>USF</u>	<u>20%</u>	<u>66%</u>	<u>14%</u>
<u>UNF</u>	<u>70%</u>	<u>30%</u>	
UWF		<u>100%</u>	

(3) Any deviations from the approved expenditure plan must be submitted to the Board of Governors for review and approval.

Authority: Section 7(d), Art. IX, Fla. Const.;

From:	Tracy Clark
Sent:	Friday, July 26, 2013 11:33 AM
То:	Paige Borden; Patricia Ramsey
Subject:	FW: Data Request: Various Amended Regulations
Attachments:	7-001 tuition and associated fees regulation DRAFT 7-9-13.doc; 7-003 Fees-fines-
	penalties regulation DRAFT 07-09-13.docx; 7-008 waiver of tuition and fee waivers
	DRAFT 7-9-13.doc; 9-007 Operating Budget Regulation revised 07-10-13.docx;
	collegiate license plate_NEW_07-10-2013.docx

Not sure who's collecting comments on this Data Request, but F&A has reviewed these and has not comments. They are fine with us. One response is due from the university by July 30st.

Thanks.

Tracy Clark, CPA Assistant Vice President for Finance and Controller UCF Finance and Accounting 12424 Research Parkway, Ste 300 Orlando, Florida 32826 Phone: 407-882-1006 Fax: 407-882-1102 Tracy.Clark@ucf.edu

From: SUS-Submissions [mailto:SUS-Submissions@flbog.edu]
Sent: Thursday, July 11, 2013 8:57 AM
To: #SUS Data Administrators; Calkins, Kevin
Cc: #SUS Council for Admin/Fin Affairs; #SUS Budget Officers; rdeiulio@floridapolytechnic.org; vleonard@fgcu.edu;
Shirley, Vikki; dsmolker@bsbpropertylaw.com; Scott Cole; prevaux@admin.usf.edu; lgore@uwf.edu; Stone, Karen; Keith, Jamie; David.Kian@fau.edu; kraattam@fiu.edu; cegan@admin.fsu.edu; avery.mcknight@famu.edu
Subject: Data Request: Various Amended Regulations



<u>M E M O R A N D U M</u>

- TO: Institutional Data Administrators
 CC: Council for Administrative & Financial Affairs General Counsels Budget Officers
- FROM: Tim Jones, Chief Financial Officer

THROUGH: Gene Kovacs, Assistant Vice Chancellor/CIO

DATE: July 11, 2013

SUBJECT: Various Amended Regulations

DUE DATE: July 30, 2013

There are several regulations that need to be updated in preparation for the September Board meeting. A summary of the proposed changes for each regulation are as follows:

- 1. 7.001 Tuition & Associated Fees
 - i. Eliminates the specific amount charged for undergraduate tuition and references the GAA and statutory authority.
 - ii. Eliminates reference to the building fee (the building fee and capital improvement fee were combined).
 - iii. Eliminates the additional charge associated with college prep course. This change is made pursuant to the modification in SB 1720 to section 1009.28. this was the citation that FAMU used to charge an additional fee for college prep classes.
 - iv. Eliminates the date when a block tuition proposal is to be submitted. (NOTE: Will rely on our data request system to establish the date.)
 - v. Modifies the date the tuition differential report is due to the legislature (NOTE: the date was modified in SB 1514)
- 2. 7.003 Fees, Fines & Penalties
 - i. Changes date when the budget committee will consider increases to existing fees from January to June.
 - ii. Changes date when the budget committee will consider new fees from March to June.
 - iii. Clarifies that excess hours applies to FTIC students.
- 3. 7.008 Waivers of Tuition & Fees
 - i. Clarification is provided on the number of credit hours allowed for homeless waivers.
- 4. 9.007 Operating Budgets
 - i. Adds language regarding the inclusion of carryforward funds in the expenditure data.
 - ii. Adds language that E&G funds are to be used for operating activities, unless specifically authorized by law.
 - Adds language requiring universities to comply with all applicable federal, state, and local laws when implementing grants, contracts and sponsored research programs. (this is to address a Board audit comment on not having guidelines addressing sponsored research)
 - iv. Adds language regarding the inclusion of technology fee revenues/expenditures and Board approved fees.
 - v. Clarifies the use of E&G interest earnings.
- 5. X.xxx Collegiate License Plates Revenues New regulation that includes the university expenditure allocation for fundraising and scholarships.

Please submit one response per institution by **July 30, 2013**. Please send all responses to <u>SUS-SUBMISSIONS@flbog.edu</u>.

Thank you for your cooperation and assistance.

Attachments:

Regulations 7.001, 7.003, 7.008, and 9.007 New regulation on collegiate license plates

Eugene Kovacs

Assistant Vice Chancellor/CIO Information Resource Management



STATE UNIVERSITY SYSTEM of FLORIDA Board of Governors

Board of Governors State University System of Florida 325 West Gaines Street, Suite 1625 Tallahassee, Florida 32399 (850) 245-0837 (850) 245-0419 FAX Visit us online at <u>www.flbog.edu</u>

University of Central Florida Board of Trustees

SUBJECT: Five-year capital improvement plan

DATE: July 23, 2009

PROPOSED BOARD ACTION

Approval of the capital improvement plan for 2010-11 through 2014-15.

BACKGROUND INFORMATION

Each year, the university must submit an updated capital improvement plan to the Board of Governors. This plan identifies projects that will be included in the three-year Public Education Capital Outlay (PECO) list, identifies projects that may be included in future Courtelis Facilities Enhancement Challenge Grant lists, and provides information to the State Board of Education for its request for capital project funding for 2010-11.

The capital improvement plan must be submitted to the Board of Governors' staff by August 1, 2009. The attached schedules include the following:

- projects that are proposed for inclusion in the five-year capital improvement plan
- items to be included in the 2010-11 Appropriations Authorization Bill, including projects funded by bonds, projects of direct support organizations, and projects requiring general revenue to operate
- projects tentatively funded by matching funds from the Facilities Enhancement Challenge Grant program

We request approval to submit the 2010-11 Capital Improvement Plan with the projects listed in the attached schedules.

Supporting documentation:

2010 Five-Year Plan List (DCU) (Attachment A)

- 2010-11 Fixed Capital Outlay Projects Requiring Legislative Approval to Sell Bonds (Attachment B)
- 2010-11 Fixed Capital Outlay Projects Requiring Legislative Approval to be Financed and Constructed by a DSO (Attachment C)

2010-11 Fixed Capital Outlay Projects Requiring Legislative Authorization and General Revenue Funds to Operate and Maintain (Attachment D)

- Prepared by: Lee Kernek, Associate Vice President for Administration and Finance
- Submitted by: William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

2010 HIVE YEAR PLAN PLAN IS IN THE PLAN PLAN PLAN	15TEN				
		2000 C	1.50 × 24.0 ×		
UTILITIES, INFRASTRUCTURE (P,C)	\$5,231,102	\$11,685,748	\$9,003,372	\$14,000,000	\$14.0
PHYSICAL SCIENCES PHASE II (E)	\$1,077,500	\$637,000			
PARTNERSHIP III (E)	\$546,750	\$1,332,355			
CLASSROOM BUILDING II (P,C,E)		\$5,039,088	\$18,436,513		
MATH AND PHYSICS BLDG. REMODELING AND RENOVATION (P,C,E)			\$1,544,527	\$6,211,263	
MAIN UTILITY PLANT RENOVATION (P,C)			\$879,756		
ENGINEERING BUILDING I RENOVATION (P,C,E)			\$753,110	\$6,488,335	
INTERDISC. RESEARCH AND INCUBATOR FAC. (P.C.E)				\$5,924,183	\$33,8
MULTI-PURPOSE RESEARCH AND EDUCATION BUILDING (P,C,B)				\$2,268,726	\$23,2
BUSINESS ADMINISTRATION RENOVATION (P,C,B)		· · ·		\$7,118,804	
LIBRARY RENOVATION (P,C,E)				\$14,212,564	
CHEMISTRY RENOVATION (P,C,B)				\$2,864,067	
ARTS COMPLEX PHASE II (PERFORMANCE) (P,C.E)					\$6,7
FACTLITTES & SAFETY COMPLEX RENOVATION (P.C.E)					\$48
VISUAL ARTS RENOVATION (P.C.B)					54.7
HOWARD PHILLIPS HALL RENOVATION (P,C,B)					\$3,5
COLLECE OF NURSENC (P,C.B)					\$3,4
COLBOURN HALL RENOVATION (P,C,B)					6,43
FERRELL COMMONS (E AND G SPACE) RENOVATION (P.C.E)					\$5,4
COMPUTER CENTER I RENOVATION (P,C,E)					S 2
LIBRARY ECANSION (P,C,B) (1999) (1999) (1999) (1999) (1999) (1999) (1999) (1999) (1999) (1999) (1999) (1999) (1					\$44,1
MILLICAN HALL RENOVATION (P,CE)					58
COMPUTER CENTER II RENOVATION (P.C.B)					5
COLLEGE OF SCIENCES BUILDING RENOVATION (P.C.E)					ŝ
REHEARSAL HALL RENOVATION (P.C.E)					69
THEATER BUILDING RENOVATION (P, C.E)					51
PACILITIES BUILDING AT LAKE NONA (P.C.E)					\$6
SOUTH CAMPUS RENOVATION (P,C,B)					\$6
RECYCLING CENTER (P,C)					\$2,3
HUMANITIES AND FINE ARTS II (P.C.E)					\$2.7
FILM - ARTS AND HUMANITIES II BUILDING (P,C,B))					51,1
SIMULATION AND TRAINING BUILDING (P,C,B)	 	· .			\$2.3
BUSINESS ADMIN. III BUILDING (P,C,B)					\$1,5
EMERGENCY OPERATIONS CENTER (BOC) RENOVATION (P.C.B)					\$9
MORGRIDGE INTERNATIONAL READING CENTER II (EDUCATION) (P.C.E)					\$2,0
BAND BUILDING (P,C,E)					3
ARTS COMPLEX III (P,C,B)			•		512 51
INTERDISC RESEARCH BUILDING II (P,C,B)					\$2,3
SUSTAINABILITY CENTER					\$5,0
CENTER FOR EMERGING MEDIA BUILD-OUT (P,C,B)					26,3
TUIAL (PECO)	203 325 335 5		10001501777750		22.72.52

Attachment A Page 1 of 2

UNIVERSITY OF CENTRAL MORIDA LUTURE PROJECT PROJECTIONS FOR 2010-2015 2040 FIVE YEAR PLAN LIST

			A	
				and the second
LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E)	\$9,483,350	\$9,407,634		Donated
BURNETT BIO-MEDICAL SCIENCE CTR (C,E)	\$2,528,605			* Donated
ARTS COMPLEX II ENHANCEMENT (P,C)	\$500,000			* Donated
MEDICAL SCHOOL LIBRARY (P,C,E)	\$4,000,000			* Donated
MORGRIDGE INTERNATIONAL READING CENTER (P,C,E)	\$2,064,149			* Donated
PSYCHOLOGY BUILDING (E)	\$80,540			 Donated
ENGINEERING III ENHANCEMENT (E)	\$1,284,970	\$1,099,493		* Donated
ALUMNI CENTER, JOHN AND MARTHA HITT LIBRARY (E)	\$7,049			* Donated
OPTICS AND PHOTONICS ENHANCEMENT (E)	\$69,085			 Donated
RESEARCH LAB, LAKE NONA	\$6,412,845	\$97,268,758	\$9,180,000	* Donated
CARACOL in BELIZE		\$350,000		* Donated
COLLEGE OF NURSING		1/8/83		* Donated
BURNETT BIO-MEDICAL SCIENCE CTR INFRASTRUCTURE (C,E)		\$7,500,000		
CIVIL AND ENVIRONMENTAL ENGINEERING (P,C,E)		\$1,160,667	\$14,508,333	\$1,741,000 * Donated
ORLANDO REPERTORY THEATRE III RENOVATIONS (C)		\$75,000	\$75,000	\$75,000 * Donated
CREATIVE SCHOOL EXPANSION (P,C,E)			\$1,500,000	* Donated
SUSTAINABILITY CENTER (P,C,E)			\$250,000	\$2,000,000 \$2
ATHLETIC ACADEMIC PERFORMANCE CENTER (P,C,E)		\$12,000,000		* Donated
	12 (13 (13 (13 (13 (13 (13 (13 (13 (13 (13	- 2018/2017 2013 - 2018/2019 - 2018/2018 2018/2019 - 2018/2018/2018 - 2018/2018 - 2018/2018 2018/2018	18 20 11 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	2230.0001 0001 000000000000000000000000000

