STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Agenda and Meeting Materials
March 27-28, 2019

Grand Ballroom
H. Manning Efferson Student Union Building
Florida A&M University
1780 S. Martin Luther King, Jr. Boulevard
Tallahassee, Florida 32307

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

ACTIVITIES
BOARD OF GOVERNORS MEETINGS

Grand Ballroom
H. Manning Efferson Student Union Building
Florida A&M University
1780 S. Martin Luther King, Jr. Boulevard
Tallahassee, Florida 32307
March 27-28, 2019

Wednesday, March 27, 2019

12:00 – 1:00 p.m.	**Lunch will be provided** Multipurpose Room 104 B & C
1:00 – 2:00 p.m.	**Drugs, Alcohol and Mental Health Task Force Committee** Chair: Fernando Valverde; Vice Chair: Mr. Syd Kitson Members: Jordan, Tripp, White, Zachariah Trustees: Barbar, Burr, Gable, Garvy, Heavener, Hyde, Lawson, Lowell, Martin, O'Sullivan, Schulaner, Watkins
2:00 – 3:45 p.m. or upon Adjournment of Previous Meetings	**Strategic Planning Committee** Chair: Ms. Darlene Jordan; Vice Chair: Mr. Edward Morton Members: Cerio, Felton, Frost, Huizenga, Levine, Salerno, Zachariah
3:45 – 4:00 p.m.	**Break**
4:00 – 5:00 p.m. or upon Adjournment of Previous Meetings	**Academic and Research Excellence Committee** Chair: Mr. Alan Levine; Vice Chair: Mr. Norman Tripp Members: Jordan, Patel, Zachariah
5:00 – 6:00 p.m. or upon Adjournment of Previous Meetings	**Facilities Committee** Chair: Mr. H. Wayne Huizenga, Jr.; Vice Chair: Fernando Valverde Members: Felton, Jordan, Kitson, Lautenbach, Morton, Patel

6:00 – 6:45 p.m.	**Welcome Reception** Al Lawson Center Concourse

Thursday, March 28, 2019

8:00 – 9:00 a.m.	**Members Breakfast with the Advisory Council of Faculty Senates** President's Dining Room
8:00 – 9:00 a.m.	**Breakfast will be provided** Multipurpose Room 104 B & C
9:00 – 11:00 a.m. or upon Adjournment of Previous Meetings	**Academic and Student Affairs Committee** Chair: Mr. Norman Tripp; Vice Chair: Vacant Members: Cerio, Corcoran, Felton, Frost, Morton, Valverde, White, Zachariah
11:00 – 12:00 p.m. or upon Adjournment of Previous Meetings	**Audit and Compliance Committee** Chair: Mr. Tim Cerio; Vice Chair: H. Wayne Huizenga, Jr. Members: Frost, Levine, Morton, Patel, Valverde
12:00 – 1:00 p.m.	**Lunch will be provided** Multipurpose Room 104 B & C
1:00 – 1:45 p.m. or upon Adjournment of Previous Meetings	**Budget and Finance Committee** Chair: Mr. Syd Kitson; Vice Chair: Mr. H. Wayne Huizenga, Jr. Members: Cerio, Lautenbach, Salerno, Valverde, White
1:45 – 2:00 p.m.	**Break**
2:00 – 3:30 p.m. or upon Adjournment of Previous Meetings	**Board of Governors – Regular Meeting** Chair: Mr. Ned Lautenbach; Vice Chair: Mr. Syd Kitson All Board members

Please note that this schedule may change at the Chair's privilege.

CONSTITUTION
OF THE
STATE OF FLORIDA

AS REVISED IN 1968 AND SUBSEQUENTLY AMENDED

ARTICLE IX

EDUCATION

SECTION 7. State University System.--

(a) PURPOSES. In order to achieve excellence through teaching students, advancing research and providing public service for the benefit of Florida's citizens, their communities and economies, the people hereby establish a system of governance for the state university system of Florida.

(b) STATE UNIVERSITY SYSTEM. There shall be a single state university system comprised of all public universities. A board of trustees shall administer each public university and a board of governors shall govern the state university system.

(c) LOCAL BOARDS OF TRUSTEES. Each local constituent university shall be administered by a board of trustees consisting of thirteen members dedicated to the purposes of the state university system. The board of governors shall establish the powers and duties of the boards of trustees. Each board of trustees shall consist of six citizen members appointed by the governor and five citizen members appointed by the board of governors. The appointed members shall be confirmed by the senate and serve staggered terms of five years as provided by law. The chair of the faculty senate, or the equivalent, and the president of the student body of the university shall also be members.

(d) STATEWIDE BOARD OF GOVERNORS. The board of governors shall be a body corporate consisting of seventeen members. The board shall operate, regulate, control, and be fully responsible for the management of the whole university system. These responsibilities shall include, but not be limited to, defining the distinctive mission of each constituent university and its articulation with free public schools and community colleges, ensuring the well-planned coordination and operation of the system, and avoiding wasteful duplication of facilities or programs. The board's management shall be subject to the powers of the legislature to appropriate for the expenditure of funds, and the board shall account for such expenditures as provided by law. The governor shall appoint to the board fourteen citizens dedicated to the purposes of the state university system. The appointed members shall be confirmed by the senate and serve staggered terms of seven years as provided by law. The commissioner of education, the chair of the advisory council of faculty senates, or the equivalent, and the president of the Florida student association, or the equivalent, shall also be members of the board.

History.--Proposed by Initiative Petition filed with the Secretary of State August 6, 2002; adopted 2002.

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

AGENDA
Drugs, Alcohol, and Mental Health Task Force
Grand Ballroom
H. Manning Efferson Student Union Building
Florida A&M University
1780 S. Martin Luther King, Jr. Boulevard
Tallahassee, Florida 32307
March 27, 2019
1:00 p.m. – 2:00 p.m.
or
Upon Adjournment of Previous Meetings

Chair: Dr. Fernando Valverde; Vice Chair: Mr. Syd Kitson
Members: Jordan, Tripp, White, Zachariah
Trustees: Barbar, Burr, Gable, Garvy, Heavener, Hyde, Lawson, Lowell, Martin, O'Sullivan, Schulaner, Watkins

1. **Call to Order and Opening Remarks** — **Governor Fernando Valverde**

2. **Minutes of January 30, 2019, Task Force Meeting** — **Governor Valverde**

3. **Dashboard Project Update** — **Dr. Corey King**
Vice President for Student Affairs and Enrollment Management
Florida Atlantic University

4. **Drugs, Alcohol, and Mental Health Issues: A Review** — **Dr. Christy England**
Vice Chancellor for Academic and Student Affairs

5. **Student Wellness Initiatives Updates** — **Dr. King**

6. **Concluding Remarks and Adjournment** — **Governor Valverde**

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Drugs, Alcohol, and Mental Health Task Force
March 27, 2019

SUBJECT: Minutes of the Task Force Meeting held January 30, 2019

PROPOSED COMMITTEE ACTION

Consider approval of the minutes of the Drugs, Alcohol, and Mental Health Task Force meeting held on January 30, 2019, at Florida International University

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review and consider approval of the minutes of the meeting held on January 30, 2019 at Florida International University.

Supporting Documentation Included: Minutes, January 30, 2019

Facilitators/Presenters: Governor Valverde

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
DRUGS, ALCOHOL AND MENTAL HEALTH TASK FORCE
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA
January 30, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at http://www.flbog.edu.

1. Call to Order and Opening Remarks

Chair Fernando Valverde convened the meeting on January 30, 2019, at 1:11 p.m. with the following members present: Governors Valverde, Kitson, Jordan (by phone), Tripp (by phone), White, and Zachariah; Florida Atlantic University Trustee Barbar; Florida Gulf Coast University Trustee Gable (by phone); Florida International University Trustee Lowell, New College of Florida Trustee Schulaner (by phone); University of Central Florida Trustee Marchena, University of North Florida Trustee Hyde, and University of West Florida Trustee O'Sullivan (by phone). A quorum was established.

2. Minutes of Task Force Meeting

Chair Valverde asked for a motion to approve the minutes from the November 7, 2018 Task Force meeting. Governor Zachariah moved to approve the minutes, Governor Tripp seconded the motion, and the motion carried unanimously.

3. Dashboard Project Update

Chair Valverde recognized Dr. Corey King, Vice President for Student Affairs and Enrollment Management at Florida Atlantic University and the Chair of the Council for Student Affairs (CSA), to give an update on the Dashboard Project.

Dr. King began by giving a high level overview of the different initiatives and goals of the project. In the first area of Student Wellness, Dr. King reported that all of the SUS institutions will adopt the use of the American College Health Association's National College Health Assessment by Spring 2020, and this assessment will be administered on a bi-annual basis. Dr. King also said all campuses are in the process or currently have a Healthy Campus 2020 Initiative Task Force or Committee in place. In the second area of Alcohol and Drugs, Dr. King reported that all institutions currently have programs in place to support Goal 4, which is to support students with non-drinking/non-drug using lifestyle. In the third area of Mental Health, Dr. King reported that in regards to Goal 4, all campuses have comprehensive needs assessments for incoming students.

Dr. King reported that the SUS CSA has been exploring two tools to use to establish system-wide student wellness metrics. Dr. King added that the Council has also agreed to implement a system-wide mental health literacy program called Kognito. Dr. King said the Council is working with Kognito on an implementation date and working with the Council of Academic Vice Presidents (CAVP) on how to make it available to faculty.

Chair Valverde requested that Dr. King provide more information on what is occurring behind the scenes and what the Council of Student Affairs is doing to keep the Dashboard Project on schedule.

Dr. King recognized Dr. Kirk Dougher, the Assistant Vice President of Health and Wellness at Florida Atlantic University. Dr. King said Dr. Dougher has been leading the state counseling group, which has been meeting and making recommendations to the Council of Student Affairs about the College Health Association Assessment and other mental health initiatives. Dr. King also reported that Dr. Michael Deichen, from the University of Central Florida, is the leader and facilitator for the student health directors who has also been working with his colleagues to provide recommendations regarding student health and mental health. Dr. King also mentioned that the CSA is in conversations with the CAVP and Florida Student Association.

Chair Valverde thanked Dr. King and the members of his team for the all of their work on the Dashboard Project.

4. Mental Health: Best Practices in Education, Prevention, and Treatment

Chair Valverde said the next item on the agenda was an overview of best practices in education, prevention, and treatment relative to student mental health. Chair Valverde then recognized Dr. Eric Wagner, Professor in the Stempel College of Public Health and Social Work and Co-Director of Bridge at Florida International University, to provide an overview of promising approaches and programs for promoting student mental health.

Dr. Wagner gave an overview of the state of the science in promoting mental health among college students. Dr. Wagner noted that the college years are the peak onset for most mental health disorders such as mood, anxiety, and substance abuse disorders. He said there is also a high rate of mental health disorders and that approximately one-third of college students experience a mental health disorder each year. Lastly, he noted that most college mental health disorders go untreated and they tend to be long-lasting and recurrent. Dr. Wagner identified early screening, access to cognitive behavior treatment intervention, increased mental health literacy, more accessible systems of care for students, trained gatekeepers, and assertive mobile detection strategies for hard-to-reach cases as best practices to address mental health problems in college students. He noted the overarching goals of all strategies is to reduce stigma about mental health, to increase awareness among all involved with college students, to

increase help-seeking and treatment acceptability, and to promote mental health among students. In discussing mental health literacy and stigma, Dr. Wagner noted that college students struggle to define mental and emotional health, believe mental health is less important than other interests or activities they are engaged in, rely on unreliable information, and use extremes to talk about mental illness versus wellness. Dr. Wagner also said that some populations are high-risk for going untreated, such as male college students, Asian college students, and STEM students. Dr. Wagner also noted ways to increase access to care including health insurance, telehealth services, and multiple access points.

Dr. Wagner then presented on the developmental specificity of college students as they present with needs that are different from younger and older individuals. Dr. Wagner noted that there are some unique sets of experiences that impact college students such as expanding education, searching for career options, engaging in romantic relationships, and instability brought on by frequent moves or changes in intimate partners. He explained that this population has limited lifetime experiences with mental illness and substance abuse problems, and their willingness to address these issues will be different than someone who has had a long history of dealing with these issues. In order for college health services to be successful, Dr. Wagner said they require a genuine integration of multi-disciplinary and age-appropriate care, strong stigma free systems of care, have a novel approach of mental health care, and give attention to sub-threshold cases, which are people who experience impairments from drug or alcohol concerns or mental health concerns but do not meet diagnostic criteria. He noted that addressing these subthreshold cases would reduce the number of individuals that get diagnosed or that meet the threshold for mental health or substance abuse.

Dr. Wagner then gave an overview of counseling service models. The first model he discussed was the Comprehensive Counseling Center Model, which a number of the SUS institutions implement. He explained that this model has four pillars, which are clinical services, consultation and collaborative services; outreach and prevention programming, training, and education. Dr. Wagner said the second model used by some SUS institutions is the Behavior Health Continuum of Care Model. Dr. Wagner explained that this model focuses on the continuum from health promotion to the prevention of substance use or mental health problems to treatment or recovery. Lastly, Dr. Wagner gave an overview of the reach of services provided on campus along with topics that reach all students and targeted populations.

Governor Cerio asked about changes to the university environment and its potential influence on the increase of mental health, drug, and alcohol issues. Dr. Wagner said although the world has become a more complicated and stressful place, he believed that the universities were doing a better job at diagnosing those individuals with mental health and substance abuse problems.

Governor White added that a lot of students are facing more challenges such as providing for their families, putting themselves through school, and that some do not have financial aid. Governor White asked Dr. Wagner to comment on mental health resources for people of color with mental health issues. Dr. Wagner responded that different cultures do have different thresholds for seeking help and support. Dr. Wagner said one of the institutes that he directed is concerned with promoting health equity and one of the biggest issues they deal with is providing more access and encouraging more Hispanic-Latinos, African-Americans, and Haitian-Americans to utilize services when they need them.

Governor Felton inquired about the effectiveness of training gatekeepers on those that need the services. Dr. Wagner answered that the relationship between training gatekeepers and reductions in mental health problems needs to be studied more.

Governor Patel asked about app-based early detection and how to identify which apps are the better ones. Dr. Wagner mentioned that the apps that have data available have been available the longest. Dr. Wagner suggested looking for apps that have research articles supporting their effectiveness and those that have been supported by NIH funding. However, he did add that there are several apps out there that are designed to make money rather than help people.

Dr. Kitson asked about data regarding the effectiveness of telehealth services. Dr. Wagner stated that he did not have any data but he is aware that data are available.

Chair Valverde thanked Dr. Wagner for his presentation. Chair Valverde then introduced Karen Oehme, Director of the Institute for Family Violence Studies at Florida State University (FSU), to present on Florida State University's Resiliency Project.

Ms. Oehme gave an overview of the Resiliency Project, which is a universal online training tool and portal that helps integrate all the information and services on the FSU campus. Ms. Oehme noted that the tool is something that every student can use and find something to help them. Ms. Oehme explained that the concept of resilience was chosen because adaptation to adversity is critical. Ms. Oehme then explained some of the design and services of the application including audio trainings from college experts, self-awareness exercises, cognitive exercises, frustration tolerance exercises, writings for mental health, and exercises designed to build coping skills. Ms. Oehme described the use of restorative narratives, which are peer-to-peer testimonials to destigmatize and normalize struggles that some students go through. Ms. Oehme explained that the goal was not to just tell the story but to provide action steps so that students who are experiencing a problem understand that others have experienced it in the past, and that the university has specific programs and resources for those issues.

Ms. Oehme noted that one common misconception is that if a university puts all of its resources on a website, the students know where to find the resources, which is not true, especially for special populations like transfer students or graduate students that did not attend the university as an undergraduate. Ms. Oehme said that one of the core pieces of the project is that it is not a standalone project but a campus campaign with participation from the President, Provost, and faculty. Ms. Oehme mentioned that the application also provides information for specific populations like students of color and discusses things like systematic racism and crimes against women and how joining identity groups on campus can improve a sense of belonging.

Ms. Oehme said the utilization data shows the project is working and that students find the toolkit believable and the information accurate and trustworthy. Ms. Oehme gave an overview of some of the different pages on the application including the skills pages and resource pages. Ms. Oehme noted that since the website launched in fall of 2018, several universities have contacted the organization requesting information and FSU has recently given the project funding to create a customizable toolkit.

Governor Kitson asked if first-year students had the most struggle with adjusting to college life. Ms. Oehme answered that first-year students are just at the beginning and so they have a special set of adjustment issues, but as students get older there are different issues for graduate students such as raising families, imposter syndrome, and starting jobs. Dr. James Clark, Dean of Florida State University's College of Social Work, mentioned that having a strong start is crucial, which is why the project encourages freshmen to add this application to their to-do list. Governor Kitson asked about using elements of the website throughout the SUS. Dr. Clark responded that they are currently in the process of developing a customizable toolkit so that could be a possibility. Dr. Clark noted that because there has been so much interest across the United States and in Florida that the focus is on how to build the customizable toolkit effectively and make the project sustainable.

Chancellor Criser inquired if college students were reflective of people in the same age group and stage in their life and if the same tool can be used for the population group in general or if there was something unique about colleges that was creating the additional stress. Dr. Clark answered that college students fall in the category of late adolescence and young adults, which is a particularly vulnerable period of human development. He explained that the project had its origins in a consultation project that was being done with one of the branches of the U.S. military, which was also experiencing similar issues with recruits who were not able to endure boot camp and having other issues during their first deployment that were similar to issues experienced on college campuses. Dr. Clark added that since this was an applied science project using studies on adverse childhood experiences and young adulthood experiences, they were drawing on population studies broadly, so the project could have applications outside of the university. Ms. Oehme added that they have been

receiving phone calls outside of the universities and will be giving a presentation to a local high school dealing with grief. Ms. Oehme said the project will be receiving the American Association of University Administrators 2019 Blackburn Award for solutions to common student problems.

Chair Valverde asked how much work has been done on conditioning students' minds on a certain sense of reality and how this could affect the ultimate emotional response to reality. Dr. Clark said that this project is not based in psychopathology but in human development and universal human experience. He explained that the focus is on how human beings make sense of experiences in the world and part of this is to not be conditioned by previous experiences but to teach students how to use language and create meaning so they can understand and exercise personal agency, even in a world that seems to be forbidden, driven, or all-powerful. The focus is to use language around experience and create meaning, purpose, and solutions.

Ms. Oehme reported that currently, the website is only available to FSU faculty, staff, and students because the Provost's Office was generous in providing the funding for two years to build the project. Ms. Oehme explained that the application was not accessible through the normal FSU website. Ms. Oehme acknowledged that there is an issue with others being able to use the website, but it is primarily an issue of funding.

Ms. Oehme was asked about the role of the ambassadors and explained that the role of the student ambassadors was to promote the project and destigmatize the use of the application. She explained the student ambassadors were not deputized to identify risky behaviors but that the ambassadors direct students to the different counseling resources that are available on campus who conduct the screenings.

Chair Valverde thanked Ms. Oehme for her presentation. Chair Valverde then introduced Dr. John Fogarty, Dean of the Florida State University College of Medicine, and Dr. Alma Littles, Senior Associate Dean for Medical Education and Academic Affairs and Professor at the Family Medicine and Rural Health at Florida State University, to provide a presentation on the education, prevention, and treatment of medical students with mental illness and burnout.

Dr. John Fogarty began by noting physician suicide, depression, and burnout among medical students, residents, and faculty were national issues, and then gave an overview of the scope of the problem, some national responses, and then local responses. Dr. Fogarty said that data suggests new medical students have less depression and high quality of life but this declines over time. He mentioned that burnout is prevalent among residents, students, and physicians and some studies show it rises as high 90%. Dr. Fogarty said the impact of burnout and depression is impacting the whole health system through increased number of medical errors, decreased satisfaction rates, and other things associated with poor patient care. Dr. Fogarty

reviewed causes of burnout including increased clinical demands, a loss of autonomy, increased government paperwork and requirements, performance measurement, decreased time with the patients, work-life balance, and other things that lead to a sense of isolation. Dr. Fogarty mentioned that the Florida Medical Schools conducted a survey in 2012 and found that many respondents experienced burnout, 10% described having suicidal ideation, and 70% said mental health counseling would be helpful but 60% admitted they have never sought help.

Dr. Littles gave an overview of the different activities that Florida medical schools have or will implement. Dr. Littles noted that many of the schools have formed wellness committees and all have some counseling aspects for the students. Dr. Littles then gave an overview of some of the services and initiatives at each medical school including mandatory counseling, vacation prescriptions to ensure people are taking time off, therapy pets, exercise, and other wellness activities. Dr. Littles noted that many physicians, residents, and medical students were refusing to seek help because they were concerned about the stigma counseling would place on them when they applied for their medical licenses. Dr. Littles said they are working with organizations in the State of Florida to review licensure application questions in order to continue to protect the safety of the public but also reduce the stigma or fear students, residents, and physicians have regarding seeking counseling services. She added that the Florida Board of Medicine will be looking at these questions during their April Board meeting.

Governor Cerio inquired about what would happen if a respondent answered yes to questions regarding issues that could impair ability to practice. Dr. Fogarty noted that they are trying to get away from the "have you ever" questions to the "do you presently have" and if a person says "yes," there is a box to explain. Governor Zachariah added that the Board of Medicine's duty is to protect the public and not protect the doctor.

Governor Cerio then asked if there was buy-in by medical school leadership and faculty regarding letting students know they are going to experience some issues and inform the students of the resources that are available. Dr. Littles said they do have faculty buy-in and a lot of individuals expressed interest in the wellness committee. She added that some faculty have also integrated some of the information into their coursework.

Governor Zachariah explained that even though a medical applicant writes that he/she sought medical counseling, the Board does not deny the license but requests that the person come in and explain why they got counseling. Dr. Fogarty added that the culture within medical schools is that students and residents believe that if they seek mental health services it will have a negative impact on licensure in the future.

Chair Valverde said that a lot of graduate medical education programs and residency programs are now pushing medical schools to get students better prepared for residency. Dr. Littles added that many schools have incorporated a residency

preparation boot camp, and a lot of those wellness activities are integrated into that boot camp.

Chair Valverde thanked Dr. Fogarty and Dr. Littles for their presentation.

5. Student Wellness Initiatives Updates

Chair Valverde then re-introduced Dr. King to give an update on student wellness initiatives.

Dr. King gave an overview of student wellness, noting that some items were already addressed in the dashboard update including the adoption of the American College Health Association's National College Health Assessment, implementation of needs assessments at all campuses, and programs that support students non-drinking and wellness. In regards to Committee questions regarding peer counseling, Dr. King mentioned that nine of the institutions currently offer peer counseling programs, which require training prior to becoming a peer counselor. He said three additional institutions plan to implement peer counseling programs during the 2018-2019 Academic Year. In regards to Board questions about the Student Life Skills (SLS) Courses, Dr. King said there are nine institutions that offer a course as optional and further noted that some specific populations are required to take the courses such as freshmen with less than a 2.0 GPA, first-time college students, student athletes, resident assistants, and high school dual enrollment students. He added that CAVP will work on furthering the SLS courses on campuses. In regards to questions on faculty and staff mental health training, Dr. King said the Council on Student Affairs agreed that Kognito will be the software that will be implemented at all SUS institutions. He stated that CAVP will talk about faculty involvement and the CSA will begin conversations with the Vice Presidents of Finance regarding staff involvement. Dr. King then reported that all institutions have implemented policies, protocols, and procedures related to amnesty. Dr. King commented that the CSA was reviewing a hard waiver insurance proposal from the health center directors.

Chair Valverde thanked Dr. King for his report.

6. Concluding Remarks and Adjournment

Chair Valverde thanked the Task Force and presenters and adjourned the meeting at 2:55 p.m.

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Dr. Fernando Valverde, Chair

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Disraelly Cruz, Ph.D.
Assistant Director
Academic Affairs

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Drugs, Alcohol, and Mental Health Task Force
March 27, 2019

SUBJECT: Dashboard Project Update

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

In accordance with the Task Force work plan, approved on June 27, 2018, Dr. Corey King, Chair of the State University System Council for Student Affairs, will provide an update on the Dashboard Project.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Corey King

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Drugs, Alcohol, and Mental Health Task Force
March 27, 2019

SUBJECT: Drugs, Alcohol, and Mental Health Issues: A Review

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

According to the Task Force work plan approved on June 27, 2018, the Task Force will be presented with a review of the most critical drugs, alcohol, and mental health issues that students and institutions face. The Task Force will receive an update on the system-wide solutions that have been or will be implemented. The Task Force will also consider additional recommended solutions.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Christy England

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Drugs, Alcohol, and Mental Health Task Force
March 27, 2019

SUBJECT: Student Wellness Initiatives

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. Corey King, Chair of the State University System Council for Student Affairs, will provide the Task Force with an update on relevant initiatives and other system-wide initiatives as appropriate.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Corey King

FLORIDA DEPARTMENT OF EDUCATION
fldoe.org

State Board of Education

Marva Johnson, *Chair*
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Commissioner of Edu

March 27, 2019

Dear College President,

Like so many Floridians across our state, this past February we mourned again the tragic loss of live: we marked the one-year anniversary of the horrific and senseless act of violence that was committed Marjorie Stoneman Douglas High School. Seventeen lives were taken that day, and our nation was devastated and in shock.

The survivors – mothers and fathers, sisters, brothers, friends and fellow students continue to try and with their heartbreak and loss. It's these students, the survivors of this tragedy, that I am writing to y about today.

As you have likely heard in the media, this past week two students who survived this school tragedy their own lives in separate, unrelated incidents. One of the students was attending Florida Atlantic University, while the other was still a student at Marjorie Stoneman Douglas. This news reinforces th urgent need for all of us to maintain a strong focus on supporting those students still coping in the wa of this terrifying and devastating event. I am asking that you please reach out to the students on your campus that are the survivors of the violence at this school, both personally and through any addition services available on your campus to help provide the supports that may be needed. Let them know th your college staff are there for them and that there is help, and how they can access it. Also, have you staff reach out and stay in touch with their parents and let them know how your team can be reached they need any additional support or have concerns.

As a father and as fellow education leader, I know you share the sense of loss and the obligation we h to our students and families. Let us do everything we can to prevent further tragedy and loss.

I also strongly encourage you to revisit your communication efforts in this area for all students. Inclu information in orientations, on your websites, for all faculty, for parents and throughout your campus so there is every opportunity for these students, and for each and every one of your students who are experiencing a mental health crisis, to know that help is available to them. Our team at the Departmer can assist your staff in identifying students enrolled at your College who were seniors at Marjorie Stoneman Douglas last year, and we will share that information with you through the Division of Flo Colleges if requested. Please let us know if you need any additional information, as my staff stand rea to assist with anything you need as we move forward.

Sincerely,

Richard Corcoran

RC/hh

www.fldoe.org
325 W. Gaines Street | Tallahassee, FL 32399-0400 | 850-245-0505

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

AGENDA
Strategic Planning Committee
Grand Ballroom
H. Manning Efferson Student Union Building
Florida A&M University
1780 S. Martin Luther King, Jr. Boulevard
Tallahassee, Florida 32307
March 27, 2019
2:00 p.m. – 3:45 p.m.
or
Upon Adjournment of Previous Meetings

Chair: Ms. Darlene Jordan; Vice Chair: Mr. Edward Morton
Members: Cerio, Felton, Frost, Huizenga, Levine, Salerno, Zachariah

1. **Call to Order and Opening Remarks** — **Governor Darlene Jordan**

2. **Minutes of January 31, 2019 Committee Meeting** — **Governor Jordan**

3. **University of South Florida Consolidation Implementation Plan** — **Mr. Brian Lamb**, *Chair, University of South Florida Board of Trustees*

4. **State University System 2025 Strategic Plan Mid-course Correction** — **Dr. Christy England**, *Vice Chancellor for Academic and Student Affairs*; **Ms. Emily Sikes**, *Assistant Vice Chancellor for Strategic Initiatives and Economic Development*

5. **SUS Enrollment Growth Considerations** — **Dr. R.E. LeMon**, *Associate Vice Chancellor for*

Planning and Policy,
Academic and Student Affairs

Mr. Chris Kinsley, CPA
Assistant Vice Chancellor for
Finance and Facilities

6. Closing Remarks and Adjournment **Governor Jordan**

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
March 27, 2019

SUBJECT: Minutes of Committee Meeting held January 31, 2019

PROPOSED COMMITTEE ACTION

The Strategic Planning Committee will consider approval of the minutes of its meeting held January 31, 2019 at Florida International University

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review and consider approval of the minutes of its meeting held on January 31, 2019 at Florida International University.

Supporting Documentation Included: Minutes, January 31, 2019

Facilitators/Presenters: Governor Darlene Jordan

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
STRATEGIC PLANNING COMMITTEE
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA
January 31, 2019

Video or audio archives of the meetings of the Board of Governors and its committees are accessible at http://www.flbog.edu/.

1. Call to Order

Chair Darlene Jordan convened the Strategic Planning Committee meeting at 10:05 a.m. with Governors Morton, Cerio, Felton, Frost, Huizenga, Levine, and Zachariah in attendance. A quorum was established.

2. Minutes of November 8, 2018 Committee Meeting

Chair Jordan entertained a motion to approve the minutes of the November 8, 2018 Committee meeting. Governor Cerio moved to approve the minutes, Governor Morton seconded the motion, and the motion carried unanimously.

3. 2018 Accountability Plans: Additional Information

Chair Jordan informed members that the Committee's next item was to receive further information from Florida Gulf Coast University President Martin and University of North Florida President Szymanski relative to each universities' 2018 Accountability Plan. Chair Jordan noted that when the University of North Florida's (UNF) and FGCU's Accountability Plans were approved in June 2018, the Committee asked that the universities provide further information at its January 2019 meeting.

Chair Jordan said that the Committee asked UNF to clarify why the average cost to the student was expected to increase, whether student mental health services were adequate, details about the plans for a downtown presence, the performance of transfer students compared to first-time-in-college (FTIC) students, and the identification of potential Programs of Excellence. Chair Jordan said that the Committee asked FGCU to discuss plans for increasing four-year graduation rates and plans to expand scholarship and financial aid programs to improve recruitment and retention.

Chair Jordan recognized FGCU President Martin. Dr. Martin said that FGCU has launched several initiatives aligned with the "Five Pillars" of the University's strategic

plan, including increasing financial aid, rearranging the advising process, and investing in a new mental health counseling center. Dr. Martin said that FGCU has seen an increase in the number of students taking summer courses and an increase in the number of credit hours students are taking. He indicated that FGCU is working on several methods to lower the net cost to its students, one of which is to increase the number of jobs on campus.

Pointing to FGCU's 2013-17 23% four-year graduation rate Chair Jordan asked what strategies FGCU is employing to ensure that students are graduating in four years. President Martin responded that the FGCU Strategic Plan is multi-dimensional. He noted that three strategies are to add more full-time faculty and adjuncts to increase course sections, to provide more financial aid for the summer term, and to use intervention advising with the capability to track student progress in real-time.

There being no further questions or comments, Chair Jordan thanked President Martin for his presentation.

Chair Jordan then recognized President Syzmanski to provide additional information on UNF's Accountability Plan.

President Syzmanksi began by discussing scholarships and cost of attendance. He said that UNF is focusing on scholarships, Pell Grant recipients, and reducing the number of hours to graduation. He noted that the University's Board of Trustees gave permission to allocate $2.5 million for scholarships. President Syzmanski indicated that one facet of the Start Strong Finish Strong Initiative will be to provide $600 to purchase books for students with a 2.5 GPA who return for the Fall semester. He also said that since some FTIC students are enrolling as sophomores or juniors, UNF has developed a three-plus-one initiative whereby the first three years are undergraduate work and the fourth is graduate work. Dr. Syzmanski noted that these initiatives will reduce the cost of attendance.

President Syzmanksi discussed the Center for Entrepreneurship and Innovation, a part of the University's downtown presence. He noted that UNF's goal is for the Center for Entrepreneurship and Innovation to offer a limited number of business courses and to bring students and the community together to explore the expansion of businesses and business collaborations.

With respect to FTIC students and those transferring from the Florida College System (FCS) President Syzmanksi said that the major difference involved excess hours. He noted that 88% of transfer students complete their degrees without excess hours compared to 75% for regular students.

Finally, President Syzmanski discussed potential Programs of Excellence, identifying finance, healthcare, logistics, advanced manufacturing, and data analytics. He noted that UNF has strong degree programs in all five areas and that UNF is exploring partnerships between the community and educational programs to create seamless opportunities.

Governors Kitson, Jordan, and Frost commended Dr. Syzmanski on his efforts over the past six months and on his enthusiasm to ensure student success. Board Chair Lautenbach inquired as to how UNF intends to increase graduation rates. Dr. Syzmanski indicated that some UNF students transfer to other state institutions and that others work more than 20 hours. He noted that strategies to lower the number of students transferring included providing scholarships that will help reduce their workload burden, focusing on making course registration easier, and ensuring that students are receiving excellent advising.

4. Florida Polytechnic University 2018-2023 Strategic Plan

Chair Jordan said that the next item on the Committee's agenda was to consider for approval the Florida Polytechnic University 2018-2023 Strategic Plan. She then called on President Randy Avent to present the Florida Polytechnic University 2018-2023 Strategic Plan.

President Avent began by discussing the process Florida Polytechnic University underwent in the strategic planning process. He said that an analysis of trends in higher education led to the "Four Ps:" positioning, priorities, payment, and performance. Dr. Avent indicated that by using this construct, the University developed a strategy to maximize the institution's impact. He noted that three key characteristics differentiated Florida Polytechnic University from other SUS institutions: its smallness, its being new, and its single focus on STEM education.

President Avent highlighted that Florida Polytechnic University's mission and vision clearly emphasize student success, economic development, affordability, and efficiency. Dr. Avent indicated that Florida Polytechnic University's goals are to educate students and to work with industry to translate research from the lab in order to solve problems associated with Florida's workforce needs.

President Avent noted that, while Florida Polytechnic University's tuition and fees are the lowest in the SUS, it offers costly programs and that this will likely be a challenge in years to come. He indicated that the University will use a scorecard approach to measure performance.

Governor Morton inquired about Florida Polytechnic University's growth plan for the next five years. President Avent said that the University is not expected to grow

significantly and that by 2023 an enrollment of 1,550 to 1,900 is anticipated. Dr. Avent reminded the Committee that currently Florida Polytechnic has only one academic building, presenting restrictions on how much it can grow. He said that while sufficient classroom space exists there is a need for more office, research, and lab space. Dr. Avent indicated that until such time as Florida Polytechnic University builds an Applied Research Center enrollment is not expected to significantly grow.

Governor Morton asked about the timeline for the transition from being a start-up to a mature institution. President Avent replied that generally speaking the transition has occurred internally and that the strategic plan is focused on further maturation.

Chair Jordan inquired about plans to construct more facilities by 2023. President Avent explained that Florida Polytechnic University has requested resources for an Applied Research Center that would provide needed office and research space as well as space for student projects. Dr. Avent said that Florida Polytechnic has committed all of its carry-forward funding to the Applied Research Center in order to begin construction but that additional funding has been requested for completion.

Governor Jordan asked how Florida Polytechnic University intends to address the gender and ethnic diversity of its student population. President Avent said that Florida Polytechnic is increasing its efforts to market and recruit female students. He added that the University is exploring the addition of programs such as environmental engineering and engineering math that are still within Florida Polytechnic University's mission but typically have higher enrollments of females. With respect to ethnic diversity, Dr. Avent noted that Florida Polytechnic University is struggling with African-American enrollments. He said that in order to target this population, the University is focusing on articulation agreements. He added that Florida Polytechnic University has also sought funds to create a summer program targeted at underrepresented students.

Governor Frost thanked President Avent for clarifying Florida Polytechnic University's mission. She queried as to faculty recruitment efforts that would result in grants and recognition. President Avent again noted that a challenge exists due to the lack of office space and labs but stated that the Applied Research Center will help with faculty recruitment. Governor Frost asked if any of Florida Polytechnic University's younger faculty had grants. President Avent stated that Florida Polytechnic University has two National Science Foundation grants and a total of 20 externally funded grants. Governor Felton asked about the future needs of faculty, the institution's culture, and how these factored into the University's strategic plan. President Avent stated that the culture of a start-up university can be somewhat chaotic but that Florida Polytechnic University has sufficiently matured.

There being no further questions or comments Chair Jordan entertained a motion to approve the Florida Polytechnic University 2018-2023 Strategic Plan. A motion was made by Governor Cerio, seconded by Governor Frost, and the motion carried unanimously.

5. University of North Florida Legislative Budget Request

Chair Jordan said that the next item on the Committee's agenda was to consider for approval a $10.8 million University of North Florida Legislative Budget Request (LBR) to improve student success. Chair Jordan said that if approved by the Strategic Planning Committee, the LBR will be forwarded to the Budget and Finance Committee for consideration. She then called on UNF President Syzmanski to present the LBR.

President Syzmanski reviewed the three-pronged approach that UNF is employing to support student success: improving student services, increasing the number of faculty, and increasing the availability of scholarships. He said LBR dollars will be used to improve student services by reducing wait times for registration. President Syzmanski noted that the University has already made adjustments to its budget by creating administrative efficiencies. He said that another focus in the LBR is to increase the number of its faculty. President Syzmanski noted that UNF is investing in faculty associated with Programs of Strategic Emphasis and that the LBR includes a request for additional funding to continue that strategy.

Board Chair Lautenbach and Governor Kitson expressed support for the LBR. Governor Huizenga commented that it was a positive move to invest in more faculty and student services at UNF.

There being no further questions or comments, Chair Jordan entertained a motion to approve the University of North Florida's $10.8 million Legislative Budget Request. A motion was made by Governor Frost, seconded by Governor Zachariah, and the motion carried unanimously.

6. State University System Strategic Plan Mid-course Correction

Chair Jordan said that the next item on the Committee's agenda was to begin the process of examining the 2025 Strategic Plan in order to determine whether its goals need adjustment based on current progress, external circumstances that may be impacting the System's ability to reach its goals, and whether the Board has new priorities that merit additional metrics. Chair Jordan then recognized Vice Chancellor England to make a presentation on the Strategic Plan's Teaching and Learning metrics and the extent to which mid-course corrections on these metrics may be appropriate.

Vice Chancellor England began by thanking Dr. R.E. LeMon, Mr. Jason Jones, Ms. Emily Sikes, and Dr. Traki Taylor for their assistance in preparing the presentation. She reminded the Committee of the Board's 2025 Strategic Plan three metric categories: Teaching and Learning; Scholarship, Research, and Innovation; and Community and Business Engagement. Dr. England stated that the presentation would focus on the Teaching and Learning metric category. Dr. England indicated that of the 19 metrics in that category the presentation would focus on five metrics recommended as candidates for revision: four-year graduation rates for FTICs, six-year graduation rates for FTICs, bachelor's degrees awarded, graduate degrees awarded, and bachelor's degrees awarded to African-American and Hispanic students. Dr. England said that, in addition, Board staff identified two new metrics for consideration. She emphasized that adjusting or creating new metrics would not have an impact on the performance based funding model.

Dr. England noted that graduation rates are traditionally slow moving metrics. She stated that the SUS has made good progress over the last five years, and that the increase reflects the institutions' commitment to helping students complete in a timely fashion. Dr. England said that graduation rate improvements translated to approximately an additional 1,870 graduates annually. She indicated that based on the goals in the current university accountability plans approved last June, the System is on pace to exceed the four-year graduation rate goal of 50% and the six-year graduation rate goal of 70%. Dr. England recommended that the Committee consider adjusting the goals or removing the six-year goal given the increased emphasis on the four-year graduation rate goal.

Governor Huizenga expressed support for an adjustment given the current trend. Board Chair Lautenbach suggested raising the four-year graduation rate goal to 65%. Governor Morton added that four-year graduation rates tie to other metrics such as cost. In addition he said that in years to come he expected that the Board, following Europe and elsewhere, should be discussing three-year graduation rates. He then expressed support for amending the four-year graduation rate goal.

Board Chair Lautenbach expressed support for keeping the six-year graduation rate goal due to the continued interest in it. Chair Jordan asked if there was interest in increasing the six-year goal. Mr. Lautenbach suggested making the new goal 80%.

At the discussion's end, the Committee agreed that a goal increase to 65% for four-year graduate rates and a goal increase to 80% for six-year graduation rates would be taken to the full Board of Governors at the conclusion of the Mid-course Correction exercise.

Dr. England next discussed the number of bachelor's degrees awarded annually. She indicated that the SUS was projected to produce 11,500 fewer degrees than the 2025 goal of 90,000. Dr. England explained that a number of factors have potentially influenced

bachelor degree production, including FTIC enrollment and graduation rates, the number of FCS AA transfers, the expansion of FCS bachelor degree programs, and economy and workforce considerations.

Governor Morton asked if Board staff has researched Florida's job requirements over the next ten years. Vice Chancellor England said that this work is ongoing. Governor Morton indicated that the Board should be overlaying the economy and workforce with the degrees that are being produced to see if they correlate well with the economy and workforce of the next ten years. Dr. England responded that Board staff is very focused on workforce demands and will elaborate on that topic later in the presentation.

Dr. England then provided the historical context behind the original goal of 90,000 baccalaureate degrees. She said that in 2011 Board staff projected that 2017-2018 enrollments for three types of students--FTICs, AA transfers, and other transfers--would be 101,500. Dr. England noted, however, that in 2017-2018 there were 11,500 fewer students actually enrolled in the SUS. She indicated that the original model assumed growth based on university accountability plan goals when universities were still funded based on enrollment and prior to the implementation of performance based funding in 2014-2015. Dr. England said that the model also assumed growth in the adult population and that it has not grown as quickly as expected.

Dr. England also stated that in the original 2011 model it was assumed that graduation rates would increase for both FTIC students and AA transfers. She said that the graduation rate for two-year AA transfers has been flat and is not contributing to the overall goal. Dr. England highlighted that the only goal that has been met is FTIC graduation rates.

Dr. England mentioned that another unknown factor in 2011 was the proliferation of FCS bachelor's degree programs, an additional 40 since 2012. She explained that these programs may be attractive because they are directly related to workforce needs and that they are located closer to where students work and live.

Dr. England noted that the most recent projections from the Department of Economic Opportunity indicate that Florida will have 143,000 new job openings requiring bachelor's degrees by 2026. She reminded the Committee that bachelor's degree production involves multiple sectors including the SUS, the FCS, and private colleges. Dr. England indicated that of the total number of bachelor degrees produced in Florida, the SUS contributes 60%, the FCS produces approximately 7%, and private institutions contribute 30%. Dr. England also noted that in-migration has an impact, but that the impact is difficult to determine because motivations for moving to Florida are unknown and the data is not collected such that it quantifies how many individuals are filling jobs requiring bachelor's degrees. She noted that Florida's unemployment rate is only 3.3%. In conclusion, Dr. England indicated that Florida's workforce needs are being met. She

noted that by factoring in both SUS and FCS degree projections the 90,000 goal is reached. Board Chair Lautenbach noted that in-migration is a positive thing and that the Board's focus has been on quality and thus expressed support for reducing the goal. Governor Kitson also commented that quality should be the focus.

Governor Morton noted that the information doesn't indicate which disciplines are associated with the degrees being produced. Using nursing as an example, he referenced a previous presentation showing that the SUS contributed only 11% of bachelor's graduates with degrees in nursing and that Florida and the country are facing a nursing shortage. He emphasized the importance of examining degrees in terms of how they correlate to Florida's workforce demands. Governor Levine agreed and encouraged the Board to coordinate with the Higher Education Coordinating Council because both are working to understand workforce needs. Chancellor Criser also noted the importance of knowing which universities are best positioned to grow in terms of having the human and physical resources to accommodate growth without diluting quality.

At the discussion's end, the Committee agreed that a goal reduction to 78,500 for bachelor's degrees awarded would be taken to the full Board of Governors at the conclusion of the Mid-course Correction exercise.

The next metric Dr. England presented as a candidate for revision was the number of graduate degrees awarded annually. Dr. England indicated that the SUS is expected to be short of the 2025 goal by about 7,600 degrees and that factors potentially influencing this metric are shifts in demand for programs, outcomes of bachelor's degree graduates, and workforce needs and talent supply.

Dr. England indicated that from the 2012-13 to the 2016-17 Academic Years, graduate degrees in STEM-related and health-related programs grew by 7% while the numbers of graduate degrees awarded in other programs declined. Dr. England identified public administration as a graduate degree that declined 50% during that timeframe. Dr. England said that another factor is what bachelor's recipients do after graduation. Dr. England indicated that the most recent Baccalaureate Follow-up Study found that one year after graduation, 24% of graduates were working while going to graduate school compared to 15% five years after graduation. Dr. England noted that students who work full time while in school could very well take longer to complete their graduate degrees.

Dr. England stated that Florida will have 28,000 openings annually requiring a master's degree or higher. She noted that the SUS awards 55% of these degrees while private institutions award 47%. Dr. England also noted that some graduates will leave Florida and data indicated that after one year of graduation only 58% of master's recipients and 39% of doctorate recipients were employed in Florida. Dr. England indicated that

Board staff will attempt to identify specific occupations requiring graduate-level degrees to determine if there are disciplines in which to increase production.

Dr. England added that historically there has been some growth in graduate degrees but current trends are relatively flat. Governor Huizenga asked whether students are not continuing on to graduate school because the job market is strong for bachelor's degrees recipients or whether the costs associated with earning a graduate-level degree are prohibitive. He also asked what changes would need to occur to increase the number of students continuing on to graduate school. Dr. England said that members of her staff are highly focused on economic development, are connected with Enterprise Florida and Chambers of Commerce, and are continuing to monitor economic development in Florida and the nation. Governor Kitson expressed support for a 2025 goal change to 27,400.

At the discussion's end, the Committee agreed that a goal reduction to 27,400 for graduate degrees awarded would be taken to the full Board of Governors at the conclusion of the Mid-course Correction exercise.

Dr. England discussed the fifth metric that might be considered as a candidate for adjustment: the number of degrees awarded to African-American and Hispanic students. She explained that the current goal of 40% has already been met. Dr. England then described demographic changes to be considered. Dr. England noted that African-Americans and Hispanics comprise 50% of the 18-24 year-old population in Florida and that projections indicate that this number will increase to 55% by 2025. She noted, further, that the percent of African-American and Hispanic students who have graduated from high school having completed a college prep curriculum has increased to 46%.

Governor Huizenga stated that the goal should match the projections. He suggested that a better goal might be somewhere between 46% and 55%. Chair Jordan agreed with Governor Huizenga regarding the goal changes and suggested increasing the goal by 2%. Governor Valverde asked if the numbers and percentages of African-American and Hispanic students were available.

At the discussion's end, the Committee agreed that a goal increase to 46% for bachelor's degrees awarded to African-American and Hispanics would be taken to the full Board of Governors at the conclusion of the Mid-course Correction exercise.

Dr. England then presented two new metrics for the Board's consideration: graduation rates for FCS AA transfers and graduation rates for Pell Grant students. Dr. England noted that while Florida has a national reputation for its 2 + 2 articulation agreement, the Board's Strategic Plan does not have a goal for FCS AA transfers that addresses their success. She indicated that the two- and three-year graduation rate for AA transfers has

been relatively flat over the last several years but that with the increased focus on enhancing the 2 + 2 agreement it is expected that there will be improvement. Governor Huizenga requested information about the types of bachelor's degrees FCS AA transfer students are getting. Vice Chancellor England said Board staff will work on getting that information.

At the discussion's end, the Committee agreed that determining a goal for FCS graduation rates should be explored further by the work being undertaken in the Academic and Student Affairs Committee relative to articulation.

Dr. England then discussed the second new metric proposed: four-year FTIC graduation rates for Pell Grant students. She noted that the Board's 2025 Strategic Plan includes a goal for all institutions to have at least 30% of fall undergraduates receiving a Pell Grant. Dr. England noted, though, that this goal is an input measure whereas graduation rate is an output measure. Board Chair Lautenbach asked if the proposal was to replace the input measure with the output measure. Dr. England indicated that it was up to the Board's discretion. Governor Kitson expressed support for using the output measure and suggested that the Board start to look at ways of improving the gap between Pell and non-Pell students. Chair Jordon also expressed support, noting that it keeps the focus on student success. Governor Kitson asked for more information with regard to the graduation rates of Pell Grant students compared to non-Pell Grant students.

Florida International University President Rosenberg noted that income inequality is growing in Florida and nationally. He said that while the output indicator is critical income inequality should be taken into consideration when discussing eliminating the input indicator because the number of Pell Grant students is expected to grow. President Rosenberg noted that unless there is sensitivity to the increase in Pell Grant students, institutions can reduce the risk of performing poorly by lowering the number of Pell students accepted. Board Chair Lautenbach agreed with President Rosenberg. Governor Kitson noted that the Board should not eliminate the input metric and that both metrics are important in order to see the whole picture.

At the discussion's end, the Committee agreed that a goal increase to 54% for four-year graduation rates for Pell Grant students would be taken to the full Board of Governors at the conclusion of the Mid-course Correction exercise.

Dr. England provided a summary of metric revisions. She said that the Committee proposed to recommend to the full Board that all five current goals discussed would be recommended for adjustment as follows: four-year graduation rates to be increased to 65%, six-year graduation rates to be increased to 80%, bachelor's degrees awarded to be decreased to 78,500, graduate degrees awarded to be decreased to 27,400, bachelor's degrees awarded to African-Americans and Hispanics increased to 46%, and the

addition of a four-year graduation rate for Pell students goal of 54% by 2025. A goal was not established for the graduation rate for AA transfers. It was suggested that the Academic and Student Affairs Committee further explore an appropriate goal.

Vice Chancellor England concluded by saying that in March the focus will be on the Scholarship, Research, and Innovation metrics and on the Community Engagement Metrics. Chair Jordan thanked Vice Chancellor England for the presentation and commended committee members on their discussion of the metrics.

7. State University System 2018 Accountability Plan

Chair Jordan said that the last item on the Committee's agenda was to consider approval of the State University System's 2018 Accountability Plan. The State University System's 2018 Accountability Plan was presented to the Strategic Planning Committee on September 13, 2018. There being no questions or comments Governor Jordan entertained a motion to approve the State University System 2018 Accountability Plan. A motion was made by Governor Huizenga, seconded by Governor Frost, and the motion carried unanimously.

8. Concluding Remarks and Adjournment

There being no further business to come before the Committee the meeting was adjourned at 11:58 p.m.

_____
Darlene Jordan, Chair

_____
Disraelly Cruz, Ph.D.
Assistant Director
for Academic and Student Affairs

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
March 27, 2019

SUBJECT: University of South Florida Consolidation Implementation Plan

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 1004.335, Florida Statutes

BACKGROUND INFORMATION

The University of South Florida Tampa, the University of South Florida St. Petersburg, and the University of South Florida Sarasota-Manatee campuses currently are separately accredited by the Commission on Colleges of the Southern Association of Colleges and Schools. Section 1004.335, Florida Statutes requires that no later than June 30, 2020 accreditation for all University of South Florida campuses are to be consolidated and accredited as a single institution. No later than March 15, 2019 the University of South Florida Board of Trustees is to submit to the Board of Governors an implementation plan that establishes a timeline for each step necessary to terminate the separate accreditation. The plan is to address, among other considerations, degree offerings, the unique identity of each campus, budget transparency and accountability, and research capacity at each campus. The implementation plan was approved by the University of South Florida Board of Trustees on March 5, 2019 and has been submitted to the Board of Governors for review.

Supporting Documentation Included: USF Consolidation Implementation Plan

Facilitators/Presenters: Mr. Brian Lamb

University of South Florida

March 13, 2019

Mr. Ned Lautenbach
Chair, Board of Governors
State University System of Florida

Dear Chair Lautenbach,

In the spring of 2018, Governor Rick Scott signed the "Florida Excellence in Higher Education Act of 2018" into law, which required the three University of South Florida (USF) campuses to consolidate under a single accreditation. Pursuant to the law, the USF Board of Trustees (BOT) must submit an Implementation Plan and Timeline to the Board of Governors of the State University System of Florida (BOG) by March 15, 2019. Today, the USF BOT is pleased to submit the Implementation Plan and Timeline, which will provide a valuable framework for the work ahead.

From the legislatively mandated USF Consolidation Planning Study and Implementation Task Force to the consolidation implementation committees and staff who have contributed their thoughts and perspectives – this has and will continue to be a team effort, in the spirit of unity and collaboration. Toward that, the BOG has been an integral player, providing valuable feedback and guidance, allowing us to reach this important milestone. The BOT and university administration appreciate the opportunities the BOG has afforded to provide consolidation updates including several conference calls with Chancellor Criser and BOG staff, a formal update to the BOG Strategic Planning Committee in September of 2018, and an in-person meeting in Tallahassee to discuss the draft Implementation Plan and Timeline in February.

The law mandates that the Implementation Plan and Timeline address how the BOT is preparing to:

- Terminate Existing Separate Campus Accreditations and Replace with a Consolidated Institutional Accreditation
- Minimize Disruption to all USF Students
- Prepare for Data Consolidation

Consolidation offers opportunities to leverage the unique identity of each campus while continuing to provide a world-class education as one geographically-distributed university. USF remains committed

to strengthening Preeminence, optimizing Performance-Based Funding outcomes, and advancing ou collective strategic priorities while continuing to serve the best interest of our students, the Tampa E region, and the state of Florida.

The BOG will continue to play a critical role in the success of consolidation. We have made signific progress and are looking forward to the BOG's ongoing collaboration as we move ahead with consolidation. This transparent process has invigorated the University of South Florida's commitme greater student success, better institutional performance outcomes, more empowered faculty, impro research capacity, and greater community partnerships. The future is exciting.

Sincerely,

Brian Lamb
Chair, USF Board of Trustees

CONSOLIDATION IMPLEMENTATION PLAN & TIMELINE

// MARCH 13, 2019

University of South Florida

A Preeminent Research University

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Consolidation Implementation Plan & Timeline

Overview and Executive Summary:

On March 11, 2018, Governor Rick Scott signed the Florida Excellence in Higher Education Act of 2018, requiring the USF System – comprised of the University of South Florida Tampa, the University of South Florida St. Petersburg and the University of South Florida Sarasota-Manatee – to consolidate under a single accreditation.

Subsection (5) of Section 1004.335, Florida Statutes, provides that:

(5) No later than March 15, 2019, the Board of Trustees of the University of South Florida, after considering the recommendations of the task force, must adopt and submit to the Board of Governors an implementation plan that:

(a) **Establishes a timeline for each step that is necessary to terminate the separate accreditation for each campus no later than June 30, 2020**, so that there is no lapse in institutional accreditation for any campus during the phasing-out process.

(b) **Minimizes disruption to students attending any University of South Florida campus** so that the consolidation of SACSCOC accreditation **does not impede a student's ability to graduate within 4 years** after initial first-time-in-college enrollment.

(c) Requires that, **on or before July 1, 2020, the entirety of the University of South Florida,** including all campuses and other component units of the university, **operate under a single institutional accreditation from the SACSCOC.**

(d) Requires that, **on each regularly scheduled submission date subsequent to July 1, 2020, the University of South Florida report consolidated data for all of the university's campuses and students** to the Integrated Postsecondary Education Data System and to the Board of Governors. The Board of Governors shall use the consolidated data for purposes of determining eligibility for funding pursuant to ss. 1001.7065 and 1001.92.

In addition to the required processes outlined in Section 1004.335, F.S., the USF Board of Trustees (BOT) wishes to highlight several additional key considerations that align with the BOT's Guiding Principles for Consolidation and the strategic priorities of the university.

SECTION I. PROCESS AND SUMMARY OF ACTIVITIES

Various groups and subject matter experts helped guide the consolidation process to ensure USF maintains its trajectory of providing world-class education as one geographically-distributed university.

USF Board of Trustees Consolidation, Accreditation and Preeminence Committee:

Within a few days of the law's passage, the BOT created a new BOT Committee: the Consolidation, Accreditation and Preeminence (CAP) Committee. The CAP Committee, comprised of Trustees Hal Mullis (Chair), Stephanie Goforth, Byron Shinn and John Ramil, was charged by the BOT Chair with overseeing the consolidation process to a successful completion.

On April 23, 2018, the CAP Committee adopted a set of guiding principles designed to guide decision-making throughout the consolidation process and beyond. The principles are outlined below:

BOT Guiding Principles for USF Consolidation

- Strengthen USF's stature as a Preeminent Research University with national and global prominence;
- Embrace a model of "One University Geographically Distributed" while preserving campus identity — guided by a transparent and collaborative process;
- Commit to "Students First," through expanding access and raising educational attainment while continuing USF's national best practice of student success and diversity;
- Establish a clear, simple and unified leadership structure by aligning accountability with authority and valuing shared governance through engaging students, faculty and staff on all campuses;
- Assure consistency of high impact research across the university through establishing centers and programs of academic excellence on each campus;
- Enhance regional economic development while avoiding unwarranted duplication of academic programs; and
- Maximize performance, service quality and operational efficiencies through optimizing the utilization of faculty talent and technology across the university.

The CAP continued to meet periodically on the following dates to review information related to consolidation, receive updates from the Consolidation Implementation Committee (CIC) and to track the ongoing progress of the external Task Force, which was created by Section 1004.335, Florida Statutes (F.S.).

CAP Meeting Dates

- April 23, 2018
- May 22, 2018
- August 27, 2018
- October 29, 2018
- February 12, 2019

In addition to holding scheduled Committee meetings, CAP Chair Hal Mullis provided an interim update to the Board of Governors (BOG) Strategic Planning Committee on September 12, 2018.

The full BOT heard an update on consolidation efforts at its December 4, 2018 meeting and held a workshop on consolidation on January 14, 2019. Finally, this plan was approved by the BOT for submission to the BOG on March 5, 2019.

The CAP committee will continue to meet over the next several months as significant milestones are reached in the process to consolidate USF's three separately accredited institutions in Tampa, St. Petersburg and Sarasota-Manatee into one unified university.

Consolidation Implementation Committee:

The President of the USF System, at the direction of the BOT CAP Committee, created an internal Consolidation Implementation Committee (CIC) to advise USF leadership on the steps and considerations it must take to consolidate the three separate USF System institution's accreditations into one singular institution accreditation on or before July 1, 2020. Co-chaired by Drs. Pritish Mukherjee and Donna Petersen, the work of the 86-member CIC has involved faculty and staff from each of the three USF campuses who are experts in their particular area of appointment. The CIC organized into the following subcommittees to best prioritize and track the necessary elements of an accreditation change request submitted to SACS.

CIC Subcommittees:

- Student Success
    - Student Support Services
    - Enrollment Planning and Management
    - Student Success
    - Student Engagement
    - Health and Wellness
    - Career Development
    - Student Involvement

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- General Education and Curriculum Alignment
- Faculty Affairs
    - Tenure and Promotion
    - Academic Structure
    - Faculty Governance
- Research
- External Affairs
- Business and Finance

The CIC had many meetings, as well as opportunities for public comment:

• Full CIC kick-off meeting	June 11, 2018
• CIC Co-Chairs meeting	June 29, 2018
• CIC Co-Chairs meeting	July 13, 2018
• CIC Co-Chairs meeting	July 27, 2018
• USF St. Petersburg Listening Tour	August 17, 2018
• CIC Co-Chairs meeting	August 24, 2018
• USF Sarasota/Manatee Listening Tour	August 31, 2018
• CIC Co-Chairs meeting	September 7, 2018
• CIC Co-Chairs meeting	September 21, 2018
• CIC Co-Chairs meeting	October 5, 2018
• CIC Co-Chairs meeting	October 19, 2018
• CIC Co-Chairs meeting	November 2, 2018
• Full CIC meeting	November 14, 2018
• CIC Co-Chairs meeting	November 16, 2018
• CIC Co-Chairs meeting	November 30, 2018
• Town Hall with USF Tampa Faculty	December 5, 2018
• CIC Co-Chairs meeting	December 14, 2018

In addition to the meetings listed above, the CIC subcommittees met weekly or bi-weekly to address their respective areas and draft considerations to be shared at the Co-Chairs meetings.

The final CIC Report and Considerations is included in Appendix A.

Consolidation Implementation Plan & Timeline

Consolidation Planning Study and Implementation Task Force:

The USF Consolidation Planning Study and Implementation Task Force was established into law and charged with making recommendations to the USF Board of Trustees on how to improve the student experience by phasing out the separate accreditations of each campus. The 13-member Task Force, comprised of public leaders from across the region and the state of Florida, was appointed pursuant to law and required to submit recommendations to the Board of Trustees by February 15, 2019.

After its initial meeting in April 2018, the full 13-member Task Force met monthly, either by phone or in person to discuss updates and recommendations emerging from the subcommittees.

It also held Town Halls at USF Sarasota-Manatee, USF St. Petersburg, and USF Tampa. These Town Hall meetings were well-attended. Task Force members heard input from over 100 members of the USF community and general public.

- Task Force Meeting — April 25, 2018 (USF St. Petersburg)
- Task Force Call — May 30, 2018
- Task Force Call — June 29, 2018
- Task Force Call — July 26, 2018
- Town Hall — August 22, 2018 (USF Tampa)
- Task Force Meeting — August 22, 2018 (USF Tampa)
- Town Hall — September 11, 2018 (USF St. Petersburg)
- Task Force Call — September 26, 2018
- Town Hall — October 2, 2018 (USF Sarasota-Manatee)
- Task Force Meeting — October 29, 2018 (USF Sarasota-Manatee)
- Task Force Call — December 19, 2018
- Task Force Meeting — January 23, 2019

Three subcommittees were created to address the focus areas of the Task Force as prescribed by law: Student Access, Shared Governance/Transparency, and Student Success/Academic Programs/Campus Identity. The subcommittees held 26 public meetings and reviewed nearly 1600 pages of background materials.

The final Task Force report is included in Appendix B.

Consolidation Implementation Plan & Timeline

Consolidation Clusters and Teams:

The CIC report, presented to USF leadership on December 19, 2018, recommended that faculty and staff across all three campuses be proactively engaged, and empowered USF leadership to make decisions necessary for submission of the SACSCOC substantive change prospectus.

In order to effectively engage stakeholders, Chief Academic Officer of the USF System, Provost Ralph Wilcox (in consultation with Regional Chancellors Martin Tadlock (USFSP) and Karen Holbrook (USFSM)) began work immediately to create Teams and Clusters in the following areas:

- Program Alignment and College Structure (including USF Libraries)
- Curriculum Consolidation – Principles and Processes
- Educational Policies, Procedures and Practices
- Academic Leadership and Performance Accountability: Roles, Reporting and Responsibility (Preeminence, PBF, AAU)
- Decision Support and Institutional Effectiveness
- Students Affairs and Student Success (Admissions, Undergraduate and Graduate Student Success)
- Faculty Governance
- Research Infrastructure and Support (Faculty Success)
- Building a Digital Ecosystem (Online and Virtual Classes)

The Teams and Clusters worked in an inclusive and timely manner to gather input and shape the CIC considerations into a concrete plan. The full report was submitted to the CIC Co-Chairs on February 12, 2019 and can be found in Appendix D.

Huron Consulting Group:

The BOT hired Huron Consulting Group to assist with the consolidation process. Huron served as the liaison between the internal CIC and external Task Force, ensuring that pertinent information was shared with each of the groups. Huron, an expert in university mergers and consolidations, provided valuable guidance to the CIC, the Task Force and the BOT.

SECTION II. THE PROCESS FOR TERMINATING EXISTING SEPARATE CAMPUS ACCREDITATIONS AND REPLACING WITH A CONSOLIDATED INSTITUTIONAL ACCREDITATION

In response to Paragraphs (a) and (c) of Subsection (5) of Section 1004.335, Florida Statutes.

(a) **Establish a timeline for each step that is necessary to terminate the separate accreditation for each campus no later than June 30, 2020, so that there is no lapse in institutional accreditation for any campus during the phasing-out process; and**

(c) **On or before July 1, 2020, the entirety of the University of South Florida, including all campuses and other component units of the university, operate under a single institutional accreditation from the SACSCOC.**

Background on Separate USF Campus Institutional Accreditations

In 2001, the Florida Legislature and Governor Jeb Bush created Sections 1004.33 and 1004.34, F.S., which required USF to seek and obtain separate institutional accreditation for its campuses in St. Petersburg, FL and Sarasota-Manatee, FL. In order to achieve this new mandate, USF had to grant certain budgetary and governance autonomy to those campuses to meet the minimum requirements developed by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) for separate accreditations. Florida law does not specifically call for governance autonomy for the USF regional campuses, but it was necessary to meet the standards set by SACSCOC for separate accreditation.

These autonomies included, but were not limited to: the ability to directly admit students, develop the campus' own curriculum and degree programs, manage a budget independent from the other campuses, award degrees directly to students from the new "institution" (i.e. a student earned a "USF St. Petersburg" or "USF Sarasota-Manatee" diploma as opposed to a "USF" diploma) and others. However, even though the successful achievement of separate accreditation resulted in the recognition of each campus as its own "institution" – and therefore necessitated the creation of the new "USF System" comprised of the three institutions – each of the three resultant institutions remained under the leadership of one USF System President and one USF Board of Trustees.

In essence, SACSCOC set the standards that USF had to meet and abide by in order to successfully meet the requirements of Sections 1004.33 and 1004.34, F.S., for separate institutional accreditation for each campus. Similarly, SACSCOC today will again set the standards that USF must meet in order to comply with the new Section 1004.335, F.S., to achieve SACSCOC consolidated accreditation for USF by July 1, 2020.

USF St. Petersburg (USFSP), the more mature campus at the time of the 2001 law's passage successfully achieved separate SACSCOC institutional accreditation in 2006, as an institution eligible to award up to a Master's level degree. USF Sarasota-Manatee (USFSM) successfully achieved this same level of separate institutional accreditation in 2011.

Deadline to submit requested change to SACSCOC in order to meet the requirements of Section 1004.335, F.S.

In researching the process to achieve singular accreditation no later than July 1, 2020 (as required by law), it was determined that the latest possible opportunity for SACSCOC to approve a "substantive change" request to USF's three existing institutional accreditations is at the SACSCOC's June 8-11, 2020 meeting. However, in order for the accrediting body to have time to review and consider such a substantive change request, **SACSCOC's deadline to receive the completed request from the USF Board of Trustees is March 15, 2020.** The letter from SACSCOC outlining the timeline can be found in Appendix E.

The CIC and SACSCOC experts at each USF campus have determined the relevant components of a substantive change request and have focused their attention on those items to maximize the chances of a successful approval at the June 2020 SACSCOC meeting. Many of those same components are also included in the draft Task Force recommendations.

Many additional issues have been discussed and raised along the way, which – though valuable to the optimum operation of a consolidated USF after July 1, 2020, and important for workforce and R&D needs – are not material to SACSCOC's decision to approve a consolidated institutional accreditation for USF. Many of these issues will be addressed concurrently and are likely to continue to be examined and implemented in the months and years following USF's consolidated accreditation.

The timelines shown below are those specifically relevant to SACSCOC's decision to award a consolidated institutional accreditation to USF at or before their June 2020 meeting.

A. The process, steps and timeline to terminate the separate institutional accreditation of each USF campus by June 30, 2020 with no lapse in accreditation.

The separate accreditations for USFSP and USFSM will automatically lapse when the SACSCOC's Board of Trustees approves the consolidation prospectus on June 11, 2020. No separate step is required to terminate their accreditations. When the consolidation prospectus is approved, all campuses will be operating under the SACSCOC accreditation of the main campus. Consolidation of SACSCOC accreditations into one requires coordination with other regulatory and accrediting bodies. Because federal financial aid is currently administered centrally by the USF System, communication with the U.S. Education Department will be a pro forma notification.

No changes in financial aid procedures are expected. Following approval of the consolidation prospectus by the SACSCOC Board of Trustees, SACSCOC will send a letter to the U.S. Education Department notifying it that SACSCOC has approved the consolidation.

Specialized accreditors accredit programs or organizational units that are subparts of the university. Communication with specialized accreditors is coordinated by the head of the academic unit that has specialized accreditation. In some cases this will be a dean or dean's designee. In other cases it will be a department chair or department chair's designee. Most specialized accreditations will not be impacted by consolidation, because the accredited program or organizational unit only exists on one campus (e.g., Engineering). But in other cases (e.g., Business), programs

exist on more than one campus. In such cases, the specialized accreditor will specify the steps the program or organizational unit must take to align with the accreditor's requirements.

B. The process, steps and timeline to successfully achieve a consolidated institutional accreditation for USF by July 1, 2020.

As noted above, in order for SACSCOC to evaluate, vote on, and award consolidated institutional accreditation to USF by July 1, 2020, the USF BOT must submit a "Substantive Change Prospectus" to SACSCOC no later than the SACSCOC-set deadline for their June 2020 meeting, which is **March 15, 2020**. The Substantive Change Prospectus must outline, in detail, how the USF BOT proposes that the consolidated institution will be organized, operate and provide for the various needs of its students.

The essential elements due to the SACSCOC by March 15, 2020 include:

A. Description & Rationale for Consolidation

- A1. Statement of the nature and purpose of the change
- A2. Legal authority for change
- A3. Organizational chart for new USF
- A4. Governing board: membership, organization and authority
- A5. Regulations and policies: Review and update
- A6. Administrative structure
- A7. Degree granting authority
- A8. Mission statement and goals (and Strategic Plan)

B. Academic & Student Support Services

- B1. Enrollment planning and management (Admissions and Orientation)
- B2. Registrar and Student Records
- B3. Student Success and Advising
- B4. Health and Wellness (including mental health counseling)
- B5. Career Development and Placement
- B6. Student engagement (including student government and organizations)
- B7. Student conduct
- B8. Student complaint procedures
- B9. Veterans' Services
- B10. Student Disability Services

C. Faculty

C1. Faculty Resources and Workload

C2. Faculty Roster and Qualifications

C3. Faculty Development

C4. Faculty Governance and Curriculum Oversight

C5. Tenure and Promotion

C6. Academic Leadership

D. Educational Programs, Evaluation & Assessment

D1. Educational policies, procedures and practices

D2. General education and QEP

D3. Curriculum Alignment (degrees, majors, concentrations and certificates)

D4. Student learning outcomes

D5. Institutional planning and effectiveness (strategic & annual accountability plans)

D6. Specialized accreditations

E. Library, Learning & Physical Resources

E1. Library & learning resources, staffing and services (including digital platforms)

E2. Facilities, equipment and research infrastructure

E3. Digital infrastructure

E4. Inter-campus transportation and campus access

E5. Campus locations (existing)

F. Financial Support

F1. Comprehensive business plan

F2. Current financial audits (including financial aid)

F3. Statement of financial position of unrestricted net assets

F4. Direct support organizations (DSO) overview and financial statements

G. Institutional Information

G1. History and characteristics

G2. Student profile

G3. Peer institutions

G4. Degree offerings

G5. Distance learning

G6. Non-credit

A timeline of each of these elements is included in the following:

Consolidation Implementation Plan & Timeline

USF Consolidation Implementation Planning Timeline, March 18, 2019 through November 1, 2019

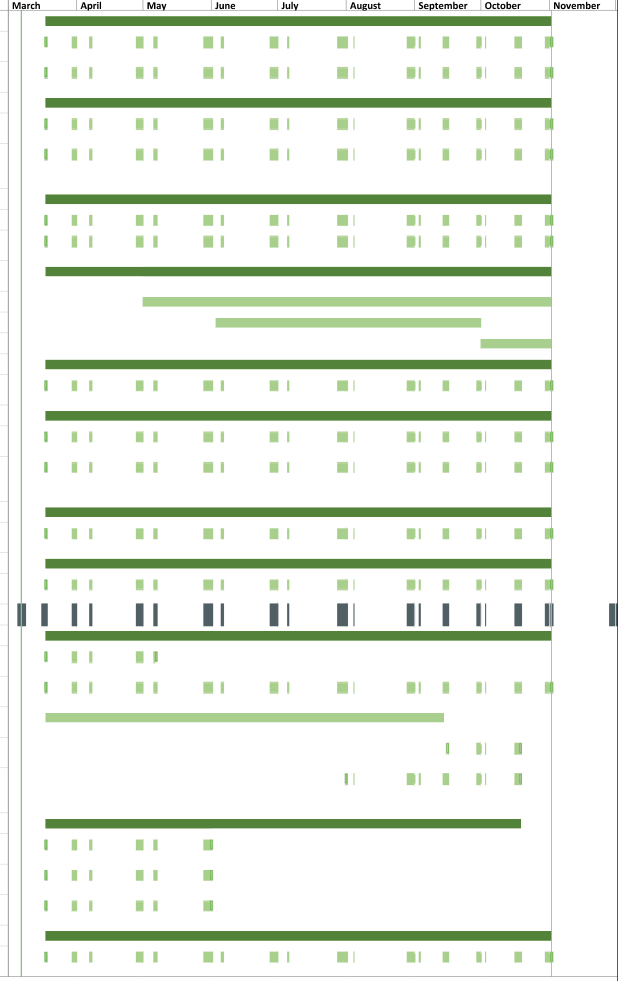
ID	Task	Start Date	End Date	Owner	Sub Owner(s)	TF	CIC	Aligned
1	**A. DESCRIPTION & RATIONALE FOR CONSOLIDATION**	**Mon 3/18/19**	**Fri 11/1/19**					
2	**A1. Statement of the nature and purpose of the change**	**Mon 4/1/19**	**Mon 4/29/19**	**Board of Trustees**		--	--	--
3	A1a. Narrative in Prospectus with reference to new Mission.	Mon 4/1/19	Mon 4/29/19		President, Exec. VP & Provost, SACSCOC Liaisons			
4	**A2. Legal authority for change (Florida Statute): Describe in Prospectus**	**Mon 3/18/19**	**Mon 4/15/19**	**President**		--	--	--
5	A2a. Document evidence of legal authority for consolidation in Prospectus.	Mon 3/18/19	Mon 4/15/19		Office of General Counsel, SACSCOC Liaisons			
6	**A3. Organizational chart for new USF**	**Mon 9/2/19**	**Fri 11/1/19**	**Board of Trustees**		N/A	N/A	N/A
7	A3a. Diagram in Prospectus with reference to delegations of authority.	Mon 9/2/19	Fri 11/1/19		President, Regional Chancellors, Office of General Counsel			
8	**A4. Governing board; membership, organization and authority**	**Mon 4/1/19**	**Fri 11/1/19**	**Board of Trustees**		Y	Y	✔ ✘
9	A4a. Rosters & description of board before and after consolidation.	Mon 4/1/19	Fri 11/1/19		President, USF Board Operation's Office			
10	A4b. Role of current board members in the consolidation.	Mon 4/1/19	Fri 11/1/19		President, USF Board Operation's Office			
11	A4c. Current & proposed authority of the board.	Mon 4/1/19	Fri 11/1/19		President, USF Board Operation's Office			
12	A4d. Define and describe committees of the board.	Mon 4/1/19	Fri 11/1/19		President, USF Board Operation's Office			
13	A4e. Document current and proposed conflict of interest and board dismissal statements.	Mon 4/1/19	Fri 5/31/19		President, USF Board Operation's Office			
14	A4f. Describe any new foundations that will be established as a result of consolidation and the foundation's role in governance, if any.	Mon 4/1/19	Fri 5/31/19		President, Sr. VP Advancement, Sr. VP Research and Innovation			
15	**A5. Regulations & Policies: Review & Update**	**Mon 3/18/19**	**Fri 11/1/19**	**President**		N/A	Y	N/A
16	A5a. Review all regulations and policies published by the Office of General Counsel.	Mon 3/18/19	Fri 11/1/19		Office of General Counsel			
17	A5b. Review all USF academic regulations, policies, and procedures and undergraduate & graduate catalogs; align and update as needed.	Mon 3/18/19	Mon 7/15/19		Exec. VP & Provost's Designee(s)			
18	A5c. Review all MOUs, articulation agreements and dual degree programs.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
19	**A6. Administrative Structure**	**Thu 8/1/19**	**Fri 11/1/19**	**Board of Trustees**		Y	Y	✘
20	A6a. Describe in Prospectus any differences in administrative oversight of programs or services.	Thu 8/1/19	Fri 11/1/19		President, Regional Chancellors, SACSCOC Liaisons			
21	**A7. Degree granting authority**	**Mon 7/1/19**	**Fri 11/1/19**	**President**		N/A	N/A	N/A
22	A7a. Document in Prospectus any change in degree granting authority.	Mon 7/1/19	Fri 11/1/19		Exec. VP & Provost			
23	**A8. Mission Statement and Goals (and Strategic Plan) to the BOT**	**Mon 3/18/19**	**Fri 11/1/19**	**Board of Trustees**		N/A	Y	N/A
24	A8a. Appoint Strategic Planning Steering Committee & Workgroup members.	Mon 3/18/19	Mon 4/15/19		Exec. VP & Provost			
25	A8b. Strategic Plan draft completed with input from varied constituencies.	Mon 3/18/19	Mon 9/16/19		Exec. VP & Provost			
26	A8c. Strategic Plan approved by BOT.	Mon 9/2/19	Tue 10/1/19		Board of Trustees			
27	A8d. Strategic Plan approved by BOG.	Tue 10/1/19	Fri 11/1/19		Board of Governors			
28	**B. ACADEMIC & STUDENT SUPPORT SERVICES**	**Mon 3/18/19**	**Fri 11/1/19**					
29	**B1. Enrollment planning & management (Admissions & Orientation)**	**Mon 3/18/19**	**Mon 6/17/19**	**Exec. VP & Provost**		Y	Y	✔
30	B1a. Create EPM, Admissions, & Orientation administrative structure.	Mon 3/18/19	Mon 6/17/19		Exec. VP & Provost's Designee(s)			
31	B1b. Implement Admissions process for the new USF.	Mon 3/18/19	Mon 6/17/19		Exec. VP & Provost's Designee(s), Chief Information Officer			
32	**B2. Registrar & Student Records**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		N/A	Y	N/A
33	B2a. Create Registrar's Office administrative structure.	Fri 5/31/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
34	B2b. Complete any updates needed for Banner, Degree Works and Curriculum Management Systems B2b.	Thu 5/2/19	Fri 11/1/19		Exec. VP & Provost's Designee(s), Chief Information Officer			

Given the complexity of this project, some tasks and timelines will need to be adjusted to meet the best interests of USF Consolidation, our students, faculty and staff.

Consolidation Implementation Plan & Timeline

USF Consolidation Implementation Planning Timeline, March 18, 2019 through November 1, 2019

ID	Task	Start Date	End Date	Owner	Sub Owner(s)	TF	CIC	Aligned
35	**B3. Student Success & Advising**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		**Y**	**Y**	✔
36	B3a. Create Student Success & Advising administrative structure.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
37	B3b. Complete any updates needed for all tools used by advisors (e.g., Archivum Insights; DegreeWorks, Civitas).	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s), Chief Information Officer			
38	**B4. Health & Wellness (including mental health counseling)**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		**Y**	**Y**	✔
39	B4a. Create Student Health & Wellness administrative structure.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
40	B4b. Review and update as appropriate contract with New College for USF Sarasota-Manatee students.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s), Office of General Counsel			
41	**B5. Career Development & Placement**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		**Y**	**Y**	✔
42	B5a. Create Career Service administrative structure.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
43	B5b. Complete any updates needed for all career planning and placement tools (e.g., HandShake).	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s), Chief Information Officer			
44	**B6. Student engagement (including student government and organizations)**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		**Y**	**Y**	✔
45	B6a. Engage consultant.	Wed 5/1/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
46	B6b. Draft new constitution.	Mon 6/3/19	Mon 9/30/19		Exec. VP & Provost's Designee(s)			
47	6Bc. Student referendum.	Tue 10/1/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
48	**B7. Student conduct**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		N/A	**Y**	N/A
49	B7a. Create administrative structure for judicial affairs and processes for adjudication of student conduct issues.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
50	**B8. Student Complaint Procedures**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		N/A	**Y**	N/A
51	B8a. Review and update as necessary student complaint procedures and resolution tracking.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s), College Deans, Dept. Chairs			
52	B8b. Establish system for documenting that all student complaints are processed in accordance with USF and Federal requirements.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s), College Deans, Dept. Chairs			
53	**B9. Veterans" Services**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		N/A	**Y**	N/A
54	B9a. Create administrative structure for Veterans' Services.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
55	**B10. Student Disability Services**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		N/A	**Y**	N/A
56	B10a. Create administrative structure for Student Disability Services.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
57	**C. FACULTY**	**Mon 3/18/19**	**F**					
58	**C1. Faculty Resources & Workload**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		**Y**	**Y**	✔
59	C1a. Align duplicative degree programs.	Mon 3/18/19	Mon 5/6/19		Disciplinary Curriculum Workgroups, Faculty Senates			
60	C1b. Disaggregate full-time faculty by program areas for new USF.	Mon 3/18/19	Fri 11/1/19		Office of Decision Support			
61	C1c. Develop workload tables based on Fall 2018-Spring 2019 enrollments and faculty.	Mon 3/18/19	Fri 9/13/19		Office of Decision Support			
62	C1d. Develop class size sections and class size trends, 5-years Fall tables each campus.	Mon 9/16/19	Fri 10/18/19		Office of Decision Support			
63	C1e. Determine comparison of student-to-faculty ratios with peer institutions.	Thu 8/1/19	Fri 10/18/19		Office of Decision Support			
64	**C2. Faculty Roster & Qualifications**	**Mon 3/18/19**	**Fri 10/18/19**	**Exec. VP & Provost**		**N/A**	**N/A**	**N/A**
65	C2a. Integrate data in systems used to document faculty qualifications.	Mon 3/18/19	Fri 5/31/19		Office of Decision Support, Chief Information Officer			
66	C2b. Produce SACSCOC faculty qualifications roster for Fall 2018.	Mon 3/18/19	Fri 5/31/19		Office of Decision Support, Chief Information Officer			
67	C2c. Produce SACSCOC faculty qualifications roster for Spring 2019.	Mon 3/18/19	Fri 5/31/19		Office of Decision Support, Chief Information Officer			
68	**C3. Faculty Development**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		**Y**	**Y**	✔
69	C3a. Assure faculty access to, and training in the use of, online library resources.	Mon 3/18/19	Fri 11/1/19		Librarians			

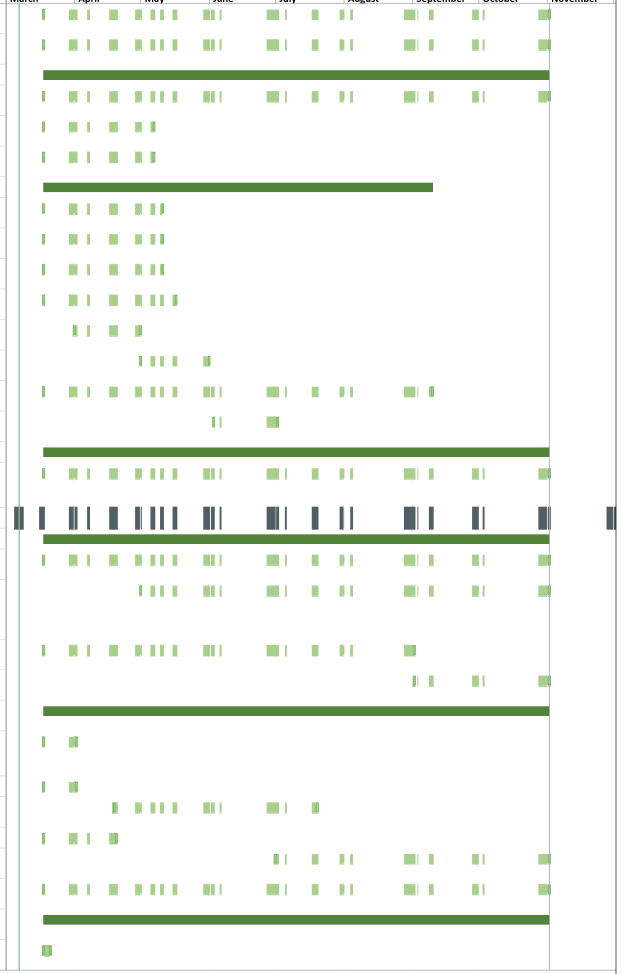


Given the complexity of this project, some tasks and timelines will need to be adjusted to meet the best interests of USF Consolidation, our students, faculty and staff.