Projects to be programmed Projects with approved building programs

Remodeling denotes <u>change</u> in spa Renovation denotes <u>no change</u> s * Donated Funds for Courtelis M

> Attachment A Page 2 of 2

STATE UNIVERSITY SYSTEM 2010-11 Fixed Capital Outlay Projects Requiring Legislative Approval to SELL BONDS

Min.FrogetFrogetLocationUCSpecial Purpose Housing and Payres Housing andGSFBrief Description of ProgetLocationUCPayring Garage160,000425 bets and 500 particing spacesS26,000,000UCF. OriaUCPayring Garage180,000425 bets and 500 particing spacesS200,000UCF. OriaUCPayring Garage180,0001,800 spaces1,800 spacesS200,000UCF. OriaUCParting Deeks164,0001,800 spaces1,800 spacesS20,000,000UCF. OriaUCParting Deeks164,0001,800 spacesS20,000,000UCF. OriaUCParting Deeks164,0001,800 spacesS20,000,000UCF. OriaUCParting Deeks169,0001,800 spacesS20,000,000UCF. OriaUCParting Deeks169,0001,800 spacesS20,000,000UCF. OriaUCParting Deeks169,0001,800 spacesS21,000,000UCF. OriaUCParting Deeks169,0001,800 spacesS21,000,000UCF. OriaUCParting Deeks23,0000,0001,000OriandoforUCAddemic21,0001,800 spacesS21,000,000UCF. OriaUCAddemic21,237Orifees and originS21,000,000UCF. OriaUCAddemic21,237Orifees and orifees21,000,000UCF. OriaUC							Droiort
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Garage Expansion50,837400 additional spaces\$\$5,000,000Research Lab, Lake Nona198,027Labs and offices\$\$112,861,603Classroom and Lab Building, Lake Nona91,464Classrooms, labs, and offices\$\$23,475,601Lake Nona Lake Nona91,464Classrooms, labs, and offices\$\$23,475,601Life Sciences Incubator, Lake Nona55,000Labs and offices\$\$30,000,000NonaFacilities Building, Lake Nona20,799Offices, storage, and support space\$\$\$6,000,000Expo Center Housing 	UCF	Athletics Facilities Expansion		Facilities for track, soccer, tennis, softball, baseball, basketball, and practice	67	10,000,000	Orlando/Orange
Research Lab, Lake Nona198,027Labs and offices\$ 112,861,603Classroom and Lab Building, Lake Nona91,464Classrooms, labs, and offices\$ 23,475,601Like Sciences Incubator, Lake Nona55,000Labs and offices\$ 23,000,000Life Sciences Incubator, Lake Nona55,000Labs and offices\$ 20,000,000Tacilities Building, Lake Nona20,799Offices, storage, and support space\$ 6,000,000Expo Center Housing Regional Campuses Multi- Burpose Buildings103,000Classrooms, labs, and offices\$ 28,000,000	UCF	Garage Expansion	50,837	400 additional spaces	\$	5,000,000	Orlando/Orange
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Expo Center Housing103,000400 Beds\$ 16,000,000Regional Campuses Multi- purpose Buildings60,000Classrooms, labs, and offices\$ 28,000,000	UCF	Facilities Building, Lake Nona	20,799	Offices, storage, and support space	\$	6,000,000	Orlando/Orange
Regional Campuses Multi- 60,000 Classrooms, labs, and offices \$ 28,000,000 purpose Buildings	Ъ	Expo Center Housing	103,000	400 Beds	Ś	16,000,000	Orlando/Orange
	UCF	Regional Campuses Multi- purpose Buildings	60,000	Classrooms, labs, and offices	67	28,000,000	Orlando/Orange

Attachment B

FLORIDA DEPARTMENT OF EDUCATION DIVISION OF COLLEGES & UNIVERSITIES 2010-2011 Fixed Capital Outlay Projects Requiring Legislative Approval Projects to be Financed and Constru

Univ.	Project Title	GSF	Brief Description of Project	Project Amount	Ű
UCF	Special Purpose Housing and Parking Garage I	160,000	425 beds and 500 parking spaces	\$ 25,000,000	ō
UCF	UCF Special Purpose Housing I	32,000	Fratemity, sorority, and organization housing	\$ 8,000,000	ō
UCF	Parking Deck (Athletic Complex)	168,000	600 parking spaces	\$5,000,000	ō
UCF	UCF Library Expansion	164,554	Library and offices	\$113,472,690	ō
UCF	UCF Strategic Land and Property Purchases	N/A	Land and various buildings	\$50,000,000	ō
UCF	Graduate Housing	150,000	Land and 600 Beds	\$50,000,000	ō
UCF	UCF Refinance UCF Foundation properties	432,250	Consolidation and refinancing of existing UCF Foundation properties	\$37,410,000	ð
UCF	UCF N.E. campus property mixed use development	200,000	Mixed use development of niche housing, meeting space. offices and retail	\$50,000,000	ΡÖ
UCF	UCF Academic Center	68,127	Offices and retail	\$12,000,000	ð
UCF	Student Housing	224,000	800 beds	\$50,000,000	ð
UCF	Brighthouse Networks Stadium Tower Expansion	21,337	Athletic stadium tower expansion	\$5,000,000	ō
UCF	UCF Athletics Facilities Expansion		Facilities for track, soccer, tennis, softball, baseball. basketball. and practice	\$10,000,000	ō
UCF	Research Lab, Lake Nona	198,027	Labs and offices	\$112,861,603	ō
UCF	Classroom and Lab Building, Lake Nona	91,464	Classrooms/labs/offices	\$23,475,601	ō
UCF	Life Sciences Incubator, Lake Nona	55,000	Labs and offices	\$30,000,000	ō
UCF	UCF Expo Center Housing	103,000	400 Beds	\$16,000,000	ō

Attachment C

STATE UNIVERSITY SYSTEM	2010-11 Fixed Capital Outlay Projects Requiring Legislative Authorization and General Revenue Funds to Operate and Maintain	
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University	Project Title	GSF Brief Description of Project	Project Location	Project Amount	Funding Source
UCF	Physical Sciences Building I	57,000 Office, Labs, and Classrooms	UCF	\$30,773,704	PECO
UCF	University Tower	103,000 Office	UCF	\$7,550,000	Private
UCF	Bio-Molecular Annex	16,000 Office, Labs, and Classrooms	UCF	\$1,690,000	Private
UCF	Career Services & Experiential Learning	52,321 Offices, Labs, and Library Resource Center	UCF	\$10,970,000	CITF and Priv Donations
UCF	Bio-Medical Enhancement	30,000 Offices and Labs	UCF	\$15,000,000	Private Donati
UCF	Laboratory Instruction Building	120,000 Offices and Labs	UCF	\$39,000,000	Donor and Ma
UCF	Biological Transgenic Green House	5,000 Greenhouse	UCF	\$150,000	Private
UCF	Bennett Building	47,983 Labs, Offices, and Conference Room	UCF	\$6,750,000	Debt
UCF	Visitor Information Building	3,300 Offices	UCF	\$900,000	Debt
UCF	Medical Library	10,000 Library and Offices	UCF	\$8,000,000	Debt
UCF	Honors Living and Learning Center	3,158 Classrooms and Library	UCF	\$800,000	Debt
UCF	Bio-Medical Science Center	195,325 Office, Labs, and Classrooms	UCF	\$113,472,690	PECO, Dono and Match
UCF	Research Pavilion	133,296 Offices and Labs	UCF	\$7,450,000	Debt
UCF	University Tech Center (Suites 300, 360, 390, 390, 8, 200)	147,686 Offices and Labs	UCF	I	n/a
UCF	Orlando Tech Center	43,495 Offices and Labs	UCF	\$16,830,000	Debt
UCF	Academic Center	68,127 Offices and Retail	UCF	\$12,000,000	Donations
UCF	AMPAC Building	8,000 Offices and Labs	UCF	\$1,296,900	Grants
UCF	Wild Animal Facility	4,000 Offices and Labs	UCF	\$600,000	Grants
	UCF 6 Engineering Field House Expansion	7,432 Offices and Labs	UCF	\$765,993	CITF and Priv Donations
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Attachment D
REVISED Minutes Board of Trustees Meeting University of Central Florida July 23, 2009

Chair Richard Walsh called the meeting of the Board of Trustees to order at 1:00 p.m. The following members attended the meeting:

The Honorable Judith Albertson The Honorable Olga Calvet The Honorable Patrick Christiansen The Honorable Ida Cook The Honorable Alan Florez The Honorable Micky Grindstaff The Honorable Phyllis Klock The Honorable Brian Peterson The Honorable Conrad Santiago The Honorable Thomas Yochum

WELCOME

Chair Walsh welcomed the board members and announced that there would be a slight deviation from the agenda. He presented the following item for board approval:

NOM-2 Election of Chair and Vice Chair, UCF Board of Trustees – A motion
was made and passed by the board approving the election of Richard Walsh to an
additional two-year term as chair of the UCF Board of Trustees and Thomas
Yochum to an additional two-year term as vice chair of the UCF Board of
Trustees.

Chair Walsh called for approval of the May 21, 2009, board meeting minutes, which were approved as written.

Walsh called on Trustee Phyllis Klock to present the following item for board approval on behalf of the Nominating Committee:

 NOM-1 Trustee Emeritus Status for Dr. Richard Nunis – A motion was made and unanimously passed by the board conferring the title of *Trustee Emeritus* to Dr. Richard A. Nunis, charter trustee of the UCF Board of Trustees (July 2001-January 2008) and charter chair of the UCF Board of Trustees (July 2001-January 2007).

Chair Walsh and President John Hitt presented Nunis with a plaque recognizing his distinguished service to the university.

Chair Walsh called on President Hitt for opening remarks and introductions.

REMARKS AND INTRODUCTIONS

President Hitt began his remarks with an update of UCF's financial status. The past two years have been difficult ones as the university addressed state budget cuts totaling \$77.2

million and, despite the university's best efforts, it must propose program deletions. When federal stimulus dollars that will support UCF for the next two years run out on July 1, 2011, the university will face a \$17 million budget deficit. The university's priorities would continue to be: 1) operating the most efficient administration in the state university system, 2) rewarding talented faculty members with top pay, and 3) seeking university input about the budget.

Hitt announced that UCF was placed on the 2008 President's Higher Education Community Service Honor Roll. Given each year to only a handful of institutions, this award is the highest federal recognition a college or university can receive for its commitment to volunteerism, service-learning, and civic engagement.

President Hitt recognized the following members of the UCF community:

Breanne Javier, senior first baseman for the UCF softball team, was named one of 12 Conference USA student-athletes who received the 2008-2009 Spring Conference USA Spirit of Service award for her significant community service, good academic standing, and participation in her sport. Hitt also recognized softball coach Renee Gillispie and thanked her for her outstanding team leadership.

Dr. Peter Hancock, Dr. Juin Liou, and **Dr. Debra Reinhart** were named the 2009 Pegasus Professors. This award is the highest honor UCF bestows upon a UCF faculty member. It recognizes those who consistently deliver an extraordinary level of excellence in teaching, research, and service to students, the community, and the profession.

Dr. Peter Hancock holds a joint appointment with the Department of Psychology and the Institute for Simulation and Training. Since joining UCF in 2001 as a Provost's Distinguished Research Professor, he has been the principal investigator or co-principal investigator on more than 25 grants and contracts totaling more than \$7 million.

Dr. Juin Liou is a professor in the School of Electrical Engineering and Computer Science. A UCF professor for 22 years, Dr. Liou directs a state-of-the-art laboratory focused on preventing electrostatic discharges from damaging microchips, a problem that costs the semiconductor industry several hundred million dollars a year. He has received more than \$9 million in research funding from leading semiconductor companies and federal agencies and has filed for or been awarded 7 U.S. patents.