Consolidation Implementation Plan & Timeline

USF Consolidation Implementation Planning Timeline, March 18, 2019 through November 1, 2019

ID	Task	Start Date	End Date	Owner	Sub Owner(s)	TF	CIC	Aligned
70	C3b. Expand faculty professional development opportunities for online teaching.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
71	C3c. Standardized faculty online certification course for online teaching.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
72	**C4. Faculty Governance & Curriculum Oversight**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		Y	Y	✔
73	C4a. Develop and approve Constitution and By-laws for a single unified USF Faculty Senate.	Mon 3/18/19	Fri 11/1/19		Faculty Senate, Senate Faculty Council Presidents			
74	C4b. Align duplicative degree programs.	Mon 3/18/19	Mon 5/6/19		Disciplinary Curriculum Workgroups, Faculty Senates			
75	C4c. Review and update as necessary department, school, college and faculty documents.	Mon 3/18/19	Mon 5/6/19		Dept. Chairs, College Deans, Faculty Councils/Committees			
76	**C5. Tenure & Promotion**	**Mon 3/18/19**	**Mon 9/9/19**	**Exec. VP & Provost**		N/A	Y	N/A
77	C5a. Compile and compare T&P documents from USF-T, USF-SP, USF-SM.	Mon 3/18/19	Fri 5/10/19		Exec. VP & Provost's Designee(s), Faculty Senate Designees			
78	C5b. Identify cross-campus differences.	Mon 3/18/19	Fri 5/10/19		Exec. VP & Provost's Designee(s), Faculty Senate Designees			
79	C5c. Draft consolidated T&P document.	Mon 3/18/19	Fri 5/10/19		Exec. VP & Provost's Designee(s), Faculty Senate Designees			
80	C5d. Present draft at the March and April Senate/System Faculty Council meetings.	Mon 3/18/19	Thu 5/16/19		Faculty Senates, System Faculty Council			
81	C5e.. Obtain approval from three Faculty Senates.	Mon 4/1/19	Tue 4/30/19		Faculty Senates, System Faculty Council			
82	C5f. Obtain approval from System Faculty Council.	Wed 5/1/19	Fri 5/31/19		Faculty Senates, System Faculty Council			
83	C5g. Coordinate ongoing process with Deans, other Administrators, and the United Faculty of Florida.	Mon 3/18/19	Mon 9/9/19		Exec. VP & Provost's Designee(s)			
84	C5h. Obtain approval from USF President and Executive Vice President & Provost.	Mon 6/3/19	Mon 7/1/19		President			
85	**C6. Academic leadership**	**Mon 3/18/19**	**Fri 11/1/19**	**Board of Trustees**		Y	Y	✘
86	C6a. Resolve any differences in administrative oversight of degree programs or student services to assure equitable access for students.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s), Regional Vice Chancellors			
87	**D. EDUCATIONAL PROGRAMS, EVALUATION, AND ASSESSMENT**	**Mon 3/18/19**	**Fri 11/1/19**					
88	**D1. Educational policies, procedures & practices**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		Y	Y	✔
89	D1a. Apply technical updates to policies and regulations to reflect one USF.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s), Office of General Counsel			
90	D1b. Make any needed substantive changes to policies, regulations and practices related to admissions and to the evaluation and awarding of academic credit for one USF.	Wed 5/1/19	Fri 11/1/19		Exec. VP & Provost's Designee(s), Office of General Counsel, Faculty Senates			
91	D1c. Review and revise Undergraduate and Graduate catalog language for consistency.	Mon 3/18/19	Sun 9/1/19		Exec. VP & Provost's Designee(s), Faculty Senate Designees			
92	D1d. Review and revise website documentation of policies, practices, & procedures for deployment 07/01/20.	Mon 9/2/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
93	**D2. General education & QEP (Prospectus Section 10 and Site Visit Documentation)**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		Y	Y	✔
94	D2a. USF Tampa, USF St. Petersburg, USF Sarasota-Manatee agree to use General Education model developed in USF Tampa.	Mon 3/18/19	Mon 4/1/19		Faculty Senates			
95	D2b. Assessment rubric approval.	Mon 3/18/19	Mon 4/1/19		Faculty Senate Designees			
96	D2c. Train faculty on assessment rubric.	Fri 4/19/19	Fri 7/19/19		Faculty Senate Designees, Exec. VP & Provost's Designee(s)			
97	D2d. Approve top-tier courses.	Mon 3/18/19	Fri 4/19/19		Faculty Senate Designees			
98	D2e. Proposal submissions and reviews by "one" General Education Council.	Mon 7/1/19	Fri 11/1/19		Faculty Senate Designees			
99	D2f. Determine plans for current QEPs and initiate planing for development of a QEP for the new USF.	Mon 3/18/19	Fri 11/1/19		Exec. VP & Provost's Designee(s)			
100	**D3. Curriculum alignment (degrees, majors, concentrations, certificates & ALCs)**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		Y	Y	✔
101	D3a. Appoint ad hoc disciplinary & Faculty Senate curriculum committees.	Mon 3/18/19	Wed 3/20/19		Exec. VP & Provost's Designee(s), Faculty Senates			



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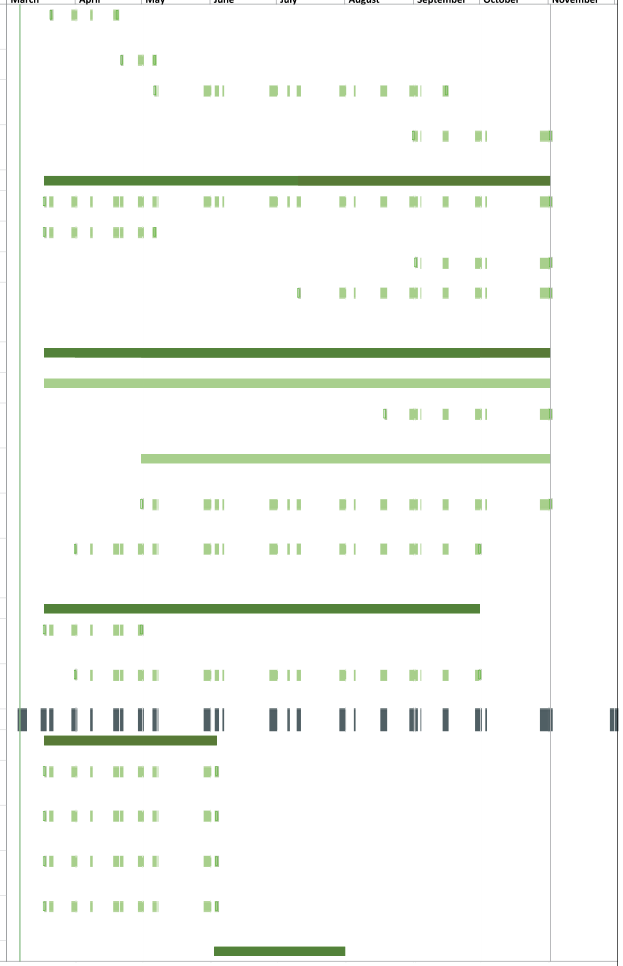
Consolidation Implementation Plan & Timeline

USF Consolidation Implementation Planning Timeline, March 18, 2019 through November 1, 2019

ID	Task	Start Date	End Date	Owner	Sub Owner(s)	TF	CIC	Aligned
102	D3b. Ad hoc disciplinary committees complete revisions and submit proposed curricular changes to ad hoc Faculty Senate committees.	Thu 3/21/19	Fri 4/19/19		Disciplinary Curriculum Workgroups			
103	D3c. Faculty Senate Ad hoc Curriculum Committees review and approve proposed curricular changes.	Mon 4/22/19	Mon 5/6/19		Faculty Senates			
104	D3d. Prepare and submit curriculum alignment report and request for any CIP code changes to SUS of Florida Board of Governors.	Tue 5/7/19	Sun 9/15/19		CAVP Liaison			
105	D3e. Update Student Information System, DegreeWorks, Undergraduate & Graduate catalog, ODS Academic Planning; Admissions, websites, etc.	Sun 9/1/19	Fri 11/1/19		Exec. VP & Provost's Designee(s), Chief Information Officer			
106	**D4. Student learning outcomes**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		Y	Y	✔
107	D4a. Establish procedures for systematic evaluation of instructional results.	Mon 3/18/19	Fri 11/1/19		SACSCOC Liaisons, College Deans, Dept. Chairs			
108	D4b. Establish student learning outcomes for any programs of study that will be aligned for consolidation.	Mon 3/18/19	Mon 5/6/19		Departmental Faculty			
109	D4c. Develop assessment plans for each program of study that will be aligned in the new USF.	Mon 9/2/19	Fri 11/1/19		Departmental Faculty			
110	D4d. Implement the use of one system for USF to publish Academic Learning Compacts, track assessment of student learning outcomes, and incorporate assessment results into academic program reviews.	Thu 7/11/19	Fri 11/1/19		SACSCOC Liaisons, Chief Information Officer			
111	**D5. Institutional planning & effectiveness (strategic & annual accountability plans**	**Mon 3/18/19**	**Fri 11/1/19**	**Exec. VP & Provost**		N/A	Y	N/A
112	D5a. Create strategic plan, including mission and goals, for consolidated USF.	Mon 3/18/19	Fri 11/1/19		Board of Trustees, Exec. VP & Provost's Designee(s)			
113	D5b. Initiate plans for the alignment of strategic plans within operational divisions and colleges to mission and goals in USF strategic plan.	Mon 8/19/19	Fri 11/1/19		President's Cabinet, Council of Deans			
114	D5c. Initiate plans for the development of annual goals and methods of assessment for each operational division.	Wed 5/1/19	Fri 11/1/19		President's Cabinet, Council of Deans, Exec. VP & Provost's Designee(s), SACSCOC Liaisons			
115	D5d. Document plans to integrate strategic planning and assessment processes to monitor and ensure quality.	Wed 5/1/19	Fri 11/1/19		Exec. VP & Provost's Designee(s), Office of Decision Support, SACSCOC Liaisons			
116	D5e.Identify system to use for documentation and approval processes for assessing overall institutional effectiveness and the means used to monitor and ensure the quality of changes related to consolidation.	Mon 4/1/19	Mon 9/30/19		Exec. VP & Provost's Designee(s), Office of Decision Support, SACSCOC Liaisons			
117	**D6. Specialized accreditations**	**Mon 3/18/19**	**Mon 9/30/19**	**Exec. VP & Provost**		N/A	N/A	N/A
118	D6a. Identify all agencies that currently accredit any programs or organizational units in the USF System and the date of the last review by each.	Mon 3/18/19	Tue 4/30/19		SACSCOC Liaisons, Chief Information Officer			
119	D6b. Formally notify specialized accreditors of USF Consolidation and follow the individual accreditors' processes for consolidation.	Mon 4/1/19	Mon 9/30/19		College Deans, Dept. Chairs			
120	**E. LIBRARY, LEARNING, & PHYSICAL RESOURCES**	**Mon 3/18/19**	**Mon 9/30/19**					
121	**E1. Library & Learning resources, staffing & services (including digital platforms)**	**Mon 3/18/19**	**Mon 6/3/19**	**Exec. VP & Provost**		N/A	Y	N/A
122	E1a. Document all library and learning resources, in general as well as specific to the program, site, or institution.	Mon 3/18/19	Mon 6/3/19		Librarians, Exec. VP & Provost's Designee(s), Regional Vice Chancellors			
123	E1b. Document the staffing and services in place to support consolidation.	Mon 3/18/19	Mon 6/3/19		Librarians, Exec. VP & Provost's Designee(s), Regional Vice Chancellors			
124	E1c. If relevant, document any reliance on other universities.	Mon 3/18/19	Mon 6/3/19		Librarians, Exec. VP & Provost's Designee(s), Regional Vice Chancellors			
125	E1d. Documen how students, faculty and staff will access electronic resources, including training opportunities.	Mon 3/18/19	Mon 6/3/19		Librarians, Exec. VP & Provost's Designee(s), Regional Vice Chancellors			
126	**E2. Facilities, equipment & research infrastructure**	**Mon 6/3/19**	**Wed 7/31/19**	**President**		Y	Y	✔



High-level Topic Tasks Subtasks

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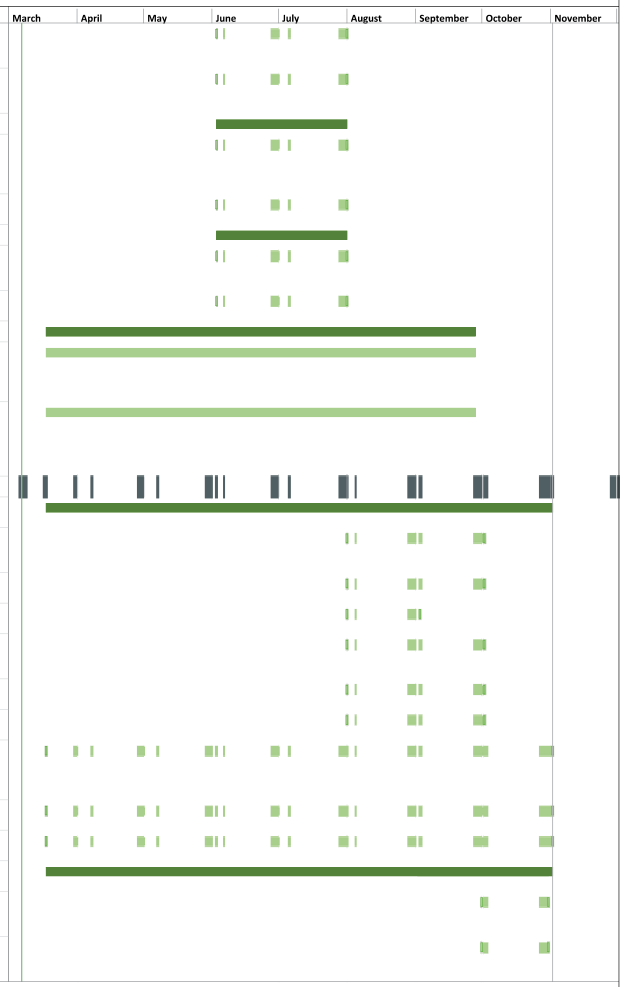
Consolidation Implementation Plan & Timeline

USF Consolidation Implementation Planning Timeline, March 18, 2019 through November 1, 2019

ID	Task	Start Date	End Date	Owner	Sub Owner(s)	TF	CIC	Aligned
127	E2a. Document the physical facilities and equipment available and needed to support consolidation.	Mon 6/3/19	Wed 7/31/19		Chief Operating Officers, Chief Information Officer			
128	E2b. Assess the impact the consolidation will have on physical resources, facilities, and equipment.	Mon 6/3/19	Wed 7/31/19		Chief Operating Officers, Chief Information Officer			
129	**E3. Digital infrastructure**	**Mon 6/3/19**	**Wed 7/31/19**	**Exec. VP & Provost**		Y	Y	✔
130	E3a. Identify the credit bearing educational programs (degrees, certificates and diplomas) where 50% or more of the credit hours are delivered or will be delivered through distance education.	Mon 6/3/19	Wed 7/31/19		Exec. VP & Provost's Designee(s)			
131	E3b. Describe the digital infrastructure available and any additional needed for consolidation.	Mon 6/3/19	Wed 7/31/19		Exec. VP & Provost's Designee(s), Chief Information Officer			
132	**E4. Inter-campus transportation & campus access**	**Mon 6/3/19**	**Wed 7/31/19**	**President**		Y	Y	✔
133	E4a. Document any intercampus transportation currently available and assess transportation needs for supporting consolidation.	Mon 6/3/19	Wed 7/31/19		Exec. VP & Provost, Regional Chancellors			
134	E4b. Assess the impact the consolidation will have on physical resources, facilities, and equipment.	Mon 6/3/19	Wed 7/31/19		Exec. VP & Provost, Regional Chancellors			
135	**E5. Campus locations (existing)**	**Mon 3/18/19**	**Fri 9/27/19**	**Exec. VP & Provost**		--	--	--
136	E5a. Identify and list all locations where 25% to 49% of credit hours toward a degree, diploma, or certificate can be obtained primarily through traditional classroom instruction.	Mon 3/18/19	Fri 9/27/19		Exec. VP & Provost's Designee(s), SACSCOC Liaisons			
137	E5b. Identify and list all locations for all entities involved in the consolidation where 50% or more of the credit hours toward a degree, diploma, or certificate can be obtained primarily through traditional classroom instruction.	Mon 3/18/19	Fri 9/27/19		Exec. VP & Provost's Designee(s), SACSCOC Liaisons			
138	**F. FINANCIAL SUPPORT**	**Mon 3/18/19**	**Fri 11/1/19**					
139	**F1.Comprehensive business plan**	**Mon 3/18/19**	**Fri 11/1/19**	**Sr. VP Business & Financial Strategy**		N/A	N/A	N/A
140	F1a. Evaluate and document the financial transaction (i.e., consolidation) and the effect the transaction has on the net assets of all the institutions or entities involved.	Thu 8/1/19	Tue 10/1/19		Chief Financial Officers			
141	F1b. Identify and document the financial resources to support the consolidation, including a budget for Year 1.	Thu 8/1/19	Tue 10/1/19		Chief Financial Officers			
142	F1c. Project revenues and expenditures and cash flow for the consolidated institution in Year 1.	Thu 8/1/19	Mon 9/2/19		Chief Financial Officers			
143	F1d. Identify and document the amount of resources going to institutions or organizations for contractual or support services.	Thu 8/1/19	Tue 10/1/19		Chief Financial Officers, Office of General Counsel			
144	F1e. Identify and document the operational, management, and physical resources available for consolidation.	Thu 8/1/19	Tue 10/1/19		Chief Financial Officers			
145	F1f. Develop a contingency plan in case expected resources do not materialize or costs exceed projections.	Thu 8/1/19	Tue 10/1/19		Chief Financial Officers			
146	F1g. Provide evidence that the consolidated institution will have sound financial resources and a stable financial base to support the university's mission and the scope of its programs and services.	Mon 3/18/19	Fri 11/1/19		Chief Financial Officers			
147	F1h. Assess any impacts of consolidation on funding for existing programs and services.	Mon 3/18/19	Fri 11/1/19		Chief Financial Officers			
148	F1i. Provide documentation of adequate controls for all financial resources.	Mon 3/18/19	Fri 11/1/19		Chief Financial Officers			
149	**F2. Current financial audits (including financial aid)**	**Mon 3/18/19**	**Fri 11/1/19**	**Sr. VP Business & Financial Strategy**		N/A	N/A	N/A
150	F2a. Obtain and provide financial audit reports and management letters for 2017-18 and 2018-19 for each institution involved in consolidation.	Tue 10/1/19	Wed 10/30/19		State Auditor, Chief Financial Officers			
151	F2b. Obtain and provide most recent financial aid audit. (Prospectus Section 9)	Tue 10/1/19	Wed 10/30/19		State Auditor, Chief Financial Officers, University Scholarships & Financial Aid Services			



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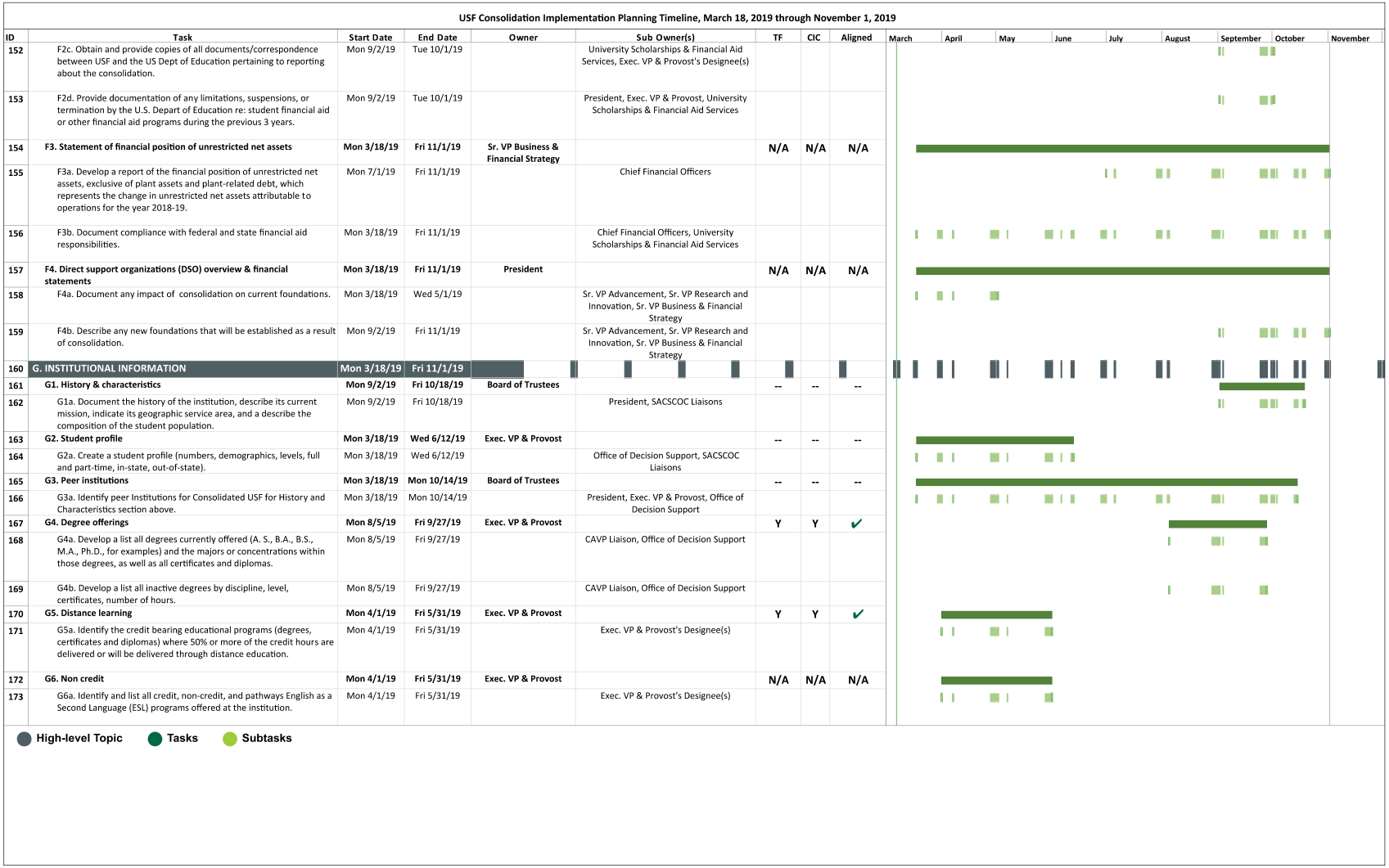
Consolidation Implementation Plan & Timeline

USF Consolidation Implementation Planning Timeline, March 18, 2019 through November 1, 2019

ID	Task	Start Date	End Date	Owner	Sub Owner(s)	TF	CIC	Aligned
152	F2c. Obtain and provide copies of all documents/correspondence between USF and the US Dept of Education pertaining to reporting about the consolidation.	Mon 9/2/19	Tue 10/1/19		University Scholarships & Financial Aid Services, Exec. VP & Provost's Designee(s)			
153	F2d. Provide documentation of any limitations, suspensions, or termination by the U.S. Depart of Education re: student financial aid or other financial aid programs during the previous 3 years.	Mon 9/2/19	Tue 10/1/19		President, Exec. VP & Provost, University Scholarships & Financial Aid Services			
154	**F3. Statement of financial position of unrestricted net assets**	**Mon 3/18/19**	**Fri 11/1/19**	**Sr. VP Business & Financial Strategy**		**N/A**	**N/A**	**N/A**
155	F3a. Develop a report of the financial position of unrestricted net assets, exclusive of plant assets and plant-related debt, which represents the change in unrestricted net assets attributable to operations for the year 2018-19.	Mon 7/1/19	Fri 11/1/19		Chief Financial Officers			
156	F3b. Document compliance with federal and state financial aid responsibilities.	Mon 3/18/19	Fri 11/1/19		Chief Financial Officers, University Scholarships & Financial Aid Services			
157	**F4. Direct support organizations (DSO) overview & financial statements**	**Mon 3/18/19**	**Fri 11/1/19**	**President**		**N/A**	**N/A**	**N/A**
158	F4a. Document any impact of consolidation on current foundations.	Mon 3/18/19	Wed 5/1/19		Sr. VP Advancement, Sr. VP Research and Innovation, Sr. VP Business & Financial Strategy			
159	F4b. Describe any new foundations that will be established as a result of consolidation.	Mon 9/2/19	Fri 11/1/19		Sr. VP Advancement, Sr. VP Research and Innovation, Sr. VP Business & Financial Strategy			
160	**G. INSTITUTIONAL INFORMATION**	**Mon 3/18/19**	**Fri 11/1/19**					
161	**G1. History & characteristics**	**Mon 9/2/19**	**Fri 10/18/19**	**Board of Trustees**		--	--	--
162	G1a. Document the history of the institution, describe its current mission, indicate its geographic service area, and a describe the composition of the student population.	Mon 9/2/19	Fri 10/18/19		President, SACSCOC Liaisons			
163	**G2. Student profile**	**Mon 3/18/19**	**Wed 6/12/19**	**Exec. VP & Provost**		--	--	--
164	G2a. Create a student profile (numbers, demographics, levels, full and part-time, in-state, out-of-state).	Mon 3/18/19	Wed 6/12/19		Office of Decision Support, SACSCOC Liaisons			
165	**G3. Peer institutions**	**Mon 3/18/19**	**Mon 10/14/19**	**Board of Trustees**		--	--	--
166	G3a. Identify peer Institutions for Consolidated USF for History and Characteristics section above.	Mon 3/18/19	Mon 10/14/19		President, Exec. VP & Provost, Office of Decision Support			
167	**G4. Degree offerings**	**Mon 8/5/19**	**Fri 9/27/19**	**Exec. VP & Provost**		Y	Y	✔
168	G4a. Develop a list all degrees currently offered (A. S., B.A., B.S., M.A., Ph.D., for examples) and the majors or concentrations within those degrees, as well as all certificates and diplomas.	Mon 8/5/19	Fri 9/27/19		CAVP Liaison, Office of Decision Support			
169	G4b. Develop a list all inactive degrees by discipline, level, certificates, number of hours.	Mon 8/5/19	Fri 9/27/19		CAVP Liaison, Office of Decision Support			
170	**G5. Distance learning**	**Mon 4/1/19**	**Fri 5/31/19**	**Exec. VP & Provost**		Y	Y	✔
171	G5a. Identify the credit bearing educational programs (degrees, certificates and diplomas) where 50% or more of the credit hours are delivered or will be delivered through distance education.	Mon 4/1/19	Fri 5/31/19		Exec. VP & Provost's Designee(s)			
172	**G6. Non credit**	**Mon 4/1/19**	**Fri 5/31/19**	**Exec. VP & Provost**		**N/A**	**N/A**	**N/A**
173	G6a. Identify and list all credit, non-credit, and pathways English as a Second Language (ESL) programs offered at the institution.	Mon 4/1/19	Fri 5/31/19		Exec. VP & Provost's Designee(s)			



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SECTION III. MINIMIZING DISRUPTION TO USF STUDENTS

In response to Paragraph (b) of Subsection (5) of Section 1004.335, Florida Statutes.

(b) **The plan must minimize disruption to students attending any University of South Florida campus so that the consolidation of SACSCOC accreditation does not impede a student's ability to graduate within 4 years after initial first-time-in-college enrollment.**

We are already working as a consolidated university in the best interests of students so that their academic progress and, in particular, their ability to graduate in four years is not impeded by consolidation. Specifically, this is being enabled by a Student Success Committee with representation from all three campuses that was formed in October 2018 to coordinate and standardize all student success initiatives. Persistence and graduation rate efforts have been standardized with the formation of persistence committees using consistent predictive analytics practices. Additionally, the successful Finish-in-Four campaign and scholarship has been extended to all three campuses.

To assure that there are no impediments to a student's ability to graduate within 4 years after initial first-time-in-college enrollment, each degree program must have a sufficient number of qualified faculty to ensure the quality and integrity of each academic program (SACSCOC Principle 6.2b), with responsibility for program coordination appropriately assigned (SACSCOC Principle 6.2c). Oversight of faculty qualifications and sufficiency in a singularly accredited institution with multiple campuses requires coordination of Academic Affairs. The USF BOT is cognizant of the need for an organizational structure that will allow the academic administrator responsible for each degree program to match faculty credentials, expertise, and full-time status with curricular requirements and student enrollment demand, regardless of campus offering a course, so that students may progress seamlessly through their programs of study in the consolidated institution.

SECTION IV. PREPARING FOR DATA CONSOLIDATION

In response to Paragraph (d) of Subsection (5) of Section 1004.335, Florida Statutes.

(d) **The plan must provide that, on each regularly scheduled submission date subsequent to July 1, 2020, the University of South Florida report consolidated data for all of the university's campuses and students to the Integrated Postsecondary Education Data System and to the Board of Governors.**

Consolidated Data Reporting to IPEDS and BOG

In August 2020, one month prior to the beginning of the 2020-21 IPEDS Data Collection schedule, the USF Office of Decision Support will communicate with IPEDS/NCES who will make the requisite changes of submitting under one IPEDS ID.

The USF System already submits System-level data to the BOG through the annual Accountability Plan. Therefore, our efforts will be concentrated on necessary IPEDS changes.

SECTION V. IMPORTANT CONSIDERATIONS FOR THE BOT, BOG AND OTHER CONSOLIDATION STAKEHOLDERS

Elevating USF Student Access and Success through Consolidation:

While the law requires this plan to ensure that the consolidation process does not impede current students on their path to timely graduation (see Section III of this document), the BOT wishes to also briefly highlight the immeasurable benefits that successful consolidation will provide to future USF students. Students will have access to a much broader array of degree programs by discipline, level, mode of delivery and location. Strengthening partnerships with local corporations, not-for-profits, educational organizations and government entities will enhance academic offerings to better meet local workforce needs, as well as create more high-paying job opportunities for graduates. Students will also benefit from shared best practices in access and student success from across the three campuses. And, for the first time ever, all graduates from USF, regardless of the campus on which they received their primary instruction, will graduate with a degree from a Preeminent State Research University that is ranked in the Top 25 public research universities by the National Science Foundation.

Access to new degree programs is a considerable added benefit of consolidation; however, the BOT is committed to simultaneously improve upon USF's already nationally-acclaimed record of access and success for students from traditionally underrepresented backgrounds. USF has consistently been lauded as a national model for its success in providing access to – and timely graduation from – a Preeminent university education for students of all backgrounds. USF has eliminated the graduation gap between students regardless of race, ethnicity or family income. This accomplishment is an immense source of pride for the entire USF community and is clearly a competitive differentiator for USF among its peer research institutions nationwide. The BOT has expressed a clear intention to become the institution of choice for high-achieving students of all backgrounds, where they will continue to see access, support, inclusion, timely graduation and high-paying job opportunities. Consolidation presents a unique opportunity to improve upon USF's already well-known record of student access and success. Initiatives such as the FUSE program will take on added emphasis as USF strives to further diversify its student profile while also continuing to shatter national norms for achievement by all of its students. These efforts will be designed around the BOT's guiding principle for consolidation to "commit to students first through expanding access and raising educational attainment while continuing USF's national best practice of student success and diversity."

Strengthening USF's Stature as a Preeminent State Research University:

Consolidation also offers the opportunity to strengthen USF's stature and designation as "Preeminent." Currently, only USF Tampa meets the benchmarks set in law to achieve this designation. Therefore, only USF Tampa students,

graduates and faculty share in the designation's benefits, prestige and financial rewards. Post-consolidation, students and graduates educated across all three USF campuses will attend and graduate from a Preeminent State Research University.

However, it is critical to note that Florida Statutes Section 1001.7065 provides that an institution may only be designated "Preeminent" and share in any newly appropriated funding for the program each year if the institution "annually meets at least 11 of the 12 academic and research excellence standards" in law. While, USF Tampa achieved the designation by meeting 11 of the 12 standards for the first time in 2018, it is not guaranteed that the designation will be retained if a consolidated USF fails to meet at least 11 standards in any future year.

Recognizing the potentially detrimental reputational and financial impacts associated with failing to remain Preeminent, the USF BOT set its No. 1 guiding principle for consolidation the retention of, and strengthening of, USF's stature as Preeminent. In essence, the BOT views any loss of the Preeminent State Research University designation as an unacceptable outcome. This was the same view of the Task Force, the CIC and the many supporters of consolidation in the Legislature who recognize the benefits of a Preeminent USF for all students and faculty, regardless of campus.

The BOT receives regular updates on the progress of each USF campus towards meeting performance-based funding (PBF) metrics and Preeminence benchmarks (where applicable). Although USF Tampa is presently evaluated separately for Preeminent performance (based on its separate IPEDS data), the BOG requires the USF System to compete in PBF metrics as if it was already one consolidated university. So, the BOT has ample experience in evaluating, measuring and reporting data on PBF for individual USF institutions, as well as a combined USF System.

Although no combined IPEDS data exists for the USF System today, the BOT can project that as a consolidated USF, the most high-risk areas for falling short on Preeminence standards are found in meeting the following Preeminence standards [from Section 1001.7065(2), F.S.]:

> (a) An average weighted grade point average of 4.0 or higher on a 4.0 scale and an average SAT score of…1200 or higher on a 1600-point scale for fall semester incoming freshmen, as reported annually;
>
> (b) A top-50 ranking on at least two well-known and highly respected national public university rankings, including, but not limited to, the U.S. News and World Report rankings, reflecting national Preeminence, using most recent rankings;
>
> (c) A freshman retention rate of 90 percent or higher for full-time, first-time-in-college students, as reported annually to the Integrated Postsecondary Education Data System (IPEDS);
>
> (d) A 4-year graduation rate of 60 percent or higher for full-time, first-time-in-college students, as reported annually to the IPEDS; and
>
> (I) An endowment of $500 million or more, as reported in the Board of Governors Annual Accountability Report.

The remaining seven Preeminence standards will either be unaffected by, or slightly improved by, consolidation accreditation. In each of those seven standards, the current performance of USF Tampa already greatly exceeds the Preeminence benchmarks so the risk of falling short is very low.

Neither USF Tampa, nor the USF System, currently meets metric (l), the $500 million endowment threshold. This is noteworthy because until this endowment threshold is met, USF has no room for error on meeting any of the other 11 Preeminence metrics to remain designated as Preeminent. The current USF System endowment is valued at approximately $480 million, but our ability to meet and sustain an endowment value of over $500 million is highly dependent on external factors, such as market performance.

Both USF Tampa and the combined USF System meet the standards for metric (a) , regarding average high school GPA and SAT scores of incoming freshmen. However, the current USF System freshmen GPA profile is only slightly above the required 4.0 standard, even though USF Tampa's performance exceeds a 4.1 average GPA. This metric requires significant ongoing monitoring, as well as the implementation of uniform FTIC admission standards across all three campuses – an effort already underway in anticipation of consolidation.

USF Tampa currently exceeds the threshold for metric (b) by being ranked as a Top 50 Public University in four highly respected publications approved by the BOG. However, there is no guarantee that each of those four publications will automatically substitute USF Tampa's current Top 50 national public ranking with a consolidated USF. We remain cautiously confident that a consolidated USF can maintain a Top 50 public ranking in more than the minimum two publications, but performance across the USF System must continue to improve now and into the consolidated future.

The BOT remains most focused on continued improvement in performance in two key student success Preeminence metrics that also double as PBF metrics: the FTIC 4-year graduation rate; and the freshman-to-sophomore year retention rate (known as Academic Progress Rate, or APR, for PBF). The BOT can project that although USF Tampa already meets the required Preeminence standards of a 60 percent 4-year graduation rate and a 90 percent freshmen retention rate, the performance of the USF System (including USFSP's and USFSM's performance) falls just short of the standards in these two critical areas.

Falling short in these two measures – graduation and retention rates – would represent the greatest potential risk to a consolidated USF earning Preeminence. Consequently, the BOT will be redoubling its focus on each campus performing at a Preeminent level. This tenet will be at the core of any decisions the BOT makes during and following the consolidation process to ensure the Preeminent designation is retained, strengthened and enjoyed by all students, faculty and alumni of a consolidated USF. Strategies to achieve this goal are found throughout this implementation plan and timeline, as directed by the BOT's No. 1 Guiding Principle for Consolidation.

The Financial Health of a Consolidated USF and the Need for Additional Resources:

The BOT and Task Force have made clear that in order to capitalize on the advantages of USF's consolidation, additional investment will be required. Expanding STEM and other degree offerings, increasing research capacity and productivity, and offering expanded doctoral programs will all require new resources. This can be achieved through a combination of direct operational support appropriations to each of the campuses, additional investment in the Preeminent State Research Universities program, the World Class Scholars and Graduate Excellence programs, Performance-based Funding, PECO and other sources.

Consolidation Implementation Plan & Timeline

The USF System submitted a Legislative Budget Request (LBR) to the BOG for Fiscal Year (FY) 2019-2020 for $20 million in new recurring funding to be shared equally by USF Tampa, USFSP, USFSM and USF Health. These funds would be used to hire at least 100 faculty members, who could help to immediately increase degree offerings and research capacity across a consolidated USF.

The financial health of the institution will remain at the forefront of all decisions made by the BOT throughout the consolidation process and beyond. While consolidation will bring about numerous examples of long-term efficiencies (which will be reinvested in the institution and student success efforts), the costs associated with a significant expansion of academic programs and research capacity, as currently contemplated, will far exceed those cost savings in the short-term. The programmatic and research expansions envisioned for a consolidated USF will require additional funding. It would be difficult – if not impossible – to achieve our goals in the face of any significant base budget reductions to the current operating budget.

The BOT and University administration are developing a multi-year strategy aligned with this plan to engage the Tampa Bay Area Legislative Delegation around the potential benefits for the entire region achieved through the successful consolidation of USF. The strategy will clearly outline the positive benefits of consolidation at each campus, provided that additional state investment is received to make these plans a reality. Positioning each of the campuses for growth in academic offerings, research and development, Preeminence and greater student success through consolidation requires new resources. The members of the delegation will clearly understand how the consolidation efforts directly impact their local communities and the region as a whole, as well as the role that each of them can play in making these plans a success.

Administrative Structure of a Consolidated USF and Distributed Excellence:

Of all the issues contemplated during the consolidation process, one that has garnered significant discussion has been the future administrative structure of a consolidated USF. This is certainly a critical issue that requires additional input and study prior to submitting a Substantive Change Prospectus to SACSCOC. Throughout the process, the BOT has been and will remain committed to creating a structure that best serves the needs of all USF students and faculty across all campuses – now and into the future.

A strong community desire has been expressed for USFSP and USFSM to be branch campuses of the consolidated USF. During the February 12, 2018 CAP Committee meeting, the President and the BOT expressly stated their support for USFSP and USFSM as branch campuses and this implementation plan contemplates the best way to move forward under that structural approach. Important determinations are still under review, including the level of authority on each campus of a Preeminent and consolidated USF. Authority, accountability and performance will be inexorably linked under any administrative model that is ultimately proposed in the SACSCOC Substantive Change Prospectus. Careful consideration and analysis of how faculty at all campuses can optimally carry out their teaching, research and service mission will be a critical component of the model's development. Over the next few months, the BOT will be engaged in conversations with the BOG, the Legislature, Governor and other stakeholders to design an administrative structure that serves all USF students and faculty, meets local workforce needs, and ensures accountable and Preeminent performance across all campuses.

Central to the BOT's discussion around administrative structures will be how USF can build competitive advantages by clearly creating distinguishing characteristics for each of the University's campuses. A consolidated USF brand will shine through in each campus, but the unique identity and distinguishing characteristics of each campus will provide the consolidated USF with a competitive advantage over national and international peers. This can be accomplished by ensuring that each campus, and by extension its host city or community, is internationally recognized as a leader in at least one emerging field for the 21st Century. This distributed model of centers of excellence at all campuses best serves the Tampa Bay region, the state of Florida and the USF brand moving forward, and directly tracks the BOT's guiding principles for consolidation.

Optimism for a Bright Future under a Consolidated USF:

The BOT would like to express its sincere appreciation to the members of the Task Force, the CIC and many others who have spent countless hours planning for accreditation consolidation. This implementation plan demonstrates that in the vast majority of areas that must be addressed for consolidation, there is widespread agreement by all the stakeholders about the best course forward. (A crosswalk of the various areas of agreement between the Task Force and the CIC is included in Appendix C of this plan, which clearly shows significant alignment between those groups' recommendations.)

Additionally, throughout the process, both internal and external stakeholders have put forth tremendous new ideas to strengthen the institution through consolidation. The process has invigorated the institution's commitment to greater student success, better institutional performance outcomes, more empowered faculty, improved research capacity, and greater community partnerships to better serve the Tampa Bay region and the State of Florida. While achieving consolidation according to the timeline prescribed in law is an enormous undertaking, the BOT is optimistic about the prospects for greater success for all of USF under this new organizational model.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
March 27, 2019

SUBJECT: State University System 2025 Strategic Plan Mid-course Correction

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

At its January 31, 2019 meeting, the Strategic Planning Committee initiated a review of the Board's 2025 Strategic Plan metrics, beginning with the Teaching and Learning metrics. At this meeting, the Committee will review the Research, Scholarship and Innovation metrics and the Community and Business Engagement metrics. The Committee will receive staff recommendations as to those that might be candidates for adjustment. Approvals to change Strategic Plan metrics will be made after all have been considered.

Supporting Documentation Included:	2025 System Strategic Plan Research, Scholarship, and Innovation Metrics and Community and Business Engagement Metrics
Facilitators/Presenters:	Dr. Christy England

2019-03-21

2025 System Strategic Plan – 2019 Review

Scholarship, Research and Innovation & Community and Business Engagement

CONSIDER REVISING EXISTING METRICS

PERFORMANCE METRICS	CURRENT GOAL	CURRENT ACTUAL	2025 TREND	PROPOSED GOAL
22) Percent of Undergraduate Seniors Assisting in Faculty Research --- or --- Percent of Undergraduates Engaged in Research	TBD	n/a	n/a	TBD
23) Total R&D Expenditures	$2.29B	$2.32B	$2.68B	TBD
24) Percent of R&D Expenditures funded from External Sources	71%	54%	*	TBD
26) Number of Licenses and Options Executed Annually	270	496	*	TBD
29) Percentage of Baccalaureate Graduates Continuing Education or Employed Full-time ---- CHANGE TO ----- Percent of Bachelor's Graduates Employed (Earning $25,000+) or Enrolled	90% --- .	76% ---- 68%	77% ---- 72%	TBD

Note*: The actual historical trend and planned goals from universities are moving in opposite directions, so no trend is provided.

CONSIDER ADDING NEW METRICS

PERFORMANCE METRICS	CURRENT GOAL	CURRENT ACTUAL	2025 TREND	PROPOSED GOAL
Median Wages of Bachelor's Graduates Employed Full-time	.	$38,100	$43,700	TBD
Student Wellness metric…?	.	.	.	TBD

DRAFT

2019-03-21

OTHER EXISTING METRICS

PERFORMANCE METRICS	CURRENT GOAL	CURRENT ACTUAL	2025 TREND	PROPOSED GOAL
20) Faculty Membership in National Academies	75	63		TBD
21) Faculty Awards	75	70	*	TBD
25) Number of Patents Awarded Annually	410	366	410	TBD
27) Number of Start-Up Companies Created	40	43	NO DISCERNABLE TREND	TBD
28) Number of Universities with the Carnegie Foundation's Community Engagement Classification	ALL	8 of 14	.	TBD

Note*: The actual historical trend and planned goals from universities are moving in opposite directions, so no trend is provided.

DRAFT

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
March 27, 2019

SUBJECT: SUS Enrollment Growth Considerations

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

As its June 2018 meeting, the Board of Governors reviewed and approved accountability plans for each of the twelve State University System institutions. The plans contained planned enrollment growth by Fall 2020. Staff will provide the Committee with a broad overview of State University System enrollment growth plans as well as critical factors associated with enrollment planning.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. R. E. LeMon
Mr. Chris Kinsley

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

AGENDA
Academic and Research Excellence Committee
Grand Ballroom
H. Manning Efferson Student Union Building
Florida A&M University
1780 S. Martin Luther King, Jr. Boulevard
Tallahassee, Florida 32307
March 27, 2019
4:00 p.m. – 5:00 p.m.
or
Upon Adjournment of Previous Meetings

Chair: Mr. Alan Levine; Vice Chair: Mr. Norman Tripp
Members: Jordan, Patel, Zachariah

1. Call to Order and Opening Remarks	**Governor Alan Levine**
2. Minutes of January 30, 2019 Committee Meeting	**Governor Levine**
3. SUS Research and Innovation Dashboard Update	**Ms. Emily Sikes** *Assistant Vice Chancellor* *Strategic Initiatives* *and Economic Development*
4. SUS Research Collaboration Highlight: Florida-California Cancer Research, Education, and Engagement Health Equity Center	**Dr. R. Renee Reams** *Professor and* *Principal Investigator* *Florida A&M University* **Dr. K. Ken Redda** *Professor and* *Principal Investigator* *Florida A&M University*

Dr. Diana Wilkie
Professor and
Principal Investigator
University of Florida

5. Concluding Remarks and Adjournment **Governor Levine**

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Research Excellence Committee
March 27, 2019

SUBJECT: Minutes of Committee Meeting held January 30, 2019

PROPOSED COMMITTEE ACTION

Consider approval of the minutes of the Academic and Research Excellence Committee meeting held on January 30, 2019 at Florida International University

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review and consider approval of the minutes of the meeting held on January 30, 2019 at Florida International University.

Supporting Documentation Included: Minutes, January 30, 2019

Facilitators/Presenters: Governor Alan Levine

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
ACADEMIC AND RESEARCH EXCELLENCE COMMITTEE
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA
JANUARY 30, 2019

Video or audio archives of the meetings of the Board of Governors and its committees are accessible at http://www.flbog.edu/.

1. Call to Order and Opening Remarks

Governor Jordan convened the meeting of the Academic and Research Excellence Committee at 3:20 p.m. with the following members present: Governors Tripp, Patel, and Zachariah. A quorum was established.

2. Minutes of Committee Meeting

Governor Jordan asked for a motion to approve the September 13, 2018 minutes of the Committee. Governor Tripp moved to approve the minutes, Governor Patel seconded the motion, and the motion carried unanimously.

3. World Class Faculty and Scholar Program Report

Governor Jordan informed the Committee that the next item on its agenda was to consider approval of the World Class Faculty and Scholar Program Report. As part of Senate Bill 4 that passed March 2018, the Legislature established the World Class Faculty and Scholar Program and required the Board of Governors to submit an annual report on the program to the Legislature in March. The Legislature provided $70.5 million in 2017-18 and an additional $20 million in 2018-19 to support the efforts of State University System (SUS) institutions to recruit and retain exemplary faculty and research scholars. Board staff collected the statutorily required data points from SUS institutions in the fall of 2018. The 2019 report provides baseline information on the initiative. Governor Jordan then called on Ms. Emily Sikes, Assistant Vice Chancellor for Strategic Initiatives and Economic Development, to provide an overview of the World Class Faculty and Scholar Program Report.

Ms. Sikes provided an overview of the World Class Faculty and Scholar Program Report. She noted that, as mentioned by Governor Jordan, this program was formally established in statute in March 2018, but the Legislature provided funding for it in 2017-

18 and in 2018-19. In the report, high-level information is provided on how the system spent or intends to spend the funds as this report is being submitted in the middle of a fiscal year. The information included in the report is from institution reports to the Board office submitted fall 2018 and from the Board's Office of Data Analytics.

Ms. Sikes stated that the intent of this program is to recruit and retain exemplary faculty and research scholars and to elevate the national competitiveness of Florida's universities. In the first two years of the program, the System has devoted almost all of the funds to faculty recruitment, retention, and research. Some examples of faculty recruitment and retention efforts include: research centric cluster hires, awards for outstanding faculty performance, professional development, and overall hiring and retention of faculty. Examples of research efforts include: commercialization efforts, instruction and research infrastructure enhancements, student research initiatives, and postdoctoral fellowships.

Ms. Sikes reported that as of fall 2018, institutions reported recruiting approximately 376 faculty full-time equivalent. These faculty transferred approximately $66.3 million in research funding to the institutions and have more than $77 million in research proposals currently under development or review. If this trend continues, this program will continue to increase the research profile and national ranking of the SUS.

Also included in the report are the 4-year graduation rates and university rankings. Ms. Sikes indicated that it may take several years before any advancements in these metrics are realized as a result of this program.

Governor Jordan asked for a motion to approve the World Class Faculty and Scholar Program Report. Governor Tripp moved to approve the report, Governor Patel seconded the motion, and the motion carried unanimously.

4. Professional and Graduate Degree Excellence Program Report

Governor Jordan reported that the next item on the agenda was to consider approval of the Professional and Graduate Degree Excellence Program Report. This program was also established by Senate Bill 4 and requires the Board of Governors to submit an annual report on the program to the Legislature in March 2018. The Legislature provided $50 million in 2017-18 and an additional $10 million in 2018-19 to SUS institutions to enhance the quality and excellence of professional and graduate schools and degree programs in medicine, law, and business. Board staff collected the statutorily required data points from SUS institutions in the fall of 2018. The 2019 report provides baseline information on the initiative.

Governor Jordan then called on Ms. Sikes to provide an overview of the Professional and Graduate Degree Excellence Program Report.

Ms. Sikes reported that, similar to the World Class Faculty and Scholar Program, the Professional and Graduate Degree Excellence Program was formally established in statute in March 2018, but the Legislature provided funding for it in 2017-18 and 2018-19. In the report, high-level information is provided on how the system spent or intends to spend the funds.

Ms. Sikes explained that the purpose of this Program is to enhance the quality and excellence of graduate schools and degree programs in medicine, law, and business. She stated that for context, the SUS includes six medical schools, four law schools, and ten institutions with graduate level business programs. New College of Florida and Florida Polytechnic University did not receive any funding from this Program. Institutions received funding based on prior performance on indicators such as licensure exam pass rates, employment outcomes, and numbers of graduates. In 2017-18, SUS institutions awarded 698 medical degrees, 793 law degrees, and over 4,600 graduate level business degrees.

Ms. Sikes stated that most of the funds from the Professional and Graduate Degree Excellence Program were used to recruit and retain faculty and support student success initiatives. Over the last two years, the Legislature allocated $110 million to SUS institutions to support the program. Of this, 42% was used to recruit and retain faculty and 26% was used to support students through a variety of mechanisms. Some examples of student support activities include financial aid, licensure examination preparation, career placement, and advising.

Ms. Sikes stated that when examining the funds across the program areas of medicine, law, and business, the majority of the funds supported faculty and students. For medicine over the last two years, SUS institutions spent more than $40 million to support graduate education while 23% supported other initiatives such as expanded outreach efforts in medical school pipeline programs, IT expenses, and support staff. For law, SUS institutions spent approximately $32.2 million supporting activities that include initiatives to increase bar passage rates, IT expenses to support improved student learning, and other enhancements to existing learning environments. Finally for business, SUS institutions spent approximately $35 million on graduate education. Examples of activities in business include graduate student stipends, advising, and expenses for a master's of logistics program.

Since the report is being submitted in the middle of a fiscal year, some institutions have obligated funds, but not yet spent the funds. Funds are committed to support faculty start-up packages, recruitment efforts necessary to attract and retain exemplary faculty, and student scholarships.

Ms. Sikes conveyed that for this report required information includes first-time pass rates on the United States Medical Licensing Examination and first-time pass rates on the Florida Bar Examination. Additionally, the following data is required and included in the report: the percentage of graduates enrolled or employed to reflect the added value of a graduate-level business degree; the advancement in the rankings of medicine, law, and graduate level programs; and the added economic benefit of the universities to the state. Ms. Sikes noted that it is too early to tell the type of impact this program may have had on these metrics, so data in this report will be considered as a baseline for future reports.

Ms. Sikes concluded her presentation by reiterating that while the full effects of the Professional and Graduate Degree Excellence Program are not yet known, the program has provided an opportunity for SUS institutions to support and enhance professional and graduate education in the state.

Governor Jordan asked for a motion to approve the Professional and Graduate Degree Excellence Program Report. Governor Tripp moved to approve the report, Governor Patel seconded the motion, and the motion carried unanimously.

5. SUS Research Collaboration Highlight: Center for Aquatic Chemistry and Environment

Governor Jordan reported that the final item on the agenda is a presentation highlighting a SUS research collaboration. At each meeting, the Committee will learn about a research collaboration among two or more SUS institutions. This allows the Board to learn about innovative partnerships and collaborations across the system. Governor Jordan then stated that the Committee will hear a presentation from researchers at the Center for Aquatic Chemistry and the Environment at the National Science Foundation's Centers of Research Excellence in Science and Technology. This Center is a collaborative effort between Florida International University (FIU), the University of South Florida (USF), and Florida Atlantic University (FAU) scientists and also includes Florida Keys Community College, Miami Dade College, and Miami Dade Public Schools. Governor Jordan mentioned that the focus of the center is water quality, a topic very important to Florida and a key issue of importance to the new Governor.

Governor Jordan then called on Dr. Todd Crowl, Principal Investigator and Director of the Center for Aquatic Chemistry and Environment at FIU and Dr. Donny Smoak, Professor of Environmental Science, USF to deliver the presentation.

Dr. Crowl explained that the Center for Aquatic Chemistry and Environment focuses on water quality and is designed to understand the sources, transportation, and impacts of

pollutants and contaminants in the south Florida area. The Center is only about two and a half years old and it includes students and faculty from 14 departments, 4 colleges, 2 centers and the STEM Transformation Institute. The Center partners with the USF, FAU, University of Puerto Rico, Miami Dade College, and the Florida Keys Community College, as well as a number of state and federal resource agencies.

Dr. Crowl stated that the Center has three research foci: the detection and identification of contaminants and pollutants; the fate and transport of contaminants; and the impacts of these things on natural communities. The Center's research work takes place in the Everglades and also in mangroves and shallow marine habitats.

Dr. Crowl offered some highlights of the Center's research initiatives. First, researchers at the Center are currently investigating how fertilizers get into aquatic systems and what impacts they have. Another area of research that the Center is working on is to better understand the harmful algal blooms by monitoring the genetic makeup of oyster beds. This research could provide an early warning system to identify potential harmful blooms.

Dr. Crowl conveyed that the Center is also about education, as it is an integration of research and training for graduate students, but also includes undergraduate research opportunities. In terms of undergraduate education, the Center has developed discovery learning courses, where students are asked to develop environmental questions and then find data related to address the questions. The Center has been successful in retaining people in the STEM pipeline using this approach.

Dr. Crowl then described initiatives the Center is undertaking related to technology development and technology transfer. One example is a collaborative effort between students from the Center and computer science majors to develop a more sophisticated search engine to facilitate academic research. This effort was a student-driven enterprise that had some wonderful results. Dr. Crowl mentioned the Center is also spending time building sensor buoy systems for early warning detection of mercury and broken sewer pipes. The Center is also partnering with FIU's robotics lab in order to reduce the cost of the sensors and increase access to communities and users.

Dr. Crowl explained that in the future the Center will be focusing on emerging pollutants such as pharmaceuticals as endocrine disruptors, climate and infectious diseases, and aquatic stressors and the brain.

Governor Kitson commented that when people think of Florida, natural springs, the Everglades, coastlines, rivers, and why people visit, it would be phenomenal if the university system could be part of the solution when it comes to water quality and public perception of those issues.

Governor Patel stated that these issues have a major impact on tourism and are very important to study and address. He applauded Dr. Crowl's initiatives in this area and expressed that the awareness of this research is very important. Governor Patel also noted that it is important to ensure that the media is aware that the SUS is looking for solutions to address water quality problems.

Governor Jordan thanked Dr. Crowl and his team for the presentation.

6. Closing Remarks and Adjournment

Having no further business, Governor Jordan adjourned the meeting at 3:56 p.m.

_____
Alan Levine, Chair

_____
Roger Strickland
Director, Economic Development

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Research Excellence Committee
March 27, 2019

SUBJECT: State University System Research and Innovation Dashboard Update

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

In September 2016, the Board approved a 19-metric Research Dashboard to document progress that the System is making to achieve national and international prominence in research. The dashboard includes metrics that quantify research activity and progress in the categories of "Research Contracts and Grants," "Innovation," "People," and "ROI." The first dashboard was presented to the Academic and Research Excellence Committee in March of 2018. The second year of the dashboard provides an update of the System's progress across the 19 metrics.

Ms. Emily Sikes, Assistant Vice Chancellor for Strategic Initiatives and Economic Development, will present the results of the second research dashboard to the Committee.

Supporting Documentation Included: 2019 SUS Research and Innovation Dashboard

Facilitators/Presenters: Ms. Emily Sikes

State University System 2019 R&D Dashboard

			Year 1		Year 2	
		METRICS	YEAR	SUS	YEAR	SUS
Research Grants & Contracts	1	Total R&D Expenditures ($ Billions)	FY2016-17	$2.21 B	FY2017-18	$2.32 B
	2	Federal R&D Expenditures ($ Millions)	FY2016-17	$948 M	FY2017-18	$1,020 M
	3	Science & Engineering R&D Expenditures ($ Billions)	FY2016-17	$1.95 B	FY2017-18	$2.07 B
	4	Non-Medical R&D Expenditures ($ Billions)	FY2016-17	$1.4 B	FY2017-18	$1.45 B
	5	Number of Grants/Contracts between Two or More SUS Institutions	FY2016-17	n/a	FY2017-18	120
Innovation		Patents Awarded (over 3-year period)	2014-2016	1,007	2015-2017	1,010
	7	Number of Industry-related Grants and Contracts	FY2016-17	4,646	FY2017-18	4,695
	8	Industry Related R&D Expenditures ($ Millions)	FY2016-17	$192.5 M	FY2017-18	$188.4 M
	9	Number of Startups	2014-15	54	2015-16	43
	10	Number of National Academy of Inventors Fellows	2017	57	2018	65
	11	Number of I-Corps teams	FY2014-16	38	FY2015-17	40
	12	Number of Licenses and Options Executed	2014-15	441	2015-16	496
People	13	Number of Students Engaged in Undergraduate Research	n/a			
	14	Doctoral Degrees Awarded	AY2016-17	4,260	AY2017-18	4,305
	15	Number of Postdoctoral Appointees	Fall 2016	1,475	Fall 2017	1,509
	16	National Academy Members (NAS, NAE, NAM)	2017	58	2019	63
ROI	17	**Total number of jobs supported from external funding** The total research expenditures from external sources is multiplied using a regional multiplier, which will generate the total number of jobs created for every $1 Million in external funding. Rounded to nearest tens digit.	FY2016-17	18,920	FY2017-18	20,100
	18	**Economic Impact of State Funding ($ Millions)** The total research expenditures by the institutions funded from the State. The total dollars received in state support is multiplied by the state multiplier, generating the total economic impact on the state's economy for every $1 in state support.	FY2016-17	$636.5 M	FY2017-18	$763.5 M
	19	**Economic Impact of Federal Funding ($ Billions)** Calculated on the annual contract & grant dollars received by the institutions from the federal agencies. The total dollars received in federal support is multiplied by the state multiplier, generating the economic impact on the state's economy for every $1 in federal support.	FY2016-17	$2.84 B	FY2017-18	$3.06 B

Source: Board of Governors survey of State University System institutions, February 2019

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Research Excellence Committee
March 27, 2019

SUBJECT: State University System Research Collaboration Highlight: Florida-California Cancer Research, Education and Engagement Health Equity Center

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

At each meeting, the Academic and Research Excellence Committee will highlight a research collaboration among two or more State University System institutions. This allows the Board to learn about innovative partnerships and collaborations across the system.

Researchers from the Florida-California Cancer Research, Education and Engagement Health Equity Center will describe a collaboration between Florida A&M University, University of Florida, and the University of Southern California. The Center is supported by a five-year $16 million partnership grant from the National Cancer Institute, a division of the National Institutes of Health. The Center will address cancer health equity in Black and Latino populations.

Dr. R. Renee Reams and Dr. K. Ken Redda, Principal Investigators of the Florida-California Cancer Research, Education and Engagement Health Equity Center at Florida A&M University and Dr. Diana Wilkie, Principal Investigator of the Florida-California Cancer Research, Education and Engagement Health Equity Center, University of Florida, will deliver the presentation.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. R. Renee Reams
Dr. K. Ken Redda
Dr. Diana Wilkie

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

AGENDA
Facilities Committee
Grand Ballroom
H. Manning Efferson Student Union Building
Florida A&M University
1780 S. Martin Luther King, Jr. Boulevard
Tallahassee, Florida 32307
March 27, 2019
5:00 p.m. – 6:00 p.m.
or
Upon Adjournment of Previous Meetings

Chair: Mr. H. Wayne Huizenga, Jr.; Vice Chair: Dr. Fernando Valverde
Members: Felton, Jordan, Kitson, Lautenbach, Morton, Patel

1.	**Call to Order and Opening Remarks**	**Governor H. Wayne Huizenga, Jr.**
2.	**Minutes of Committee Meeting** Minutes, January 31, 2019	**Governor Huizenga**
3.	**2020-2021 Fixed Capital Outlay Legislative Budget Request Guidelines**	**Mr. Chris Kinsley** *Assistant Vice Chancellor for Finance & Facilities*
4.	**FIU P3 Hotel and Alumni Center**	**Dr. Ken Jessell** *Sr. Vice President for Financial Affairs, FIU*
5.	**Proposed Amendments to the P3 Guidelines**	**Mr. Kinsley**
6.	**FAU Housing Bonds**	**Mr. Jeff Atwater** *Vice President, Strategic Initiatives, and Chief Financial Officer, FAU*
7.	**Proposed Amendment to Board Regulation 14.0025 Action Required Prior to Fixed Capital Outlay Budget Request**	**Mr. Kinsley**
8.	**Legislative Update and Legislative Budget Request Amendment**	**Mr. Kinsley**

9.	**SUS Credit Ratings**	**Mr. Kinsley**
10.	**FAMU Brooksville / Duke Energy**	**FAMU Representatives**
11.	**Concluding Remarks and Adjournment**	**Governor Huizenga**

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 27, 2019

SUBJECT: Minutes of Meeting held January 31, 2019

PROPOSED COMMITTEE ACTION

Approve the minutes from the meeting held on January 31, 2019

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review and approve the minutes of the Facilities Committee meeting held on January 31, 2019, at Florida International University.

Supporting Documentation Included:	Minutes: January 31, 2019
Facilitators/Presenters:	Governor H. Wayne Huizenga, Jr.

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA
JANUARY 31, 2019

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Governor H. Wayne Huizenga, Jr., Chairman, convened the meeting of the Board of Governors Facilities Committee meeting at 8:58 a.m., January 28, 2019. The following members were present: Fernando Valverde, Shawn Felton, Darlene Jordan, Sydney Kitson, Edward Morton, and Jay Patel. Other Board members present included: Tim Cerio, Jalisa White, and Z. Zachariah.

1. Call to Order and Opening Remarks

Chairman Huizenga called the meeting to order.

2. Minutes of Committee Meeting: Governor Huizenga

Governor Valverde moved that the Committee approve the minutes of the Facilities Committee meeting held January 28, 2019, at Florida International University. Governor Patel seconded the motion, and it passed unanimously.

3. Amended 2019-2020 SUS Fixed Capital Outlay Legislative Budget Request

Chairman Huizenga called on Mr. Chris Kinsley, Assistant Vice Chancellor for Finance and Facilities, to discuss further amendments proposed to the Board's Fixed Capital Outlay Legislative Budget Request. Mr. Kinsley noted that the previously adopted PECO budget was in accordance with the estimates adopted by the PECO Revenue Estimating Conference on August 1, 2018. The December 4, 2018, estimates revise and reduce the amounts significantly for Maintenance, Repair, Renovation, and Remodeling, as well as for SUS Projects. The Board staff recommended that a pro-rata adjustment be made to all projects. Mr. Kinsley noted that the Legislature, for the past few years, has supplemented the PECO funds with non-recurring general revenue so that the SUS system receives funds in excess of the estimates. Since the project list was based around the original estimates to maximize completion of projects as much as possible within the three-year window, the reduced numbers will not allow the same

number of projects to be completed. The unknown is what road the Legislature will take. Therefore we adopt the pro-rata reduction. (59.34)

Chris Kinsley opened the floor for questions. Chairman Huizenga advised that the three requests related to UCF should be deferred at this time and not included in the final amended Legislative Budget Request. Chairman Huizenga asked if there were any questions. There being none, Mr. Kinsley went on to discuss the Capital Improvement Trust Fund fee allocation of $44M based on each school's pro-rata contributions. Mr. Kinsley also addressed the Request for Legislative Authorizations. In addition to the UCF deferred items, FAMU has requested that its request for Lab School Renovations also be removed from the list for this cycle. Additionally, two items in the Guidelines, but not requested by the universities, are the extraordinary requests for legislative authorization for debt projects, also known as Back of Bill 1, as well as requests for Plant Operations and Maintenance (PO&M), also known as Back of Bill 2 requests. With regard to PO&M requests, four schools submitted requests but, after vetting the requests, it was discovered that the requests were either previously authorized or not E&G facilities. Therefore, there are no BOB-1 or BOB-2 requests.

In regard to Special Requests for University Developmental Research Schools, FAU requested $10,000,000, as did UF. President Kelly presented on the FAU Lab School, followed by Dr. Charlie Lane who presented on the UF Lab School.

Chairman Huizenga called for a motion to approve the amendments to the Board's Fixed Capital Outlay Budget request as presented today. Governor Kitson moved to approve, Governor Patel seconded, and the motion passed with approval by all members present.

4. 2020-2021 SUS Legislative Budget Request Guidelines

Chairman Huizenga explained that assuming the current state funding policies remain in place, the Board is taking a conservative approach with regard to the Budget Guidelines and highlighted two significant changes. The first being that for all new projects, a funding source outside of additional State Appropriations for Plant Operations & Maintenance be identified. The second is that the category called "Utilities/Infrastructure/Capital Renewal/Roofs" has been eliminated and replaced with a requirement that long-term maintenance items be addressed with greater specificity. Chairman Huizenga then called on Mr. Kinsley to elaborate on the proposed changes.

Mr. Kinsley stated that due to legislative session starting in January, we have to backup our calendar. Mr. Kinsley then highlighted the major changes for discussion as the finalized guidelines will be presented in March. The proposed guidelines replace the category Utility Infrastructure with the Capital Renewal Requests detailed at the

Existing Building or Existing Subsystem level and suggests that multiple line entries be used to identify and break out subsystems. Historically, Utility Infrastructure has been the number one priority, but since this category has not received funding in several years, and since the need for this category has not gone away, the universities would now address the critical needs by identifying individual subsystems as opposed to a lump sum request. If there are no critical needs, the university should certify that it has no critical needs at that time.

The other major change relates to Plant Operations and Maintenance and identifying the funding source if outside of State Appropriation. The operating budget is requesting Plant Operations and Maintenance for E&G facilities and we will advocate for that funding. However, this is the fourth year; there has been three years of no funding for PO&M, so we should ask the universities to consider when building a new facility and the state is not going to provide extra money for utilities or janitorial services, then identify where is that money coming from. Finally, universities may have to get creative in determining how PO&M will be funded, so that new facilities can be built.

Mr. Kinsley then opened the floor for questions. Chairman Huizenga advised the committee members that the changes are proposals for consideration. The proposed changes does not mean we are giving up, but based on the history (1:37) asking for funding seems futile. We have huge deferred maintenance and we are trying to address it, but in response to what is heard from the Legislature and when planning new buildings, then we have to figure out how we are going to fund the operating costs if they are not funded. So rather than losing our older buildings to neglect because we do not have the dollars, then our focus needs to be on sustaining and maintaining the buildings we have until we can generate enough funds for the university to be able to finish the projects that we have right now and to build the new buildings so we can sustain our new students in the future.

5. Adjournment

There being no further business, Chairman Huizenga adjourned the meeting at 9:43 a.m. (ET), on January 31, 2019.

Chris Kinsley, Assistant Vice Chancellor Facilities	H. Wayne Huizenga, Jr., Chair

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 27, 2019

SUBJECT: 2020-2021 Fixed Capital Outlay Legislative Budget Request Guidelines

PROPOSED COMMITTEE ACTION

Review and Approve the Fixed Capital Outlay 2020-2021 Legislative Budget Request Guidelines

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Subsection 1001.706(4)(b), Florida Statutes

BACKGROUND INFORMATION

The first step in the development of the 2020-21 State University System LBR is Board approval of the LBR policy guidelines for both the operating and Fixed Capital Outlay (FCO) components of the budget request. The FCO guidelines are recommended by the Facilities Committee; while the operating guidelines are recommended by the Finance and Budget Committee. The Facilities Committee reviewed the proposed FCO Guidelines in January; and Board staff circulated the draft to appropriate university stakeholders.

Significant recommended changes to last year's guidance include:

- Replaces the category Utility Infrastructure (Single Line) with Capital Renewal Requests detailed at the Existing Building or Existing Subsystem level (Multiple Lines).

- Requires Board of Trustee prioritization of identified Capital Renewal needs ahead of New Facilities.

- Requires that all PECO projects have identified a Plant Operations and Maintenance funding source without any additional state appropriations.

Supporting Documentation Included: 2020-2021 LBR Guidelines
Facilitators/Presenters: Mr. Chris Kinsley

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State University System of Florida
Board of Governors
2020-21 Legislative Budget Request Development
Policy Guidelines

Pursuant to section 7, Article 9, of the Florida Constitution, the Board "…shall operate, regulate, control, and be fully responsible for the management of the whole university system." Included within this responsibility is the development of a Legislative Budget Request (LBR). In addition, section 216.023(1), Florida Statutes, requires the submission of an LBR to the Legislature and Governor based on an independent judgment of needs.

The 2020-2021 LBR will provide flexibility for the Board of Governors (Board) and individual university boards of trustees to jointly manage the system to meet the critical needs of the state, achieve the statewide goals and objectives of the updated State University System (SUS) Strategic Plan, and demonstrate accountability and transparency. The following goals of the SUS Strategic Plan will be addressed in the request:

1. Excellence
2. Productivity
3. Strategic Priorities for a Knowledge Economy

These system goals, as well as institutional goals and initiatives, should be incorporated into the following priorities, which will be reflected in the LBR:

Operating and Specialized Program Funds:

1. Continuing costs associated with existing programs – This policy addresses the funds needed to continue existing programs:

   a. Plant operations and maintenance for new and existing buildings –
      i. Funds may be requested for the annualized operations and maintenance costs for buildings completed and phased-in during 2019-2020;
      ii. Funds may be requested for the operating costs for new buildings to be completed and occupied in 2020-2021.

   b. Annual Fire Safety Inspection Fees –
      i. Funds will be requested to cover the annual costs of the State Fire Marshal inspection of university facilities.

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2. Performance-Based Funding – Funding will be requested based on the Board's performance-based funding model.

3. Campus Health, Safety and Security – Consideration will be given to initiatives that support or enhance student health, ensure the safety of students, faculty and staff, and secures the campus to promote a safe learning environment.

4. Task Force Reports, Studies, and Strategic Plans – Consideration will be given to initiatives recommended in any reports, studies, or strategic plans and endorsed by the Board.

5. Shared System Resources – Consideration will be given to initiatives that allow for greater efficiencies through shared system resources. System initiatives developed by the universities should be vetted by the appropriate SUS council before being recommended to the Board.

The following represents the timeline for submission of the SUS 2019-2020 LBR for operations:

- March 28 Board reviews draft LBR Policy Guidelines
- May Chancellor provides guidance to the universities on the development of system and university LBR issues
- July 29 System issues are submitted by the appropriate SUS council
- August 29 Board approves the operating LBR
- Sept. 15 Anticipated Date - LBR is submitted to the Governor and Legislature
- Oct. 2-3: Budget and Finance Committee Workshop to discuss potential changes to the performance-based funding model
- Oct. 30: Board evaluates amendments to the LBR
- Dec.: Amended LBR is submitted to the Legislature and Governor after release of the Governor's budget recommendations
- Jan. 14, 2020: Legislative Session Begins

Fixed Capital Outlay Funds:

For Public Education Capital Outlay (PECO) projects, the university's approved Five-Year Capital Improvement Plan (CIP) should be prioritized by the trustees as indicated below. PECO funding to meet critical maintenance needs must be assigned a higher priority than adding new facilities, with the intent to improve the condition of existing space and campus infrastructure.

Funding will be requested for institutional survey-recommended PECO projects in the following priority order:

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1. **Remodeling/Renovation/Maintenance/Repair**
   Funds will be requested from PECO pursuant to formula as required by section 1013.64(1)(a), Florida Statutes, and should not be included by the university on the CIP – this funding will be requested as the top system issue by the Board of Governors.

2. **Projects Previously Funded by the Legislature**
   Projects previously funded by the Legislature, effective July 1, 2017, or later, should be listed next on the CIP; these are considered "Previously Funded". If a university has more than one such project, priority should be given to those projects which can be most rapidly brought to completion. [1]

3. **Capital Renewal and Stewardship of Existing Facilities[2]**
   a. Subsystem Requests - Each board of trustees shall prioritize capital renewal and stewardship projects for individual subsystems of existing facilities which have failed or are functioning with substantial degradation in efficiency or performing at increased cost. This must be done on a line item basis. [3]

   b. Multiple Subsystem Requests - Renovation of multiple subsystems of an existing facility may be requested only if approved pursuant to an Educational Plant Survey.

   c. Demolition - Funding for demolition of an existing facility may be requested only if approved pursuant to an Educational Plant Survey.

4. **New Facility Requests[4]**
   A New Facility Request must address the following demand indicators[5]:
   a. Will it improve the national ranking of a specific college; e.g. Music, Business, etc?
   b. Will it allow for creation of a new academic program?
   c. Will it create both new research capability and capacity; requiring material institutional support?

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[1] Projects which have not received an appropriation in the past three Legislative Sessions are not considered "Previously Funded" and are subject to a 31-month reversion.

[2] A university may request legislative authority to expend carryforward reserves to the extent it anticipates the July 1, 2020, Education & General (E&G) reserves will be in excess of the mandatory 5%.

[3] For example, Building #10, Roof Replacement, and Building #24, HVAC Repair.

[4] A university should not request funding for a New Facility unless it can demonstrate, based on an independent analysis, such as Sightlines or APPA that it is demonstrating effective stewardship of its existing facilities.

[5] A New Facility Request is unlikely to show demand in every category.

d. Will it expand current course offerings?
e. Will it address campus-wide needs?

New Facility Requests must be supported by an: 1) existing Educational Plant Survey; 2) a business case study; and a 3) Plant Operations and Maintenance (PO&M) Budget Amendment, showing in detail how the existing operating Budget will be adjusted to address the increased PO&M costs without additional state funds. Alternatively, identify non-state funding for the new facility.[6]

A university which desires to seek funding for a new facility which is not eligible for inclusion pursuant to the above stated guidelines, but which is critical to achievement of the Board approved strategic plan goals for the university, may request approval from the Chancellor to determine whether the Board should be asked to re-evaluate the strategic plan goal or consider granting an exception to allow consideration of the FCO funding request.

Non-PECO Components of the University LBR
Capital Improvement Fee Trust Fund Projects, Bonded Projects, P3-s, etc. should be included on the CIP-2 following the standard instructions provided by the Chancellor's Office. It is anticipated that the Board will request the requisite approvals from the Legislature following past practice and, as needed, to comply with the requirements of 1010.62, 1013.74, and 1013.78, Florida Statutes.

The following represents the timeline for submission of the State University System (SUS) 2020-2021 Fixed Capital Outlay LBR:

- March 28 Board approves LBR Guidelines
- July 1 Capital Improvement Plans due to Board of Governors from Board of Trustees
- August 28 Board adopts LBR
- September 15 Anticipated Date – LBR is submitted to the Governor and Legislature
- October 2-3 Board Workshop on LBR Components
- October 30 Board Amends LBR (PECO, Performance Funding, etc.)
- January 14, 2020 Legislative Session Begins

[6] The alternative revenue does not need to be functionally related to the project, and may come from a university direct support organization or Public Private Partnership (P3).

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 27, 2018

SUBJECT: A Resolution of the Board of Governors approving Florida International University Board of Trustees to enter into a sublease and an operating agreement with Concord Benchmark, LLC, related to the construction, financing and operation of a 150 bed hotel and conference center, as well as the construction of an alumni center, on the Modesto Maidique Campus of the University.

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving of Florida International University Board of Trustees ("FIU") entering into a sublease and operating agreement with Concord Benchmark, LLC ("Owner") for the construction, operation and maintenance of a 150 bed hotel, conference center and 300 associated parking spaces on the University's main Modesto Maidique Campus. If approved, FIU will enter into a 40-year sublease with the Owner, which will also require Owner to construct an adjacent alumni center to be owned and operating by FIU Foundation. Construction of the alumni center will be funded entirely by direct cash investment by FIU Foundation and, to a lesser degree, donations received by FIU Foundation in support of FIU Alumni Association. A separate ground lease will be entered into between FIU and FIU Foundation in connection with the alumni center.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, has reviewed this resolution and all supporting documentation for compliance with Florida law and the Board of Governors' P3 Guidelines. The Project is within the guidelines, however, the demand for the hotel is not solid. FIU and Owner intend to aggressively address demand, and therefore, the staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed project.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Sections 1013.171 and 1010.62, Florida Statutes; and Article IX, Section 7(d), Florida Constitution

BACKGROUND INFORMATION

The Florida International University has reviewed a proposal for entry into a sublease for the construction of a hotel and conference center (the "Project") utilizing a Public-Private Partnership arrangement. The proposed Project is to be located on the Modesto Maidique Campus ("MMC"), the main campus, on a 5.21-acre parcel. The Project will be a 150 bed hotel, approximately 154,000 gross square foot building with amenities such as a pool and restaurant with approximately 300 parking spaces.

The estimated cost of the hotel/conference center facility is $59.4 million, the design, development and construction of which will be financed by the Owner in its entirety via equity investment (40%) and private-financing/debt (60%). The Owner will grant a leasehold mortgage to the lender to secure the loan. The Owner will receive 3.5% of total costs or approximately $2.3 million as a fee for development services. The Owner will also construct an alumni center on the property at a cost of $6.8 million, which will be paid for by FIU Foundation. The alumni center will be owned and operated by FIU Foundation.

For use of the land, the Owner will pay FIU a base rent of $210,000 annually, which will escalate by 5% every 5 years. FIU will also receive additional payments as part of profit sharing starting at 6%, once the cash return on the Project reaches 10%. The Owner will also be required to reserve 2% of gross revenue, escalating to 4% by year four of operations, for maintenance and repair of the Project.

The Florida International University Board of Trustees, at its June 1, 2017 meeting, approved the Project and the sublease.

Taken as a whole, approval of the Project is recommended by Board staff.

Supporting Documentation Included:
1. Requesting Resolution
2. Project Summary
3. Questions and Answers dated 8/31/17
4. Estimated Sources and Uses
5. Pro Forma Projections
6. Revenues due FIU, 10-year Projection
7. Div. of Bond Finance Memo

Facilitators/Presenters: Mr. Chris Kinsley

A RESOLUTION APPROVING FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES TO ENTER INTO A SUBLEASE AND AN OPERATING AGREEMENT WITH CONCORD BENCHMARK, LLC, RELATED TO THE CONSTRUCTION, FINANCING, AND OPERATION OF A 150-BED HOTEL AND CONFERENCE CENTER, AS WELL AS THE CONSTRUCTION OF AN ALUMNI CENTER, ON THE MODESTO MAIDIQUE CAMPUS OF THE UNIVERSITY.

The duly acting and appointed Board of Governors of the State of Florida at a meeting duly held pursuant to notice and a quorum being present do hereby make the following resolutions:

BE IT RESOLVED:

1. Findings. The Board of Governors hereby finds as follows:

(A) Pursuant to Article IX, Section 7, of the Florida Constitution, the Board of Governors is vested with the power to operate, regulate, control, and manage the State University System of Florida. Pursuant to section 1013.171, Florida Statutes, a university board of trustees may negotiate and enter agreements to lease land under its jurisdiction to corporations registered with the Secretary of State to do business in the state, for the purpose of erecting facilities necessary and desirable to serve the needs and purposes of the university, as determined by the system-wide strategic plan adopted by the Board of Governors.

(B) The Board of Trustees of Florida International University (the University or FIU) has requested approval from the Board of Governors for the University to enter into a Public-Private Partnership arrangement with Concord Benchmark, LLC (Concord or Owner), for the purpose of constructing, financing, owning, and operating a 150-bed hotel, conference center, and associated parking area, as well as the construction of an alumni center (together, the Project), on the University's Modesto Maidique Campus (MMC). Approval of an operating agreement and ground sublease with Concord, in connection with the hotel and conference center, is also requested. The sublease will also require Concord to enter into a separate development agreement for construction of an alumni center adjacent to the hotel.

(C) The hotel, conference center, and associated parking area is expected to be financed in its entirety through a combination of equity and debt from Concord, its investment partner(s), and a private lender.

(D) The alumni center will not be part of the hotel conference center financing; it will be funded entirely by the FIU Foundation via direct cash investment as well as donations received in support of the FIU Alumni Association. The alumni center will be owned and operated by the FIU Foundation, and a separate ground sublease will be entered into between FIU and the FIU Foundation.

(E) No liens will be placed on state lands (the subject parcel) as a result of this proposed P3 transaction. Likewise, there are no financial guarantees, room guarantees, operating deficit funding requirements, or similar monetary obligations on the part of FIU or its Direct Support Organization in relation to the construction, operation, maintenance, or debt of the hotel, conference center, or associated parking facilities and no such financial support will be provided at any point during the term of the sub-lease.

(F) The University anticipates that its sublease with Concord will contain a termination right, exercisable at FIU's option at least 10 years after the Project has opened. If, in the future, the University intends to exercise any optional termination/purchase option for the facilities, the proposed transaction should be brought back before the Board of Governors for review and approval.

(G) The Project is consistent with the master plan of the University, as amended June 1, 2017.

(H) The sublease document with Concord must establish minimum condition standards for property maintenance and robust default remedies that will ensure that the project is consistently and constantly maintained in good condition throughout the term of the sublease.

(I) Upon consideration of the Project, the Board of Governors declares that the Project has been properly analyzed by staffs of the Board of Governors, the University, and the Division of Bond Finance and will serve a public purpose by engaging the community with the University activities and providing lodging and conference space for activities related to FIU.

2. Approval of the Project. The Project is approved by the Board of Governors as being consistent with the strategic plan of the University and the programs offered by the University. The University is hereby authorized to enter into such leases, sub-leases, operating agreements, and any other contracts as may be

required to consummate the Public-Private Partnership.

3. Repealing Clause. All resolutions of the Board of Governors, or parts thereof, in conflict with the provisions herein contained, to the extent they conflict herewith, are, to the extent of such conflict, hereby superseded and repealed.

4. Effective Date. This resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the Board of Governors of the State of Florida at a public meeting duly called and held this ____ day of March 2019.

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Board of Governors, does hereby certify that the attached resolution relating to the approval of entry of a sublease and operating agreement, each between the Florida International University Board of Trustees with Concord Benchmark, LLC, for the construction, operation, and maintenance of a 150-bed hotel, conference center, and associated parking, as well as construction of an alumni center, on the Modesto Maidique Campus, is a true and accurate copy as adopted by the Board of Governors on March 27, 2019, and said resolution has not been modified or rescinded and is in full force and effect on the date hereof.

BOARD OF GOVERNORS OF THE STATE UNIVERSITY SYSTEM OF FLORIDA

Dated: _____, 2019 By: _____
Corporate Secretary

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Project Summary
Florida International University
2018 Hotel & Conference Center (P3)

Proposal & Project Description:

On October 2, 2018, Florida International University ("FIU" or "University") resubmitted a request for approval of a proposed public-private partnership (P3) to design, build, finance, own and operate a full-service hotel, conference center, along with associated parking, as well as construct an adjacent alumni center, (together, the "Project"), on the Modesto A. Maidique campus ("MMC"). The original proposal submitted to the Board of Governors in August 2017 was postponed pending conclusion of ongoing negotiations.

The proposed Project is a 7-story, 150-room hotel of approximately 154,000 gross square-foot, located on FIU's main campus, MMC. The Project will be designed to host small conferences and will include associated infrastructure and amenities, such as a restaurant, rooftop lounge, ballroom and meeting rooms, fitness center, outdoor swimming pool, and 300 parking spaces.

The hotel and conference center will be privately-financed, designed, constructed and owned by Concord Benchmark, LLC ("Concord" or "Owner"), and will be operated by the Benchmark Management Company, LLC (the "Operator" or "BMC"). FIU will enter into an operating agreement and a 40-year ground sublease with the Owner to construct and operate the Project. The sublease contains two optional 5-year renewal periods, exercisable by FIU. Additionally, the sublease will require the Owner to enter into a development agreement for the alumni center, adjacent to the hotel.

The Alumni Center, which will not be financed under this Project. It will be a separate 2-story building of approximately 14,000 square feet, designed to include an atrium, heritage library, emeritus lounge, alumni association offices and career services conference/training rooms, and will be owned and operated by the FIU Foundation. A separate ground sublease will be entered into between FIU and the FIU Foundation for the alumni center.

The Concord will retain ownership of the hotel and conference center throughout the term of the ground sublease; 40 years or as

optionally extended, after which ownership of the facilities will revert to FIU.

In July 2016, the FIU Foundation Board of Directors approved funding of the alumni center. In June 2017, the FIU Board of Trustees approved the Project. Consent will need to be given by the Internal Improvement Trust Fund ("IITF") Board of Trustees for the sublease of the land.

Project Site Location: The Project will be located on the north part of the MMC, on a proposed 5.21-acre site along the 8th Street boundary. The hotel, conference center and parking will comprised 4.62 acres of the total parcel. The Project is included in the master plan of the University, as amended June 1, 2017 to accommodate the Project.

Projected Start and Completion Date: It is anticipated that construction will commence in December 2019, with completion in December 2021 and grand opening the following month, January 2022.

Project Cost: The total cost of the hotel and conference center is anticipated to be $59.4M, including hard costs of $47M and soft costs (planning, equipment, financing, etc.) of $12.4 million.

The total cost for the alumni center is anticipated to be $6.8M, including hard costs of $5.3M and soft costs of $1.3M.

Combined, the Project's total cost is $66.2M, of which Concord will receive a developer fee of 3.5% (of total costs) or approximately $2.3 million. Concord will be responsible for any developmental delays or cost overruns, with the exception of changes requested by FIU. (See attached *Estimated Sources and Uses of Funds*.)

Financing Structure: The Project will be privately financed by the Owner. Based on the submitted pro-forma, the Owner intends to finance the Project using a structure of 40% equity provided by Owner and 60% debt. The 60% debt portion will be in the form of a construction loan from a private lender, which would be refinanced into permanent debt 12-24 months after completion depending on stabilization. The permanent debt will be financed over thirty years, in compliance with the P3 Guidelines, and the Owner assumes a cost of debt of 4%.

The alumni center will be constructed by Concord at a cost not to exceed $6.8 million. However, it will not be part of the hotel-

conference center financing and will not have any associated debt. The FIU Foundation will make a $5.5 million direct cash investment (subject to minimum required rate of return on capital of 4.5%), and the remaining $1.3 million from donations received by the Foundation in support of the FIU Alumni Association.

No liens will be placed on state lands (the subject parcel) as a result of this proposed P3 transaction. Likewise, there are no financial guarantees, room guarantees, operating deficit funding requirements or similar monetary obligations on the part of FIU or its Direct Support Organization in relation to the construction, operations, maintenance or debt of the hotel, conference center and associated parking facilities.

Quantitative Demand for Project:

FIU commissioned three (3) studies to determine the demand for the Project; two by PKF Consulting (PKF) in 2013 and 2015, and one by Jones Lang Lasalle (JLL) in 2016, but none of the studies showed particularly strong demand for the Project.

The initial study conducted by PKF in December 2013, indicated insufficient demand to support development of a large-scale hotel and conference center at MMC, based on the following:

1. University conference centers do not produce significant or consistent levels of conferencing demand.
2. FIU had no conference planning division.
3. National competition for conferencing is very strong.
4. FIU's distance from beach areas or tourist attractions.
5. Lack of current development in Sweetwater, just north of MMC, where the market was deemed more attractive for hotel development due to close proximity to amenities.
6. FIU enrollment showed a majority local population with little demand for lodging.
7. The MMC area had an abundance of hotel types in the vicinity. For comparative purposes, the PKF study identified 17 hotels within 7.5 miles of the proposed site, ranging in age from 5 to 30 years old, upper-midscale to luxury resort, and limited-service to full-service, and noted that 5 more were under construction or in planning during the time of the study in 2013.