Dr. Debra Reinhart is a professor in the Department of Civil, Environmental, and Construction Engineering and is currently the interim director of UCF's NanoScience Technology Center. An accomplished engineer and leader in the field of solid waste management, she has generated more than \$5 million in research funding and has earned 5 patents since she began teaching at UCF in 1989. She has received the University Research Incentive Award and the College of Engineering and Computer Science's Distinguished Researcher Award.

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In addition, the Employee of the Month for June was **Katie Pomp** (not present), an administrative assistant in Diversity Initiatives.

Hitt asked the audience to join him in congratulating these outstanding members of the UCF family.

CONSENT AGENDA

A motion was made to accept the consent agenda, and members of the board concurred with the following actions:

- **EP-1 Conferral of Degrees** Concurrence with the conferral of degrees at the Summer 2009 commencement ceremonies:
 - 2,291 Baccalaureate Degrees
 - 463 Master's Degrees
 - 124 Doctoral and Specialist Degrees
 - 2,878 Total Number of Degrees to be Awarded
- FIN-1 Faculty Practice Plan Fiscal Year 2010 Budget, College of Medicine Approval of the Faculty Practice Plan budget for FY 2010 presented by the College of Medicine.
- FIN-2 Self-Insurance Program Fiscal Year 2010 Budget, College of Medicine – Approval of the FY 2010 budget presented by the College of Medicine for the College of Medicine Self-insurance Program.
- FIN-8 Finance Committee Charter Approval of the charter for the Finance Committee of the Board of Trustees.

ADVANCEMENT COMMITTEE REPORT

Trustee Alan Florez, chair of the Advancement Committee, reported that Governor Charlie Crist recently visited UCF's Florida Interactive Entertainment Academy and lauded its efforts in bringing attention to Central Florida.

AUDIT AND OPERATIONS REVIEW COMMITTEE REPORT

Trustee Olga Calvet, chair of the Audit and Operations Review Committee, reported that the committee had not met since the last board meeting. She reported that Amy Voelker, Director of University Audit, submitted an annual report to Dr. John Schell, Vice President and Chief of Staff, summarizing the department's operations for 2008-2009. The report included highlights from audits, consulting, and investigations areas. Calvet announced that the committee will meet on August 11, 2009.

EDUCATIONAL PROGRAMS COMMITTEE REPORT

Trustee Judy Albertson, chair of the Educational Programs Committee, reported the highlights from the committee meeting of July 13, 2009.

- The committee recommended to the board the conferral of degrees at the Summer 2009 commencement ceremonies.
- The committee entertained public comment for 110 minutes on EPC-2, Program Deletions and Suspension. Representatives of the programs under consideration and members of the community addressed the programs' centrality, quality, demand, comparative advantage, and cost. EPC-2 was approved for board consideration.

During the Educational Programs Committee report on EPC-2, representatives from the five programs being considered for deletion or suspension addressed the board on behalf of their programs. After lengthy deliberation by the trustees, EP-2 was presented to the board for approval.

• **EP-2 Program Deletions and Suspension** – A motion to table EP-2 was defeated by a vote of nine to two. The board then approved the committee's recommendation to delete four programs and suspend one program by a vote of nine to two.

FACILITIES PLANNING COMMITTEE REPORT

Trustee Pat Christiansen, chair of the Facilities Planning Committee, reported the highlights from the committee meetings of June 22, 2009, and July 15, 2009.

- Chair Christiansen led a discussion of the draft policy on the uses of the Bright House Networks Stadium.
- Christiansen announced that bond financing is being sought for Parking Garage VI that will provide 1,400 additional parking spaces.
- Lee Kernek, Associate Vice President for Administration and Finance, gave a construction update on current campus projects.
- William Merck, Vice President for Administration and Finance, and Kernek gave a capital projects update and recommended the Five-year Capital Improvement Plan for full board approval.
- Residence hall security will be a topic of discussion at the next Facilities Planning Committee meeting.

Trustee Christiansen presented the following item for board approval.

• **FP-1 & FIN-4 Five-year Capital Improvement Plan** – A motion was made and passed by the board approving the amended capital improvement plan for 2010-11 through 2014-15 to include the addition of the joint-use-facility project.

FINANCE COMMITTEE REPORT

Trustee Conrad Santiago, chair of the Finance Committee, presented the following items for board approval:

- FIN-3 Regulation Governing Tuition Remission and Differential Out-of-state Fees for Graduate Assistants and Fellows, as amended – A motion was made and passed by the board approving revisions to Regulation UCF-9.002, governing tuition remission and differential out-of-state fees for graduate assistants and fellows.
- FIN-5 Resolution Requesting the Florida Board of Governors to Authorize the Division of Bond Finance to Issue Bonds for the Construction of a Parking Facility, as amended – A motion was made and passed by the board adopting a resolution requesting the Florida Board of Governors to authorize the Division of Bond Finance of the State Board of Administration of Florida to issue fixed-rate revenue bonds in an amount not to exceed \$19,500,000 for financing a parking facility on the main campus of the University of Central Florida.
- FIN-6 Extending Online Course Delivery Modalities Eligible to Charge the Distance Learning Course Fee A motion was made and passed by the board making the V and RV streaming video course delivery modalities eligible for the distance learning course fee.
- FIN-7 Golden Knights Corporation Release of Excess Reserves for FY 2009-2010 A motion was made and passed by the board approving the release of excess reserves from the Golden Knights Corporation to the UCF Athletics Association, Inc., for FY 2009-2010.

GOVERNANCE STRUCTURE AND PROCESS REVIEW AD HOC COMMITTEE REPORT

Trustee Patrick Christiansen, chair of the Governance Structure and Process Review Ad Hoc Committee, presented the following item for board approval:

• **GOV-1 Materiality Statement** – A motion was made and passed by the board approving the statement on materiality that will serve as a guide for the administration on matters that must be submitted to the board for approval. Chair Walsh expressed his appreciation to the committee for its work on the statement.

NEW BUSINESS

Chair Walsh reported that Florida Atlantic University's president, Frank Brogan, had been selected as the State University System's next chancellor. A new search will soon begin for president of FAU.

Chair Walsh thanked Trustee Albertson and the Educational Programs Committee, Provost Hickey and his administrative team, and Vice President Merck and his financial team for doing an exemplary job on the program deletions and suspension issue.

ANNOUNCEMENTS AND ADJOURNMENT

Chair Walsh announced that the next Board of Governors' meeting is scheduled for August 5-6 in Tallahassee.

The next Board of Trustees' meeting will be September 17, 2009, at the Florida Solar Energy Center in Cocoa.

Chair Walsh thanked the board members for their vote of confidence in re-electing him chair of the Board of Trustees for another term.

Chair Walsh adjourned the board meeting at 3:18 p.m.

Respectfully submitted:

John C. Hitt Corporate Secretary

University of Central Florida Board of Trustees

SUBJECT: Five-year capital improvement plan

DATE: July 22, 2010

PROPOSED BOARD ACTION

Approval of the capital improvement plan for 2011-12 through 2015-16.

BACKGROUND INFORMATION

Each year, the university must submit an updated capital improvement plan to the Board of Governors. This plan identifies projects that will be included in the three-year Public Education Capital Outlay (PECO) list, identifies projects that may be included in future Courtelis Facilities Enhancement Challenge Grant lists, and provides information to the State Board of Education for its request for capital project funding for 2011-12.

The capital improvement plan must be submitted to the Board of Governors' staff by August 2, 2010. The attached schedules include the following:

- projects that are proposed for inclusion in the five-year capital improvement plan
- items to be included in the 2011-12 Appropriations Authorization Bill, including projects funded by bonds, direct support organization projects, and projects requiring general revenue to operate

We request approval to submit the 2011-12 Capital Improvement Plan with the projects listed in the attached schedules.

Supporting documentation:

	ar Plan List (DCU) (Attachment A)
2011-12 Fixed	Capital Outlay Projects Requiring Legislative Approval to Sell Bonds
(Attachment	B)
2011-12 Fixed	Capital Outlay Projects Requiring Legislative Approval to be Financed
and Construe	cted by a DSO (Attachment C)
2011-12 Fixed	Capital Outlay Projects Requiring Legislative Authorization and General
Revenue Fu	nds to Operate and Maintain (Attachment D)
Prepared by:	Lee Kernek, Associate Vice President for Administration and Finance
Submitted by:	William F. Merck II, Vice President for Administration and Finance And Chief Financial Officer

				0000 4.6	0044 4F
PECO PROJECTS	REVISED 07-06-2010	2011-12	2012-2013 VR #2	2013-14 YR #3	2014-15 YR #4
ITTH ITTHS, INFRASTRUCTURE (P.C)		\$9,716,393	\$9,003,372	\$14,000,000	\$14,000,
CLASSROOM BUILDING II (CE)		S7,241,445			
INTERDISC. RESEARCH AND INCUBATOR FAC. (C.E)		\$33,852,470 ec. 000 000	\$5,924,183	S5 000 000	
ARTS COMPLEX PHASE II (PERFORMANCE) (P,C,E) Encrineering britt ding trenovation (P,C,E)		51,850,000	\$15,725,000	\$925,000	
MATH AND PHYSICS BLDG, REMODELING AND RENOVATION (P,C,E)		\$1,400,000	\$11,900,000	\$700,000	
AND EDUCATIO			\$2,268,726	\$23,254,438	\$2,268,
BUSINESS ADMINISTRATION RENOVATION (P,C,E)			\$7,118,804	6-00 000 000	C2 EDD (
LIBRARY RENOVATION (P,C,E)			000,005,64	\$7,684,709	,000'00 .0960.
MILLICAN HALL RENOVATION (P,C,E)	A STATE OF			\$2,864,067	
EACH FILES & SAFETY COMPLEX RENOVATION (P.C.E)			Second the suite of the		\$4,856,
VISUAL ARTS RENOVATION (P,C,E)					\$4,724.
HOWARD PHILLIPS HALL RENOVATION (P,C,E)					53,551,
COLLEGE OF NURSING (P,C,E)					\$4,968
COLBOURN HALL RENOVATION (P,C,E)					\$5,418,
FERRELL COMMONS (E AND G SPACE) KENUVATION (F/C/E) COMPLITER CENTER I RENOVATION (P.C.E)			Section of the sectio		\$489,
COMPUTER CENTER II RENOVATION (P.C.E)			のないないの		\$123,
COLLEGE OF SCIENCES BUILDING RENOVATION (P,CE)		and the second second second second			\$317, 649
REHEARSAL HALL RENOVATION (P,C,E)					1040 5147
THEATER BUILDING RENOVATION (P, C,E)					2600.
FACILITIES BUILDING AT LAKE NONA (P,C,E)					\$551,
SOUTH CAMPUS RENOVATION (P,C,E)					\$2,300,
RECYCLING CENTER (P/C)				and the second second	\$2,772,
HUMANITIES AND FINE AKIS II (17,54) ETTM - APTS AND HIMANITIES II BUILDING (P.C.EI)					\$1,107
SIMULATION AND TRAINING BUILDING (P,C,E)					\$2,370,
BUSINESS ADMIN. III BUILDING (P,C,E)					S2.062
MORGRIDGE INTERNATIONAL READING CENTER II (EDUCATION) (P,C,E)	(B)				\$455,
BAND BUILDING (P,C,E)					\$1,210,
AKIS COMPLEX III (F/LE)					\$2,450,
FARTERSTILLTY (L/C/H) INTERDISC, RESEARCH BUILDING II (P.C.E)			And the second second second	State State State	\$2,370
IOINT USE FACILITY					\$1,000, eF 000
SUSTAINABILITY CENTER					56,360,
CENTER FOR EMERGING MEDIA BUILD-OUT (P.C.E) TOTAL (PECO)		\$59,060,308	\$96,400,674	\$82,428,214	\$81,040,
				The second s	
OTHER PROJECTS		C1E 100 767	\$3 770 197		
LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E)		10/1071/CTC	101101100		
MORGRIDGE INTERNATIONAL READING CENTER (P,C,E)		\$500,000			
AKIS COMPLEX II ENVIRONMENT (1.2) PERFORMING ARTS FUND(C)		\$129,806			
BURNETT BIO-MEDICAL SCIENCE CTR (C.E)		\$2,528,605			
CAREER SERVICES & EXPERIENTIAL LEARNING (E)		\$196,660			
PHYSICAL SCIENCES BUILDING (E)		\$350,000			
OPTICS AND PHOTONICS ENHANCEMENT (E)		\$69,085			
PSYCHOLOGY BUILDING (E)		\$86,540			
ALUMNI CENTER, JOHN AND MARTHA HITT LIBRARY (E)		27,049 FAD,15 FAD 48F 72			
ENGINEERING III ENHANCEMENT (E)		\$6,412,845	\$97,268,758	\$9,180,000	
MEDICAL SCHOOL LIBRARY (P,C,E)		\$4,000,000	1		
COLLEGE OF NURSING			\$3,871		
BURNETT BIO-MEDICAL SCIENCE CTR INFRASTRUCTURE (C,E)			\$1,160,667	\$14,508,333	\$1,741,0
CIVIL AND ENVIRONMENTAL ENGINEEKING (P.C.E)			\$75,000	\$75,000	\$75,
CREATIVE SCHOOL (P,C,E)	and the second second to set the second s			\$1,500,000	60000
SUSTAINABILITY CENTER (P,C,E)			000 000 013	\$250,000	nnn/7¢
A THIT ETTC ACA DEMIC PERFORMANCE CENTER (P.C.E)			MMMM TE		
		633 855 675	\$121 778 493	\$25,513,333	\$3,816,0