The study found that 74% of FIU's needs for conference space were already being met on-campus. The study also found that a smaller

scale hotel with 95 beds, a restaurant and bar could operate successfully in the future.

In June 2015, PKF updated its study and found a slight increase in demand when it focused on demand created by the MMC specifically. PKF surveyed FIU departments to determine demand for lodging and meeting space needs. From this survey PKF found FIU-generated lodging demand of 23,300 rooms per year (versus its estimate of 14,100 rooms per year in the 2013 study). With this updated room demand estimate which equated to a 67% occupancy rate for a 95 room hotel, PKF still points to a gap of 8,000 to 10,400 rooms per year which would need to be filled by external sources to operate at a successful level. The survey showed 59% of responders indicating they would "*definitely use*" the proposed facility if it met their requirements and another 24% indicated their use as "*highly likely*".

In October 2015, at the request of FIU, JLL also conducted a market demand study. As stated in the report, "*JLL believes the proposed 150 room key count is appropriate.*", adding that a smaller hotel (under 125 rooms) would eliminate benefits received from economies of scale, while a larger hotel (200+ rooms) would require the operator to rely more heavily on group-oriented demand. JLL based their findings on current market demand and the trend in the area for increasing lodging demands. Based on 2015 data, JLL's study projected that, by 2020, the hotel would stabilize at 73% occupancy, adding that if FIU leadership implemented incentive policies to drive demand, the hotel could achieve 75% occupancy, but only 48% if it relied solely on the FIU demand. Importantly, in contradiction to the PKF findings regarding hotels in proximity to the subject (see #7 above), the JLL study stated "*there are almost no hotels in the vicinity of the subject.*" adding "*most lodging facilities have been developed around existing room demand generators. These clusters of hotels form submarkets, including: Doral/Dolphin Mall, Airport and Coral Gables/Coconut Grove*", indicating that MCC is a "demand generator" with its own submarket. To that extent, JLL's study indicated only one or two hotels in the FIU submarket, based on 2015 data.

FIU believes local hotel occupancies are trending well above the PKF findings, and it further elaborates on the demand studies in the attached *Questions and Answers* dated August 31, 2017. FIU also believes the Owner will address any concerns by increasing FIU demand, as well as marketing to non-FIU business demands. In addition, the Owner intends to build 300 revenue-generating surface

parking spaces, rather than the more expensive 150 space structured garage.

P3 Justification: FIU has chosen to utilize a public-private partnership ("P3") to finance the Project. The primary benefit of a P3 is the transfer of demand/operational/financial risk to the Owner. In addition, FIU will not be required to manage or maintain the Project, which is outside of its area of expertise.

FIU points to impediments if they were to pursue the Project without a partner, and would not pursue the hotel and conference center without an outside partner. The partner chosen for hotel operation, BMC, has global experience in management and marketing of independent resorts, hotels, and conference centers. Furthermore, a non-P3 approach would require the University to 1) raise funds through debt issuance, 2) construct and run a hotel and conference center without requisite expertise and 3) bear all risk stemming from market/economic downturns.

Ultimately, the P3 structure provides the University with low risk exposure while still supporting its mission and goals.

Security/Lien Structure: The Owner will have a leasehold interest in the Project, which may provide security for a mortgage. Should the Owner default on any debt associated with the Project, the lender could assume control of the Project, subject to the terms and conditions of the ground sublease. The land will not be subordinate to any debt.

Debt service payments are the responsibility of and will be made by the Owner, and projected to be paid from net revenues (of the hotel and conference center facility) after payment of operating expenses and other expenses, including base rent payments and profit sharing to FIU. Owner's return on equity (15.0%) is paid last from available net excess cash flow. Non-payment of the base rent and any required profit sharing are considered a default under the lease agreement.

Taxable Debt: A portion of the Project will be privately financed by the Owner with taxable debt. No tax-exempt debt will be utilized.

University Support of Project: The debt utilized (by the Owner) to finance the Project will not be a legal obligation of FIU or a Direct Support Organization. FIU has not pledged its credit towards the Project and is not legally obligated to pay debt service or maintain the Project.

It is anticipated that the Owner may be permitted to connect to chilled water, potable water, and sanitary sewer utilities, if deemed feasible, and may purchase said services from FIU, reimbursed at FIU's cost.

Ten (10) of the Project's 300 parking spaces will be reserved for the alumni center. FIU will be responsible for the upkeep for those 10 spaces.

The University will not be responsible for maintenance of the facilities. According to the University, adequate reserves for maintenance, renewal, and replacement will be established based upon industry standards. Project projections include an annual reserve starting at 2% of gross revenue escalating to 4% by year four of hotel operations.

As a compliment to FIU's hospitality-related curriculum, the Owner intends to provide opportunities for paid student internships, accommodate graduate student and faculty applicable research activities, job opportunities for graduates, and coordinate with the University regarding opportunities to expand curricula. Owner will negotiate preferential conference center rates on a case-by-case basis, with the intent to give benefit to FIU whenever possible and feasible.

The average room rates are projected to start at $152.76/night and projected to increase to $232.56/night by stabilization (year 8); however, FIU has no role in the rate-setting process. If FIU is paying for a guest's hotel room, it intends to give the proposed hotel the opportunity to price match against competing hotels; although there is no obligation (on FIU), financial or otherwise, to use the hotel.

FIU's police department will be responsible for all law enforcement activity on the Project.

Return on Investment: Under a 40-year ground sublease, which may be extended by FIU, FIU will receive an annual payment for rent starting at $210,000, which will increase by 5% every 5 years. The default terms are still being finalized, however, the failure to pay rent will be a default which, if left uncured, will incur penalties.

In addition to the ground rent (see attached chart), the University is entitled to a share of the Profits depending on the level of success of the Project, as illustrated below:

Cash on cash return	% profit return to FIU
Below 10%	0%
10.0 – 12.5%	6.0%
12.5 – 15.0%	8.0%
>15%	10.0%

As with the rent, failure to pay profit sharing due the University will also result in a default under the agreement.

Over the first 10 years following Project opening (Jan. 2022), Concord's pro forma operating projections indicate FIU could receive approximately $5.2M in revenues; $2.1M in annual ground lease payments and $4M in profit participation (see *Revenues to FIU* and *Pro Forma Projections*, attached). FIU intends to use to the funds support scholarships and other endeavors, including strategic hiring of new faculty members and recruitment of quality students outside of the South Florida area. According to the University, the goal is to remain flexible to react to current conditions, but it intends for all proceeds used to support its academic and research mission, and for the University President and Leadership to direct the funds to their best use on an annual basis during the budget process.

Of the 5.21-acre subject parcel, 4.62 is allocated for the hotel, conference center and parking. FIU conducted a review of the subject land, comparable sales and other sources, and believes the rent payments will be more than fair market value.

At the end of the 40-year sublease, unless renewed, the Project will revert to FIU. FIU justifies the two five-year renewal terms (exercisable at FIU's option) by the increased profit sharing to the University once outstanding debt is satisfied and by the industry norm of 50 to 99 years for hotel ground leases.

According to the University, the parties will negotiate a termination right within the lease agreement, exercisable at the option of FIU at least 10 years after the Project has opened, and will require FIU to compensate the investors and lenders, the value and compensation of which will be determined based on appraisal by a mutually agreed upon 3rd-party appraiser.

Analysis and Recommendation:

Staff of the Board of Governors and the Division of Bond Finance has reviewed the information provided by Florida International

University with respect to the request for Board of Governors approval for Project. The lease term with renewals would create up to a 50-year lease term, but because the renewals are at FIU's option rather than the Owner's, the 40-year limit in the P3 Guidelines is effectively met.

If, in the future, the University intends to exercise any optional termination/purchase option for the facilities, the proposed transaction should be brought back before the Board of Governors for review and approval.

The Project is not an educational facility, and the typical user of the facility will not be students; however, it supports the mission of the University by providing student internship, work study, and post-graduate job opportunities to its students as well as curricular and research opportunities for faculty. Additionally, the Project serves an identified University need and purpose by providing lodging and conference facilities for campus visits by students and their families, research programs, conferences and symposia, professional development conferences, career fairs, and special events. The University is committed to using the funds strictly for academic enhancements which is part of the core mission. The 2013/2015 market studies provided did not indicate a strong demand for the Project; however, there was robust vendor interest in the Project, as well as several hotel projects underway in the study area. Insufficient demand could result in the Owner's inability to operate and maintain the Project. Any failure would be handled by the default provisions of the Owner's loan, and there are provisions in the lease which provide protections for FIU.

The proposed financing complies with the Florida Statutes governing the issuance of university debt and complies with the Board of Governors' Debt Management Guidelines. Accordingly, Board staff recommend approval of the University financing proposal and associated Project.

FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER

QUESTIONS AND ANSWERS FROM AUGUST 31, 2017, BOARD OF GOVERNORS FACILITIES COMMITTEE

1. What is the "Tie to Mission" of the hotel and conference center?

FIU's vision for the hotel and conference center is two-fold:

- A hotel and conference center that will serve the accommodation and conference needs of students, faculty, and staff, including:
    - Student campus tours and visits; orientation programs; graduations
    - Academic and research conference and professional development programs
    - Meeting and seminar rooms for symposia and student career fairs
    - Special events, award ceremonies, and speaker series

- An innovative way to improve academic programs and enhance student success in the classroom and job market:
    - Paid internships, work study opportunities and part-time jobs for current students in hospitality and tourism management, construction management, management, accounting, finance, marketing, and communications in both front- and back-of-house operations
    - Post-graduation job opportunities for recent FIU graduates
    - Sharing of proprietary business data for faculty research opportunities in market trends, consumer behavior, and market research
    - Integration of hotel and conference center operations into curriculum development
    - Management participation in guest lectures and workshops for students

Once the hotel and conference center is open, FIU will reap benefits directly related, not only to FIU's primary mission to educate, conduct research, and promote community service, but also to FIU's BeyondPossible2020 strategic plan, which is intertwined with achieving excellence in the BOG metrics. For example, FIU will receive a new steady stream of revenue, at no risk, to support undergraduate scholarships generated from land that is currently being underutilized due to its location on campus. These funds will directly support all goals in the FIUBeyondPossible2020 strategic plan, but most importantly first-to-second year student retention rate, improving six-year graduation rates, and reducing the cost of an undergraduate education, all driven by greater scholarship support allowing students to focus on their studies. Concord Benchmark, LLC, (Concord Benchmark or CB) has committed to providing internships and work study opportunities, and data shows that students who participate in opportunities like these have significantly higher graduation rates and receive more job offers upon graduation. Finally, on-campus hotel and conference centers support the strategic hiring of new faculty members, further adding to the FIU appeal and ability to provide a better new employee experience, and together these new strategic hires will contribute to growing sponsored research at FIU to $200 million annually, increasing Ph.D. production, and growing the number of patents issued.

Altogether, FIU believes the hotel and conference center is consistent with the FIUBeyondPossible2020 strategic plan and will support our overarching goals of increasing student success, growing preeminent

programs, supporting research as a Carnegie Very High Research institution, and growing revenue streams that will support the University and our students.

FIU's BeyondPossible2020 strategic plan can be viewed at https://stratplan.fiu.edu/docs/Strategic%20Plan.pdf.

2. What management company is being used to operate the hotel and how many "independent hotels" do they operate?

Benchmark Management Company, LLC (BMC) is the operator of the hotel and conference center. BMC operates over 40 independent hotels and/or conference centers in the U.S. and abroad, and the following are just a few examples:

- *The Chattanoogan*, Chattanooga, TN: 202 rooms
- *The Heldrich*, New Brunswick, NJ: 250 rooms
- *Stonewall Resort*, Roanoke, WV: 191 rooms
- *UCLA Meyer and Renee Luskin Hotel and Conference Center*, Los Angeles, CA: 254 rooms
- *Inn at Virginia Tech and Holtzman Alumni Center*, Blacksburg, VA: 142 rooms
- *Hotel Roanoke and Conference Center*, Blacksburg, VA: 330 rooms

The complete portfolio of BMC resorts, hotels, and conference centers can be viewed at http://www.benchmarkresortsandhotels.com/property_listing/.

The owner, Concord Benchmark, envisions the hotel and conference center being non-flagged and FIU centric, featuring prominent FIU themes, e.g. blue and gold, artwork by FIU artists and photographs and artifacts choreographing FIU's history, and the meeting areas and rooms will maintain names honoring FIU and its traditions. Ultimately, BMC, as a manager with experience implementing similar non-flagged institution-branded on-campus hotel and conference centers, always strives to maximize the unique brand of the destination, and believes that unique FIU brand will drive strong occupancy. Flagged hotels can offer established distribution channels, but at a cost, and BMC has not dismissed the possibility of pursuing either a soft or hard brand for the hotel and conference center in the future based upon an appropriate cost and benefit analysis.

3. What happens if occupancy drops below a rate that allows for the hotel to break even? For example, if occupancy in future years drops to 50%, does FIU have the authority to transition into a franchise brand that can help increase occupancy and average daily rates?

FIU has no financial or operational risk or obligations with respect to the hotel and conference center and consequently does not have the authority to require the owner, Concord Benchmark, to transition into a soft or hard brand which may or may not increase occupancy and average daily rates. As mentioned above, while branding may result in new and established distribution channels, this will come at a cost, and the owner will need to determine whether the possible uptick in revenue driven by new occupancy and higher average daily rates more than offsets this cost. At all times, the owner and operator of the hotel and conference center will be bound by the operation, maintenance, and repair obligations of the Sublease and the Operating Agreement, and if those covenants are breached and not cured within any applicable time frames, then FIU may terminate the relationship with Concord Benchmark.

In the unlikely situation where occupancy drops below a sustainable rate, debt holder(s) will likely exercise their rights under the pertinent loan documents and institute a new manager and/or require branding. It bears emphasis that FIU will have consent rights over any change in the manager of the hotel and conference center.

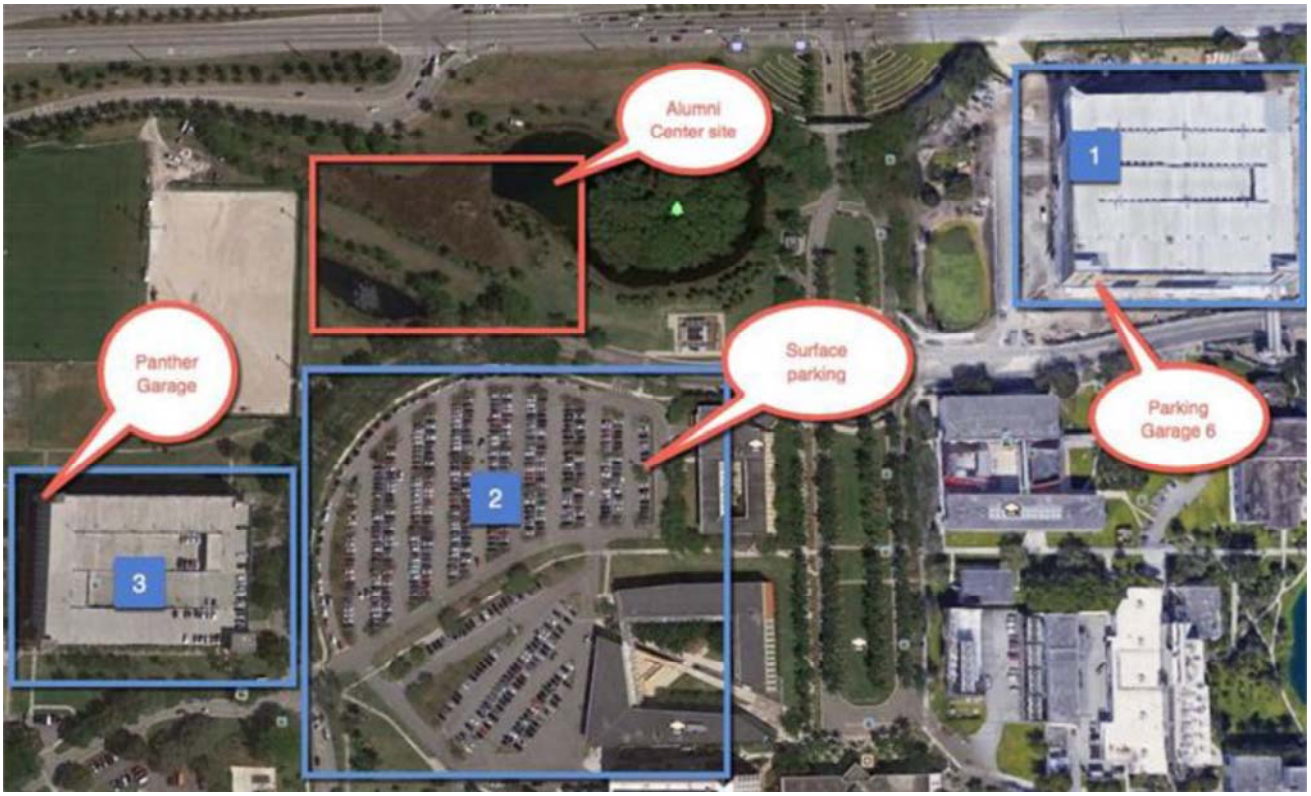
4. **Will the alumni center costs be capped?**

Yes, the FIU Foundation will enter into a separate Development Agreement for the alumni center and there will be a guaranteed maximum price.

5. **How will alumni center parking needs be addressed?**

The alumni center will have ten separate spots for daily visitors in the 300-spot parking lot owned and operated by the hotel and conference center. These spots are intended for quick visits by alumni and other guests. The remaining 290 spots will be solely for hotel and conference center guests. Alumni center employees will park in existing faculty/staff spots across the street to the Alumni Center (#2 below). If alumni events are taking place at the alumni center, then overflow parking will be available at either the existing and adjacent FIU surface lot (#2 below) with ample visitor spots, or Parking Garage 6 (#1 below) and Panther Garage (#3 below) with over 3,000 parking spots.

This arrangement to address parking overflow is true for the hotel and conference center as well. Concord Benchmark has agreed to reimburse FIU at the then prevailing market rates for large events requiring more than the 290 spots on site. FIU Parking will work closely with the hotel operator to ensure parking is available with no impact to FIU operations.



6. Will utilities for the alumni center be integrated with the hotel and conference center?

The designs for the hotel, conference center, and alumni center have not been finalized, but all utilities for the alumni center will be separately metered. As a result, the alumni center should not be affected in the unlikely event the hotel and conference center cease operations. FIU will work with Concord Benchmark with designing the alumni center so that, in the unlikely event the hotel and conference center is demolished, the alumni center can continue to exist.

7. How does FIU reconcile the different demand analysis reports from PKF and JLL?

The June 2015 PKF Consulting (PKF) demand study focused on Modesto Maidique Campus (MMC) generated demand broken down into four categories:

- Transient Business Lodging;
- Transient Leisure Lodging;
- Athletic Group Lodging; and
- Conference and Other Group Lodging including Meeting Demand.

When evaluating each of these demand drivers, PKF focused mostly on what demand FIU would drive to the facility based on surveys, interviews, and market analysis, and current FIU spend for local events and lodging. For example, Transient Business Lodging represented individuals coming to MMC for interview/recruiting, guest speakers, conferences, and research. It did not capture the non-FIU driven local business demand, which Concord Benchmark plans to target in addition to FIU demand. In Concord Benchmark's Step 1, Step 2, and Best and Final Offer, they outlined a strategy that not only focused on having high capture rates for FIU generated demand, but also building strategic partnerships with local Fortune 1000 companies to use the hotel and conference center facilities for their events, trainings, and so forth.

In addition to Concord Benchmark's focus on generating new demand, it is worth noting that PKF assessed FIU demand in its current form, without taking into account the impact of having a state-of-the-art alumni center co-located with the hotel and conference center and the impact that a strong operator can have on both the total number of room nights of available demand from both FIU and the community, but also capture rates. At the same time, based on Jones Lang LaSalle's (JLL) recent market reports, the adjacent Doral hotel market is trending significantly above market, with occupancies in the 80-plus percent range and, with strategic pricing and strong marketing, the hotel and conference center will be in a great position to capture overflow.

JLL's market demand study, in contrast to PKF, not only looked at FIU driven demand but also demand from strategic partnerships, being in a high demand market, and the benefits of having a strong operator like BMC. Taking into account all demand, JLL determined that a 150 or more key hotel and appropriate conference center is needed at MMC.

Ultimately, the PKF recommendation for a 95-key hotel with a modest conference facility is not in line with the project as presented by all three initial respondents and the selected Best and Final Offer. The design and programming has changed (in the ITN solicitation, FIU required a minimum of 105 keys and asked respondents to measure demand and propose an appropriately sized facility) and the partners

expertise and vision, along with strong ties to alumni, faculty, and staff, and the inevitable uptick in interest for FIU Football, all indicate the JLL's proposed 150 plus key hotel and conference center is more in tune with the market.

8. Explain difference between proposed value of the facility as noted by JLL.

JLL's assumptions around programming, average daily rates, and conference center activity are not completely in line with the vision provided by the Concord Benchmark team. JLL's construction estimates assumed the alumni center would be a component of the public private partnership and not a standalone facility funded by the FIU Foundation (fund raising and direct investment). Additionally, the JLL pro forma did not include rental revenue for the alumni center; i.e., the hotel and conference center financials had to support the cost of construction of a non-revenue generating alumni center, which is not the case in the final structure presented to BOG.

In addition, the Best and Final Offer from Concord Benchmark includes 290 revenue generating parking stalls (300 minus 10 for alumni center guests) and not the more expensive 150 stall garage as contemplated in JLL's analysis. During the competitive solicitation and negotiation process, the FIU team looked closely at increasing the size of the location for the hotel, conference center, and alumni center, and ultimately was able to increase the available land area from 4.6 to 5.21 acres allowing for the more cost-efficient surface parking.

Finally, JLL's assumptions regarding average daily rates and conference center demand are not aligned with the current vision. Average daily rates in the local market are trending higher than projected and the hotel will be positioned as an upscale to upper-upscale full-service facility demanding higher average daily rates (which will be in line with GSA rates). The conference center is projected to have greater demand than the JLL assumption of two events per week, driven by strong partnerships with local businesses, and FIU's position as a Carnegie R1 highest research institution.

9. What constitutes $1.3 million in Bank of America royalties?

The Alumni Association grants the right to solicit business from the University students and alumni population, faculty, staff, and athletics ticket holders, in addition to using its logo on credit cards targeting the alumni and, as a result, receives royalty revenue from Bank of America, which will make up the majority of the $1.3 million in cash needed for the alumni center ($5.5 million as a direct investment by the Foundation and remainder from royalty revenue and fundraising).

10. If FIU is landlocked then why is it using the land for a hotel, conference center, and alumni center?

The proposed site for the hotel, conference center, and alumni center is the furthest northwest corner of MMC located between a wetland preserve used for research, recreation fields, and a parking garage. In the current FIU Master Plan, this site was always earmarked for recreation and preservation and was never intended for academic space needs. FIU is landlocked, but this small and remote portion of MMC would not be ideal for academic or office space as it is surrounded by parking garages and surface lots, recreation fields, and wetland preserves. A hotel and conference center is the highest and best use. Additionally, FIU has had a standalone alumni center on its master plan for many years. FIU is unique as a large comprehensive metropolitan university without an alumni center. A standalone alumni center, as

developed in the 2012 alumni center design study, incorporated its own conference and meeting space. In this design study, FIU would need 1.84 acres to develop a standalone alumni center, which means the hotel and conference center is actually utilizing only 3.37 acres of additional land.

Ultimately, FIU needs a hotel and conference center to fulfill a critical shortcoming, as most meeting space is 60 to 90 minutes away from MMC in Coral Gables, depending on traffic. Additionally, every great university has an alumni center to serve as a home for alumni.

11. What will FIU do with revenue from the hotel?

FIU will use ground rent and profit participation revenue exclusively for student scholarships. The number of scholarships has not been determined but will be done in a way that best improves student performance (larger number of smaller scholarships versus smaller number of larger scholarships).

12. What if the hotel and conference center fails—what will happen to the alumni center?

The alumni center will be designed as a standalone facility, with separately metered utilities and parking for both guests and employees, and is only being built by Concord Benchmark to maximize efficiency. The preliminary plans for both the hotel and conference center, and the alumni center, have one shared space, the lobby, which was, by design, to minimize the need for separate meeting space in the alumni center; i.e., Alumni Association will use conference center and hotel meeting space rather than building their own. In the unlikely event that the hotel and conference center ceases operations or is demolished, the Alumni Association will make alternative arrangements for meeting space.

13. Why pursue a public private partnership for a hotel and conference center if not part of FIU's core mission?

See response #1 above. FIU understands that the design, construction, and operation of a hotel and conference center is not a direct component of the core mission to serve the diverse population of South Florida, provide high quality teaching, state of the art research and creative activity, and collaborate with our local and global community; however, the academic, student, and financial benefits driven from the hotel directly support each of these components in various other ways. For example, the hotel and conference center supports FIU's research mission by providing a venue for conferences, symposia, lecture series, and recruiting which are not currently available to FIU given its location in Miami-Dade. At the same time, the hotel and conference center public private partnership will monetize a portion of the MMC that is too remote and not ideal for academic use—these funds will be used exclusively for scholarships which will directly support the teaching mission of the university. Finally, the owner and operator of the hotel and conference center has agreed to provide student internships, work study opportunities, collaboration on development of hands-on curricula, and sharing of real world data supporting faculty in many schools and colleges at FIU including Hospitality, Construction Management, Business, Arts, Science, and Education.

14. How were rental payments determined?

Per the BOG Public Private Partnership Guidelines, FIU ensured that base ground rent, adjusted per CPI every five years, was more than fair market value for the site at MMC. An appraisal by a third-party

expert was obtained to verify that, even without profit participation, FIU is receiving at least fair market value for the land. Taking into account the additional revenue from profit participation, which is in excess of the fair market value ground rent, this public private partnership will generate an even greater value for FIU. As projected with conservative occupancy and average daily rates, FIU will receive approximately $11.6M from the owner for the 4.61 acres (5.21 total acres with 4.61 for hotel and conference center plus associated parking and 0.60 acres for the alumni center).

15. How were costs determined for the alumni center? How do you know if FIU is getting the best price?

The FIU facilities team, which has extensive construction experience, has and will continue to evaluate the construction budget/costs with utmost diligence.

There will be a guaranteed maximum price.

16. What will keep use of the hotel from becoming a directive from FIU?

FIU will never direct faculty or staff to use the hotel and conference center. Instead, FIU believes that demand will organically flow to the hotel and conference center because of the value proposition it presents to the faculty and staff—convenient location, IACC approved conference center, and preferential conference and room rates.

17. Why did FIU change consultants regarding demand?

FIU engaged PKF in 2008, 2013, and 2015 to evaluate a specific question—what is FIU-driven demand for an on-campus hotel and conference center. In 2015, as the President's Hotel Taskforce moved forward on the project, it was decided that two additional questions needed to be answered—what is the local market demand that an on-campus hotel and conference center would capture (not just FIU demand) and what would total cost and financial viable operations look like. At the same time, to ensure the accuracy of our assumptions going into the ITN, FIU decided to seek a second opinion and engaged JLL, another leader in the hospitality space.

FIU shared both the PKF and JLL reports in its ITN release to the market and included both in the first BOG submission. Ultimately, the PKF and JLL reports answered different questions and that is the driver for having two consultants.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FLORIDA INTERNATIONAL UNIVERSITY
2018 Hotel and Conference Center (P3)

Estimated Sources and Uses of Funds

Hotel & Conference Center

Sources of Funds

Equity Contribution:[1]	General Ptr	$ 2,378,000
	Limited Ptr	21,400,000
Construction Loan[2]		33,944,654
Net Revenue Towards Financing		1,723,755
Total Sources of Funds		$ 59,446,409

Uses of Funds

Construction Cost:	Hard Costs	$ 46,997,447
	Soft Costs	9,360,153
Financing Costs[2]		3,088,809
Total Uses of Funds		$ 59,446,409

[1] Investment is $23,778,000 or 40% Loan-to-Development Cost.

[2] To be refinanced into permanent debt 12-24 mos after construction completion depending on project stabilization. Assumed cost of debt 4%.

Alumni Center

Sources of Funds

Equity Contribution:[1]	FIU Foundation	$ 6,800,000
Total Sources of Funds		$ 6,800,000

Uses of Funds

Construction Cost:[2]	Hard Costs	$ 5,500,000
	Soft Costs	1,300,000
Total Uses of Funds		$ 6,800,000

[1] FIU Foundation direct investment of $5.5M, plus $1.3M in donations received by FIU Foundation in support of the FIU Alumni Association.

[2] Total cost not to exceed $6.8M.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FLORIDA INTERNATIONAL UNIVERSITY
2018 Hotel and Conference Center (P3)

Revenues to FIU, 10-Year Projection [1]
(Potential cashflow to FIU from Hotel & Conference Center)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Annual Ground Lease Payments [2]	$ 210,000	$ 210,000	$ 210,000	$ 210,000	$ 210,000	$ 220,500	$ 220,500	$ 220,500	$ 220,500	$ 220,500	$ 2,152,500
Profit Participation (pro forma) [3]											
Cash-on-Cash Return (%)	5.1%	3.4%	7.4%	11.0%	11.8%	13.2%	13.8%	14.6%	15.3%	19.6%	
Projected Net Operating Cash Flow	$ 1,770,520	$ 2,461,779	$ 2,811,590	$ 2,869,031	$ 3,024,290	$ 3,187,357	$ 3,306,532	$ 3,368,085	$ 3,596,720	$ 3,771,370	
Profit Participation (%)	7.4%	10.4%	11.8%	12.1%	12.7%	13.4%	13.9%	14.2%	15.1%	15.9%	
Potential profit-sharing revenue to FIU	$ 131,019	$ 256,025	$ 331,768	$ 347,153	$ 384,085	$ 427,106	$ 459,608	$ 478,268	$ 543,105	$ 599,648	$ 3,957,783
TOTAL PROJECTED REVENUE TO FIU:	**$ 341,019**	**$ 466,025**	**$ 541,768**	**$ 557,153**	**$ 594,085**	**$ 647,606**	**$ 680,108**	**$ 698,768**	**$ 763,605**	**$ 820,148**	**$ 6,110,283**

1) Data provided by Univesity and based on Owner/Concord pro forma projections.

2) Annual ground rent for hotel and conference center will be $210,000, and will increase by 5% every five (5) years.

3) In lieu of variable annual rent, FIU will participate in profit-sharing, receiving revenue from the hotel/conference center facility in the form of a percentage of residual cash flow from operations. Specifically, if cash-on-cash return is below 10%, FIU receives nothing; if 10%-12.5%, FIU receives 6%; if 12.5%-15%, FIU receives 8%; and if >15%, FIU receives 10%.

STATE OF FLORIDA
DIVISION OF BOND FINANCE

J. BEN WATKINS III
DIRECTOR

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CHIEF FINA

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COMMISSIONE

MEMORANDUM

To: Board of Governors

From: J. Ben Watkins III

Date: March 14, 2019

Re: Florida International University – Hotel and Conference Center Construction

As required by Section 1010.62(3)(b)4, Florida Statutes, the Division of Bond Finance ("DBF") has revie analyzed the information provided to support Florida International University's ("FIU's") proposed publi partnership to finance, construct and operate a hotel and conference center with associated parking (the " on the main campus of the university. DBF has also reviewed the Board of Governors ("BOG") staff analy proposed Project, and FIU's written responses to questions that arose at the August 31, 2017 BOG I Committee meeting.

The primary concern arising from this Project is the potential pressure on FIU to provide financial assistan hotel if demand is insufficient to make it profitable for the developer/owner of the Project. To address this the Board could embed conditions in the authorizing resolution for the Project to address issues it detern appropriate. For example, that FIU is prohibited from providing financial support to the hotel in any form, taking over the project, providing utilities or shared infrastructure/services at less than full cost, providing a services including marketing and promotion, developing new programs to support the hotel or guaranteeing amount of room nights/usage of the Project. The authorizing resolution could also require the final docu build in a maintenance reserve to ensure the Project is in good condition at the end of the lease term and tc for demolition at the developer's expense if FIU chooses not to take over the building at the end of the lea

Below are the specific issues that we identified for the BOG's consideration in connection with its evalu FIU's Project. The recommendations provided above are an effort to address these issues and protect the u from any pressures should the financial performance of the Project not be consistent with projections.

Demand

FIU commissioned three feasibility studies to determine the demand for the Project under various config however none of the feasibility studies show strong demand for the size and scope of the proposed Proje demand provided by the university. The December 2013 study conducted by PKF Consulting USA (concluded that there was insufficient demand to support the development of a large-scale hotel and co center. The study found that 74% of FIU's needs for conference space were already being met on campus, a smaller scale hotel with 95 beds, a restaurant and bar could operate successfully in the future.

PKF updated its study in June 2015 and found an increase in demand when it focused on demand created b main campus specifically. PKF surveyed FIU departments to determine demand for lodging and meetir needs. PKF found FIU-generated lodging demand of 23,300 rooms per year (versus its estimate of 14,10 per year in the 2013 study). With this updated room demand estimate which equated to a 67% occupancy a 95-room hotel, PKF still points to a gap of 8,000 to 10,400 rooms per year which would need to be f external sources to operate at a successful level.

FIU also hired JLL to conduct a market demand study along with financial projections and cost estimat was completed in October 2015. The JLL study found sufficient demand for a 150-bed hotel and determi smaller hotel would eliminate benefits received from economies of scale. JLL based its findings on curre demand and the trend in the area for increasing lodging demands. JLL's study also assumed that the hotel branded and operated by a well-known operator, which tends to increase occupancy. JLL's study indicat 2020, the hotel would stabilize at 73% occupancy. JLL estimated that with FIU leadership implementing policies to *drive* demand, the hotel could achieve 75% occupancy, but if the hotel relied solely on the FIU occupancy would only reach 48%. FIU must create executive programs to ensure the success of the hotel.

Location

The proposed hotel and conference center utilizes property on a constrained campus footprint. Building a conference center on a limited land university campus restricts the availability of land for academic buildi raises the issue of the highest and best use of the university campus property. Foreclosure or repossessi leasehold interest may prove problematic for FIU if the hotel does not meet projections, particularly if th center is attached. If the hotel does not meet projections, FIU may be pressured to provide financial assi noted previously. Since the hotel is integrated with the alumni center and associated parking, the Projec considered in FIU's debt profile by the rating agencies.

Additionally, at the end of the 40-year sublease, unless renewed, the hotel will revert to FIU. FIU justifie five-year renewal terms (exercisable at FIU's option) by the increased profit sharing to the Univers outstanding debt is satisfied and by the industry norm of 50 to 99 years for hotel ground leases. At the e years the hotel may be worthless or obsolete and a liability for FIU. Demolition and removal may be pro since the alumni center is attached to the hotel.

Core Mission

The Project does not directly support the core mission of the University to educate and graduate students utilize FIU resources and personnel, including 5 acres of land on a physically constrained university cam Project will combine the hotel with university facilities (the alumni center) which could potentially pressu provide financial assistance if projections are not met and/or cause the debt to be included in FIU's debt p

cc: Marshall M. Criser, Chancellor, Board of Governors
Chris Kinsley, Assistant Vice Chancellor, Board of Governors

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 27, 2019

SUBJECT: Public Private Partnership Guidelines

PROPOSED COMMITTEE ACTION

Review and approve amendments to the Public Private Partnership Guidelines.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Sections 1013.171, Florida Statutes

BACKGROUND INFORMATION

The initial Public-Private Partnerships Guidelines (P3 Guidelines) were approved by the Board on September 3, 2015. The Guidelines provide a conceptual framework intended to inform both the board of trustees as well as the Board of Governors with respect to key aspects useful in evaluating proposals.

The Facilities Committee was given a retrospective presentation on March 29, 2017 on the working effectiveness of the P3 Guidelines. At that time, the Committee asked that Board staff work with the universities as well as Bond Finance to develop proposed amendments to improve the current process. Accordingly, a workshop was held on July 13, 2017, where Board staff, the Division of Bond Finance staff, and university staff met to discuss the Guidelines and proposed changes. The proposed changes were also included as a discussion item at the 2017 and 2018 Facilities Workshops, and reflect possible changes in language to address concerns that have surfaced in the course of implementing the P3 Guidelines.

During 2018, no P3's were placed on the agenda for consideration by the Board of Governors. Only three P3 Projects have made it to the staff review level. Of these three, two were converted by the university to bond deals, with the one P3 project remaining still outstanding. Meanwhile over the same time frame, two debt deals were fully approved by the Board. The proposed amendments for discussion are:

Eliminate the LLC exception

Current state: Section II, (c), "Projects not subject to the Guidelines" contains an exemption for certain transactions between a limited liability company (LLC) in which the university and/or DSO is a controlling member or manager and a private party. The provision permits an LLC to enter into a transaction with a private party for financing and construction of a facility without Board approval where the real property involved is not owned by the university or by the state and leased to the university, and the property is not on-campus or next to campus.

Proposed Amendment: Eliminate

Rationale: The LLC exception has seen limited use (1 project), and the exception did not save either staff time or project development time; i.e., it would have been faster and simpler to have the project come to the Board for consideration.

Clarifies that market demand testing is permissible

Current state: Universities have authority to conduct pre-solicitation conferences or Request for Information solicitation activities. However, the P3 Guidelines are silent regarding these activities.

Proposed Amendment: Spells out the pre-solicitation activities and makes clear that, though not required, these tools may be used to explore the market and receive input from the vendor community. The proposed amendment will also require information used as part of the pre-solicitation procedure to be provided with any eventual request for P3 approval.

Rationale: Clarifies that pre-solicitation fact-finding is a permitted activity which may assist universities with determining the feasibility of moving forward with a proposed P3 transaction. This is developing as a national best practice for P3s.

Clarifies lease term

Current state: Section V, (k), provides that the term of any lease agreement may not exceed 40 years **or** the life expectancy of the facility.

Proposed Amendment: Establishes that 40 years is not a bright line test, but an analytical threshold. Clarifies that for student life projects, the lease term may not exceed the life expectancy of a facility which is 50 years as established in section 1013.64, Florida Statutes. However, all leases in excess of 40 years will still require a demonstration of benefits for any term exceeding 40. For other projects (non-student life), the proposed amendment will require the lease term to be supported by information establishing the expected useful life of the facility based on industry practice for the proposed type of facility.

Rationale: Experience over the past two years indicates that a 50-year term for student life facilities, which is the current P3 life expectancy for such projects, is the industry expectation. Terms shorter than 50 years do not reduce the private partner return on investment; rather, the shorter term increases student rates over the life of the project and reduces yield of the university share of the project revenues. For non-student life facilities, a requirement to demonstrate industry practice for the proposed facility type is proposed.

Eliminates the advance approval process

Current state: In section VI, the P3 Guidelines provide for an advance approval process for P3 projects and sets out the procedures to follow.

Proposed Amendment: Eliminate the advance approval process.

Rationale: Since the effective date of the P3 Guidelines, only one project has been submitted for advance approval. Board staff found the process impractical since enough information was not available to properly evaluate the project and the project ultimately was required to go through the full approval process.

Increases university disclosure requirements

Current state: The P3 Guidelines currently require a "summary of key terms" of the lease as a required document. The P3 Guidelines don't specify when a university P3 solicitation, such as an Invitation to Negotiate (ITN), must be provided to Board and Division of Bond Finance staff.

Proposed Amendment: Requires that a full draft lease be required in place of the "Summary of key terms" and that a copy of the ITN be provided at the time it is publicly posted.

Rationale: Contract review cannot take place without the contract in hand and it has been our experience that a summary of key terms is insufficient. In practice, ITN notification has varied widely; this will standardize university submission expectations.

Supporting Documentation Included: Draft Revised Guidelines

Facilitators/Presenters: Mr. Chris Kinsley

PUBLIC-PRIVATE PARTNERSHIP GUIDELINES

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DRAFT

I. PURPOSE OF GUIDELINES

Section 1013.171(1), Florida Statutes, authorizes each university board of trustees to negotiate and enter into agreements to lease real property under its jurisdiction to non-profit and for-profit corporations registered by the Secretary of State to do business in this state, for the purposes of erecting thereon facilities and accommodations necessary and desirable to serve the needs and purposes of the university, as determined by the system-wide strategic plan adopted by the Board of Governors. Section 1004.28(6), Florida Statutes, specifies that agreements by a DSO to finance, design and construct, lease, lease-purchase, purchase, or operate facilities are likewise subject to the provisions of sections 1013.171 and 1010.62, Florida Statutes. With regard to property that is owned by a direct support organization (DSO), section 1013.171(3) requires that the university board of trustees obtain a long-term lease from the DSO prior to construction of educational facilities. A long-term lease is defined as the greater of 40 years or the useful life of the facility.

The purpose of these guidelines is to provide: (i) a structure for the universities and university DSO to use in evaluating certain transactions with private third parties that will result in the construction of facilities for the use and/or benefit of a university, its students, faculty or staff, and (ii) the process for approval of such transactions. Monetization of existing university facilities is not permitted under these guidelines absent specific legislative authorization.

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II. DEFINITIONS

As used in these Guidelines, the term:

(a) “Facility” means a building or other facility and related improvements (but not landscaping or appurtenances alone) that: (i) is for purposes related to the housing, transportation (including parking), health care, research or research-related activities, food service, retail sales or student activities of the university or, if authorized by specific legislation, hotels, convention centers, stadiums or other facilities; (ii) is being constructed primarily for use by the university and/or its students, faculty, or staff; and (iii) is located on land under the jurisdiction of a state university, including property leased from the Board of Trustees of the Internal Improvement Trust Fund.

(b) "Public-Private Partnership" or “P3”means an agreement or agreements between a university board of trustees, or a DSO, and a Private Party whereby the Private Party will, at least, be responsible for the construction and capital financing of a Facility.

(c) "Private Party" means a natural person, corporation, general partnership, limited partnership, joint venture, business trust, public-benefit corporation, non-profit entity, or other private business entity.

(d) "Project" means a Private Party's construction and capital financing of a Facility on the campus of a state university or on other real property directly owned by, or under the jurisdiction of, the university or by the state and leased to the university, accomplished through a Public-Private Partnership, with the Project costs being paid for, whether up front or over time, with revenues generated by the Project or other university or DSO revenues allowable for such purpose pursuant to section 1010.62, Florida Statues. Project costs shall include construction and financing and may also include design and/or operational costs of the Facility.

(e) "University Board" means a university's Board of Trustees when acting as a board to review or approve a matter.

Projects not subject to the Guidelines

Notwithstanding the foregoing, the following transactions are not Projects and therefore not subject to these guidelines and may be accomplished by the universities or their DSOs in accordance with any requirements under applicable laws, regulations and Board of Governors' and relevant university's policies and guidelines:

(a) Any transaction where the university or the DSO will be directly responsible for repayment of any debt associated with the construction of a Facility pursuant to section 1010.62, Florida Statutes, and the Board of Governors' Debt Management Guidelines.

(b) Any transaction where the university or DSO is hiring a Private Party to provide services including, but not limited to, management services agreements, unless such agreements involve a Private Party's construction and financing of a new facility or facility renovations costing more than $5,000,000.

~~(c) Any transaction between a limited liability company in which the university and/or DSO is a controlling member or the manager (LLC), and a Private Party for the capital financing and construction of a Facility on real property that is not directly owned by the university or by the state and leased to the university, and which is located off campus and not immediately adjacent to, or across a public way from, the university's campus. However, the university shall notify the Board Office and the State Division of Bond Finance of any transaction contemplated by the LLC under this exception at least sixty (60) days prior to solicitation of binding agreements with the Private Party.~~ In addition, the university shall at a minimum provide the ITN at the time it is disseminated, response of the selected vendor, and the draft lease. ~~The~~

~~university shall provide any~~ other ~~relevant information requested by the Board Office or the State Division of Bond Finance. If the information raises any issues regarding the proposed Facilities, financing, activities, or operations to be conducted, then the Chancellor shall consult with the Chair of the Facilities Committee about whether to submit the proposed transaction to the Board of Governors for review.~~ This exception ~~does not apply in those instances where the university or a university DSO will be a tenant occupying more than 10% of the gross square footage of the Facility; in that event, the entire transaction is subject to Board of Governors approval.~~

(d) Any operating lease where the university or the DSO is the lessee for a building or portion thereof not on the university's campus.

(e) Any transaction involving construction of a Facility being funded solely with state fixed capital outlay appropriations or other legislative appropriation, or by those non-state source and other funds authorized pursuant to section 1013.74(2) (a), Florida Statutes, excluding lease arrangements otherwise controlled by these guidelines, or by other non-state source funds that are appropriate for use for the Project, or by both such appropriated state funds and non-state source funds.

(f) Any Project with a total cost of $5,000,000 or less.

(g) Any Energy Performance-Based Contracts, in accordance with the provisions of section 1013.28, Florida Statutes, not to exceed $10,000,000.

III. USE OF QUALIFIED PROFESSIONALS

The use of qualified professionals, whether in-house or external to the university or DSO, or both, is essential to the success of any Project. A university or DSO should determine that current university or DSO staff have the requisite experience to negotiate the type of Project under consideration by the university and that, if necessary, external independent financial advisors and outside legal counsel, such as bond counsel, have been retained prior to Project solicitation as described in Section IV.

IV. REQUEST FOR INFORMATION OR PRE-SOLICITATION CONFERENCE

A university may hold a pre-solicitation conference and/or issue a request for information to inform the business community of a potential opportunity, and to solicit feedback regarding the parameters and methodology of the solicitation prior to its formal release of a solicitation.

Any notice for a request for information or pre-solicitation conference should be advertised in conformance with the university's procurement announcement procedures or regulations. Neither a request for information, nor a pre-solicitation conference, are a solicitation, and a university is not required to utilize any information, nor is a vendor who responds excluded from participating in any resulting solicitation.

In the event the university uses a pre-solicitation procedure, this information should be included in any submission of materials to the Board of Governors for consideration.

~~I~~V. PROCUREMENT PROCEDURES

(a) A university or DSO shall solicit proposals from Private Parties for the Project and provide an electronic copy of the solicitation document to the Board Office and the State Division of Bond Finance at the time it is disseminated. The solicitation should be in the form of an Invitation to Negotiate (ITN) or other procurement process to ensure the flexibility necessary to structure the Project in a manner that:

1. Is in the best interests of the university or the DSO.
2. Is for a Facility that is owned by the university or the DSO or for a Facility for which ownership will be conveyed to the university or the DSO. Removal of the Facility and restoration of the property at the option of the university or DSO by, or at the cost of, the Private Party upon the expiration or termination of the agreement may be provided to the extent permitted by law.
3. Includes a plan with adequate safeguards in place to reasonably mitigate and manage foreseeable risk of future costs or service disruptions for the university or the DSO in the event of material default or cancellation of the Public-Private Partnership. For example, restrictive covenants, recognition and subordination agreements, and/or recordation obligations, or other protections may reasonably protect the interests of the university or DSO in the Project and, if applicable, the real property owned or controlled by the university or the DSO on which the Project is located.
4. Has adequate safeguards in place to reasonably ensure that the university's or DSO's debt rating will not be adversely affected by the Project.
5. Assures an open, competitive and transparent procurement process.
6. Provides criteria and metrics to allow an objective evaluation of any competing respondents' proposals.

(b) At a minimum, the procurement process (which may be conducted in phases) should require the following information from respondents:

1. A description of the Facility, a schedule for the initiation and completion of the Facility, and the total Project cost based on the initially identified Project scope and conditions.

2. If applicable, a description of the method by which the Private Party proposes to secure the necessary property interests that are required for the Project.

3. A financing plan sufficient to determine the adequacy and expected type of revenues or assets to service the proposed debt or equity investment of the Private Party and related covenants or conditions. If the Private Party intends to use its own assets for the Project, sufficient information must be provided that substantiates the availability of the assets to be used for the Project (e.g., financial statements, etc.). For residence halls, parking facilities, and any other Facility where students will be charged a fee for use or occupancy of the Facility, an explanation of university involvement in establishing and overseeing the assessment of fees, a schedule detailing the proposed fees used to prepare pro-forma cash flows over the term of the Public-Private Partnership and the methodology, limits, and approvals for, and circumstances that would allow, increases to such fees over the term.

4. A description of the qualifications of the Private Party, the qualifications of any other entities that will provide services on the Project, and key persons who will be responsible for the Project.

5. A schedule of projected revenues, expenses, debt service, excess cash flow, the distribution of excess cash flow to the university, DSO or Private Party and the anticipated return on investment and internal rate of return to the Private Party for the term of the P3.

VI. PROJECT FEASIBILITY AND REQUIREMENTS

Prior to entering into a binding agreement for a Public-Private Partnership subject to these guidelines, the university or DSO shall consider the feasibility of the Project and have sufficient information to determine:

(a) The need for the Project in relation to other facility needs of the university and whether current or projected demand exists that is adequate in relation to the cost of the Project.

(b) The financial feasibility of the Project, including all sources of revenues necessary to fully fund the construction, operation and maintenance of the Project, together with an assessment of whether the total cost is reasonable in relation to similar facilities, taking into account the total value of the Project to meet university goals and the availability or unavailability of any lower-cost means to achieve the same total value, and for student facilities, such as housing, that costs to the student have been considered. To the extent the Project contemplates the payment of funds by the university or DSO in connection with required Project costs, such as debt service, utilities, or maintenance, then such revenues are subject to the revenue restrictions of section 1010.62, Florida Statutes, and applicable Debt Management Guidelines. If the Project contemplates mixed uses (e.g., housing, parking, retail sales, food service, etc.), the financial feasibility analysis should consider whether a functional relationship exists between the various uses, while not inequitably shifting additional costs to students if the Project entails student use.

(c) The cost of any services to be provided by the university or the DSO in relation to the Project.

(d) The effect, if any, of the Project on the university's or DSO's credit rating. If any debt of the University or DSO (direct or imputed by a rating agency) is being used to finance the Project, provide an explanation as to the effect, if any, of the Project on debt previously issued and an analysis of the impact, if any, on the financial performance of similar auxiliary enterprises and why the Project is not being included as a part of the existing auxiliary enterprise system.

(e) The percentage equity in the Project by the Private Party in relation to total Project costs, and the credit quality of all debt associated with the Project, including any public or indicative ratings provided by any rating agency.

(f) The projected revenues to be received by the university or DSO over the term of the agreement if the Project is revenue-generating, and the proposed use(s) of those revenues. For revenue-generating Projects utilizing debt, the projected revenues should provide a coverage ratio of 1.20x projected debt service during the first full year of Project operations and each subsequent year. If a coverage ratio of 1.20x is not projected to be achieved, a justification should be provided as to why the proposed debt does not meet this coverage ratio. If the Project only meets the required 1.2x debt service coverage ratio due to the deferral of debt repayment beyond the construction term of the Facility or using ascending debt service to reduce initial debt service payments, a

justification should be provided as to why the structure does not comply with the Board's Debt Management Guidelines.

(g) The provision of an adequate reserve fund for expenses relating to operations, maintenance and renewal or replacement, if applicable.

(h) Any material economic, operational, or technological risks associated with the Project.

(i) Whether the Private Party has the available sources of funding or other financial resources that are necessary to carry out the Project.

(j) That the Private Party has sufficient staff with the necessary experience and qualifications to perform the construction activities and any operational, managerial, or technical services for the Project.

(k) For student life Projects (such as student housing or student parking), ~~T~~the term of any lease agreement associated with a Facility shall not exceed ~~forty (40) years, or~~ the life expectancy of the Facility, and shall include consideration for eventual ownership of the Facility by the university or DSO. As a practical consideration, the university shall provide a summary of its ownership interests in the property, including if applicable, the remaining term on the lease from the state. In making the determination of the life expectancy of the ~~f~~Facility~~ies~~, the standard fifty (50) year assumption found in section 1013.64 (1)(a), Florida Statutes, may be used, if the Facility is being constructed in conformity with university construction standards and codes. However, a~~A~~ny lease term in excess of forty (40) years requires an analysis to demonstrate the benefits, including the additional cash flow distributions to the university, the DSO and the Private Party of the longer term period when compared to a 40 year term. The analysis shall also include a comparison of the return on investment and internal rate of return to the Private Party under a 40 year lease to the longer term. All other Projects require an analysis indicating that the lease term is reasonable based on industry norms; however, in no case may a lease exceed 99 years. As a practical consideration for all Projects, the university shall provide a summary of its ownership interests in the property, including if applicable, the remaining term on the lease from the state.

(l) The term of the debt should not exceed thirty (30) years, exclusive of the time required for construction of the Facility.

VII. APPROVAL PROCESS AND REQUIRED INFORMATION

All Projects that are subject to these guidelines must be approved by the university board of trustees and the Board of Governors. The Board of Governors and the State Division of Bond Finance should be notified when a Project is contemplated by the university to come before the trustees for consideration.

In advance of entering into binding agreements for a Project that is subject to these guidelines, a university or DSO shall obtain approval by the Board of Governors. ~~Approval can be requested either prior to soliciting competitive bids or proposals for a Project if the university or DSO provides all necessary information to enable the Board of Governors to reach a determination, or at the conclusion of the negotiation process with the Private Party.~~

~~For Projects receiving advance approval from the Board of Governors, the university or DSO shall submit the final draft agreement with the Private Party and a certification to the Chancellor's Office at the conclusion of the negotiation process with the Private Party, but prior to the university or DSO entering into a binding agreement(s), that either: (i) affirms the final Project agreement(s) is within the parameters previously approved by the Board of Governors, or (ii) provides an explanation of the areas where the Project agreement(s) departs from those parameters. If the certification affirms the final Project agreement(s) is within the parameters previously approved by the Board, no further action of the Board is required unless the Chancellor, in consultation with the State Division of Bond Finance, within ten (10) business days of receiving the university or DSO's submission, concludes the final Project Agreement(s) is outside the scope of the prior approval. In that event, or if the certification indicates a departure from the prior approval, the final Project agreement(s) will be submitted to the Board of Governors for consideration.~~

(a) For Projects that are subject to these Guidelines, the following Project information is required to be submitted to the Board Office and to the State Division of Bond Finance no later than ninety (90) days prior to the meeting at which the issue could be considered by the Board of Governors. Universities may provide the information in advance of the competitive procurement process, or at any stage during the procurement process ~~if seeking prior approval~~:

1. Evidence of approval of the Project by the university board of trustees for both university and DSO projects, and by the DSO board for DSO projects, or the dates on which all such required approvals have been scheduled and noticed. ~~For advance approval, evidence that the university board of trustees or DSO has approved the parameters of the Project and will be responsible for reviewing and approving the final Project prior to the university or DSO entering into binding agreement(s) for the Project, and the names and qualifications of any external legal and financial experts who will advise the university or DSO.~~

2. The Facility Program, feasibility studies or consultant reports (if available), and any financial studies or analysis of the financial feasibility of the Project, including the impact of the Project on similar activities of the university.

3. An analysis that provides the quantitative metrics justifying the need for the construction of the Project.

4. A copy of the proposed agreement(s) ~~or a statement of key terms of the proposed agreement(s)~~ with the Private Party, and letter from legal counsel describing, with particularity, the provisions in the agreement(s) that are designed to protect the university or the DSO in the event of a material default by the Private Party. ~~If seeking advance approval, information must be submitted explaining the key terms of the proposed agreement(s) including: (i) the maximum term of the lease and the term of the debt, and provisions designed to protect the university or the DSO in the event of a material default; (ii) a description of financing options and parameters; (iii) what will be required of the Private Party to demonstrate the ability to obtain financing and, if applicable, service the Project; (iv) the type of experience and qualifications the Private Party and its key personnel should possess; (v) the anticipated schedule for solicitation, negotiation, design and construction; (vi) a statement whether the university or DSO will own the Facility upon the end of the term or may have an option to require the Private Party to remove the Facility at its own expense; (vii) a statement explaining options for addressing maintenance and repairs of the Facility; (viii) projections showing anticipated revenues, expenses, debt service, excess cash flow, and the expected return on investment and internal rate of return to the Private Party for the term of the Project; (ix) and an explanation of university or DSO involvement, methodology, limits, or controls in approving initial and future fees or rental rates if student fees or rental rates are a source of revenue for the Project, including a description of the parameters applicable to such fees or rental rates (e.g., not more than X% above the cost of comparable existing facilities or existing fees).~~

5. An analysis calculating the expected rate of return for a revenue-generating Project or other appropriate quantitative metrics, and the anticipated uses of any revenues returned to the university or DSO.

6. Information demonstrating the provision of an adequate reserve fund for expenses relating to operations, maintenance and renewal, or replacement; or ultimate demolition, if applicable.

7. A cost benefit analysis showing that the P3 methodology is a cost effective method of delivering the Project that provides the best value to the university or DSO, taking into account the availability or unavailability of other funding sources, including: (i) the cost of tax-exempt financing; (ii) the costs of constructing, operating and financing the Project; (iii) any quantifiable savings in operational or other costs; (iv) the benefits to be realized by the university or DSO by using the P3 methodology; (v) and, if the Project will be primarily utilized by students, the cost-benefit to the student that considers the cost of existing campus and market options as compared to the Project and the value added to students in amenities or other material aspects of the Project. A value for money analysis, or other such analysis used by the university in reaching this conclusion may be included.

8. Projected cash flow analyses showing revenues, expenses, debt service, excess cash flow, the distribution of excess cash flow to the university, DSO or Private Party and return on investment and internal rate of return to the Private Party for the term of the Project. The projected cash flow should include any anticipated or planned refinancings by the Private Party and how any such refinancing will affect cash flow distributions to the university, DSO or Private Party and the internal rate of return or return on investment to the Private Party.

9. A description of any purchase option, how the purchase option for the Facility was developed, and the price and terms of the purchase under the option if known at the time the Project agreements are signed, or if not known unless and until the option is later exercised, the methodology for determining the price and terms of the purchase at that time and anticipated funding plan.

10. An explanation of how the Project is consistent with the strategic priorities and mission of the university, with appropriate references to both the university strategic plan and mission statement.

11. A statement that the Project is included in the campus master plan, or is not required to be included in the campus plan, with appropriate references and documentation. The specific location of the Project shall be provided on the current campus map if located on campus.

12. A description of any amounts to be paid to the Private Party by the university or DSO, the purpose of the payment, and the timing and source(s) of revenues for such payment. In addition, an explanation of

whether the university or DSO intends to fund any aspect of the Project, and if so, an explanation of the purpose, timing and the source(s) of revenues to be used.

13. A description of any liens or other encumbrances that will be placed on real property owned by the state, university, or DSO.

14. All other information provided to and relied upon by the university board of trustees in making the decision to approve the Project and enter into the agreement as outlined in Section V above; and any other data that the university wishes to be considered by the Board of Governors or Board staff.

15. Identify whether the university or DSO is following the authority provided by section 1013.171 (1), or section 1013.171 (2), or section 1013.171 (3), Florida Statutes.

16. Any other information reasonably requested by the Board of Governors or the State Division of Bond Finance.

(b) The foregoing information shall be submitted to the Board office and the State Division of Bond Finance in duplicate, hard copy, and bound in a three-ring binder, together with one electronic copy. The formal letter of transmission must be signed by the official point of contact for the university or DSO~~, and specify the type of approval being sought, e.g., regular or advance approval~~. The letter will identify the legal counsel for the university or DSO, the financial advisor for the university or DSO, and other university or DSO officials as appropriate. All private and public partners will be identified, including contact information, and the source of financing will be identified~~, unless seeking advance approval~~.

(c) The information shall be analyzed by Board of Governors staff and by the State Division of Bond Finance. The Board of Governors staff will consult with the State Division of Bond Finance in reaching a recommendation regarding Board of Governors' approval made in sufficient time for consideration of the Project at the Board of Governors' meeting ninety (90) days following submission by the university or DSO. Should the State Division of Bond Finance disagree with any recommendation of the Board of Governors staff or suggest that any additional information be presented to the Board of Governors, such recommendations or information shall be included with the recommendation provided by the Board of Governors staff to the Board of Governors. Any material amendments to the submission by the university or the DSO after university board of trustees' approval may require re-authorization by the respective boards. The ninety (90) day period in this clause and the following clause may be reduced if the university has kept the Board of Governors' staff and State Division of

Bond Finance well informed of the Project and associated material terms in advance of the submission, in which event the Board of Governors staff and State Division of Bond Finance may reasonably agree with the university on a shorter review period in support of the commercial feasibility of the Project. Supporting documentation shall also include a draft resolution to be adopted by the Board of Governors approving the Project and any associated transactions as necessary.

(d) The Board of Governors will consider the following factors in connection with its review and approval of the Project and proposed agreement(s):

1. The Project is necessary to fulfill a need of the university, is consistent with the university's distinctive mission as set forth in the current approved Accountability Plan and master plan, and is in the best interests of the university.

2. The Project information supports the need, demand, and cost of the Project, and demonstrates that the Project is both financially and operationally a prudent undertaking by the university or DSO, in light of the objectives of the university.

3. The proposed agreement(s) contain adequate recourse for the university or the DSO in the event of a material default by the Private Party.

4. An analysis of the cost to students, if it is a Project that entails student use, in order to keep the cost of education affordable.

5. The material business terms of the Public Private Partnership, including the distribution of any excess cash flow from the Project to the university, DSO or Private Party and the reasonableness of the related return on investment and internal rate of return.

6. The nature of the auxiliary enterprise and its impact on any existing university or DSO enterprise or system.

7. Any other factors which the Board of Governors determines are appropriate to consider in reaching a decision on any issue relating to the review and approval of the Project and the proposed agreement(s).

(e) Any real property lease or use agreement involving real property owned by the Board of Trustees of the Internal Improvement Trust Fund must receive approval from the Board of Trustees of the Internal Improvement Trust Fund to the extent

required by law or by the university's master lease agreement with the Board of Trustees of the Internal Improvement Trust Fund.

(f) If circumstances exist such that the university or DSO contemplate any material change in the terms of the Project Agreement after a Project receives Board of Governors' approval, the university or DSO must notify the Board Office and the State Division of Bond Finance within ten (10) business days and in any event, prior to entering into a binding amended agreement with the Private Party. If the change in terms raises any issues regarding the proposed Facilities, financing, activities, or operations to be conducted, the Chancellor shall consult with the Chair of the Facilities Committee about whether to re-submit the proposed transaction to the Board of Governors for further review and approval. In addition, if a material change in terms is contemplated by the university or the DSO at any time after the Project Agreement has been executed, the university or DSO shall notify the Board of Governors staff and the State Division of Bond Finance prior to amending the Project Agreement.

VIII. TERMS OF THE AGREEMENT

Depending on the risks presented to the interests of the university or DSO and the type of Project, taking into account the location (on or off campus), purpose, and effect of disruption to use of the Facility (for example, the severity of effects of disruption to a parking facility, office, or dormitory, may be different), any agreement with a Private Party should provide adequate provisions in relation to the risks posed, and generally should include (or have sound justification to not include) the following:

(a) Procedures that govern the rights and responsibilities of the university or DSO and the Private Party in the course of the construction, or construction and operation of the Project, and in the event of the termination of the agreement or a material default by the Private Party. The safeguards for mitigating and managing disruption of use and operations should be proportionate to the risk, including for example, if applicable, restrictive covenants, recognition and subordination agreements, and/or recordation obligations, assumption of the duties and responsibilities of the Private Party by a party that funded, in whole or part, the Project or by the board, or other protections to mitigate and manage foreseeable consequences of a material default by the Private Party of the Public-Private Partnership or the Private Party's financing. If required by section 1013.171, Florida Statutes, the agreement must provide for the transfer or purchase of property or other interests of the Private Party by the university.

(b) Review of the design of the Facility by the university or DSO and, if the design conforms to standards acceptable to the university or DSO, the approval of the

university. This subparagraph does not require the Private Party to complete the design of the Facility before the execution of the agreement.

(c) Delivery of performance and payment bonds, letters of credit, or other security acceptable to the university or DSO in connection with the construction, or construction and operation of the Project, in the form and amount satisfactory to the university or DSO.

(d) Inspection rights of the Facility to ensure that the Private Party's activities are acceptable to the university or DSO in accordance with the agreement.

(e) Maintenance of general liability and property insurance by the Private Party in the form and amount satisfactory to the university or DSO and sufficient to provide reasonable coverage of tort liability to the public and employees and to enable the continued operation of the Facility.

(f) If the agreement includes operation and maintenance of the Facility by the Private Party, maintenance, repair and replacement requirements for the Facility, and monitoring and remedial rights for the university or DSO to ensure that the Facility is properly maintained.

(g) If applicable, periodic filing by the Private Party of the appropriate financial and operating information for the Project and/or Private Party, which may include financial statements and audit rights for the university or DSO, to ensure any requirements in the agreement are met.

(h) A provision that deems the Private Party’s failure to fund current operational and maintenance costs if required by the agreement to constitute a material default.

(i) A provision describing all fees to be charged to users for use or occupation of the Facility, and the methodology, limits, approvals for, and circumstances that would allow for increases or decreases to such fees. Such fees should be within the range of fees customarily charged for the use or occupation of like facilities in the State University System, taking into account the purpose, amenities, and location of the Facility.

(j) A provision that outlines the responsibilities of the Private Party, including the terms and conditions that the university or DSO determine serve the best interests of the university.

(k) A provision under which each party agrees to provide notice of default and cure rights for the benefit of the other party.

(l) A provision that requires transfer of the Facility to the university or DSO at the expiration of the agreement or in the event of earlier termination of the agreement, if required by section 1013.171, Florida Statutes, or a provision that otherwise provides for the removal of the Facility and the restoration of the real property as a university or DSO option.

(m) If the Private Party's financing for the Project is secured by a leasehold mortgage or other instrument affecting title to the Facility and the Facility is ultimately to be transferred to the university or DSO, a provision requiring the Private Party to satisfy the same at the conclusion of the term of the agreement or upon earlier termination so that Facility is transferred to the university or DSO without any such encumbrances at the conclusion of the term of the agreement or upon earlier termination.

(n) If the agreement provides to the university or DSO a purchase option at any time prior to the termination of the agreement or a termination payment, a provision describing the terms of the purchase option.

(o) A provision stating that: (i) the full faith and credit of the university, Board of Governors or State of Florida has not been pledged to secure the financing of the Private Party and (ii) if the university or DSO chooses to assume the development or operation of the Facility on account of the Private Party's default, the assumption of the development or operation of the Facility does not obligate the university or DSO to pay an obligation of the Private Party from sources other than revenues from the Facility.

(p) A provision identifying the party responsible for the payment of any property taxes on the Facility, and what entity receives the benefit of any future waiver of property taxes.

(q) A provision that the term of the Project debt should not exceed thirty (30) years after the construction period.

IX~~VIII~~. REPORTING REQUIREMENT

At a minimum, the Private Party should provide an annual report to the Board of Governors staff office and the university as soon as practical, but not more than ninety (90) days, following the close of the fiscal year. Additionally, the university will comply with any reporting requirements specified in the Project approval resolution of the Board of Governors, which shall, at a minimum, require a comparison of actual results

to original projections. To the extent required by generally accepted accounting principles, information regarding any Public Private Partnership arrangement must be included in the university's or DSO's annual financial report, and such financial information as deemed necessary by the State's Chief Financial Officer or Chancellor should be submitted in connection with submissions required by Board Regulation 9.009, Preparation of State University System Financial Statements.

~~I~~X. BOARD OF GOVERNORS POWERS

These guidelines provide a framework for review by the Board of Governors of proposals for Public-Private Partnerships involving a university or DSO. The guidelines do not limit the authority of the Board of Governors to review any proposal of a university or DSO. These guidelines do not provide a university or DSO with a legally enforceable right to have a proposal approved by the Board of Governors.

DRAFT

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 27, 2019

SUBJECT: Resolution of the Board of Governors authorizing the FAU Financing Corporation to issue $78,500,000 of revenue bonds on behalf of Florida Atlantic University to finance the construction of two new housing facilities on the Boca Raton and Jupiter campuses.

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving the issuance of fixed rate, tax-exempt revenue bonds, by the FAU Financing Corporation (the "DSO") on behalf of Florida Atlantic University (the "University"), in the principal amount not to exceed $78,500,000 (the "Bonds") for the purpose of financing the construction of two new student housing facilities; one on the main Boca Raton campus and the other on the Jupiter campus (collectively, the "Project").

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, has reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt. Accordingly, staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines; Section 1010.62, Florida Statutes; and Article IX, Section 7, Florida Constitution.

BACKGROUND INFORMATION

The Project will consist of two new residence halls; one on the Boca Raton campus (the "Boca facility") and the other on the Jupiter campus (the "Jupiter facility). The Boca facility will consist of a 7-story, 185,000 (approximate) square foot building, comprising approximately 616 beds of single and double-occupancy suite-style configuration. FAU plans for a surface parking area comprised of approximately 230 spaces reserved for on-campus residents. The Jupiter facility will be a 3-story, 51,000 (approximate) square foot building, comprising approximately 165 beds in single-occupancy full-suite configuration, as well as a dedicated 124-space surface parking area. The Jupiter design will include a kitchenette in each unit, a community kitchen on each floor and a first floor fitness center.

The Project is consistent with the University's Campus Master Plan.

Construction of the Project is estimated at a total cost of $69.3 million; approximately $54.1 million for the Boca facility and $15.2 million for the Jupiter facility, including $4.7 million in FF&E, $3.3 million in contingencies, and approximately $558K for surface parking (dedicated to the Jupiter facility).

The Project will be financed by fixed rate, tax-exempt bonds issued by the FAU Financing Corporation (the "DSO"), in the principal amount not exceeding $78,500,000, inclusive of a capitalized interest and cost of issuance. The Bonds will be structured with level debt service and a final maturity no more than 30 years after issuance.

Net housing system revenues will be pledged for the payment of debt service. These revenues gross income, fees, rentals and other charges received by the DSO or the University on behalf of the DSO derived from housing system facilities, including parking facilities and the retail and commercial uses comprising a part of the housing system.

Projections provided by the University indicate sufficient net revenues will be generated to pay debt service on the Bonds.

The Project and the financing thereof was approved by the DSO's Board of Directors on October 30, 2018 as well as the University Board of Trustees on November 13, 2018.

Supporting Documentation Included:	1. Requesting Resolution 2. Project Summary 3. Estimated Sources and Uses of Funds 4. Historical and Projected Debt Service Coverage 5. IRR Calculation 6. Division of Bond Finance memorandum
Facilitators/Presenters:	Mr. Chris Kinsley

A RESOLUTION APPROVING THE ISSUANCE OF DEBT BY THE FAU FINANCE CORPORATION ON BEHALF OF FLORIDA ATLANTIC UNIVERSITY TO FINANCE THE CONSTRUCTION OF CERTAIN STUDENT HOUSING FACILITIES ON THE BOCA RATON AND JUPITER CAMPUSES IN THE PRINCIPAL AMOUNT NOT TO EXCEED $78,500,000; AND PROVIDING AN EFFECTIVE DATE.

The duly acting and appointed Board of Governors of the State of Florida at a meeting duly held pursuant to notice and a quorum being present do hereby make the following resolutions:

BE IT RESOLVED:

1. Findings. The Board of Governors hereby finds as follows:

(A) Pursuant to Article IX, Section 7 of the Florida Constitution, the Board of Governors is vested with the power to operate, regulate, control and manage the State University System of Florida. The Board of Governors is further vested with the authority to approve the issuance of revenue bonds by a state university or its direct support organization pursuant to Section 1010.62(3), Florida Statutes.

(B) The FAU Finance Corporation (the "DSO") was incorporated by the Florida Atlantic University Board of Trustees (the "University Board") to provide direct support to Florida Atlantic University (the "University") and designated as a "University Direct Support Organization" by the University Board pursuant to Section 1004.28, Florida Statutes.

(C) The University Board has requested approval from the Board of Governors for the DSO to issue revenue bonds in the principal amount not exceeding $78,500,000 (the "Bonds"), for the purpose of financing: (i) a student housing facility containing approximately 616 beds on the main Boca Raton campus of the University, including parking; (ii) a student housing facility of approximately 165 beds, including parking, on the Jupiter campus; (iii) capitalized interest; and (iv) certain costs relating to the Bonds (collectively, the "Project"). The foregoing plan to finance the Project is collectively referred to herein as the "Financing Plan".

(D) Upon consideration of the Financing Plan, the Board of Governors further finds that the issuance of the Bonds is for a purpose that is consistent with the mission of the University; is structured in a manner appropriate for the prudent

financial management of the University; is secured by revenues adequate to provide for all debt service payments; has been properly analyzed by the staffs of the Board of Governors and the Division of Bond Finance; and is permissible under the circumstances.

(E) The Board of Governors declares that the Project will serve a public purpose by providing housing facilities at the University.

(F) The Project is included in the master plan of the University.

2. Approval of the Project. The Project is approved by the Board of Governors as being consistent with the strategic plan of the University and the programs offered by the University.

3. Approval of the Bonds. The Board of Governors hereby approves issuance of the Bonds by the DSO for the purposes described herein, in the principal amount not to exceed $78,500,000, said Bonds to have a final maturity not to exceed thirty (30) years from the date thereof and a fixed rate of interest acceptable to the DSO. This approval is subject to the understanding that (i) the Bonds shall be secured by a first lien on the DSO's net revenues on a parity basis with the DSO's outstanding Capital Improvement Revenue Bonds Series 2012A, 2012B, and 2019A, and a second lien on the net revenues of the University Housing System after payment of all debt service and any other obligations under the University's Housing Bonds issued by the Division of Bond Finance, including annual payments to the Building Maintenance and Equipment Reserve Fund; and (ii) the proceeds of the Bonds shall be used exclusively to fund the Financing Plan or to reimburse the University or the DSO for capital expenditures paid for the Project. The Bonds may be sold by negotiated sale consistent with the proposed Financing Plan or by competitive sale.

Board of Governors approval of the Bonds is subject to the understanding that issuance of the Debt is completely separate from the existing FAU Foundation Certificates of Participation for the existing Jupiter campus housing.

4. Repealing Clause. All resolutions of the Board of Governors or parts thereof, in conflict with the provisions herein contained, to the extent they conflict herewith, are, to the extent of such conflict, hereby superseded and repealed.

5. Authorization of Further Actions Consistent Herewith. The members of the Board of Governors, attorneys, or other agents or employees of the Board of Governors are hereby authorized and directed to do all acts and things required of them by this resolution or desirable or consistent with the requirements hereof, to assure the full, punctual and complete performance of all the terms, covenants and agreements contained in the Bonds and this resolution; including execution of such documents,

certificates, contracts and legal opinions and other material delivered in connection with the construction or financing of the Project for use by the University, the issuance of the Bonds or as necessary to preserve the exemption from the taxation of interest on any of the Bonds which are tax-exempt, in such form and content as the Chair, Vice Chair or authorized officers executing the same deem necessary, desirable or appropriate.

6. Effective Date. This resolution shall become effective immediately upon its adoption.

Adopted this 28th day of March, 2019.

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Board of Governors, does hereby certify that the attached resolution relating to the issuance of Bonds by the Florida Atlantic University Finance Corporation is a true and accurate copy as adopted by the Board of Governors on March 28, 2019, and said resolution has not been modified or rescinded and is in full force and effect on the date hereof.

BOARD OF GOVERNORS OF THE STATE UNIVERSITY SYSTEM OF FLORIDA

Dated: _____, 2019

By: _____
Corporate Secretary

00538599.1

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Project Summary
Florida Atlantic University
Housing Facilities on Boca Raton and Jupiter campuses
March 27, 2019

Project Description:

On December 19, 2018, Florida Atlantic University ("FAU" or "University") submitted a proposal for financing the construction of two (2) new housing facilities; one on the Boca Raton (main) campus and the other on its Jupiter campus (together, the "Project"). Project financing will be through the issuance of debt by FAU Financing Corporation ("DSO") in the principal amount of not to exceed $78,500,000.

The housing facility on the main Boca Raton campus ("Boca facility") will be approximately 185,000 square feet, seven (7) stories, with approximately 616 beds comprised of single and double-occupancy suite configurations. A community kitchen on each floor, co-located with study/laundry space, will provide students an alternative to a meal plan. Also, FAU intends to construct a surface parking area comprised of approximately 230 spaces reserved for use by on-campus residents.

The facility on the Jupiter campus ("Jupiter facility") will be approximately 51,000 square feet, three (3) stories, with approximately 165 beds in single-occupancy full suite configuration and an approximate 124-space surface parking area dedicated to residents of the Jupiter facility. The design will include a kitchenette in each units, a community kitchen on each floor and a first floor fitness center.

The Project is included in the campus master plan and was approved by the DSO's Board of Directors on October 30, 2018 and FAU's Board of Trustees on November 13, 2018.

The proposed Project, targeting a Fall 2021 opening, represents the first phase of FAU's two-phase, 5-year delivery strategy to address projected unmet housing demand on both campuses. The second phase, of similar size/scope and targeting a Fall 2024, is not part of the current proposal and is not being submitted at this time for consideration by the Board of Governors.

Site Location: The Boca facility will be located approximately within the current footprint of the to-be-demolished Algonquin Hall; the oldest (1965) housing facility on the main campus. The Jupiter facility will be located on a vacant parcel near the campus's two existing residence halls built nearly 20 years ago.

Construction Phase: Advanced design of both housing facilities is expected to begin in April 2019, with construction commencing on the Boca campus in November 2019, followed by construction of the Jupiter facility in April 2020, with both facilities completed in July 2021.

Project Cost: FAU expects construction costs for both facilities to total $69.3 million; $54.1 million for the Boca facility and $15.2 million for the Jupiter facility, including $3.3 million in contingencies, resulting in a per-bed cost of $87,823 (Boca) and $91,846 (Jupiter). The Jupiter budget includes $558K for dedicated surface parking, resulting in higher per-bed cost than Boca. (See *Estimated Sources and Uses of Funds*).

Financing Structure: The Project will be financed with 30-year, fixed rate, tax-exempt debt, with level debt service, issued by the DSO in the principal amount not to exceed $78.5 million; inclusive of capitalized interest ("Cap-I") and cost of issuance. A debt service reserve is not necessary, thus not included.

According to FAU, estimated Cap-I includes six (6) months additional funding beyond anticipated construction completion (July 2021); the intent being to mitigate risk associated with potential construction delays and resulting revenue postponement. Furthermore, the Cap-I estimate is "gross" funded instead of the typical "net" funding (i.e. net of interest earned during the term).

Quantitative Demand For Project: Based on the University's "Accountability Report", annual enrollment trended up over the past 5 years at an average annual growth rate of .8%, with the University projecting slightly over 3% annual growth through FY21-22 (see chart below).

FTE Enrollment by Level
(Actual and Projected)

	Actual					Projected				
	FY12-13	**FY13-14**	**FY14-15**	**FY15-16**	**FY16-17**	**FY17-18**	**FY18-19**	**FY19-20**	**FY20-21**	**FY21-22**
Undergrad.	20,736	21,011	20,781	21,308	21,436	21,449	22,244	23,078	23,954	24,874
Graduate	3,305	3,163	3,133	3,180	3,395	3,477	3,512	3,547	3,582	3,618
Total	**24,041**	**24,174**	**23,914**	**24,488**	**24,831**	**24,926**	**25,756**	**26,625**	**27,651**	**28,492**
% Change	-	0.56%	-1.07%	2.39%	1.40%	0.37%	3.33%	3.37%	3.85%	3.04%

Enrollment data based on FAU's *2018 Accountability Plan*, approved by the Board of Trustees 5/15/18.

The University seeks to support anticipated enrollment growth through enhanced on-campus housing offerings through a progressive housing model with age-appropriate unit-type options, as illustrated below:

Student: *Freshman → Sophomores → Juniors → Seniors/Graduate*
| | | |
Housing: *Traditional → Semi-Suite → Full Suite → Apartment Style*

The University engaged Brailsford & Dunlavey ("B&D") to study demand for new on-campus housing, the findings of which were reported in late 2017 analysis, updated December 2018. Of note, per B&D, their analysis utilized more conservative estimates for enrollment growth than FAU's 2018 Accountability Plan. Based on the B&D report, in light of the Project's target occupancy date of Fall 2021, estimated demand will exceed current inventory by 513 beds (over 600 beds with the demolition of Algonquin Hall) on the Boca Raton campus and 209 beds on the Jupiter campus.

Boca Raton

Per FAU, on the Boca campus, all FTIC students are required to reside in on-campus housing their first year, unless they live with a parent/guardian within a 30 mile commutable radius of the campus, they are at least 21 years of age, or they are married. According to the B&D report, occupancy on the Boca Raton campus has steadily increased in recent year, exceeding design capacities in 2018 at 104%.

	Fall 2015	Fall 2016	Fall 2017	Fall 2018
Bacon Raton Campus Total Occupancy	96%	99%	100%	104%

Strong demand on the Boca Raton campus has resulted in FAU exceeding design capacity in two residence halls and utilizing a nearby off-campus hotel (Fairfield Inn) to accommodate overflow.

The demolition of Algonquin will remove 94 beds (based on design capacity) from inventory, while the Boca facility adding back 616 beds, addressing current over-capacity as well as projected Fall 2021 demand, as reflected in the following chart:

Projected Occupancy: Boca Raton campus

	(Actual) Fall 2018			(Projected) Fall 2021		
	Design Capacity	**Occupants**	**Occupancy %**	**Design Capacity**	**Projected Demand**	**Occupancy %**
Algonquin [1]	94	172	183%	---	---	---
Business Women's House	17	17	100%	17	17	100%
Glades Park	602	598	99%	602	602	100%
Heritage Park	602	599	99%	602	602	100%
Indian Park	607	603	99%	607	607	100%
Parliament	612	599	98%	612	612	100%
Innovation Village North	605	603	100%	605	605	100%
Innovation Village South	599	598	100%	599	599	100%
University Village	434	472	109%	434	434	100%
Fairfield Inn (off-campus) [1]	0	87	n/a	---	---	---
Proposed Boca facility	n/a	n/a	n/a	616	607	98%
Total (existing):	**4,172**	**4,348**	**104%**	**4,694**	**4,685** [2]	**99%**

Footnotes:

1) Algonquin to be demolished with Boca facility construction. Fairfield Inn currently used for excessed demand.
2) Projected demand per B&D analysis, updated December 2018.

In keeping with FAU's progressive housing model, freshman and sophomore students are housed in traditional and suite-style units, respectively. Currently, there are 2,534 such units in inventory (2,440 without Algonquin).

Current Housing Composition: Boca Raton campus

	Traditional / Suite	Apartment
Algonquin	94	
Business Women's House	17	
Glades Park Towers	602	
Heritage Park Towers	602	
Indian River Towers	607	
Parliament	612	
Innovation Village North		605

Innovation Village South		599	
University Village		434	
Total Beds	**2,534**	**1,638**	**= 4,172**

B&D's report indicates that, by Fall 2021, nearly 3,300 beds will be needed to accommodate freshman/sophomore students. Accordingly, FAU plans to target the sophomore population with the proposed 616-bed suite-style Boca facility. This will provide sufficient supply to meet freshman/sophomore demand (existing housing for freshman, new Boca facility targeting sophomores) and help allocate apartment-style units to upper division students.

In terms of off-campus options and projected rental rates, B&D's report notes six (6) off-campus apartments within 2 miles of the proposed Boca facility, with 726 units in aggregate, with minimum 12-month leases and rental rates ranging from $875 - $1400/month per bedroom, including estimated utilities. Comparatively, based on a 4-month semester, the Boca facility will offer single-occupancy beds at $1,220/month, which is on the upper end of the off-campus options but will be similarly priced against on-campus stock, as reflected below:

On-campus Rent Comparison: Boca facility

	Existing On-Campus Housing	**Proposed Boca Facility**
Single Occupancy	$4,786 - $5,389	**$4,882**
Double Occupancy	$3,501 - $3,900	**$3,797**

The above data based on Brailsford & Dunlavey student housing demand report, December 2018. On-campus rent includes utilities, but not meal plan. Off-Campus Apartment rent is per bedroom.

Jupiter

The Jupiter campus is located approximately 40 miles north of the (main) Boca Raton campus, with its primary focus being FAU's Honors College. Per B&D's report, there were 492 full-time students on the Jupiter Campus in FY17, 435 of which are in the Honors College, where enrollment has grown 10.6% since 2015, driven by growth in upper-division students (see below).

FAU Jupiter Honors College enrollment

	Actual				Projected			
Undergraduate students	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Lower	172	173	170	148	200	240	260	260

Upper	215	232	265	280	243	254	315	416
Total	**387**	**405**	**435**	**428**	**443**	**494**	**575**	**676**

Data reflected in B&D report, December 2018, as per FAU Enrollment Management.

FAU anticipates improved growth in the Honors College, driven, in part, by its co-location with two internationally recognized research institutes; Scripps Research Institute and Max Planck Florida Institute. New undergraduate collaborative offerings are being launched with Max Planck. FAU has tripled its science-related personnel on the Jupiter campus, and has hired (for the first time) a Director of Admissions and Enrollment specifically for the Honors College commensurate with revamping recruitment strategies, redesigning the scholarship awarding model and implementing a common admissions application. The Honors College was recognized in the Fall 2018 edition of "Inside Honors" – out of 50 public university honors programs reviewed, FAU's Honors College was one of seven to receive a top rating along with Penn State, Arizona State, among others. Lastly, FAU anticipates a new STEM/Life sciences research building in the next 3-5 years (note: total costs $35M, with $12.9M PECO funding to date).

Unlike FAU's main campus, Jupiter's FTIC Honors College students are required to live on-campus for their first 2 years, while upper-division Honors College students are encouraged to (but not required). The Jupiter housing inventory is comprised of two 20-yr old facilities, representing a combined total 270 suite-style single-occupancy beds, reserved first for Honors College (HC) attendees before being made available for non-HC students. Occupancy has been nearly 100% for several years, driven almost entirely by Honors College attendees (fewer than 10 non-HC students have lived on-campus in the last 5 years).

	Fall 2015	**Fall 2016**	**Fall 2017**	**Fall 2018**
Jupiter campus occupancy:	**100%**	**100%**	**100%**	**96%**

Although FAU's projections indicate growth in lower-division and an interim drop in upper-division, the University, in keeping with its progressive housing strategy, plans to target the upper-division population with the proposed Jupiter facility, encouraging them to stay on-campus through their academic career. With approximately 170 freshman/sophomore students absorbing the majority of Jupiter's existing 270 beds, the majority of upper-division students are currently living off-campus. According to B&D's market

analysis, there are six (6) multifamily communities within a 2-mile radius of campus, representing 1,759 beds; see chart below.