KH-K SHKVII SS KFKIFNIAL LANNING EI	\$196,660			Contraction of
	\$1,150			
	\$350,000			
AAOU II BELLEE SAOOD II BELLEE SAOD BUCTONICE BRITANCEMBRIT (E)	\$69,085			
ILO AND ITIOLOMO ENTRACEMENT (9) ACHOLOCO BLITIDING (6)	\$86,540			Contraction of the
TATACTOR AND AND MARTHA HITT LIBRARY (E)	S7,049			
	\$2,384,463			
CUREDATION III CURTUMATINA (1) CEREPTI IN III AKE NONA	\$6,412,845	\$97,268,758	\$9,180,000	SUS SUSPERIES SUS
	\$4,000,000			
DIVIDE DE DIVIDE LE DIVIDE DE D		£3,871		STREET AND
		\$7,500,000		
		\$1,160,667	\$14,508,333	\$1,741,
VILAND ENVIRONMENTAL ENGINEERING (FX-1)		\$75,000	\$75,000	\$75,1
LANDO REPERIORY THEATRE III RENOVATIONS (C)			\$1,500,000	
EATIVE SCHOOL (P,C,E)			\$750 000	\$2,000.1
STAINABILITY CENTER (P,C,E)				too too
HE ETC ACADEMIC PERSONMANCE CENTER (P.C.E.	The second se	\$12,000,000		
TILETIK AKANDURIKA BUN VINDENKED KURATAN KANDU TILETIK AKANDURIKA BUN VINDENKED KURATAN KANDU TOTAT	\$33,855,675	\$121,778,493	\$25,513,333	\$3,816,0
CEANTIN	\$92,915,983	\$92,915,983 \$218,179,167	\$107,941,547	\$84,856,2

Projects to be programmed Projects with approved building pr

Attachment A

Remodeling deno Renovation deno * Donated Funds

029

2011-2012 Fixed Capital Outlay Projects Requiring Legislative Approval to SELL BONDS STATE UNIVERSITY SYSTEM

					Project
				Project	Location
Univ.	Project Title	GSF	Brief Description of Project	Amount	(City/County)
ЧСF	Special Purpose Housing and Parking Garage I	160,000	425 beds and 500 parking spaces	\$ 25,000,000	UCF, Orlando
UCF	Special Purpose Housing II	32,000	Fraternity, sorority and organization housing	\$ 8,000,000	UCF, Orlando
UCF	Parking Garage VII	364,000	1,600 spaces	\$ 20,000,000	UCF, Ortando
UCF	Parking Decks	168,000	1,800 spaces	\$ 17,000,000	UCF, Orlando
UCF	Strategic Land and Property Purchases	N/A	Land and various buildings	\$ 50,000,000	Orlando/Orange
UCF	Graduate Housing	150,000	Land and 600 beds	\$ 50,000,000	Orlando/Orange
UCF	Refinance UCF Foundation Properties	432,250	Consolidation and refinancing of existing UCF foundation properties	\$ 37,410,000	Orlando/Orange
UCF	Bookstore Expansion	30,000	Retail	\$ 8,000,000	Oriando/Orange
UCF	Academic Center	68,127	Offices and retail	\$ 12,000,000	Orlando/Orange
UCF	Student Housing	224,000	800 beds	\$ 50,000,000	Orlando/Orange
UCF	Brighthouse Networks Tower Expansion	21,337	Athletic stadium tower expansion	\$ 5,000,000	Ortando/Orange
UCF	Athletics Facilities Expansion		Facilities for track, soccer, tennis, softball, baseball, basketball, and practice	\$ 10,000,000	Orlando/Orange
UCF	Garage Expansion	50,837	400 additional spaces	\$ 5,000,000	Orlando/Orange
UCF	Research Lab, Lake Nona	198,027	Labs and offices	\$112,861,603	Ortando/Orange
UCF	Classroom/Lab Building, Lake Nona	91,464	Classrooms, labs and offices	\$ 23,475,601	Orlando/Orange
UCF	Life Sciences Incubator, Lake Nona	55,000	Labs and offices	\$ 30,000,000	Orlando/Orange
UCF	Facilities Building, Lake Nona	20,799	Offices, storage and support space	\$ 6,000,000	Orlando/Orange
UCF	Expo Center Housing	103,000	400 Beds	\$ 16,000,000	Orlando/Orange
UCF	Regional Campuses Multi- purpose Buildings	60,000	Classrooms, labs and offices	\$ 28,000,000	Orlando/Orange
UCF	Partnership Garage	60,000	600 Spaces	\$ 7,000,000	Ortando/Orange

Attachment B

FLORIDA DEPARTMENT OF EDUCATION DIVISION OF COLLEGES & UNIVERSITIES 2011-2012 Fixed Capital Outlay Projects Requiring Legislative Approval Projects to be Financed and Constr

Univ.	Project Title	GSF	Brief Description of Project	Project Amount	Pro Loc (City/0
UCF Special Puri	UCF Special Purpose Housing and Parking Garage I	160,000	425 beds and 500 parking spaces	\$ 25,000,000	Orange
UCF Special Purpose Housin	pose Housing II	32,000	Fraternity, sorority and organization housing	\$ 8,000,000	Orange
UCF Parking Dec	UCF Parking Deck (Athletic Complex)	168,000	600 parking spaces	\$5,000,000	Orland
UCF Strategic Le	UCF Strategic Land and Property Purchases	N/A	Land and various buildings	\$50,000,000	Orland
UCF Graduate Housing	lousing	150,000	Land and 600 Beds	\$50,000,000	Orland
UCF Refinance L	UCF Refinance UCF Foundation properties	432,250	Consolidation and refinancing of existing UCF Foundation properties	\$37,410,000	Orland
UCF N.E. campu	UCF N.E. campus property mixed use development	200,000	Mixed use development of niche housing, meeting space, offices and retail	\$50,000,000	Orlando
UCF Academic Center	Center	68,127	Offices and retail	\$12,000,000	Orland
UCF Student Housing	buisn	224,000	800 beds	\$50,000,000	Orland
UCF Brighthous€	Brighthouse Networks Stadium Tower Expansion	21,337	Athletic stadium tower expansion	\$5,000,000	Orland
UCF Athletics Fe	UCF Athletics Facilities Expansion		Facilities for track, soccer, tennis, softball, baseball, baseball, and	\$10,000,000	Orland
UCF Research Lab, Lake Nona	.ab, Lake Nona	198,027	Labs and offices	\$112,861,603	Orland
UCF Classroom and Lab Bui	and Lab Building, Lake Nona	91,464	Classrooms/labs/offices	\$23,475,601	Orland
UCF Life Science	UCF Life Sciences Incubator, Lake Nona	55,000	Labs and offices	\$30,000,000	Orland
UCF Expo Center Housing	er Housing	103,000	400 Beds	\$16,000,000	Orland

Attachment C

		20	STATE ONVERSITY STATEM 2011-2012 Fixed Capital Outlay Projects Requiring Legislative Authorization and General Revenue Funds to Operate and Maintain	гэтсм iring Legislative erate and Mainta	Authorization uin	
University	ר ועופ	GSF	Brief Description of Project	Project Location	Project Amount	Funding Source
UCF	Bio-Medical Science Center II	195,325	Office, Labs and Classrooms	UCF	\$113,472,690	PECO,Donor an Match
UCF	MMAE LAB (Mechanical, Material and Aerospace Engineering)	6,000	Labs, Offices and Exterior space	UCF	\$1,600,000	Private
UCF	Pegasus Health	22,109	Offices, Labs and Conference Rooms	UCF	\$7,200,000	Private
UCF	Biology Field Research Center	8,000	Classrooms, Labs, Support	UCF	\$655,302	E&G
032			Attachment D			

STATE UNIVERSITY SYSTEM

Minutes Board of Trustees Teleconference Meeting University of Central Florida July 22, 2010

Chair Rick Walsh called the meeting of the Board of Trustees to order at 12:47 p.m. in the President's Board Room, Millican Hall, on the UCF Orlando campus.

The following members attended the meeting: Trustee Klock and Vice Chair and Trustee Yochum.

The following members attended the meeting via teleconferencing: Trustees Atchison, Calvet, Cook, Gilley, Grindstaff, Kilbride, Mantilla, and Rosen.

WELCOME

Chair Walsh welcomed the board members and called on Dr. Rick Schell, Vice President and Chief of Staff, to call roll. Schell determined that a quorum was present.

Chair Walsh called for approval of the May 20, 2010, and June 23, 2010, board meeting minutes, which were approved as written.

Chair Walsh called on President John Hitt for remarks and introductions.

REMARKS

President Hitt announced that final registration numbers for the summer term showed a 5.5 percent increase in headcount to 34,434. Credit hours for summer increased by 6.61 percent to 218,454. The fall enrollment headcount increased by 5.83 percent, and credit hours increased by 6.29 percent.

Hitt reported that contracts and grants for 2009-10 exceeded all expectations. M.J. Soileau, Vice President for Research and Commercialization, reported that the unaudited bookings were \$133.3 million compared to \$121.9 million last year, an increase of approximately 9.1 percent. Leading the way is the Florida Solar Energy Center with more than \$21 million in contract and grant activity.

Hitt noted that the NCAA Academic Progress Rates were released last month. UCF's football program ranked second in the state behind the University of Miami.

Hitt noted that the Council for Advancement and Support of Education had awarded UCF News & Information a first-place national award in the "Issues and Crisis Management" category for communications about state-mandated budget cuts during 2009-10.

Finally, Hitt announced that notice had been received from the Board of Governors to prepare for a budget cut of five percent in January. He reported that for the next fiscal year, the university will model a 15 percent cut.

CONSENT AGENDA

A motion was made to accept the consent agenda, and members of the board approved or concurred with the following actions.

- **COMP-1 Compensation and Labor Committee Report and Recommendations** Approval of the Compensation and Labor Committee's report on the Performance Unit Plan and the recommendation to pay the balance owed to participants for the 2006-09 cycle.
- **EP-1 Conferral of Degrees** Concurrence with the conferral of degrees at the Summer 2010 commencement ceremonies:

2,394 baccalaureate degrees
515 master's degrees
<u>145</u> doctoral and specialist degrees **3,054 Total**

- **EP-2 New Degree Program Proposals** Approval of the following new program degree proposals:
 - a. Conservation Biology, P.S.M.
 - b. Urban and Regional Planning, M.S.
- **FIN-1 Revision to UCF-9.002 Tuition Remission for Graduate Assistants and Fellows** Approval to revise UCF-9.002 Tuition Remission for Graduate Assistants and Fellows with a provision to award Peace Corps Fellowships with an out-of-state fee of \$0.00.
- **FIN-2** and **FP-2 Five-year Capital Improvement Plan** Approval of the Five-year Capital Improvement Plan for 2011-12 through 2015-16.
- **FIN-4 Direct Support Organizations' 2010-11 Budgets** Approval of the proposed 2010-11 budgets of the direct support organizations.
- **FP-1 Rename the Campus Police Building the Emergency Operations Center** Approval to rename the Campus Police Building the Emergency Operations Center.
- **FP-3 Minor Amendment to 2010 Campus Master Plan** Approval of a minor amendment to the University of Central Florida Campus Master Plan to add a new heat and power facility.