Rental Rate Comparison

Off-campus options within 2-mile radius

Off-campus Apt size	Avg. Monthly Rent per Bed	# of Units
1 BR	$1,767	491
2 BR	$1,178	894
3 BR	$951	331
4 BR	$887	43
Total		1759
Jupiter Facility	**$1,221**	**165**

*Off-campus rates assume single-occupancy, include estimated utilities, and 12-mo lease. Data per B&D report, updated December 2018.

As reflected above, the 3BR/4BR units offer the most affordable off-campus option, but comprise only 21% of available stock, and overall occupancy was 94% as of November 2018 (per B&D's report), leaving roughly 100 available off-campus units to absorb future demand. B&D's report did not provide a break-down of occupancy by unit type, but, given the significant gap between 2BR to 1BR rents, it is assumed the majority of vacancy is in the 1BR category.

According to B&D's report, upper-division students emphasized affordability as a critical component in their consideration to continue living on-campus. In light of that, the Jupiter facility's projected rate of $4,882 per-bed-per-semester is 7% above existing on-campus stock (proposed Jupiter facility has kitchenettes, whereas existing housing does not) and is higher than the majority of off-campus options. Looking ahead, B&D's report noted off-campus effective rents increased 7.5% in 2018, which, if continued in future years, could result in off-campus options becoming less attractive. B&D's report did not indicate if any new off-campus multifamily communities were planned for the near future. Lastly, as the design process for the Jupiter facility progresses, FAU anticipates Project cost will decrease below the figures submitted to the Board of Governors, which may provide opportunities to reduce rental rates and enhance accessibility to the new facility.

In light of FAU's strategic investments in the Jupiter Honors College and resulting projected enrollment growth, weighed against its limited housing options for upper-division students on and off campus, the proposed Jupiter facility's 165 beds will help address future housing needs while enhancing FAU's progressive housing model and supporting concept of the Honors College as a residency university.

Assessment of Private Sector Alternatives: The University considered the option of a public-private partnership (P3) strategy, but chose not to pursue it due it presenting less affordable alternative in terms of financing structure. The debt would have been issued as project-based debt without the benefit of financial support from FAU's overall housing system; would have used a national 501c3 model, resulting in a likely Baa3 rating on project-based debt; and a higher cost of capital putting greater stress on achieving a 1.20x debt service coverage in the first year and the need to enhance cash flow by $600,000 annually, likely requiring higher rental rates, lower operating costs or both. Under the proposed financing structure, the DSO is saving more than $16 million during the debt term.

Security/Lien Structure: The Project debt will be secured by a first lien on the DSO's net revenues on a parity basis with the DSO's outstanding Capital Improvement Revenue Bonds Series 2012A, 2012B, and 2019A; together "Pledged Revenues", and a second lien on the net revenues of the University Housing System after payment of all debt service and any other obligations under the University's Housing Bonds, Series 2016 issued by the Division of Bond Finance (DBF), including annual payments to the Building Maintenance and Equipment Reserve Fund. This two-tier structure is reflected in the exhibit "*Historical and Projected Debt Service Coverage*".

Note, the existing Jupiter housing facilities are financed with debt (certificates of participation) issued by the FAU Foundation (not FAU Finance Corporation) in the form of a bank loan. In FY2018, the facilities had a 1.82x debt service coverage and generated $568K annual surplus cash flow. However, it is outside of the FAU Housing System, parity structure and revenue pledge under the proposed Boca facility and Jupiter facility. Accordingly, the Board of Governors approval of the Bonds is subject to the understanding that issuance of the Debt, as contemplated herein, is separate from the existing FAU Foundation Certificates of Participation for the existing

Jupiter campus housing.

Pledged Revenues & Debt Service Coverage: Project completion is targeted for July 2021, with 6 months additional Cap-I carrying debt service through the end of the year. Full annual debt service; principal and interest, commences in FY21-22 and beyond, along with Project operational stabilization. The pro forma projections assume 95% occupancy at both facilities, but notably the Jupiter facility produces only a 1.02x debt service coverage (DSC) at stabilization. However, it's proportionally small size results in minimal impact to the overall system. The Project will exceed breakeven with occupancy above 80% on the Boca Raton campus. Lastly, the two-tiered net revenue pledge, as previously described, provides more than adequate resources as evidence by debt service coverage ratios of 1.77x and 1.61x in FY21-22 and FY 22-23, respectively. (See *Historical and Projected Debt Service Coverage*)

Return on Investment: The Project is expected to achieve an internal rate of return (IRR) estimated at 7.32%, based upon assumptions provided by the University. (See *Projected IRR*)

Method of Sale: FAU plans to market the debt via negotiated sale. Based on input from underwriting firms with local and national expertise, FAU provided supporting rationale concluding that the debt should be easily absorbed in the market and should have strong investor demand (given the current lack of supply), the DSO is a relatively new and infrequent issuer, and the lien structure and unique security features warrant additional marketing, so a negotiated sale is anticipated to provide the most favorable financing terms and conditions and thus the most benefit to the University and DSO.

Recommendation: Staff of the Board of Governors and the Division of Bond Finance has reviewed the information provided by FAU with respect to the request for Board of Governors approval for the Project and issuance of debt. The demand for the Project appears adequate and University-provided projections indicate sufficient pledged revenues to service the additional debt.

It appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt as well as Board of Governors Debt Management Guidelines. Accordingly, Board staff recommends adoption of the resolution authorizing the proposed Project and financing.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FAU Finance Corporation, Capital Improvement Revenue Bonds, Series 2019B
Housing Faclities on Boca Raton and Jupiter campuses

Estimated Sources and Uses of Funds

Sources of Funds

Bond Par Amount (not to exceed) [1]		$ 78,500,000
Total Sources of Funds		$ 78,500,000

Uses of Funds

Project Costs:	Boca facility	54,098,875
	Jupiter facility	15,154,675
		$ 69,253,550
Capitalized Interest [2]		7,167,821
Costs of Issuance [3]		524,699
Contingency [1]		1,553,930
Total Uses of Funds		$ 78,500,000

1) Preliminary amount based on market rates as of February 13, 2019 plus 50 basis points cushion. Also, FAU expects final bond sizing to be less, but added Contingency funding as a conservative offset to unforeseen market movements before closing later this year.

2) Gross funded, 18 mos construction term plus 6 mos cushion.

3) Includes estimated Underwriter's Discount ($174k), Bond Counsel ($80k), Disclosure Counsel ($56k), Financial Advisor ($65k), Rating Agency Fees ($116k), Misc. ($33k).

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FAU FINANCING CORPORATION
2019 Housing Facilities - Boca Raton and Jupiter campuses
Two (2)-Tier Revenue Pledge

Historical and Projected Debt Service Coverage

	Historical				(unaudited)	Projected							
	FY 2013-14	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**
[1st Tier] *													
Total DBF Housing Revenue [1]	$ 15,821,327	$ 14,775,315	$ 16,605,924	$ 17,794,922	$ 18,017,461	$ 18,073,859	$ 17,332,894	$ 17,766,216	$ 18,261,868	$ 18,629,769	$ 19,005,082	$ 19,387,955	$ 19,778,542
DBF Operating Expenses	(7,195,131)	(7,915,153)	(9,048,242)	(9,741,928)	(10,127,364)	(10,718,845)	(9,273,140)	(9,481,786)	(9,235,721)	(9,443,525)	(9,656,005)	(9,873,265)	(10,095,414)
Net Operating Income: DBF Housing	8,626,196	6,860,162	7,557,682	8,052,994	7,890,097	7,355,014	8,059,754	8,284,430	9,026,147	9,186,244	9,349,077	9,514,690	9,683,128
DBF Debt Service *	(5,772,340)	(5,768,239)	(5,765,904)	(5,563,596)	(5,386,950)	(5,379,550)	(5,392,300)	(5,386,800)	(4,313,550)	(4,310,550)	(4,356,366)	(4,402,154)	(4,447,891)
Surplus After DBF Bonds [1/2/3]	**$ 2,853,856**	**$ 1,091,923**	**$ 1,791,778**	**$ 2,489,398**	**$ 2,503,147**	**$ 1,975,464**	**$ 2,667,454**	**$ 2,897,630**	**$ 4,712,597**	**$ 4,875,694**	**$ 4,992,711**	**$ 5,112,536**	**$ 5,235,237**
[2nd Tier] *													
Revenues *													
Surplus After DBF Bonds [1/2/3]	**$ 2,853,856**	**$ 1,091,923**	**$ 1,791,778**	**$ 2,489,398**	**$ 2,503,147**	**$ 1,975,466**	**$ 2,667,454**	**$ 2,897,630**	**$ 4,712,597**	**$ 4,875,694**	**$ 4,992,711**	**$ 5,112,536**	**$ 5,235,237**
Existing FAUFC Housing [1/2]	17,810,474	17,201,796	20,793,070	21,681,712	22,117,455	20,593,186	21,933,670	22,645,501	25,269,303	25,849,459	26,490,820	27,148,097	27,821,687
Proposed Project: Boca & Jupiter [1]	-	-	-	-	-	-	-	-	8,618,879	8,830,027	9,005,427	9,184,336	9,366,823
Total FAUFC Housing Revenue	**17,810,474**	**17,201,796**	**20,793,070**	**21,681,712**	**22,117,455**	**20,593,186**	**21,933,670**	**22,645,501**	**33,888,182**	**34,679,486**	**35,496,247**	**36,332,433**	**37,188,510**
Operating Expenses													
Existing FAUFC Housing [4]	(3,073,365)	(2,831,409)	(3,217,052)	(3,609,426)	(5,938,136)	(4,707,426)	(5,845,239)	(5,976,757)	(6,981,618)	(7,140,219)	(7,300,874)	(7,465,143)	(7,633,109)
Proposed Project: Boca & Jupiter [4]	-	-	-	-	-	-	-	-	(2,757,506)	(2,936,825)	(2,995,532)	(3,055,412)	(3,116,491)
Total FAUFC Operating Expenses	**(3,073,365)**	**(2,831,409)**	**(3,217,052)**	**(3,609,426)**	**(5,938,136)**	**(4,707,426)**	**(5,845,239)**	**(5,976,757)**	**(9,739,124)**	**(10,077,044)**	**(10,296,405)**	**(10,520,556)**	**(10,749,600)**
Net Operating Income: FAUFC Housing	**14,737,109**	**14,370,387**	**17,576,018**	**18,072,286**	**16,179,319**	**15,885,760**	**16,088,431**	**16,668,744**	**24,149,058**	**24,602,442**	**25,199,842**	**25,811,878**	**26,438,910**
Annual Debt Service													
Existing FAUFC Housing Debt [5]	8,375,104	10,810,651	11,350,494	11,342,586	11,339,677	10,695,515	10,345,675	10,345,681	10,333,381	10,337,930	10,324,781	10,325,144	10,000,125
Proposed Project Debt: Boca & Jupiter [6]	-	-	-	-	-	-	-	-	2,976,000	4,741,500	4,743,000	4,741,250	4,741,250
Total FAUFC Housing Debt Service	**8,375,104**	**10,810,651**	**11,350,494**	**11,342,586**	**11,339,677**	**10,695,515**	**10,345,675**	**10,345,681**	**13,309,381**	**15,079,430**	**15,067,781**	**15,066,394**	**14,741,375**
Total FAUFC Debt-Coverage Ratio	**1.76**	**1.33**	**1.55**	**1.59**	**1.43**	**1.49**	**1.56**	**1.61**	**1.81**	**1.63**	**1.67**	**1.71**	**1.79**

*Prior to FY 2019, FAU had a 3-tiered bond structure, whereas DBF debt would be paid first, then 2010A bonds (Innovation Village), then 2012 Bonds (Parliament). Series 2010A was refunded in Jan. 2019; now 2019A (see FN #5 below). The 2012 and 2019A bonds are FAUFC's only outstanding housing bonds. The new Project bonds will be on parity with 2012 and 2019A. DBF Bonds (Series 2016) include residence halls Algonquin, Glades, Heritage, Indian River and University Village.

1) Revenue inflation, through rental rate increases (starting in FY 2021), is projected at an average of 1.75% annually across the University's residence halls plus increases to summer revenues / programs. It is important to note that rental rate increases have not occurred since Fall 2015.

2) Revenue dip for FY 2019 is due to revised budgets showing 98% occupancy in DBF and IVA halls; however, FAU anticipates continuing to achieve occupancy that exceeds 100%.

3) DBF debt decreases from $5,386,800 (FY 2021) to $4,313,550 (FY 2022) and the reduced debt service level continues through the end of the schedule. This results in increased surplus cash flow in the DBF line item.

4) Operating expenses increased in recent years due to FAU's increased spending on deferred maintenance/reinvestment, which is expected to continue for the foreseeable future to maintain targeted quality of existing assets. Beyond intentional increases to FAU's operating approach, expense inflation is projected at 2.25% annually.

5) Innovation Village debt (originally Series 2010A) was refunded in January 2019; now Series 2019A bonds. Refunding achieved PV savings of $10,433,238 or 9.8% (calculated by Bank of America Merrill Lynch).

6) Debt interest assumption for Project is based on current market rates plus 50 basis points cushion. Project Debt has been calculated based on preliminary par amount of $77,420,108.90, and it is FAU's intent to refine the design and development budget in order to achieve a lesser total project cost.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FAU Finance Corporation, Capital Improvement Revenue Bonds, Series 2019B
Housing Faclities on Boca Raton and Jupiter campuses

Projected Internal Rate of Return (IRR)

(616-bed Boca Raton facility & 165-bed Jupiter facility)

	Project Construction Cost	Estimated Project Net Revenues			Total Project Cash Flow
		Gross Revenues	Operating Expenses	Net Revenues	
2019	($69,253,550)	-	-	-	($69,253,550)
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	$ 8,618,879	$ 2,757,506	$ 5,861,373	5,861,373
2023	-	8,830,027	2,936,825	5,893,202	5,893,202
2024	-	9,005,427	2,995,532	6,009,896	6,009,896
2025	-	9,184,336	3,055,412	6,128,924	6,128,924
2026	-	9,366,823	3,116,491	6,250,332	6,250,332
2027	-	9,530,742	3,186,612	6,344,130	6,344,130
2028	-	9,697,530	3,258,310	6,439,220	6,439,220
2029	-	9,867,237	3,331,622	6,535,614	6,535,614
2030	-	10,039,913	3,406,584	6,633,330	6,633,330
2031	-	10,215,612	3,483,232	6,732,380	6,732,380
2032	-	10,394,385	3,561,605	6,832,780	6,832,780
2033	-	10,576,287	3,641,741	6,934,546	6,934,546
2034	-	10,761,372	3,723,680	7,037,692	7,037,692
2035	-	10,949,696	3,807,463	7,142,233	7,142,233
2036	-	11,141,316	3,893,131	7,248,185	7,248,185
2037	-	11,336,289	3,980,726	7,355,562	7,355,562
2038	-	11,534,674	4,070,293	7,464,381	7,464,381
2039	-	11,736,530	4,161,874	7,574,656	7,574,656
2040	-	11,941,920	4,255,516	7,686,403	7,686,403
2041	-	12,150,903	4,351,265	7,799,638	7,799,638
2042	-	12,363,544	4,449,169	7,914,375	7,914,375
2043	-	12,579,906	4,549,275	8,030,631	8,030,631
2044	-	12,800,055	4,651,634	8,148,421	8,148,421
2045	-	13,024,055	4,756,296	8,267,760	8,267,760
2046	-	13,251,976	4,863,312	8,388,664	8,388,664
2047	-	13,483,886	4,972,737	8,511,149	8,511,149
2048	-	13,719,854	5,084,623	8,635,231	8,635,231
2049	-	13,959,952	5,199,027	8,760,924	8,760,924
	($69,253,550)	$312,063,126	$109,501,493	$202,561,633	$133,308,083

IRR=	7.32%

1) Assumes 30 year financing, inclusive of construction term, no equity contribution, and 30-year useful life of the project with no residual value.

2) Revenue and expense projections provided by the Universtiy, with assumed growth rates of 1.75% and 2.25%, respectively.

3) New money bond issue structured to generate $69.2M in project funds, assumes 7/1/21 delivery date, with capitalized interest through delivery plus 6 months (i.e. FY22), and no DSRF.

J. BEN WATKINS III
DIRECTOR

STATE OF FLORIDA
DIVISION OF BOND FINANCE

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COMMISSIONER

MEMORANDUM

To: Board of Governors

From: J. Ben Watkins III

Date: March 14, 2019

Re: Florida Atlantic University Financing Corporation

As required by Section 1010.62(3)(b)4, Florida Statutes, the Division of Bond Finance ("DBF") reviewed and analyzed the information provided to support Florida Atlantic University Fin Corporation's ("FAUFC's") proposed financing of the construction of dormitories on the Univers Boca Raton and Jupiter campuses (the "Project"). DBF has also reviewed the Board of Gover ("BOG") staff analysis of the Project. Below are the specific issues that DBF identified for the BC consideration in connection with its evaluation of the Project.

Demand/Housing Improvement Plan

On the Boca campus, the occupancy rate for on-campus student housing facilities has been in exce 100% for the past two years and appears to support demand for additional on-campus beds. However University has a freshman residency requirement which drives demand. The University plans to b additional housing through demolition of existing housing and replacement with new housing faciliti a phased approach. Additional student housing facilities are being built to support anticipated growt student population and to provide/improve on-campus housing options not only for freshman but entire student population, including upperclassmen. The University's stated goal in providing additi housing options is to aid in recruiting and attracting higher caliber students. Using upgraded hou facilities to offer a wider array of on-campus housing options is a somewhat unconventional approac improving the quality of the student population and supporting growth of the University. Addition there are no quantitative metrics provided by which to judge performance of the strategy and mea success of this initiative.

A review of statistical information provided by FAU for its annual disclosure filing indicates a decrea undergraduate student headcount over the past five years from 24,228 to 23,264. However, during same period undergraduate FTEs have increased from 20,997 to 21,663 presumably reflecting a shi more full-time versus part-time students. Freshman applications have also increased from 12,31 14,007 over the past five years with the percentage of applicants admitted decreasing from 54% to over this period reflecting the University's focus on improving criteria for students admitted. Lastl should be noted and important to the University's strategy is a marked improvement in GPA of fresh admitted from 3.46 in 2013 to 4.04 in 2017. Although there appears to be adequate demand for campus housing to support the Project on the Boca campus, this is just the first phase of implementing overall housing improvement plans which call for additional housing with a wider spectrum of unit- options being offered to upperclassmen as well as freshman to support growing the student popula Currently, most upperclassmen live off campus either by choice or because on-campus housing is

available. According to the University's demand study survey, 70% of respondents living off car indicated they lived with parents, a relative or their spouse. The forgoing information is provided because of concerns with debt-related issues but to highlight the reasons underlying the reques additional housing and the policy issues the Board should consider in evaluating the need for additi beds, i.e., providing additional on-campus housing for upperclassmen and as a means to enhance University's competitive position.

The Jupiter campus had a total Honors College student population of 435 full-time students in 2017 already houses 270 students or 62% of the student population. The Honors College at FAU's Ju campus is operated as a "residential college" and has a requirement for both first and second year stud to live on campus. From 2015 to 2017 the student population has increased by 48 students or 12%. I is projecting tremendous growth in the Honors College, more than doubling the student populatio 2023 (1,020 projected students). Therefore, the University contends that additional beds are neede accommodate future growth plans based on the residency requirement and the desire to have the can operated as a "residential college". The Project on the Jupiter campus is adding 165 additional beds f projected capacity of 435, equal to the current enrollment within the Honors College. The need additional housing is dependent on the University realizing its projected growth plan for the Ju campus and operating the Jupiter campus as a "residential college". There are other private sector hou options which could be available for student housing if not for the residency requirement and desir operate the Jupiter campus as a "residential college". However, FAU's strategy for growing the Ho College at the Jupiter campus and the need for additional housing to accommodate growth are po rather than debt-related issues which the Board should consider.

Capitalized Interest and Project Costs

The estimated uses of bond proceeds includes approximately $7.2 million of capitalized interest. proposed finance plan calls for capitalized interest for the 18-month construction period plus an additi 6 months to provide flexibility in case the Project is not completed on time. The Board's D Management Guidelines indicate that capitalized interest should only be used to pay debt service until Project is placed in service, i.e., during construction, because capitalized interest increases the size cost of the financing. Using capitalized interest to address the possibility of delayed completion of Project is inconsistent with the Board's Debt Management Guidelines and is better addressed thro contractual provisions with the company the University chooses to build the Project.

cc: Marshall M. Criser, Chancellor, Board of Governors
Chris Kinsley, Assistant Vice Chancellor, Board of Governors

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 27, 2019

SUBJECT: Proposed Amendments to Board of Governors Regulation 14.0025 Action Required Prior to Fixed Capital Outlay Budget Request

PROPOSED COMMITTEE ACTION

Discussion Only - Amendment of Board Regulation 14.0025

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation Development Procedure

BACKGROUND INFORMATION

This regulation was amended in 03-27-08 to specify that budgets approved by the board of trustees, rather than the Chancellor, would serve as the basic planning documents for facility construction.

The proposed amendments re-establishes a role for the Chancellor and provides for Board approval of fixed capital outlay budgets in parallel to the approval of university operating budgets as provided in Board Regulation 9.007 **State University Operating Budgets:**

- Specifies that projects requested for inclusion on the the Board of Governors' 3-Year PECO Priority list must be supported by an educational plant survey.
- Specifies that the Chancellor's Office will provide a format for the fixed capital outlay budget to be approved by the university board of trustees.
- Provides that the fixed capital outlay budget approved by the trustees must be submitted to the Board for approval (parallels the process for the operating budget).
- Authorizes the Chancellor to approve FCO amendments up to $5,000,000.

Supporting Documentation Included: Regulation 14.0025

Facilitators/Presenters: Mr. Chris Kinsley

14.0025 ~~Action Required Prior to~~ Fixed Capital Outlay Budget ~~Request~~

(1) No ~~new construction or remodeling~~ project shall be requested by a university for inclusion on the ~~first year of the 3 year,~~ PECO-eligible priority list without being recommended in an educational plant survey.

(2) The university is responsible for the preparation of the building program. The program shall be consistent with the university strategic plan, academic and facilities master plan, and shall include the project budget and the building codes applicable to the project.

(3) The university president shall have the responsibility for building program review and approval to assure compatibility with the institution's approved strategic plan, master plan, educational plant survey and with space utilization criteria. Building programs approved by the university president, and budgets approved by the university board of trustees shall serve as the basic planning documents for development of plans and specifications for construction.

(4) Proposals for fixed capital outlay projects to be funded by Capital Improvement Fees shall be prepared by the university, and submitted to the Board of Governors. Each proposed project shall be approved by the university president after consultation with the student government association. For the purpose of this regulation, "consultation" is defined as an ongoing dialogue with the student body president prior to developing the university proposal. An attachment containing any objections and alternatives, and stating that both the university president and the student government association have reviewed the project proposals, shall be included in the proposal.

(5) Effective for the July 2020/2021 fiscal year, each university president will prepare a fixed capital outlay budget for approval by the board of trustees in accordance with the instructions, guidelines, and standard formats provided by the Chancellor. Each university board of trustees shall adopt a fixed capital outlay budget for the university on an annual basis. The university board of trustees-ratified fixed capital outlay budget is to be presented to the Board of Governors for approval.

(6) No fixed capital outlay project expenditures may be made by the university, absent budget approval by the Board of Governors, or budget amendment approval by the Chancellor as provided in section (7). Such approvals remain in effect for the life of the project; and do not expire at the end of the fiscal year.

(7) The Chancellor is hereby authorized to approve amendments to the fixed capital outlay budget as approved by the university board of trustees up to $5,000,000. Amendments in excess of $5,000,000 require approval of the Chair of the Board of Governors.

(8) The fixed capital outlay budget must include provisions for the maintenance, repair, remodeling and renovation of the existing educational plant; ancillary plant and auxiliary facilities subject to the following definitions:

(a) "Maintenance and repair" means the upkeep of educational and ancillary plants, including, but not limited to, roof or roofing replacement short of complete replacement of membrane or structure; repainting of interior or exterior surfaces; resurfacing of floors; repair or replacement of glass; repair of hardware, furniture, equipment, electrical fixtures, and plumbing fixtures; and repair or resurfacing of parking lots, roads, and walkways. The term "maintenance and repair" does not include custodial or groundskeeping functions, or renovation except for the replacement of equipment with new equipment of equal systems meeting current code requirements, provided that the replacement item neither places increased demand upon utilities services or structural supports nor adversely affects the function of safety to life systems.

(b) "Remodeling" means the changing of existing facilities by rearrangement of spaces and their use and includes, but is not limited to, the conversion of two classrooms to a science laboratory or the conversion of a closed plan arrangement to an open plan configuration.

(c) "Renovation" means the rejuvenating or upgrading of existing facilities by installation or replacement of materials and equipment and includes, but is not limited to, interior or exterior reconditioning of facilities and spaces; air-conditioning, heating, or ventilating equipment; fire alarm systems; emergency lighting; electrical systems; and complete roofing or roof replacement, including replacement of membrane or structure; and upgrades and replacement of campus infrastructure, including, but not limited to roads, water, sewer, gas, steam, chilled water loops, and electrical systems.

(9) Notwithstanding any other provision of Board regulations, fixed capital outlay project budgets approved by a board of trustees prior to July 2, 2019 remain in effect until June 30, 2020.

Authority: Section 7(d), Art. IX, Fla. Const., History–Formerly 6C-14.0025, 1-24-89, Amended 1-13-99, Amended and Renumbered as 14.0025, 3-27-08, Amended 11-21-13, Amended _____.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 27, 2019

SUBJECT: Legislative Update and Legislative Budget Request Amendment

PROPOSED COMMITTEE ACTION

Adopt an amendment to the 2019-2020 LBR for FCO. Other Information may be discussed.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

An update on activities related to the 2019 Legislative Session will be provided.

The proposed Amendment to the Legislative Authorization Requests includes authorization for the University of Florida to expend reserve or carry forward balances from operational and programmatic appropriations which may exist as of July 1, 2019, for the following:

A) Holland Law School Hot Water Conversion and Other Repairs in an amount not to exceed $6,250,000; and

B) Dental Sciences Building Deferred Maintenance needs and Other Repairs in an amount not to exceed $4,250,000.

Supporting Documentation Included: Amended LBR Item

Facilitators/Presenters: Mr. Chris Kinsley

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
(Previously approved January 31, 2019; new proposed for inclusion)

Legislative Authorization Requests

The University of Florida is hereby authorized to expend reserve or carry forward balances from operational and programmatic appropriations which may exist as of July 1, 2019, in an amount not to exceed $6,250,000 for the Holland Law School Hot Water Conversion and Other Repairs.

The University of Florida is hereby authorized to expend reserve or carry forward balances from operational and programmatic appropriations which may exist as of July 1, 2019, in an amount not to exceed $4,250,000 for the Dental Sciences Building Deferred Maintenance needs and Other Repairs.

From the unexpended balance of funds appropriated in Specific Appropriation Section 34, Chapter 2017-233, Laws of Florida, for the renovation of the University of Florida Music Building (HB 2663), $5,927,338 shall revert immediately and is appropriated in the same category as the planning and construction of the new Music Building at the University of Florida.

From the unexpended balance of funds appropriated in Specific Appropriation Section 34, Chapter 2017-233, Laws of Florida, for the Florida State University STEM Teaching Lab, $4,233,813 shall revert immediately and is appropriated in the same category to the Interdisciplinary Research Commercialization Building (IRCB) at Florida State University.

The University of South Florida is hereby authorized to expend reserve or carryforward balances from operational and programmatic appropriations which may exist as of July 1, 2019, an amount not to exceed $9,267,417 for the Interdisciplinary Science – Research Lab Build Out.

The University of South Florida is hereby authorized to expend reserve or carryforward balances from operational and programmatic appropriations to the USF Sarasota/Manatee campus, which may exist as of July 1, 2019, in an amount not to exceed $2,800,000 for the renovation and expansion of the USF Sarasota/Manatee College of Hospitality & Tourism Leadership space on that campus.

The University of West Florida is hereby authorized to expend reserve or carryforward balances from operational and programmatic appropriations which may exist as of July 1, 2019, in an amount not to exceed $8,000,000 for Campus Roof Replacement.

The University of West Florida is hereby authorized to expend reserve or carryforward balances from operational and programmatic appropriations which may exist as of July 1, 2019, in an amount not to exceed $3,200,000 for the Central Utility Plant Switchgear Replacement.

The University of North Florida is hereby authorized to expend reserve or carryforward balances from operational and programmatic appropriations which may exist as of July 1, 2019, in an amount not to exceed $5,000,000 for the Renovation of Roy Lassiter Hall.

The Florida State University is hereby authorized to expend reserve or carryforward balances from operational and programmatic appropriations which may exist as of July 1, 2019, in an amount not to exceed $1,500,000 towards planning and design of the FAMU/FSU College of Engineering Building C.

The Florida Agricultural and Mechanical University is hereby authorized to expend reserve or carryforward balances from operational and programmatic appropriations which may exist as of July 1, 2019, in an amount not to exceed $1,500,000 towards planning and design of the FAMU/FSU College of Engineering Building C.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 27, 2019

SUBJECT: State University System Bond Program Ratings

PROPOSED COMMITTEE ACTION

For Information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

A summary of bond program ratings relating to the State University System of Florida.

Supporting Documentation Included: 1. Bond Program Ratings
2. Agency Ratings Tiers and Definitions

Facilitators/Presenters: Mr. Chris Kinsley

Bond Program Ratings [1]

State University System of Florida

Updated, March 13, 2019

University	Issuer	Type	Moody's	S&P	Fitch
State University System	DBF	Capital Improvement Bonds (CITF)	**Aa2**	**AA**	**AA**
Public Ed Capital Outlay (PECO)	DBF	PECO capitalizing bonds (FL Gen Obl. Debt)	**Aaa**	**AAA**	**AAA**
		University Auxillary Facilities			
Florida A&M University	DBF (US DOE HBCU Cap. Financing Prog.)	Housing Bonds [2]	N/R	N/R	N/R
Florida Atlantic University	DBF	Housing Bonds	**A1**	**A**	**A+**
	DBF	Parking Revenue Bonds	**Aa3**	**A+**	**A+**
	FAU Finance Corporation	Housing Bonds	**A1**	**A**	**A+**
	FAU Finance Corporation	Stadium bank loan	**N/R**	**N/R**	**N/R**
	FAU Foundation	Housing Bonds (COPs)	N/R	N/R	N/R
Florida Gulf Coast University	FGCU Financing Corporation	Housing Bonds	**A2**	**A-**	**A+**
	FGCU Financing Corporation	Parking Bonds [4]	**A2**	-	**A+**
Florida International University	DBF	Housing Bonds	**Aa3**	**A**	**A+**
	DBF	Parking Revenue Bonds	**Aa3**	**AA-**	**A+**
	FIU (P3) Miami-Dade IDA	Housing Bonds, Biscayne Bay	**Ba1**	-	-
	FIU Athletics Finance Corporation	Stadium bonds	N/R	N/R	N/R
	FIU Foundation	Support Complex bank loan	N/R	N/R	N/R
Florida Polytechnic University	FPU (P3s) [3]	Housing Contract	N/R	N/R	N/R
Florida State University	DBF	Housing Bonds	**Aa2**	**AA-**	**AA**
	DBF	Health Center Bonds	**Aa2**	**AA**	**AA**
	DBF	Research Foundation Bonds	**Aa2**	-	**AA**
	DBF	Parking Revenue Bonds	**Aa2**	**AA**	**AA**
	DBF	Parking Revenue Bond	N/R	N/R	N/R
	DBF	Dining Facility Revenue Bond	N/R	N/R	N/R
	FSU Financial Assistance, Inc.	Athletic Facilities Bonds	**A1**	-	**A**
	FSU Financial Assistance, Inc.	Athletic Facilities Loan	N/R	N/R	N/R
	Seminole Boosters, Inc.	Bank Loans	N/R	N/R	N/R
	FSU Foundation, Inc.	Bank Loan	N/R	N/R	N/R
	FSU Schools, Inc.	Lab School (FL High) note	N/R	N/R	N/R
	FSU	Energy Savings Contracts Lease/Purchases	N/R	N/R	N/R
New College of Florida	NCF Development Corporation	Housing Bonds (COPs)	N/R	N/R	N/R
University of Central Florida	DBF	Housing Bonds	**Aa3**	**A+**	**A+**
	DBF	Health Center Bonds	**Aa3**	**AA-**	**AA-**
	DBF	Parking Revenue Bonds	**Aa2**	**AA-**	**AA-**
	UCF Stadium Corporation	Stadium & Athletics Facility Bonds	-	**A+**	**AA-**
	UCF Convocation Corporation	Arena/Convocation Center Revenue Bonds	-	**A+**	**AA-**
	UCF Convocation Corporation	Housing Revenue Bonds	N/R	N/R	N/R
	UCF Finance Corporation	Bank Loan / LOC	N/R	N/R	N/R
	UCF Foundation	Bank Loans/Mortgage	N/R	N/R	N/R
	UCF Athletic Association	Bank Loans / LOC	N/R	N/R	N/R
University of Florida	DBF	Dormitory Revenue Bonds	**Aa2**	**AA-**	**AA**
	DBF	Student Activity Bonds	**Aa2**	**AA**	**AA**
	DBF	Parking Revenue Bonds	**Aa2**	**AA-**	**AA-**
	DBF	Clinical Transitional Research Bldg Bonds	N/R	N/R	N/R
	University Athletic Association	General Obligation (of UAA) Bonds	N/R	N/R	N/R
University of North Florida	DBF	Wellness Center Bonds	**A2**	**A**	**A+**
	UNF Financing Corp.	Housing Bonds	-	**A-**	-
	UNF Financing Corp.	Student Union Bonds	-	**A-**	-
	UNF Financing Corp.	Building bank loans	N/R	N/R	N/R
	UNF Foundation	Parking Bonds	N/R	N/R	N/R
University of South Florida	DBF	Parking Revenue Bonds	**Aa3**	**AA-**	**AA-**
	USF Financing Corporation	Student Union Revenue Bonds	**Aa3**	**AA-**	-
	USF Financing Corporation	Housing Bonds (COPs)	**A1**	**A+**	-
	USF Financing Corporation	Health Bank Bonds (Bonds & COPs)	N/R	N/R	N/R
	USF Financing Corporation	Athletic Facility Bonds (Bonds & COPs)	N/R	N/R	N/R
	USF Research Corporation	Research Park Bank Bonds	N/R	N/R	N/R
	USF Foundation	Real Estate Mortgage	N/R	N/R	N/R
University of West Florida	UWF Foundation	Housing Refunding Bonds	**A2**	-	-

"N/R" = Not rated

Footnotes:

1) The above reflect underlying ratings only; credit-enhanced (i.e. insured, escrowed, etc) bond ratings not inlcuded. Not all issues have underlying ratings.

2) On 3/5/19, FAMU refunded all of its existing Housing System debt with a bond/loan through the US DOE HBCU Capital Financing Program; the guarantee through US DOE precludes the need for the University to obtain/maintain a credit rating.

Rating Agency: Ratings Tiers & Definitions

Moody's	S&P	Fitch	Rating description		Credit Worthiness
Aaa	AAA	AAA	Prime	Investment grade	An obligor has EXTREMELY STRONG capacity to meet its financial commitments.
Aa1	AA+	AA+	High grade		An obligor has VERY STRONG capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.
Aa2	AA	AA			
Aa3	AA−	AA−			
A1	A+	A+	Upper-medium grade		An obligor has STRONG capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.
A2	A	A			
A3	A−	A−			
Baa1	BBB+	BBB+	Lower-medium grade		An obligor has ADEQUATE capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.
Baa2	BBB	BBB			
Baa3	BBB−	BBB−			
Ba1	BB+	BB+	Non-investment grade, speculative	Non-investment grade aka: high-yield bonds aka: junk bonds	An obligor is LESS VULNERABLE in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.
Ba2	BB	BB			
Ba3	BB−	BB−			
B1	B+	B+	Highly speculative		An obligor is MORE VULNERABLE than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.
B2	B	B			
B3	B−	B−			
Caa	CCC	CCC	Exteremely speculative		An obligor is CURRENTLY VULNERABLE, and is dependent upon favourable business, financial, and economic conditions to meet its financial commitments.
Ca	CC	CC	Default imminent		An obligor is CURRENTLY HIGHLY-VULNERABLE.
	C	C			The obligor is CURRENTLY HIGHLY-VULNERABLE to nonpayment. May be used where a bankruptcy petition has been filed.
C	D	D	In default		An obligor has failed to pay one or more of its financial obligations (rated or unrated) when it became due.

Updated, 2/22/2019

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 27, 2019

SUBJECT: FAMU Brooksville Site

PROPOSED COMMITTEE ACTION

For information, FAMU will present an update on development of the Brooksville Site.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The University Board of Trustees on March 7, 2019, authorized the University to enter into a ground lease arrangement with Duke Energy to install a solar field at the Brooksville Site. The annual lease payment will range between $85,600 and $1,819,000 based on development of the solar field.

The financial structure chosen by the university, a ground lease, does not require approval by the Board of Governors.

Supporting Documentation Included: FAMU Presentation TBD

Facilitators/Presenters: Mr. Chris Kinsley, University Staff

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

AGENDA
Academic and Student Affairs Committee
Grand Ballroom
H. Manning Efferson Student Union Building
Florida A&M University
1780 S. Martin Luther King, Jr. Boulevard
Tallahassee, Florida 32307
March 28, 2019
9:00 a.m. – 11:00 a.m.
or
Upon Adjournment of Previous Meetings

Chair: Mr. Norman Tripp; Vice Chair: Vacant
Members: Cerio, Corcoran, Felton, Frost, Morton, Valverde, White, Zachariah

1. Call to Order and Opening Remarks	**Governor Norman Tripp**
2. Minutes of January 30, 2019 Committee Meeting	**Governor Tripp**
3. Vice Chancellor and Chief Academic Officer's Report	**Dr. Christy England** *Vice Chancellor for Academic and Student Affairs*
4. Florida College System Chancellor's Update	**Ms. Kathryn Hebda** *Chancellor of the Florida College System*
5. Academic Program Items	
A. Reclassification of the Univeristy of Florida, Research and Academic Center at Lake Nona Campus	**Dr. Joseph Glover** *Provost and Senior Vice President for Academic Affairs University of Florida*

6. SUS and FCS Mathematics Re-design Update — **Dr. England**

Dr. Karinda Barrett
Director of Academic Affairs
Florida College System

7. Engineering Programs Credit Hour Review — **Dr. Sally McRorie**
Provost and Executive
Vice President for Academic Affairs
Florida State University

Mr. Bryan Anderson
Engineering Student
Florida A&M University

Ms. Anna Mills
Engineering Student
Florida State University

Mr. Bryan Mahoney
Vice President & CoE Leader,
St. Augustine Aircraft Integration Center of Excellence
Northrop Grumman

8. Two + Two Articulation Update

A. Florida Virtual Campus (FLVC) Revised Common Prerequisite Manual — **Ms. Nashla Dawahre**
Director of Student Services
Florida Virtual Campus

Mr. Javier Reyna
Director of Enterprise Applications
Florida Virtual Campus

9. Academic and Student Affairs Updates

A. SUS Council of Academic Vice Presidents (CAVP) — **Dr. Sally McRorie**
Chair, CAVP

B. SUS Council for Student Affairs (CSA) — **Dr. Corey King**
Chair, CSA

C. Florida Student Association (FSA) — **Jalisa White**
Chair, FSA

10. Concluding Remarks and Adjournment **Governor Tripp**

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
March 28, 2019

SUBJECT: Minutes of Committee Meeting held January 30, 2019

PROPOSED COMMITTEE ACTION

Consider approval of the minutes of the Academic and Student Affairs Committee meeting held on January 30, 2019 at Florida International University

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review and consider approval of the minutes of the meeting held on January 30, 2019 at Florida International University.

Supporting Documentation Included: Minutes, January 30, 2019

Facilitators/Presenters: Governor Norman Tripp

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
ACADEMIC AND STUDENT AFFAIRS COMMITTEE
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA
January 30, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at http://www.flbog.edu.

1. Call to Order and Opening Remarks

Governor Edward A. Morton convened the Academic and Student Affairs meeting at 3:56 p.m. with Chair Tripp (by phone), Governor Cerio, Governor Felton, Governor Frost, Governor Valverde, Governor White, and Governor Zachariah. A quorum was established.

2. Minutes of Committee Meeting

Governor Morton asked for a motion to approve the minutes from the November 8, 2018, committee meeting. Governor Frost moved to approve, Governor Cerio seconded the motion, and the motion carried unanimously.

3. Vice Chancellor and Chief Academic Officer's Report

Governor Morton then recognized Vice Chancellor Christy England to give a report on the activities of the Academic and Student Affairs (ASA) unit. Vice Chancellor England reported:

- Several staffing changes were made in the Office of Academic and Student Affairs following the permanent appointment of Vice Chancellor England. Ms. Emily Sikes, formerly the Director for Economic Development, has been promoted into the Assistant Vice Chancellor for Strategic Initiatives and Economic Development. In this role, Ms. Sikes will continue to work on economic development issues, support strategic initiatives in the state, and will also support the student affairs initiatives. Mr. Roger Strickland was hired on the 8th of January as the new Director of Economic Development. He was previously a Senior Legislative Analyst at the Florida Legislature's Office of Program Policy Analysis and Government Accountability. Dr. Lynn Nelson was reassigned from the Academic Team to the Director of Student Affairs position reporting to Ms. Emily Sikes. Dr. Nelson will continue to fully support the

Mental Health, Drug, and Alcohol Task Force and other aspects of student affairs moving forward.

- The five-year TEAm Grant initiative has now concluded and a final report was emailed to Board members prior to this meeting. Thanks to the TEAm funding, last year there were an additional 1,185 students enrolled and for the life of the initiative, an additional 534 students graduated. Vice Chancellor England thanked Associate Vice Chancellor R.E. LeMon for his leadership and support on this effort.
- In November, Board Staff reviewed 15 program preproposals in preparation for the November 29 Council of Academic Vice Presidents' Academic Coordinators meeting held at the University of Central Florida's College of Medicine at Lake Nona campus. Dr. Lynn Nelson represented Board Staff in person.
- Dr. Lynn Nelson also attended the Southern Association of Colleges and Schools Commission on Colleges' Annual Meeting in New Orleans December 8 through 11.
- Ms. Emily Sikes attended the Florida Chamber's 2030 Regional Rollout on December 13. This event included the Florida Chamber's presentation on its 2030 report.
- Thanks to an invitation by Governor Felton, Vice Chancellor England was able to participate in the Advisory Council of Faculty Senates on January 11. Vice Chancellor England presented an overview of the Board Office, key functions, and initiatives.
- In February, Vice Chancellor England, Ms. Sikes, and Dr. Nelson attended the National Association of Student Personnel and Administrators' Strategies Conference in Washington D.C., which was timely because the focus of the conference was on college student well-being, drugs and alcohol, mental health, and sexual violence. A number of the SUS institutions gave presentations at the conference.
- Also in February, Associate Vice Chancellor R.E. LeMon attended the American Library Association's Committee on Accreditation meeting in Seattle, WA.
- Assistant Vice Chancellor Traki L. Taylor, Director of Articulation Lynda Page, and Assistant Director for Academic and Student Affairs Jeremy M. Hudak have been attending multiple meetings, conferences, and webinars to support the statewide Mathematics Re-design effort.