ADVANCEMENT COMMITTEE REPORT

There was no report for the Advancement Committee.

AUDIT AND OPERATIONS REVIEW COMMITTEE REPORT

There was no report for the Audit and Operations Review Committee.

COMPENSATION AND LABOR AD HOC COMMITTEE REPORT

There was no report for the Compensation and Labor Ad Hoc Committee.

EDUCATIONAL PROGRAMS COMMITTEE REPORT

Trustee Ida Cook, Vice Chair of the Educational Programs Committee, reported the highlights from the committee meeting earlier in the day.

- The board approved two new degree proposals, the Professional Science Master's in Conservation Biology degree and the Master of Science in Urban and Regional Planning degree.
- The board concurred with the conferral of degrees at the Summer 2010 commencement ceremonies.
- Effective July 1, 2010, the Department of Criminal Justice and Legal Studies in the College of Health and Public Affairs will be two departments. The Department of Criminal Justice will be chaired by Dr. Robert Langworthy. Dr. Pamela Kirby will be interim chair of the Department of Legal Studies.

FACILITIES PLANNING COMMITTEE REPORT

Trustee Micky Grindstaff, Chair of the Facilities Planning Committee, reported the highlights from the committee meeting earlier in the day.

- The committee approved the renaming of the Campus Police Building the Emergency Operations Center.
- The Five-year Capital Improvement Plan was approved for 2011-12 through 2015-16.
- A minor amendment to the 2010 University of Central Florida Campus Master Plan was approved to add a new heat and power facility.

FINANCE COMMITTEE REPORT

William Merck, Vice President for Administration and Finance, reported the highlights from the Finance Committee meeting of June 23, 2010.

- Approval of the Five-year Capital Improvement Plan for 2011-12 through 2015-16.
- Terry Hickey, Provost and Executive Vice President, reported on the technology fee allocations.

Vice President Merck presented the following item for board approval.

• **FIN-3 2010-11 Golden Knights Corporation Release of Reserves for FY 2010-11 to UCFAA** – A motion was made and passed by the board approving the release of revenues above budgeted obligations from the Golden Knights Corporation to the UCF Athletics Association for FY 2010-11. The 2010-11 Golden Knights Corporation budget reflects projected unrestricted excess revenues of \$2,347,891 to be available for transfer to UCFAA as they become available. Merck also reported that the Finance Committee met on July 7, 2010, to approve all of the proposed direct support organizations' 2010-11 operating budgets.

GOVERNANCE COMMITTEE REPORT

There was no report for the Governance Committee.

STRATEGIC PLANNING COMMITTEE REPORT

There was no report for the Strategic Planning Committee.

NEW BUSINESS

Trustee Michael Kilbride reported that the Board of Governors held a workgroup meeting to discuss new fees. The Board of Governors workgroup suggested that new fee recommendations should include substantial student involvement. Merck indicated that UCF has a well-developed fee committee process whereby students make up half of the fee committee membership.

ANNOUNCEMENTS AND ADJOURNMENT

Chair Walsh made the following announcements.

The next Board of Governors meeting is scheduled for September 15-16 at the University of North Florida, Jacksonville.

The next Board of Trustees meeting will be September 23 in the Live Oak Center on the UCF Orlando campus.

Chair Walsh adjourned the board meeting at 1:07 p.m.

Respectfully submitted: _____

_____Date: _____

John C. Hitt Corporate Secretary

University of Central Florida Board of Trustees

SUBJECT: Five-year Capital Improvement Plan

DATE: July 21, 2011

PROPOSED BOARD ACTION

Approval of the capital improvement plan for 2012-13 through 2016-17.

BACKGROUND INFORMATION

Each year, the university must submit an updated capital improvement plan to the Board of Governors. This plan identifies projects that will be included in the three-year Public Education Capital Outlay (PECO) list, identifies projects that may be included in future Courtelis Facilities Enhancement Challenge Grant lists, and provides information to the State Board of Education for its request for capital project funding for 2012-13.

The capital improvement plan must be submitted to the Board of Governors' staff by August 1, 2011. The attached schedules include the following:

- projects that are proposed for inclusion in the five-year capital improvement plan
- items to be included in the 2012-13 Appropriations Authorization Bill, including projects funded by bonds, direct support organization projects, and projects requiring general revenue to operate.

We request approval to submit the 2012-13 Capital Improvement Plan with the projects listed in the attached schedules.

Supporting documentation:

2012 Five-Year Plan List (DCU) (Attachment A)

2012-13 Fixed Capital Outlay Projects Requiring Legislative Approval to Sell Bonds (Attachment B) 2012-13 Fixed Capital Outlay Projects Requiring Legislative Approval to be Financed and Constructed by a DSO (Attachment C)

2012-13 Fixed Capital Outlay Projects Requiring Legislative Authorization and General Revenue Funds to Operate and Maintain (Attachment D)

Prepared by:	Lee Kernek, Associate Vice President for Administration and Finance
Submitted by:	William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

	REVISED 06-24-2011	2012-2013 YR #1	2013-14 YR #2	2014-15 YR #3	2015-16 YR #4	2016-17 YR #5	TOTALS	RAN
UTILITIES, INFRASTRUCTURE, CAPITAL RENEWAL AND R	ROOFS (P,C)	\$11,994,197	\$14,000,000	\$14,000,000	\$14,000,000		\$67,994,197	7 1
CLASSROOM BUILDING II (C,E)		\$7,241,445	. , ,				\$7,241,445	2
UCF VCC CLASSROOM BUILDING (C,E)		\$7,500,000					\$7,500,000	3
INTERDISCIPLINARY RESEARCH AND INCUBATOR FAC. ((C,E)	\$33,852,470	\$5,924,183				\$39,776,653	3 4
ARTS COMPLEX PHASE II (PERFORMANCE) (P,C,E)		\$5,000,000	\$40,000,000	\$5,000,000			\$50,000,000) 5
ENGINEERING BUILDING I RENOVATION (P,C,E)		\$1,850,000	\$15,725,000	\$925,000			\$18,500,000) 6
MATH AND PHYSICS BLDG. REMODELING AND RENOVA	ATION (P,C,E)	\$1,400,000	\$11,900,000	\$700,000			\$14,000,000	0 7
MULTI-PURPOSE RESEARCH AND EDUCATION BUILDING	G (P,C,E)		\$2,779,189	\$22,233,512	\$2,779,189		\$27,791,890	8
LIBRARY RENOVATION (P,C,E)			\$3,500,000	\$29,500,000	\$3,500,000		\$36,500,000	9
MILLICAN HALL RENOVATION (P,C,E)			\$960,589	\$8,106,969	\$960,589		\$10,028,147	_
COLLEGE OF NURSING (P,C,E)			\$4,464,964	\$35,719,710	\$4,464,964		\$44,649,638	3 11
BUSINESS ADMINISTRATION RENOVATION (P,C,E)			\$7,495,564				\$7,495,564	_
CHEMISTRY RENOVATION (P,C,E) FACILITIES & SAFETY COMPLEX RENOVATION (P,C,E)			\$3,014,807	\$4,856,238			\$3,014,807 \$4,856,238	7 13 8 14
VISUAL ARTS RENOVATION AND EXPANSION (P,C,E)				\$6,972,637	\$16,000,000	\$2,000,000	\$24,972,637	
HOWARD PHILLIPS HALL RENOVATION (P,C,E)				\$3,738,347	\$10,000,000	\$2,000,000	\$3,738,347	
COLBOURN HALL RENOVATION (P,C,E)				\$5,807,816			\$5,807,816	10 5 17
FERRELL COMMONS (E AND G SPACE) RENOVATION (P,C	Ъ.Е)			\$5,704,054			\$5,704,054	-
COMPUTER CENTER I RENOVATION (P,C,E)				\$739,968			\$739,968	3 19
COMPUTER CENTER II RENOVATION (P,C,E)				\$123,161	\$1,626,106	\$123,160	\$1,872,427	
COLLEGE OF SCIENCES BUILDING RENOVATION (P,C,E)				\$317,437	\$4,209,564	\$317,436	\$4,844,437	7 21
REHEARSAL HALL RENOVATION (P,C,E)				\$48,007	\$634,325	\$48,006	\$730,338	3 22
THEATER BUILDING RENOVATION (P, C,E)				\$142,801	\$1,437,094	\$142,800	\$1,722,695	23
FACILITIES BUILDING AT LAKE NONA (P,C,E)				\$600,000	\$4,800,000	\$600,000	\$6,000,000	24
CLASSROOM BUILDING II (C,E)				\$2,400,000	\$19,200,000	\$2,400,000	\$24,000,000	25
SOUTH CAMPUS RENOVATION (P,C,E)				\$841,405			\$841,405	26
RECYCLING CENTER (P,C)				\$2,300,000	\$18,400,000	\$2,300,000	\$23,000,000	_
HUMANITIES AND FINE ARTS II (P,C,E)				\$2,772,353	\$17,060,631	\$2,772,353	\$22,605,337	7 28
FILM - ARTS AND HUMANITIES II BUILDING (P,C,E))					\$1,107,260	\$8,600,076	\$9,707,336	5 29
SIMULATION AND TRAINING BUILDING (P,C,E)					\$2,370,336		\$20,780,710	-
BUSINESS ADMINISTRATION III BUILDING (P,C,E)					\$1,584,527 \$2,062,348	\$12,307,012 \$15,594,083	\$13,891,539	
MORGRIDGE INTERNATIONAL READING CENTER II (EDI BAND BUILDING (P,C,E)	UCATION) (P,C,E)				\$2,062,348 \$455,045	\$15,594,083	\$17,656,431 \$3,255,324	-
ARTS COMPLEX III (P,C,E)					\$1,210,857	\$7,627,447	\$8,838,304	1 34
PARTERSHIP IV (P,C,E)					\$2,450,000	\$19,600,000	\$22,050,000	-
INTERDISCIPLINARY RESEARCH BUILDING II (P,C,E)					\$2,370,336		\$19,700,932	-
SUSTAINABILITY CENTER					\$5,000,000		\$5,000,000	
CENTER FOR EMERGING MEDIA BUILD-OUT (P,C,E)					\$6,360,339		\$6,360,339	-
								38
TOTA	L (PECO)	\$68,838,112	\$109,764,296	\$153,549,415	\$134,043,510	\$126,973,622	\$593,168,955	
	L (PECO)	\$68,838,112	\$109,764,296	\$153,549,415	\$134,043,510	\$126,973,622	\$593,168,955	
		\$68,838,112	\$109,764,296	\$153,549,415	\$134,043,510	\$126,973,622	\$593,168,955	
TOTA OTHER PI LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E)	ROJECTS	\$18,890,984	\$109,764,296	\$153,549,415	\$134,043,510	* Donated	\$18,890,984	5 1
TOTA OTHER PI LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E) MORGRIDGE INTERNATIONAL READING CENTER (P,C,E)	ROJECTS	\$18,890,984 \$2,068,685	\$109,764,296	\$153,549,415	\$134,043,510	* Donated * Donated	\$18,890,984 \$2,068,685	5 1 2
TOTA OTHER PI LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E) MORGRIDGE INTERNATIONAL READING CENTER (P,C,E) ARTS COMPLEX II ENHANCEMENT (P,C)	ROJECTS	\$18,890,984 \$2,068,685 \$500,000	\$109,764,296	\$153,549,415	\$134,043,510	* Donated * Donated * Donated	\$18,890,984 \$2,068,685 \$500,000	1 1 2 3
TOTA OTHER PI LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E) MORGRIDGE INTERNATIONAL READING CENTER (P,C,E) ARTS COMPLEX II ENHANCEMENT (P,C) PERFORMING ARTS FUND(C)	ROJECTS	\$18,890,984 \$2,068,685 \$500,000 \$129,806	\$109,764,296	\$153,549,415	\$134,043,510	* Donated * Donated * Donated * Donated * Donated	\$18,890,984 \$2,068,685 \$500,000 \$129,806	1 2 3 4
TOTA OTHER PI LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E) MORGRIDGE INTERNATIONAL READING CENTER (P,C,E) ARTS COMPLEX II ENHANCEMENT (P,C) PERFORMING ARTS FUND(C) BURNETT BIO-MEDICAL SCIENCE CTR (C,E)	ROJECTS	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605	\$109,764,296	\$153,549,415	\$134,043,510	* Donated * Donated * Donated * Donated * Donated * Donated	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605	1 1 2 3 4 5
TOTA OTHER PI LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E) MORGRIDGE INTERNATIONAL READING CENTER (P,C,E) ARTS COMPLEX II ENHANCEMENT (P,C) PERFORMING ARTS FUND(C) BURNETT BIO-MEDICAL SCIENCE CTR (C,E) CAREER SERVICES & EXPERIENTIAL LEARNING (E)	ROJECTS	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$196,660	\$109,764,296	\$153,549,415	\$134,043,510	* Donated * Donated * Donated * Donated * Donated * Donated * Donated	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$196,660	1 2 3 4 5 6
TOTA OTHER PI LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E) MORGRIDGE INTERNATIONAL READING CENTER (P,C,E) ARTS COMPLEX II ENHANCEMENT (P,C) PERFORMING ARTS FUND(C) BURNETT BIO-MEDICAL SCIENCE CTR (C,E) CAREER SERVICES & EXPERIENTIAL LEARNING (E) PHYSICAL SCIENCES BUILDING (E)	ROJECTS	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$196,660 \$1,150	\$109,764,296	\$153,549,415	\$134,043,510	* Donated * Donated * Donated * Donated * Donated * Donated * Donated * Donated	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$196,660 \$1,150	5 1 2 3 4 5 6 7
TOTA OTHER PI LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E) MORGRIDGE INTERNATIONAL READING CENTER (P,C,E) ARTS COMPLEX II ENHANCEMENT (P,C) PERFORMING ARTS FUND(C) BURNETT BIO-MEDICAL SCIENCE CTR (C,E) CAREER SERVICES & EXPERIENTIAL LEARNING (E) PHYSICAL SCIENCES BUILDING (E) CARACOL in BELIZE	ROJECTS	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$196,660 \$1,150 \$350,000	\$109,764,296	\$153,549,415	\$134,043,510	* Donated * Donated * Donated * Donated * Donated * Donated * Donated * Donated * Donated	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$196,660 \$1,150 \$350,000	5 1 2 3 4 4 5 6 7 8
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TOTA OTHER PI LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E) MORGRIDGE INTERNATIONAL READING CENTER (P,C,E) ARTS COMPLEX II ENHANCEMENT (P,C) PERFORMING ARTS FUND(C) BURNETT BIO-MEDICAL SCIENCE CTR (C,E) CAREER SERVICES & EXPERIENTIAL LEARNING (E) PHYSICAL SCIENCES BUILDING (E) CARACOL in BELIZE OPTICS AND PHOTONICS ENHANCEMENT (E) PSYCHOLOGY BUILDING (E) ALUMNI CENTER, JOHN AND MARTHA HITT LIBRARY (E) ENGINEERING III ENHANCEMENT (E) ATHLETIC ACADEMIC PERFORMANCE CENTER (P,C,E)	ROJECTS)	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$196,660 \$119,806 \$119,806 \$2,528,605 \$196,660 \$119,660 \$119,660 \$119,660 \$119,660 \$17,049 \$2,384,463 \$14,000,000	\$109,764,296	\$153,549,415	\$134,043,510	* Donated * Donated	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$196,660 \$31,150 \$350,000 \$69,085 \$86,540 \$7,049 \$2,384,463 \$14,000,000	1 2 3 4 5 6 7 8 9 10 11 12 13
TOTA OTHER PI LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E) MORGRIDGE INTERNATIONAL READING CENTER (P,C,E) ARTS COMPLEX II ENHANCEMENT (P,C) PERFORMING ARTS FUND(C) BURNETT BIO-MEDICAL SCIENCE CTR (C,E) CAREER SERVICES & EXPERIENTIAL LEARNING (E) PHYSICAL SCIENCES BUILDING (E) CARACOL IN BELIZE OPTICS AND PHOTONICS ENHANCEMENT (E) PSYCHOLOGY BUILDING (E) ALUMNI CENTER, JOHN AND MARTHA HITT LIBRARY (E) ENGINEERING III ENHANCEMENT (E) ATHLETIC ACADEMIC PERFORMANCE CENTER (P,C,E) MEDICAL SCHOOL LIBRARY (P,C,E)	ROJECTS)	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$196,660 \$1,150 \$350,000 \$69,085 \$86,540 \$7,049 \$2,384,463	\$109,764,296	\$153,549,415 	\$134,043,510	* Donated * Donated	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$1,150 \$350,000 \$69,085 \$86,540 \$7,049 \$2,384,463	1 2 3 4 5 6 7 8 9 10 11 12 13 14
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TOTA OTHER PI LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E) MORGRIDGE INTERNATIONAL READING CENTER (P,C,E) ARTS COMPLEX II ENHANCEMENT (P,C) PERFORMING ARTS FUND(C) BURNETT BIO-MEDICAL SCIENCE CTR (C,E) CAREER SERVICES & EXPERIENTIAL LEARNING (E) PHYSICAL SCIENCES BUILDING (E) CARACOL IN BELIZE OPTICS AND PHOTONICS ENHANCEMENT (E) PSYCHOLOGY BUILDING (E) ALUMNI CENTER, JOHN AND MARTHA HITT LIBRARY (E) ENGINEERING III ENHANCEMENT (E) ATHLETIC ACADEMIC PERFORMANCE CENTER (P,C,E) MEDICAL SCHOOL LIBRARY (P,C,E) RESEARCH LAB, LAKE NONA COLLEGE OF NURSING	ROJECTS)	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$196,660 \$119,806 \$119,806 \$2,528,605 \$196,660 \$119,660 \$119,660 \$119,660 \$119,660 \$17,049 \$2,384,463 \$14,000,000	\$9,180,000			* Donated * Donated	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$196,660 \$1,150 \$350,000 \$4,000,000 \$2,384,463 \$14,000,000 \$4,000,000 \$112,861,603	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16
TOTA OTHER PI LABORATORY INSTRUCTION BUILDING PHASE I (P,C,E) MORGRIDGE INTERNATIONAL READING CENTER (P,C,E) ARTS COMPLEX II ENHANCEMENT (P,C) PERFORMING ARTS FUND(C) BURNETT BIO-MEDICAL SCIENCE CTR (C,E) CAREER SERVICES & EXPERIENTIAL LEARNING (E) PHYSICAL SCIENCES BUILDING (E) CARACOL IN BELIZE OPTICS AND PHOTONICS ENHANCEMENT (E) PSYCHOLOGY BUILDING (E) ALUMNI CENTER, JOHN AND MARTHA HITT LIBRARY (E) ENGINEERING III ENHANCEMENT (E) ATHLETIC ACADEMIC PERFORMANCE CENTER (P,C,E) MEDICAL SCHOOL LIBRARY (P,C,E) RESEARCH LAB, LAKE NONA COLLEGE OF NURSING BURNETT BIO-MEDICAL SCIENCE CTR INFRASTRUCTURE	ROJECTS)	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$196,660 \$119,806 \$119,806 \$2,528,605 \$196,660 \$119,660 \$119,660 \$119,660 \$119,660 \$17,049 \$2,384,463 \$14,000,000	\$9,180,000		\$9,180,000	* Donated * Donated	\$18,890,984 \$2,068,685 \$500,000 \$129,806 \$2,528,605 \$196,660 \$1,150 \$350,000 \$4,000 \$86,540 \$7,049 \$2,384,463 \$14,000,000 \$4,000,000 \$112,861,603 \$3,871	I I 1 2 3 4 5 6 6 7 8 9 100 111 122 133 144 155 166 17
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Projects to be programmed Projects with approved building programs Remodeling denotes <u>change</u> in space usage. Renovation denotes <u>no change</u> space usage. * Donated Funds for Courtelis Match

STATE UNIVERSITY SYSTEM

2012-13 Fixed Capital Outlay Projects Requiring Legislative Approval to SELL BONDS

					Project	
Lain	Project Title	100	Bring Doconintion of Brojoct	Project	Location	
		5			(curbiccount)	Ι
UCF	Special Purpose Housing and Parking Garage I	160,000	425 beds and 500 parking spaces	\$ 25,000,000	UCF, Orlando	R
UCF	Special Purpose Housing II	32,000	Fraternity, sorority, and organization housing	\$ 8,000,000	UCF, Orlando	R
UCF	Parking Garage VII	364,000	1,600 spaces	\$ 20,000,000	UCF, Orlando	۵۲
UCF	Parking decks	168,000	1,800 spaces	\$ 17,000,000	UCF, Orlando	۵Ļ
UCF	Graduate housing	150,000	Land and 600 beds	\$ 50,000,000	Orlando/Orange	R
UCF	Refinance UCF Foundation properties	432,250	Consolidation and refinancing of existing UCF foundation properties	\$ 37,410,000	Orlando/Orange	Ř
UCF	Bookstore expansion	30,000	Retail	\$ 8,000,000	Orlando/Orange	AL
UCF	Student housing	224,000	800 beds	\$ 50,000,000	Orlando/Orange	Å
UCF	Garage expansion	50,837	400 additional spaces	\$ 5,000,000	Orlando/Orange	ΔĻ
UCF	Research Lab, Lake Nona	198,027	Labs and offices	\$112,861,603	Orlando/Orange	Ϋ́
UCF	Classroom and lab building, Lake Nona	91,464	Classrooms, labs, and offices	\$ 23,475,601	Orlando/Orange	Å
UCF	Life Sciences Incubator, Lake Nona	55,000	Labs and offices	\$ 30,000,000	Orlando/Orange	ñ
UCF	Facilities Building, Lake Nona	20,799	Offices, storage, and support space	\$ 6,000,000	Orlando/Orange	Ř
UCF	Expo Center housing	103,000	400 Beds	\$ 16,000,000	Orlando/Orange	Ř
UCF	Regional Campuses multi-purpose buildings	60,000	Classrooms, labs, and offices	\$ 28,000,000	Orlando/Orange	Ř
UCF	Partnership Garage	60,000	600 Spaces	\$ 7,000,000	Orlando/Orange	Ϋ́

Attachment B

FLORIDA DEPARTMENT OF EDUCATION	DIVISION OF COLLEGES & UNIVERSITIES	and the second second second second second second reduced second s
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Univ. Project Title	GSF	Brief Description of Project		Project Amount	Proj Loca (City/Co
UCF Special Purpose Housing and Parking Garage I	160,000	425 beds and 500 parking spaces	ф	25,000,000	Orange/(
UCF Special Purpose Housing II	32,000	Fraternity, sorority, and organization housing	Ф	8,000,000	Orange/0
UCF Parking deck (Athletic Complex)	168,000	600 parking spaces	Ф	5,000,000	Orlando/
UCF Graduate housing	150,000	Land and 600 beds	Ф	50,000,000	Orlando/
UCF Refinance UCF Foundation properties	432,250	Consolidation and refinancing of existing UCF Foundation properties	Ф	37,410,000	Orlando/
UCF North East campus property mixed use development	200,000	Mixed use development of niche housing, meeting space, offices and retail	\$	50,000,000 Orlando/S	Orlando/S
UCF Student housing	224,000	800 beds	θ	50,000,000	Orlando/
UCF Research Lab, Lake Nona	198,027	Labs and offices	ŝ	\$ 112,861,603	Orlando/
UCF Classroom and lab building, Lake Nona	91,464	Classrooms, labs, offices	θ	23,475,601	Orlando/
UCF Life Sciences Incubator, Lake Nona	55,000	Labs and offices	φ	30,000,000	Orlando/
UCF Expo Center housing	103,000	400 Beds	Ф	16,000,000	Orlando/

Attachment C

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	2012-1	3 Fixed (and (STATE UNIVERSITY SYSTEM 2012-13 Fixed Capital Outlay Projects Requiring Legislative Authorization and General Revenue Funds to Operate and Maintain	/STEM ing Legis erate and	lative Authoriza Maintain	ttion
University	y Project Title	GSF	Project Brief Description of Project Location	Project -ocation	Project Amount	Funding Source
UCF	Flexible Residential Test Structure 1 and 2	4,000	4,000 Labs, support	UCF	\$300,847	E&G
UCF	Applications Test Facility	3,750 Labs		UCF	\$722,221	E&G
UCF	Classroom Building II	91,464	91,464 Classroom, office	UCF	\$23,475,601	PECO
UCF	Morgridge International Reading Center	16,726	16,726 Classroom, office, auditorium	UCF	\$5,200,000 Match and private	tch and private

Attachment D

Minutes Board of Trustees Meeting University of Central Florida July 21, 2011

Acting Chair Richard Crotty called the meeting of the Board of Trustees to order at 1:00 p.m. in the Live Oak Center on the UCF Orlando campus.

The following members attended the meeting: Trustees Atchison, Calvet, Cook, Crofton, Gilley, Grindstaff, Marchena, McCann, Rosen, and Sprouls.

WELCOME

Crotty welcomed the board members and announced that the first order of business would be to elect the board's officers. Crotty explained that on May 4, 2011, the Nominating and Governance Committee recommended that Michael J. Grindstaff be elected chair and that Olga Calvet be elected vice chair for a term of two years. He called for any other nominations from the floor. There being none, Crotty held the election.

• NG-1 Chair and Vice Chair Nominations, UCF Board of Trustees – A motion was made and passed by the board approving the election of Trustee Michael J. Grindstaff to a two-year term as chair of the UCF Board of Trustees and Trustee Olga Calvet to a two-year term as vice chair of the UCF Board of Trustees.

Crotty turned the meeting over to Grindstaff after the election. President John C. Hitt presented Grindstaff with his gavel.

Grindstaff called for approval of the May 26, 2011, board meeting minutes, which were approved as written.

Hitt welcomed the following three new board members and presented them with gold Pegasus pins:

- **Meg Crofton**, president, Walt Disney Parks and Resorts Operations, United States and France
- Marcos Marchena, senior partner, Marchena and Graham, P.A., and a UCF alumnus
- John Sprouls, CEO, Universal Orlando, and executive vice president of Universal Parks and Resorts.

REMARKS AND INTRODUCTIONS

Hitt welcomed the students from UCF's Creative School. **Dr. Maribeth Ehasz**, vice president for Student Development and Enrollment Services, gave a brief update on the school and its re-accreditation, and she introduced several of its students.

Hitt congratulated **Cynthia Dancel**, an office manager in the UCF Library, as the Employee of the Month for June.

CONSENT AGENDA

A motion was made to accept the consent agenda, and members of the board approved the following actions.

- **COM-1 Article 10: Employee Performance Evaluations of the Collective Bargaining Agreement with the United Faculty of Florida** Approval of Article 10: Employee Performance Evaluations of the Collective Bargaining Agreement between the University of Central Florida Board of Trustees and the United Faculty of Florida.
- **COM-2 Employment Agreement for President John C. Hitt** Approval of the 2011 Compensation and Labor Committee Report and Recommendations for Presidential Employment Agreement and authorization to the vice president and general counsel to draft an employment agreement consistent with the recommendations approved by the board. Such an agreement will be executed and approved by the chair of the board and chair of the Compensation and Labor Committee on behalf of the board.
- **EP-1 Conferral of Degrees** Concurrence with the conferral of degrees at the Summer 2011 commencement ceremonies:
 - 2,676 baccalaureate degrees
 - 560 master's degrees
 - 98 doctoral and specialist degrees
 - 3,334 Total
- **FF-1 2011-12 Direct Support Organizations' Budgets** Approval of the 2011-12 operating budgets for the following DSOs: UCF Athletic Association, UCF Convocation Corporation, UCF Finance Corporation, UCF Foundation, Golden Knights Corporation, and UCF Research Foundation.
- **FF-3 2011-12 Tuition and Fee Amendments to University Regulation UCF-9.001** – Approval of additional amendments to university regulation UCF-9.001 to reflect the addition of language relating to the excess hours surcharge required by statute.
- **FF-4 Release of Unrestricted Golden Knights Corporation Revenues** Approval of the release of revenues above budgeted obligations from the Golden Knights Corporation to the UCF Athletics Association for 2011-12.

ADVANCEMENT COMMITTEE REPORT

Crotty, chair of the Advancement Committee, reported the highlights from the committee meeting held earlier in the day.

- Robert Holmes, Jr., CEO for the UCF Foundation and vice president for Alumni Relations and Development, and Joyce Henckler, chief development officer for the UCF Foundation, reported that \$23 million in total funds were raised for 2011, and that the number of donors increased by two percent compared to 2010. He reported that endowment funds increased by \$4.65 million from last year. He also reported that the athletics program had a 15 percent increase in donors and a 16 percent increase in donations over last year.
- Dr. Gordon Chavis, associate vice president for Undergraduate Admissions, presented a Strategy, Marketing, Communications, and Admissions update.
 - Fall enrollment is projected to be approximately 58,000 students.
 - Enrollment for summer FTIC students increased 10 percent.
 - Summer transfer student enrollment increased 17 percent.
 - Fall FTIC enrollment is projected to increase two percent.
 - SAT scores are projected to average 1240 or more for the fall class.
 - 62 National Merit Scholars are currently registered for Fall 2011; a record enrollment of 74 is anticipated for the fall semester.
 - o 78 Provost Scholars are currently enrolled for Fall 2011.
 - 525 freshmen are enrolled in The Burnett Honors College for fall.
 - News and Information successfully launched WUCF TV on July 1, 2011.
- Dan Holsenbeck, vice president for University Relations, gave a legislative update and announced that UCF will host a meeting of State University System lobbyists on August 3-4, 2011.

AUDIT, OPERATIONS REVIEW, COMPLIANCE, AND ETHICS COMMITTEE REPORT

Trustee Jim Atchison, chair of the Audit, Operations Review, Compliance, and Ethics Committee, reported the highlights from the committee meeting earlier in the day.

- Rhonda Bishop, chief compliance and ethics officer, presented an overview of the university compliance, ethics, and risk management program.
- Amy Voelker, director of University Audit, gave an update on the Audit, Operations Review, Compliance, and Ethics Committee charter that had been modified.
- Youndy Cook, associate general counsel, gave an update on the Ereck Plancher case and announced that a notice of appeal has been filed by UCF.

EDUCATIONAL PROGRAMS COMMITTEE REPORT

Trustee Ida Cook, chair of the Educational Programs Committee, presented highlights from the committee meeting held earlier in the day.

- Tony Waldrop, provost and vice president for Academic Affairs, reported that 3,334 degrees will be awarded at the Summer 2011 commencement ceremonies on August 6, 2011.
- Waldrop reported that the following two faculty searches are in progress: dean of the College of Sciences and dean of the College of Business Administration.
- Waldrop announced the following five-year reappointments: Dr. Jose Fernandez, dean of the College of Arts and Humanities, and Dr. Alvin Wang, dean of the Burnett Honors College.

Cook presented the following item for board approval.

• **EP-2 New Degree Program Proposal** – A motion was made and passed by the board approving the Engineering Management, Professional Science Masters new degree program proposal.

FINANCE AND FACILITIES COMMITTEE REPORT

Grindstaff, chair of the Finance and Facilities Committee, presented highlights from the committee meeting held earlier in the day.

- William Merck, vice president for Administration and Finance and CFO, introduced Troy Brown, director of consulting and senior consultant, and Dave West, senior consultant with The Bogdahn Group, who presented an investment update for the previous year.
- Merck presented **FF-1 2011-12 Direct Support Organizations' Budgets** for the UCF Athletics Association, UCF Convocation Corporation, UCF Finance Corporation, UCF Foundation, Golden Knights Corporation, and UCF Research Foundation.
- Merck and Lee Kernek, associate vice president for Administration and Finance, presented **FF-2 Five-year Capital Improvement Plan** for 2012-13 through 2016-17 with one change. Projects 3 and 4 are to be reversed in rank on the project list. The revision was approved by the board.
- Youndy Cook presented FF-3 2011-12 Tuition and Fee Amendments to University Regulation UCF-9.001.
- Merck presented **FF-4 Release of Unrestricted Golden Knights Corporation Revenues** for 2011-12.
- Scott Sumner, associate dean for Administration and Finance for the College of Medicine, presented a College of Dental Medicine update, and he announced that the proposal for the new college is scheduled to be presented to the Board of Governors in September 2011.

- Merck announced that UCF has made a commitment to endorse and support the United Way Campaign instead of the Florida State Employees' Charitable Campaign.
- Merck presented the University and DSO Debt Review Annual Performance Snapshot.

Grindstaff presented the following items for board approval.

- **FF-1 2011-12 Direct Support Organizations' Budgets** A second motion was made and passed by the board approving the 2011-12 operating budgets for the following DSOs: UCF Athletic Association, UCF Convocation Corporation, UCF Finance Corporation, UCF Foundation, Golden Knights Corporation, and UCF Research Foundation.
- **FF-2 Five-year Capital Improvement Plan** A motion was made and passed by the board approving the capital improvement plan for 2012-13 through 2016-17 with one revision. Projects 3 and 4 have been reversed in rank on the project list.

NOMINATING AND GOVERNANCE COMMITTEE REPORT

Crotty, vice chair of the Nominating and Governance Committee, presented the following item for board approval.

• NG-2 *Trustee Emeritus* Status for Richard Walsh and Thomas Yochum – A motion was made and passed by the board awarding the title of *Trustee Emeritus* to Richard Walsh and Thomas Yochum, charter members of the UCF Board of Trustees.

STRATEGIC PLANNING COMMITTEE REPORT

Calvet, chair of the Strategic Planning Committee, announced that there was no new business to report.

NEW BUSINESS

• Resolution Requesting the Florida Board of Governors to Authorize the Establishment of a College of Dental Medicine on UCF's Medical Campus at Lake Nona. A motion was made and passed by the board adopting a resolution of the board of trustees requesting that the Florida Board of Governors authorize the establishment of a College of Dental Medicine on UCF's medical campus at Lake Nona. It is the understanding and intent of the trustees that, if approved by the Board of Governors, the College of Dental Medicine will be built and operated permanently without state appropriation. Rather, the college will be funded through student tuition and fees, gifts, and grants.

ADJOURNMENT

Grindstaff adjourned the board meeting at 1:54 p.m.

Respectfully submitted: _____Date: _____ John C. Hitt

Corporate Secretary



C.T. HSU + ASSOCIATES, P.A. ARCHITECTURE PLANNING INTERIOR DESIGN ORLANDO, FLORIDA

Site Observation Report

No. 001

By: William L. Walker

Project: UCF Colbourn Hall Reno.

Colbourn Hall - First Floor Date: August 24, 2011

Project No.: 1007.00

Weather issues: Clear, hot

Location: On Site at UCF Building 18

Observations made in this report of portions of the work which are not consistent with the Construction Documents shall be corrected to bring those portions of the work into conformance by the Contractor. Omission from this report of portions of the work not consistent with the Contract Documents does not indicate acceptance nor does it relieve the Contractor of his contractual duty to construct work in accordance with the Contract Documents.

PRESENT: Owner: ; X C&T: ; X CT Hsu: ; Consultants). (list others as applicable) 1. Met Ben Rogers (Clancy & Theys) on Site and proceeded to the ground floor demolition zone.



820 IRMA AVENUE ORLANDO, FL 32803 USA■ 407 423-0098 FAX # 407 423-4793 LICENSE # AA-C 001322 V:v:\1007.00 ucf colbourn hall reno\1007.00-7 construction administration\1007.00-7.5 field reports\daily report 001 08 24 2011.doc Form Date July 2009 2. Demo sub-contractors were observed cutting openings for frames and hauling broken CMU to truck.



3. Door opening in corridor exhibited cracked block mortar joints. Upon closer examination, it appeared that 1X2 wood stripping had been installed in the partially filled 6 by 8 by 16 block cores on the East of the door jamb. No reinforcing steel or concrete/grout fill was observed.

4. Several CMU blocks adjacent to the frame appeared to be held in place only by their weight, no mortar or mesh was observed intact.

5. Exterior walls had been marked for future window openings. At many locations, dark stains and visible discolorations were observed at the exterior walls. Daylight was readily visible between some of the horizontal brick coursing joints.



6. It appeared that 8" durawall ladder bracing had been used in the 6" thick CMU wall. In most locations observed, the durawall stopped short of the brick by an inch or more. There did not appear to be any brick ties connecting the brick veneer and CMU block wythes. It is possible durawall is coursed into the brick below, where the cross bracing "x's" are visible at locations more than 16" below the top course.

Field Observation Report Page 2 of 6



7. There was no concrete and steel reinforcing evident to form either tie beams or tie columns. This and the above photograph are taken looking vertically (down) from above the lintel block.



Field Observation Report Page 3 of 6 8. Perimeter bar joists appeared to have nelson type studs extending into the U-block top course cavitywhere typically one would expect to see concrete. A few 12" j-bolts were found balanced on top of the bar joist angles.



9. Exterior gypsum sheathing appeared to have been installed in the plane of the perimeter bar joists. Much of it appeared to have deteriorated due to water intrusion. Paper backing was in many locations separated from the gypsum core. Daylight was observed along voids at and above the perimeter- above the block.



10. Looking from outside the South wall, it appeared the voids in the brick mortar joints aligned with the horizontal band where daylight was observed from the interior.

Field Observation Report Page 4 of 6



11. Looking East, daylight was also visible beyond the exterior walls, along the perimeter of the soffit.



12. There was no evidence of exterior air or vapor/water resistant membranes on the gypsum sheathing.

13. Proceeded to North of corridor to observe similarly exposed CMU walls in other rooms.



14. Similar conditions exist, with daylight and lack of tie columns or beams.



15. Looking at the exterior of the same area, it appears this condition may be limited to the first two floors.

INFORMATION OR ACTION REQUIRED: Forward information to client for determination of action, if any.

ATTACHMENTS: Embedded Photos

END OF SITE VISIT REPORT

Copies to: (Nathan Butler, Internal Project File)

Field Observation Report Page 6 of 6



ROBERT A. DeLANY, P.E., PRESIDENT STEVEN L. SHELT, P.E., VICE PRESIDENT

October 6, 2011

REPORT

Mr. Nathan Butler, AIA, LEEP AP C.T. Hsu + Associates, P.A. 820 Irma Avenue Orlando, FL 32803

Re: Colbourn Hall at the University of Central Florida Brick Façade Investigation A/C #11037

Dear Nathan,

It is our pleasure to present this report regarding our observations during the recent site visit to Building 18 – Colbourn Hall – at the University of Central Florida.

INTRODUCTION

The purpose of this report is to present the preliminary findings from our observations of the readily visible conditions related to cracking of some of the brick cladding in the vicinity of the renovation work currently being performed by Clancy and Theys Construction Company. Specifically, the work is in the eastern side of the building. The brick facades of immediate concern are in the southeast and northeast corners.

Conducting a full condition survey of the structure in its current state is outside the scope of this report. Likewise, structural analysis, evaluation, and remediation are outside the scope of this report.

As part of this evaluation, we reviewed the original design drawings you provided. The dates on the drawings are difficult to read, but the building appears to have been designed in 1973. It has reportedly undergone several minor renovations since the original construction.

SUMMARY of the ORIGINAL DESIGN

The 1970's-era design drawings provided did not include structural details of the brick support conditions. These are detailed in the original architectural drawings, primarily Sheet A-21 "SKIN DETAILS". Relevant details are excerpted and included at the back of this report for the convenience of the reader.

Mr. Nathan Butler, AIA, LEEP AP C.T. Hsu + Associates, P.A.

The first floor façade of the building has two main conditions. These correspond to undulations (in plan) of the exterior wall surface. Both are directly below an exposed exterior walkway that serves the second floor. In one condition, shown in Detail 5 / A-21, the lower exterior wall is flush with the outside edge of the walkway above. In the second, shown in Detail 6 / A-21, the lower exterior wall is recessed. The latter condition has a band of brick across the exterior face.

The details of the structural support of the brick are referred to as "SUB-SYSTEM #1", which we were unable to find in the drawings provided. Nevertheless, the architectural details do show certain specifics of the support conditions graphically. In some cases, the structural elements are called out.

As shown in the drawings, the brick is backed by 6" CMU block up to just above ceiling level. A continuous brick shelf angle, just below the top of the CMU, supports the brick spandrel panel to the level of the walkway above. This angle is suspended from 3"x3" vertical angles at 8' o/c. The vertical angle, in turn, is supported by continuous joist bridging across the top and bottom chords of the floor joists. The exterior joist is heavier than the typical interior joists to, we assume, carry the brick load.

SUMMARY of OBSERVATIONS

There is a horizontal crack at approximately the level of the 2nd floor walkway where the brick is separating. At the location of the construction discussed above, some of the 1st floor brick has been cut out to add windows. At these locations, the crack may be slightly larger. We note that this removal is unlikely to be the proximate cause of the separation; the crack occurs in most areas of the building, well removed from the vicinity of the current work.

During our site visit, we noted that the existing original construction does not appear to conform to that called out on the original design drawings. The joist bridging is not continuous across the entire line of joists. Instead, it stops at the first interior joist. This is unlikely to provide the required resistance to rotation of the heavy exterior joist. Very minor rotation of this joist could cause vertical deflection of the brick shelf and brick. In addition, the vertical angles that support the existing brick shelf are not uniformly supported by the bridging. In some places, existing welds appear to be inadequate.

Although they are outside the immediate scope of this study, we also observed several conditions that may have the potential to cause problems in the future. They are as follows:

- The wall ties in the existing brick wall as originally constructed are unlikely to provide sufficient bracing to resist wind forces as required in current building codes.
- The existing 6" CMU wall behind the brick is unlikely to resist wind forces as required in current code as designed. In addition, the bracing at the top of the wall required in the original drawings is not properly installed. The section of wall we observed during our site visit is effectively unbraced and forms a cantilevered condition.
- The existing ½" gypsum sheathing ("asphalt treated") above the CMU wall likewise provides inadequate bracing for the brick.
- There is evidence of extensive water intrusion along the exterior wall, suggesting the original waterproofing system has failed.
- The water leakage has resulted in corrosion in the framing system at the exterior, including the heavier exterior joist and miscellaneous steel that supports the brick.

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Based on the above observations, we offer the following recommendations and conclusions:

- The original wall system as designed and constructed does not have sufficient capacity to resist the wind loads required by current codes. The Florida Building Code requires that all buildings undergoing renovations that exceed 50% of the building value be brought up to current code. Should this requirement be invoked, the exterior wall system should be redesigned and rebuilt.
- The water intrusion issues should be addressed and the steel evaluated. At minimum, it should be thoroughly cleaned and a protective coating applied. If necessary, remedial steel work should be undertaken to restore sufficient capacity to the structural system for the anticipated loading.
- The existing steel system supporting the brick should be evaluated and reinforced to provide adequate support capacity. The exterior brick should be stabilized and repaired. To accomplish this, removal of some or all of the exterior brick may be required.

We trust this report addressed your concerns regarding the brick façade on Building 18. We appreciate the opportunity to be of service to C.T. Hsu, Clancy and Theys, and the University of Central Florida. If there are any questions, or if you would like to discuss any of these issues further, please don't hesitate to call us at 407-628-5282.

Best regards,

mul

Carl W. Jenne, P.E. ALLAN and CONRAD, Inc

cwj/jaf



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ROBERT A. DeLANY, P.E., PRESIDENT STEVEN L. SHELT, P.E., VICE PRESIDENT

October 12, 2011

REPORT

Mr. Nathan Butler, AIA, LEEP AP C.T. Hsu + Associates, P.A. 820 Irma Avenue Orlando, FL 32803

Re: Colbourn Hall at the University of Central Florida Brick Façade Investigation A/C #11037

Dear Nathan,

It is our pleasure to present this report regarding our observations during the recent site visit to Building 18 – Colbourn Hall – at the University of Central Florida.

INTRODUCTION

The purpose of this report is to present the preliminary findings from our observations of the readily visible conditions related to cracking of some of the brick cladding in the vicinity of the renovation work currently being performed by Clancy and Theys Construction Company. Specifically, the work is in the eastern side of the building. The brick facades of immediate concern are in the southeast and northeast corners.

Conducting a full condition survey of the structure in its current state is outside the scope of this report. Likewise, structural analysis, evaluation, and remediation are outside the scope of this report.

As part of this evaluation, we reviewed the original design drawings you provided. The dates on the drawings are difficult to read, but the building appears to have been designed in 1973. It has reportedly undergone several minor renovations since the original construction.

SUMMARY of the ORIGINAL DESIGN

The design drawings provided did not include structural details of the brick support conditions. These are detailed in the architectural drawings, primarily Sheet A-21 "SKIN DETAILS". Relevant details are excerpted and included at the back of this report for the convenience of the reader. Mr. Nathan Butler C.T. Hsu & Associates

The first floor façade of the building has two main conditions. These correspond to undulations (in plan) of the exterior wall surface. Both are directly below an exposed exterior walkway that serves the second floor. In one condition, shown in Detail 5 / A-21, the lower exterior wall is flush with the outside edge of the walkway above. In the second, shown in Detail 6 / A-21, the lower exterior wall is recessed. The latter condition has a band of brick across the exterior face.

The details of the structural support of the brick are referred to "SUB-SYSTEM #1", which we were unable to find in the drawings provided. Nevertheless, the architectural details do show certain specifics of the support conditions graphically. In some cases, the structural elements are called out.

As shown in the drawings, the brick is backed by 6" CMU block up to just above ceiling level. A continuous brick shelf angle, just below the top of the CMU, supports the brick spandrel panel to the level of the walkway above. This angle is suspended from 3"x3" vertical angles at 8' o/c. The vertical angle, in turn, is supported by continuous joist bridging across the top and bottom chords of the floor joists. The exterior joist is heavier than the typical interior joists to, we assume, carry the brick load.

SUMMARY of OBSERVATIONS

There is a horizontal crack at approximately the level of the 2nd floor walkway where the brick is separating. At the location of the construction discussed above, some of the 1st floor brick has been cut out to add windows. At these locations, the crack may be slightly larger. We note that this removal is unlikely to be the proximate cause of the separation; the crack occurs in most areas of the building, well removed from the vicinity of the current work.

During our site visit, we noted that the existing construction does not appear to conform to that called out on the original drawings. The joist bridging is not continuous across the entire line of joists. Instead, it stops at the first interior joist. This is unlikely to provide the required resistance to rotation of the heavy exterior joist. Very minor rotation of this joist could cause vertical deflection of the brick shelf and brick. In addition, the vertical angles that support the brick shelf are not uniformly supported by the bridging. In some places, welds appear to be inadequate.

Although they are outside the immediate scope of this study, we also observed several conditions that may have the potential to cause problems in the future. They are as follows:

- The wall ties in the brick wall as constructed are unlikely to provide sufficient bracing to resist wind forces as required in current building codes.
- The 6" CMU wall behind the brick is unlikely to resist wind forces as required in current code as designed. In addition, the bracing at the top of the wall required in the original drawings is not properly installed. The section of wall we observed during our site visit is effectively unbraced and forms a cantilevered condition.

- The ½" gypsum sheathing ("asphalt treated") above the CMU wall likewise provides inadequate bracing for the brick.
- There is evidence of extensive water intrusion along the exterior wall, suggesting the original waterproofing system has failed.
- The water leakage has resulted in corrosion in the framing system at the exterior, including the heavier exterior joist and miscellaneous steel that supports the brick.

Based on the above observations, we offer the following recommendations and conclusions:

- The wall system as designed and constructed does not have sufficient capacity to resist the wind loads required by current codes. The Florida Building Code requires that all buildings undergoing renovations that exceed 50% of the building value be brought up to current code. Should this requirement be invoked, the exterior wall system should be redesigned and rebuilt.
- The water intrusion issues should be addressed and the steel evaluated. At minimum, it should be thoroughly cleaned and a protective coating applied. If necessary, remedial steel work should be undertaken to restore sufficient capacity to the structural system for the anticipated loading.
- The steel system supporting the brick should be evaluated and reinforced to provide adequate support capacity. The exterior brick should be stabilized and repaired. To accomplish this, removal of some or all of the exterior brick may be required.

We trust this report addressed your concerns regarding the brick façade on Building 18. We appreciate the opportunity to be of service to C.T. Hsu, Clancy and Theys, and the University of Central Florida. If there are any questions, or if you would like to discuss any of these issues further, please don't hesitate to call us at 407-628-5282.

 Basis for design and engineering.

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