4. <u>SUS and FCS Mathematics Re-design Update</u>

Next, Governor Morton recognized Vice Chancellor England to provide an update on the State University System (SUS) and Florida College System (FCS) Mathematics Re-design effort.

Vice Chancellor England reviewed the framework and setup of the re-design effort, which includes three workgroups focused on the alignment of mathematics education

and requirements between high school to postsecondary institutions, across the FCS institutions, and between FCS and the SUS institutions. Within these workgroups, there are three to five huddles addressing more specific issues. Vice Chancellor England reported that the workgroups have met three of the six milestones. The goal of Milestone 1 was to define the key challenges. This was accomplished in fall 2018 through a survey to participants. The focus of Milestone 2 was to prioritize these challenges, which was done in September 2018. These challenges have become the focus of the huddles. Currently the workgroups are in the middle of Milestone 3 which is gathering information and analyze data about the challenges that were identified in September. During the next several months, the workgroups will complete the last three milestones. Milestone 4 is linking challenges and solutions and it is expected to be completed at the beginning of February. The workgroups and support staff have a face-to-face meeting scheduled at Polk State College on February 13th and 14th to work on this milestone. Dr. Taylor, Ms. Page, and Mr. Hudak from the Academic Affairs team will be in attendance. Milestone 5 will involve prioritizing the solutions and the goal is to accomplish this by the end of February and develop formal recommendations. During Milestone 6 the workgroups will consider policy recommendations and evidence-based best practices. The goal is to have Milestone 6 completed by April 2019.

5. Florida State University's Four Year Graduation

Governor Morton introduced Dr. Sally McRorie, Provost of Florida State University, to give a report on program and activities which have improved the four-year graduation rate at Florida State University (FSU).

Dr. McRorie began by noting that all FSU students are retained and graduate at the same rate, which means that there are no disparities between different groups of students in the first- to second-year retention rates. Furthermore, she added that all prior graduation rate disparities between categories of underrepresented students and traditional students no longer exist. Dr. McRorie said that the preliminary number of the graduation rate was 71.5%. She thanked members of the FSU community for their collective effort in helping students.

Dr. McRorie explained this success was based on six pillars. The first pillar is that every student has a success team that consists of academic advisors, career advisors, college life coaches, peer mentors, faculty mentors, and alumni. The success teams have a lot of tools and data that allow them to work collaboratively and proactively to help the student. Dr. McRorie said the second pillar is to use data to segment students into populations that address their unique needs and career goals such as the Entrepreneurial Living and Learning Community. She said that these learning communities start to engage students during their first year and provide a sense of belonging. Dr. McRorie discussed the Unconquered Scholars Living Learning

Community that serves students who have aged out of the foster care system. She said currently there is a 100% graduation rate of students in this program.

Dr. McRorie then introduced Dr. Joe O'Shea, Assistant Provost of Student Success and High Impact Practices, to discuss the other four pillars. In regards to the third pillar of curriculum, he discussed the use of evidence-based teaching practices and collaborative classrooms. Dr. O'Shea also noted that the campus has worked to hire more faculty in order to reduce class size. He discussed the fourth pillar of expanding experiential and global learning and explained efforts to create opportunities for underrepresented students to take advantage of these educational opportunities. In regards to the fifth pillar, Dr. O'Shea said the University supports programs that give students the opportunity for engagement outside of the traditional academic setting. Lastly, he discussed the sixth pillar which was to increase guidance to help students find careers after graduation. Dr. McRorie added that the University is also using microgrants to help students who are close to graduation but may have run out of financial aid.

Governor Felton inquired about the four-year graduation rate and who was included in the data points. Dr. O'Shea explained that FSU has a traditional residential student population, and a majority of students start in the first-time-in-college (FTIC) summer or fall cohort. He did note there is a small number of students in a pathways program that start in the spring semester, and he also explained that transfer students that are not included in the data.

Governor Morton thanked Dr. McRorie and Dr. O'Shea for their presentation and congratulated them on their hard work and commitment to students.

6. <u>An Update on SUS Engineering Programs Exceeding 120 Credit Hours</u>

Governor Morton introduced Dr. Sally McRorie, Chair of the Council of Academic Vice Presidents (CAVP), to give a presentation on SUS Engineering programs exceeding 120 credit hours.

Dr. McRorie said the CAVP will be discussing this issue in greater detail at their next meeting, but she shared that there has been a review of the different engineering programs and degree requirements across institutions. She also indicated that there is some variance in credit hours across institutions. The CAVP will be discussing options regarding standardizing the hours required of engineering programs. She noted that engineering programs are professional programs and prepare individuals much in the same way a professional master's program would. She also added that Accreditation Board for Engineering and Technology, Inc. (ABET) has suggested that students complete both an undergraduate and master's degree before seeking licensure. However, the CAVP has discussed the issue and have decided to focus on preparing students for the licensure exam through the bachelor's programs, and will continue to

work on reducing the length of the programs. Dr. McRorie also reviewed additional issues facing engineering programs including diversity and underrepresented students. She noted that some first-generation students may not have the mathematics preparation they need to succeed when they first enroll in the program and that cutting back hours could adversely affect these students.

Board Vice Chair Kitson asked how many credits are required. Dr. McRorie said it depended on the program and noted that some highly specialized programs, like biomedical engineering, are higher because of the expertise needed. She said the highest was 134 credits to degree. She noted that the provosts have also been working with the engineering deans to discuss ways to make curriculum uncomplicated and make sure enough sections are being offered.

7. System-Wide Hazing Prevention

Governor Morton introduced Dr. Corey King, Vice President for Student Affairs and Enrollment Management at Florida Atlantic University, to give a presentation on system-wide hazing prevention.

Dr. King began by describing the AliveTek, a software prevention tool, and how it is being used at SUS institutions. Since the program's inception, Dr. King reported that, across the system, 94,180 students have completed the training. Dr. King also noted that some of the changes to students' responses after the training, including an increase in the number of students reporting that hazing was unacceptable and an increase in students' willingness to report hazing. Dr. King noted other impacts of the training included students reporting increased knowledge and awareness of hazing, decreased likelihood of participating in hazing, and greater feeling of being equipped to handle hazing.

Governor Morton asked why only 90,000 students have completed the course. Dr. King noted that the training software is only one of the methods used to prevent hazing. He mentioned that other efforts such as hazing prevention weeks and various programs are used to reduce hazing.

Board Vice Chair Kitson asked if there has been changes in the actual organizations. Dr. King mentioned that there has been some headway but this meeting's report was to provide the Board an update on the AliveTek tool. He reported that there was a Mental Health Awareness and Hazing Summit Prevention last year which yielded a scorecard that was agreed upon by the Council of Student Affairs. Dr. King indicated he would provide a report on the scorecard at a later meeting.

Board Vice Chair Kitson then asked Governor White if she has noticed a difference. Governor White mentioned that she believes students have become more aware of what

hazing looks like. Governor White also stated that there are still instances of hazing some students do not recognize as hazing – for instance when senior members of an organization ask only the newer members to do something.

Governor Patel asked if there has been any dialogue with the fraternity and sorority chapters in regards to their role in hazing prevention. Dr. King stated that in January 2018 the Council of Student Affairs hosted a summit in Tallahassee with all Greek life chapter presidents and leaders, student organizations, vice-presidents, deans of students, and healthcare professionals. He then opened the floor for additional comments regarding what individual campuses are doing. University of South Florida President Judy Genshaft added that metropolitan universities have varying student bodies and Greek Life is not as entrenched in the student body which makes the hazing issue a little different from non-metropolitan universities. Florida State University President John Thrasher said he has seen a change on campus and it has been an incremental change in the culture, but it is one of those issues that has to be focused on daily.

Dr. King added that the Annual Hazing Prevention Summit will be May 17 at the University of Central Florida.

There being no further questions or comments, Governor Morton thanked Dr. King for his presentation.

8. Public Notice of Intent to Create Board of Governors Regulation 6.021 Hazing Prohibited

Vice Chancellor England reported that a few years ago, an audit of the Board office revealed that there was a Florida statute that prevented hazing, but there was not a corresponding Board of Governors regulation. The Office of Academic and Student Affairs worked with the Council of Student Affairs and the Board of Governors' General Counsel to develop a regulation to reinforce the statute. She added that one difference between the proposed regulation and the statute was that the regulation included a requirement that each institution make training opportunities available for students and student organizations. These trainings are designed to reinforce policy and increase awareness of the dangers of hazing.

Governor Cerio asked if the regulation's definition tracked the statute's definition. Vice Chancellor England indicated that it was almost identical. Governor Morton added that the definition of hazing will be a challenge, but the regulation was a step in the right direction.

There being no further questions or comments, Governor Morton entertained a motion to approve the Public Notice of Intent to create Board of Governors Regulation 6.021.

Governor Frost moved to approve, Governor Cerio seconded the motion, and the motion carried unanimously.

9. Academic Program Items

A. Exception to 120 credit hours for the Bachelor of Science in Biomedical Engineering, CIP 14.0501, University of South Florida Tampa

Governor Felton reported that the University of South Florida (USF) is seeking an exception to the 120 credit hour limitation for its Bachelor of Science in Biomedical Engineering in order to accommodate curriculum requirements based on accreditation standards set by the Accreditation Board for Engineering and Technology, Inc. (ABET). He noted that summer enrollment is required as part of the 126 hour program, which would allow students to graduate in four years. The USF Board of Trustees approved the exception on June 12, 2018. Board Vice Chair Kitson suggested that there be some mechanism to work with the SUS institutions to get these programs down to 120 hours. Chair Tripp reminded members that Board staff are working on this issue with CAPV. Governor Cerio asked if the 126 hours was common for all programs. Provost Wilcox mentioned that it was low for a Biomedical Engineering degree, and he shared that USF has worked hard to lower the number.

Governor Morton entertained a motion to approve an exception to 120 credit hours for the Bachelor of Science Biomedical Engineering, CIP 14.0501, at the University of South Florida Tampa. Governor Frost moved to approve, Governor Felton seconded, and the motion passed unanimously.

B. Exception to 120 credit hours of the Bachelor of Science Construction Management, CIP 15.1001, Florida Gulf Coast University

Governor Felton reported that Florida Gulf Coast University (FGCU) is seeking an exception to the 120 credit hour limitation for its Bachelor of Science in Construction Management in order to accommodate curriculum requirements based on accreditation standards set by the American Council for Construction Education (ACCE). FGCU's Board of Trustees approved the exception on September 11, 2018. Governor Morton then recognized Dr. James Llorens, Interim Provost and Vice President for Academic Affairs at FGCU, to give the presentation. Dr. Llorens discussed the need for the program in southwest Florida and the work FGCU has done with industry representatives to secure scholarships and internships for students. He also noted that in addition to complying with the ACCE requirements, the curriculum complies with FGCU's general education requirement that all students complete a three-credit hour university colloquium that emphasizes ecological perspectives, critical thinking,

and communication skills, which is part of FGCU's unique mission. He noted that as a regional university, this degree meets the demands of the region.

Governor Morton asked if the program could be offered at 120 credit hours. Dr. Llorens replied that the additional six hours were critical, but he had to also consider general education requirements and common core requirements that are mandated by the SUS. Board Vice Chair Kitson said meeting the need of the region is critical and that FGCU is well-positioned to do so, but that there should be a focus on what needs to be taught and not have students accumulate debt or pay more money for a degree.

Governor Patel agreed that keeping the degree to 120 is important. He added that in his experience, the construction management industry is using more technology to lower costs and the timing of projects. However, some of the individuals he's interviewed do not have the technological experience the field needs. He added that the construction management degree was important to the industry, but that it was also important to keep the credit hours to degree at the 120 minimum, so that these students can get out into the workforce.

Governor Felton commented that the SUS needs to also focus on making sure students are out in four years and so it is important to look at mechanisms to keep students on track.

Dr. Llorens mentioned that FGCU was willing to work with the CAVP on the engineering credit hour issue. Board Vice Chair Kitson asked if internships were part of the program. Dr. Richard Behr, Dean of the Whitaker College of Engineering Leadership, responded that a three-credit hour internship is required in the program. Dean Whitaker also expounded on accreditation and making sure programs aspire to excellence and not just complete the bare minimum. Board Vice Chair Kitson replied that the quality of the courses are more important, and excellence does not necessarily equate to extra hours and time.

Governor Cerio asked if the Bachelor of Science in Construction Management was offered at 120 credit hours at another institution in the SUS. Dr. Llorens said there were three or four programs that were at or above 126 hours, but none of the programs were offered at 120 credit hours.

Governor Morton entertained a motion to approve an exception to the 120 credit hours for the Bachelor of Science Construction Management, CIP 15.1001, at Florida Gulf Coast University. Governor White moved to approve, Governor Felton seconded, and the motion passed with a 7 to 1 majority with Governor Cerio voting no.

5. Academic and Student Affairs Updates

A. SUS Council of Academic Vice Presidents (CAVP)

Dr. Sally McRorie, Provost and Academic Affairs Vice President of Florida State University and Chair of the CAVP, reported that at the next CAVP meeting the group will be discussing engineering programs and the 120 credit hour issue, financial health and wellness for students, mental health training for faculty and staff, math updates, and other issues of concern and interest.

B. SUS Council of Student Affairs (CSA)

Dr. Corey King, Florida Atlantic University Vice President of Student Affairs and Chair of CSA, reported that the CSA had been active in working with the Drugs, Alcohol, and Mental Health Task Force on reporting student wellness initiatives. The Hazing Prevention Summit will be May 17, 2019 at the University of Central Florida. The Council of Student Affairs-Associate Vice Presidents Summit will be on June 9th and 10th at the University of South Florida.

C. Florida Student Association (FSA)

Governor Jalisa White, Chair of the Florida Student Association (FSA), reported that the FSA partnered with the New York Student Association and the California Student Association to advocate at the federal level on issues affecting students in the nation. Students from these three organizations focused on issues such as increasing Pell Grants, Title IX changes, and federal work-study grants. Governor White also reported that FSA will be hosting the annual Rally in Tally event on February 5, 2019. FSA currently has 40 meetings set with legislators and plan to have 80 meetings in total. There are 100 student participants across all SUS institutions. Lastly, FSA is working on a student mental health campaign.

7. Concluding Remarks and Adjournment

Having no further business, Governor Morton adjourned the meeting at 5:25 p.m.

_____

Norman D. Tripp, Chair

_____

Disraelly Cruz, Ph.D.
Assistant Director for
Academic Affairs

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
March 28, 2019

SUBJECT: Vice Chancellor and Chief Academic Officer's Report

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. Christy England, Vice Chancellor for Academic and Student Affairs, will provide an update regarding the activities of the Office of Academic and Student Affairs.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Christy England

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
March 28, 2019

SUBJECT: Florida College System Chancellor's Update

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Ms. Kathryn Hebda, Chancellor of the Florida College System, will provide an update regarding the activities of the Florida College System.

Supporting Documentation Included: None

Facilitators/Presenters: Ms. Kathryn Hebda

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
March 28, 2019

SUBJECT: Reclassification of the University of Florida, Research and Academic Center at Lake Nona Campus

PROPOSED COMMITTEE ACTION

Consider approval of the reclassification of the University of Florida, Research and Academic Center at Lake Nona to a Type III Campus

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.009

BACKGROUND INFORMATION

The University of Florida (UF) requests authorization to reclassify the Research and Academic Center at Lake Nona from a Special Purpose Center to a Type III Campus in accordance with Board of Governors Regulation 8.009. The site is located at 6550 Sanger Road in Orlando, Florida. Currently, the Lake Nona Special Purpose Center provides two academic programs in the College of Pharmacy: a Doctor of Pharmacy (Pharm.D) and a Doctor of Pharmaceuticals. In Fall 2014, the College of Pharmacy began phasing out the Pharm.D program on the St. Petersburg campus. This resulted in an increased number of student enrollments on the Lake Nona campus. The Doctor of Pharmaceuticals program has also seen an increase in enrollment. In Fall 2018, Full-Time Equivalent (FTE) student enrollment exceeded the 300 FTE minimum for a Type III campus. The Lake Nona campus already has administration and student services in place to support the research and academic programs, which satisfies the other requirements of a Type III campus.

The UF Board of Trustees approved the proposal for reclassification of the UF Research and Academic Center at Lake Nona on December 7, 2018. If approved by the Board of Governors, the reclassification will be effective Summer 2019.

Supporting Documentation Included: Reclassification of the UF, Research and Academic Center at Lake Nona Campus

Facilitators / Presenters: Dr. Joseph Glover

06/23/2014

FLORIDA BOARD OF GOVERNORS
PROPOSAL TO RECLASSIFY A TYPE I, II, OR III CAMPUS OR A SPECIAL PURPOSE CENTER

University of Florida **University Submitting Proposal**	**UF Research and Academic Center at Lake Nona** **Educational Site Name**
Special Purpose Center **Current Type of Educational Site**	**6550 Sanger Road, Orlando, FL 32827** **Physical Address** (US Site: address, city, state, zip) (International site: street address, number , city, county/province, country)
4803 **Current Site ID**	**Summer 2019** **Reclassification Effective Term** (First date and term under new classification)
Type III Campus **Proposed Type of Educational Site**	

The submission of this proposal constitutes a commitment by the university that, if the proposal is approved, the necessary actions to accommodate students and faculty will have been met prior to final reclassifying the educational site.

12-7-18 Date Approved by the University Board of Trustees		11-14-18 President	Date
Signature of Chair, Board of Trustees	12/13/18 Date	Vice President for Academic Affairs	11/18/18 Date

Provide current headcount (HC) and full-time equivalent (FTE) student enrollment at the educational site. Provide current headcount (HC) and full-time equivalent (FTE) of faculty and staff employed at the educational site. Indicate the current expenditures by fund source for the educational site.

Students, Faculty, and Staff		
CURRENT	**HC**	**FTE**
Undergraduate		
Graduate	335	335
Faculty	113	113
Staff	12	12
PROPOSED	**HC**	**FTE**
Undergraduate		
Graduate	320	320
Faculty	113	113
Staff	12	12

Site Expenditures				
E&G Funds	**Contract & Grants Funds**	**Auxiliary Funds**	**Other**	**Total**
7,561,640	7,015,659	540,570		15,117,869
E&G Funds	**Contract & Grants Funds**	**Auxiliary Funds**	**Other**	**Total**
7,270,808	11,154,898	518,947		18,944,653

I. Introduction

A. Provide a short description of the educational site for which the request to reclassify is being made, including the main purpose for this site (research, instruction, administration, student services, etc.).

At the UF Research and Academic Center (UF RAC) at Lake Nona, the University of Florida already has established research and academic programs. Lake Nona already has administration and students services in place to support the research and academic programs. In February 2009, this center was initially approved as a Center as defined in the BOG Regulation 8.009. UF requests reclassification of this center as a type III campus under BOG Regulation 8.009.

The University of Florida has been offering a College of Pharmacy academic program in the greater Orlando area since 2002. From 2002 to 2012, the College of Pharmacy academic program existed at the UF IFAS site in Apopka, Florida. In summer 2012, the College of Pharmacy academic program was relocated to the UF Research and Academic Center at Lake Nona.

In fall 2014, the College of Pharmacy began phasing out the Pharm.D. program on the St. Petersburg campus due to changes in Accreditation Standards and classroom/space that would be needed for a new curriculum. The St. Petersburg campus has previously enrolled 50 Pharm.D. students each academic year. Due to phase out of the St. Petersburg campus, the annual Pharm.D. enrollment on the Lake Nona and Gainesville campuses was increased to offset the phase out of the St. Petersburg campus.

Between fall 2015 and fall 2018, the Pharm.D. enrollment the Lake Nona campus initially increased from approximately 65 students per year to approximately 75-85 students per year. Beginning in fall 2019, the enrollment will be decreased to 70-75 students per year. (Due to pharmacy school applicant pools and manpower issues, the Provost has agreed to an overall class size reduction beginning fall 2019) Since the Pharm.D. program is a four-year curriculum, this has increased overall Pharm.D. enrollment on the Lake Nona campus from approximately 260 Pharm.D. students in fall 2014 to 325 Pharm.D. students in fall 2018 (current) with an enrollment of 280-300 Pharm.D. students in fall 2019 (proposed).

Since 2011, the Department of Pharmaceutics has established an internationally recognized program of pharmacometrics that is now located on the Lake Nona campus. This program was based at the UF RAC to create research synergies in the Lake Nona Medical City. Faculty have been added over this time, and given the expectation that all research faculty are involved in graduate education, so too has there been growth in PhD students. There are currently 10 PhD students in Lake

Nona, with an additional 10 projected over the next five years.

In summary, the overall enrollment on the Lake Nona campus has grown from approximately 270 students in fall 2014 to 335 students in fall 2018 (current) to 292-312 students in fall 2019 (proposed) and 320 students at Year 5. These changes are due to phase out of the St. Petersburg campus, recent adjustments in Pharm.D. program enrollment, and increases in number of Ph.D. students. These changes make student enrollment on the Lake Nona campus to just over the >300 threshold levied by Regulation. While fluctuations in enrollments are projected, the university will monitor enrollments to ensure consistent enrollment thresholds are met for the Type III Campus. Should enrollments fall below 300 for three consecutive years, the university will pursue reclassification of the site to an appropriate designation.

II. Need and Demand Assessment

A. Provide a narrative rationale for the request to reclassify the educational site that includes a need and demand assessment. The need and demand assessment for reclassifying an educational site to a new category in the taxonomy might address reduced or increased demand for access at a particular location or increased costs for instructional delivery that cannot be offset by increased enrollments.

The UF Research and Academic Center at Lake Nona supports the University of Florida mission related to teaching and research. The Pharm.D. and Ph.D. degree programs prepare graduates for regional and national needs rather than unmet local needs.

With respect to teaching, the Pharm.D. program prepares pharmacists to become leaders who improve the health and wellness of individuals and communities and advance pharmacy practice into the future. In 2002, the College of pharmacy opened distant campuses in Jacksonville, Orlando and St. Petersburg to meet a state-wide need for more pharmacists and to have more access to more clinical education sites. Clinical education is an important component of a Pharm.D. curriculum and there is an insufficient number of clinical education sites in the Gainesville area to meet this program need.

In determining the number of students that will be admitted each year, consideration is given to overall College of Pharmacy resources such as faculty and staff and campus-specific considerations such as capacity of classrooms and laboratories. The ACPE Accreditation Standards require these resources and guide decisions about the number of students admitted to the Pharm.D. program each year. At this time, Pharm.D. program enrollment at Lake Nona campus is limited to

approximately 75 per class year (300 students in the four-year curriculum) due to seats available in the classrooms and laboratories. The availability of clinical education sites in the Lake Nona/Orlando area has also been considered since over 27% of the curriculum involves clinical practice experiences. The current budget resources allocated for the Lake Nona campus already accommodate the increased number of students on the Lake Nona campus that are described in this proposal.

The Ph.D. program prepares researchers for industry and academia in the area of pharmacometrics and the location in Lake Nona facilitates collaboration with other research organizations in the Lake Nona Medical City footprint (e.g. Sanford Burnham, Florida Hospital, Nemours Children's Hospital, and companies located in the Guidewell Building (e.g. Certara). The research group at Lake Nona has quickly developed a reputation as being the top group nationally working in this field.

The number of Ph.D. students admitted to the pharmacometrics program is dependent on the research activities available. There are currently 10 Ph.D. students in this program at Lake Nona. Due to hiring of additional faculty and some of the current faculty becoming more established, there is expected growth in the pharmacometrics research activities over the next five years, and the total number of Ph.D. students is projected to grow to 20.

Given the unique area of research specialization, the Ph.D. program prepares graduates for needs at a national and international level. Indeed a high percentage of graduates from this program go to work for the federal government and serve the nation as employees of the US Food and Drug Administration. Graduates from this program are highly sought after and there is much greater demand for these graduates than there is supply. Enrollment of the Ph.D. program takes into consideration that capacity appropriate for the number of faculty and research activity.

III. Academic Programs and Courses

A. Provide a list of the degree programs, partial programs, or college credit certificates and courses currently offered at the site. Indentify any degree programs to be closed or implemented as a result of reclassifying the educational site. Explain the extent to which the proposed reclassification will have an impact on overall university enrollments, enrollment planning, and degree production.

The following programs currently offer a degree at the Lake Nona UF Research and Academic Center:

Doctor of Pharmacy (Pharm.D.) degree: CIP 51.2001
Ph.D. degree (Pharmacy, Pharmaceutical Sciences, and Administration, Other): CIP 51.2099

Table 1A in **Appendix A** lists the courses.

There are no new pharmacy academic programs being closed or implemented.

The enrollment adjustments in the Pharm.D. degree program and the Ph.D. degree program in pharmacy will not have any significant impact on overall University enrollments, enrollment planning, or degree production.

B. Provide an explanation of the manner in which the University intends to accommodate any students or faculty who will be adversely affected by reclassification of the educational site. Describe the steps that have been taken to inform students and faculty of the President's intent to recommend to the Board of Trustees that the site be reclassified.

No students or faculty will be adversely affected by the reclassification.

(X) The University certifies that it has a plan for complying with all related regulations of the Southern Association of Colleges and Schools and any other relevant discipline-based accrediting agencies for reclassifying an educational site.

IV. Administration and Student Support Services

A. Describe any changes in the administrative structure of the reclassified site and how it will relate to the central administration of the university.

No changes in administrative structure at the reclassified site are planned. At the Lake Nona campus, there is already in place an Associate Dean. The Associate Dean reports directly to the Dean of the College of Pharmacy (Dr. Julie Johnson) and is a member of the College Executive Committee. This Associate Dean provides leadership related to all mission areas, activities and opportunities for collaboration at the Medical City at Lake Nona. This leadership position recognizes the outstanding breadth, depth and quality of the programs on the Lake Nona campus.

There is also an Assistant Dean (Dr. Erin St Onge) at the Lake Nona Campus who serves as Director of the Pharm.D. program.

All College of Pharmacy program offerings at Lake Nona are under the leadership of Dean Julie Johnson. All programs are fully coordinated from the Gainesville campus in close partnership with the Lake Nona administrators and faculty.

The Lake Nona Campus also has a Student Affairs Coordinator who directly supports student organizations, student life, and is a student advocate. One of the primary functions of this position, in addition to serving as a resource, is to triage students to the appropriate unit within UF for support.

Students at Lake Nona are referred to U Matter We Care for telephonic support and know they can contact the UF Counseling and Wellness Center as a point of first contact for counseling. We have partnered with Dr. Escoto at the UF Counseling and Wellness Center (CWC) to hire a psychologist who will support pharmacy students at 0.5FTE. The search committee is currently interviewing for the position with expected start date in the summer. The Lake Nona campus students have priority for this individual who will provide HIPAA compliant video-counseling. In terms of disability resources, we work closely with Amanda Brown who is the Disability Resource Center (DRC) liaison for all of our campuses. There are 14 student pharmacy organizations on the Lake Nona campus.

V. Budget and Facilities

A. Include an explanation of how reclassification will result in any increase, decrease, or repurposing of facilities at the site. Describe any lease or joint-use agreements that will be modified or terminated as a result of reclassification, including land leases from the State of Florida (Board of Trustees of the Internal Improvement Trust Fund).

No increase, decrease, or repurposing of facilities is needed at the site to accommodate the adjustments in enrollment.

No lease (including land leases) or join-use agreements are being modified or terminated as a result of this reclassification. The cost of use and facility maintenance is currently subsidized by state of Florida PECO.

B. Provide a narrative description of how the operational budget for the educational site will be affected by reclassification. Describe the impact that

reclassifying the educational site will have on the overall university budget. Identify any special funding necessary to implement reclassification of the educational site.

Table 4 in Appendix A summarizes the costs out to year five. The operational budget is not affected by this reclassification and does not have any impact on the overall university budget. The administrative and students services already in place will support the projected enrollments (Pharm.D. and Ph.D. graduate). The tuition revenues in Table 4(Appendix A) are adjusted according to the changes in enrollment. No special funding is needed to implement reclassification of this site.

Assumptions for Table 4 in Appendix A considers inflation. Since both the Pharm.D. and Ph.D. programs on the Lake Nona and Gainesville campus involve faculty and staff from across all campuses, the cost allocation is in proportion to the Lake Nona percentage of enrollment and tuition collected for direct costs. Due to the close administrative and synchronous instruction of the programs across all campuses, some indirect personnel and operating costs are split evenly across all Pharmacy campuses.

APPENDIX A
TABLE 1
DEGEE PROGRAMS PLANNED AND PROJECTED ENROLLMENTS
(Annual Unduplicated Headcount and FTE)

CIP Code	Degree Program Title	Degree Level	Year 1 Headcount	Year 1 FTE	Year 2 Headcount	Year 2 FTE	Year 3 Headcount	Year 3 FTE	Year 4 Headcount	Year 4 FTE	Year 5 Headcount	Year 5 FTE
51.2001	Pharmacy (All 3 campuses)	PharmD	1042	1042	920-960	920-960	920-960	920-960	920-960	920-960	920-960	920-960
51.2099	Doctor of Pharmacy (PHD)	PHD	100	100	105	105	110	110	112	112	114	114
	TOTAL Professional/Graduate		1142	1142	1025-1065	1025-1065	1030-1070	1030-1070	1032-1072	1032-1072	1034-1074	1034-1074

The Table Below Denotes Enrollments and FTE That Are Only on the Lake Nona Campus

CIP Code	Degree Program Title	Degree Level	Year 1 Headcount	Year 1 FTE	Year 2 Headcount	Year 2 FTE	Year 3 Headcount	Year 3 FTE	Year 4 Headcount	Year 4 FTE	Year 5 Headcount	Year 5 FTE
51.2001	Pharmacy (Lake Nona Campus Only)	PharmD	325	325	300	300	300	300	300	300	300	300
51.2099	Doctor of Pharmacy (PHD)	PHD	10	10	12	12	16	16	18	18	20	20
	TOTAL Professional/Graduate		335	335	312	312	316	316	318	318	320	320

NOTE: Add Year columns as necessary to cover the period of time needed for full implementation.

Edition 09/1/12

Pharm.D. Curriculum

Year 1

Course Number	Course	Year	Semester	Cr Hr
PHA 5103	Principles of Patient-Centered Care	1	PD Fall	2
PHA 5007	Pharmacy & Population Health	1	PD Fall	2
PHA 5700C	Personal and Professional Development I	1	PD Fall	1
PHA 5560	Pathophysiology and Patient Assessment I	1	PD Fall	3
PHA 5439	Principles of Medicinal Chemistry and Pharmacology I	1	PD Fall	3
PHA 5176	Drug Delivery Systems	1	PD Fall	4
PHA 5161L	Professional Practice Skills Lab I	1	PD Fall	1
PHA 5061	Pathophysiology and Patient Assessment II	1	PD Spring	3
PHA 5515	Principles of Medicinal Chemistry and Pharmacology II	1	PD Spring	1
PHA 5132	Principles of Drug Therapy Individualization	1	PD Spring	4
PHA 5781	Patient Care I	1	PD Spring	3
PHA 5244	Principles of Evidence-Based Practice	1	PD Spring	3
PHA 5727	Principles of Systems-Based Practice	1	PD Spring	1
PHA 5703	Principles of Law and Ethics	1	PD Spring	
PHA 5162L	Professional Practice Skills Lab II	1	PD Spring	1
PHA 5941	CIPPE (Community Pharmacy Introductory Pharmacy Practice Experience)	1	PD Summer	3

Year 2

Course Number	Course	Year	Semester	Cr Hr
PHA 5755	Principles of Medical Microbiology, Immunology & Virology	2	PD Fall	2
PHA 5782C	Patient Care 2: Introduction to Infectious Disease & Hematology/Oncology	2	PD Fall	4
PHA 5267	Principles of Pharmacoeconomics	2	PD Fall	1
PHA 5878C	Patient Care 3: Cardiovascular/Pulmonary	2	PD Fall	6
PHA 5701C	Personal and Professional Development III	2	PD Fall	1

PHA 5163L	Professional Practice Skills Lab III		2	PD Fall	1
	Electives – See List Below		2	PD Fall	2
PHA 5104	Sterile Compounding		2	PD Spring	1
PHA 5784C	Patient Care 4: Gastrointestinal and Renal Disorders		2	PD Spring	6
PHA 5787C	Patient Care 5: Endocrinology & Women's and Men's Health		2	PD Spring	6
PHA 5164L	Professional Practice Skills Lab IV		2	PD Spring	1
	Electives (See Spring List Below)		2	PD Spring	2
PHA 5942	IPPE II (Hospital)	2		PD Summer	4

Year 3

Course Number	**Course**	**Year**	**Semester**	**Cr Hr**
PHA 5223	Pharmacoepidemiology & Drug Safety	3	PD Fall	2
PHA 5226C	Patient Safety & Quality	3	PD Fall	2
PHA 5222	Pharmacy Practice Management	3	PD Fall	2
PHA 5239	Applications of Pharmacy Law & Ethics	3	PD Fall	2
PHA 5788C	Patient Care 6: Skin & Musculoskeletal	3	PD Fall	3
PHA 5702	Personal and Professional Development IV	3	PD Fall	1
PHA 5165L	Professional Practice Skills Lab V	3	PD Fall	1
	Electives (See Fall List Below)	3	PD Fall	2
PHA 5789C	Patient Care 7: Brain & Behavior	3	PD Spring	6
PHA 5786C	Patient Care 8: Complex Cases	3	PD Spring	4
PHA 5166L	Professional Practice Skills Lab VI	3	PD Spring	1
	Electives (See Spring List Below)	3	PD Spring	2

Year 4

Course Number	**Course**	**Year**	**Semester**	**Cr Hr**
	Advanced Pharmacy Practice Experience Readiness		Summer	1
	Ambulatory Care - Advanced Pharmacy Practice Experience		Variable	6
	Community Practice -Advanced Pharmacy Practice Experience		Variable	6
	General Medicine - Advanced Pharmacy Practice Experience		Variable	6

	Hospital Practice - Advanced Pharmacy Practice Experience	Variable	6
	Elective 1 - Advanced Pharmacy Practice Experience	Variable	6
	Elective 2 - Advanced Pharmacy Practice Experience	Variable	6
	Elective 3 - Advanced Pharmacy Practice Experience	Variable	6
	Personal and Professional Development 4	Summer, Spring, Fall	1

FALL Electives

Course Number	**Electives**	**Semester**	**Cr Hr**
PHA 5013C	Short Study Abroad	PD Fall	2
PHA 5011C	First Response, Emergency, and Disaster Planning	PD Fall	2
PHA 5032	Leadership for Pharmacy	PD Fall	2
PHA 5214	Advanced Topics in Community Pharmacy	PD Fall	2
PHA 5020	History of Pharmacy	PD Fall	2
PHA 5209	Managed Care Pharmacy Practice	PD Fall	2
PHA 5172	Biotechnology & Drug Development	PD Fall	2
	Global health Outreach	PD Fall	
PHA 5922	Thinking Skills in Pharmacy	PD Fall	2
PHA 5177C	Advanced Nonsterile Compounding	PD Fall	
PHA 5070	Pharmacotherapy of Pediatrics and Geriatrics	PD Fall	2
PHA 5930	Seminars in Pharmacy Research	PD Fall	2

SPRING Electives

Course Number	**Electives**	**Semester**	**Cr Hr**
PHA 5737	Drugs & Society	PD Spring	2
PHA 5890	Women's Health in Pharmacy Practice	PD Spring	2
PHA 5008	Foundations of Medication Therapy Management	PD Spring	2
PHA 5012	Clinical Applications in Personalized Medicine	PD Spring	2
PHA 5033	Leading Change in Pharmacy	PD Spring	2
PHA 5331	Delivery of MTM Services	PD Spring	2
PHA 5060	Ambulatory Care	PD Spring	2
PHA 5605	Advanced Topics in Inf Disease Pharmacotherapy	PD Spring	2

PHA 5607	Critical Care	PD Spring	2
	Travel Medicine	PD Spring	2
PHA 5841	HIV	PD Spring	2
PHA 5554	Toxicology I	PD Spring	2
PHA 5842	Pain & Palliative Care	PD Spring	2
PHA 5609	Pediatrics	PD Spring	2
	Hematology/ Oncology	PD Spring	2
PHA 5618	Geriatric Pharmacy	PD Spring	2
PHA 5706L	International Pharmacy Outreach Experience	PD Spring	2
	Leadership Best Sellers for Pharmacy	PD Summer	1

Color Code: Blue = Faculty assigned full-time to the Lake Nona Campus
Color Code: Orange = Positions with signed letters/searches underway that will be assigned full-time to the Lake Nona Campus

APPENDIX A
TABLE 2

Faculty Code	Faculty Name or "New Hire" Highest Degree Held Academic Discipline or Specialty	Rank	Contract Status	Primary Degree Program Assignment	Initial Date for Participation in Program	Mos. Contract Year 1	FTE Year 1	% Effort for Prg. Year 1	PY Year 1	Mos. Contract Year 1	FTE Year 1	% Effort for Prg. Year 1	PY Year 1	Mos. Contract Year 1	FTE Year 1	% Effort for Prg. Year 1	PY Year 1	Mos. Contract Year 1	FTE Year 1	% Effort for Prg. Year 1	PY Year 1	Mos. Contract Year 1	FTE Year 1	% Effort for Prg. Year 1	PY Year 1
A	Aldrich, Jane V Ph.D. Medicinal Chemistry	Professor	Tenured	2	2/3/2015	0	1.00	20.00	20.00	0	1.00	20.00	20.00	0	1.00	20.00	20.00	0	1.00	20.00	20.00	0	1.00	20.00	20.00
A	Allen, John M Pharmacotherapy & Translational Research	Clinical AST Professor	Nonetenure	16	3/26/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	
A	Arwood,Meghan J Pharm.D. Pharmacotherapy & Translational Research	Clinical AST Professor	Nontenure	2	1/1/2017	0	1.00	15.00	15.00	0	1.00	15.00	15.00	0	1.00	15.00	15.00	0	1.00	15.00	15.00	0	1.00	15.00	15.00
A	Avery, Bonnie Pharmacuetics	Clinical Professor	Nontenure	2	1/2/2017	0	1.00	45.00	45.00	0	1.00	45.00	45.00	0	1.00	45.00	45.00	0	1.00	45.00	45.00	0	1.00	45.00	45.00
A	Bihorel,Sihem Ph.D. Pharmaceutics	AST Professor	Tenure Accruing	100	7/1/2015	0	1.00	18.00	18.00	0	1.00	18.00	18.00	0	1.00	18.00	18.00	0	1.00	18.00	18.00	0	1.00	18.00	18.00
A	Brown, Josh Pharmaceutical Outcomes & Policy	AST Professor	Tenure Accruing	2	11/1/2016	0	1.00	2.00	2.00	0	1.00	2.00	2.00	0	1.00	2.00	2.00	0	1.00	2.00	2.00	0	1.00	2.00	2.00
A	Bulitta,Jurgen Bernd Ph.D. Pharmaceutics	ASO Professor	Tenure Accruing	100	7/17/2015	0	1.00	6.00	6.00	0	1.00	6.00	6.00	0	1.00	6.00	6.00	0	1.00	6.00	6.00	0	1.00	6.00	6.00
A	Buring, Shauna Student Affairs	ASO Dean & Professor	Non Tenure Accruing	10	5/9/2016	0	1.00	10.00	10.00	0	1.00	10.00	10.00	0	1.00	10.00	10.00	0	1.00	10.00	10.00	0	1.00	10.00	10.00
A	Campbell, Christopher Pharmacotherapy & Translational Research	Clinical AST Professor	Non Tenure Accruing	5	8/12/2016	0	1.00	17.00	17.00	0	1.00	17.00	17.00	0	1.00	17.00	17.00	0	1.00	17.00	17.00	0	1.00	17.00	17.00
A	Casapao, Anthony Pharmacotherapy & Translational Research	Clinical AST Professor	Non Tenure Accruing	16	10/23/2017	0	1.00	50.00	50.00	0	1.00	50.00	50.00	0	1.00	50.00	50.00	0	1.00	50.00	50.00	0	1.00	50.00	50.00
A	Cavallari,Larisa Humma Pharm.D. Pharmacotherapy & Translational Research	ASO Chair & ASO Professor	Tenured	2	2/1/2015	0	1.00	17.00	17.00	0	1.00	17.00	17.00	0	1.00	17.00	17.00	0	1.00	17.00	17.00	0	1.00	17.00	17.00
A	Cavanaugh,Teresa Marie Pharmacotherapy & Translational Research	AST Dean & Clinical ASO Professor	Nontenure	10	3/26/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	
A	Childs-Kean,Lindsey Marie Pharm.D. Pharmacotherapy & Translational Research	Clinical AST Professor	Nontenure	16	7/1/2014	0	1.00	48.00	48.00	0	1.00	48.00	48.00	0	1.00	48.00	48.00	0	1.00	48.00	48.00	0	1.00	48.00	48.00
A	Connelly, Amber Marie Pharmacotherapy & Translational Research	Clinical Lecturer	Nonetenure	16	4/6/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	
A	Cui,Lina Medicinal Chemistry	AST Professor	Tenure Accruing	2	8/1/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	
A	Curtis,Stacey Davidson Pharm.D. Pharmacotherapy & Translational Research	Clinical AST Professor	Nontenure	16	8/1/2016	0	1.00	59.00	59.00	0	1.00	59.00	59.00	0	1.00	59.00	59.00	0	1.00	59.00	59.00	0	1.00	59.00	59.00
A	de Lartigue,Guillaume Pharmacodynamics	AST Professor	Tenure Accruing	2	8/10/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	
A	Debolt,Rhonda Marsha Pharm.D. Pharmacotherapy & Translational Research	ASO Professor	Tenure	2	3/6/2009	0	1.00	9.00	9.00	0	1.00	9.00	9.00	0	1.00	9.00	9.00	0	1.00	9.00	9.00	0	1.00	9.00	9.00
A	DeRemer, Christina Pharmacotherapy & Translational Research	Clinical AST Professor	Non Tenure Accruing	13	9/5/2017	0	1.00	40.00	40.00	0	1.00	40.00	40.00	0	1.00	40.00	40.00	0	1.00	40.00	40.00	0	1.00	40.00	40.00
A	DeRemer, David Pharmacotherapy & Translational Research	Clinical ASO Professor	Non Tenure Accruing	10	8/15/2017	0	1.00	30.00	30.00	0	1.00	30.00	30.00	0	1.00	30.00	30.00	0	1.00	30.00	30.00	0	1.00	30.00	30.00
A	Dialy, K Pharmaceutical Outcomes & Policy	AST Professor	Tenure Accruing	2	7/1/2017	0	1.00	50.00	50.00	0	1.00	50.00	50.00	0	1.00	50.00	50.00	0	1.00	50.00	50.00	0	1.00	50.00	50.00
A	Dietrich, Eric Pharmacotherapy & Translational Research	Clinical AST Professor	Non Tenure Accruing	16	7/1/2013	0	1.00	19.00	19.00	0	1.00	19.00	19.00	0	1.00	19.00	19.00	0	1.00	19.00	19.00	0	1.00	19.00	19.00
A	Ding,Yousong Ph.D. Medicinal Chemistry	AST Professor	Tenure Accruing	2	7/1/2013	0	1.00	20.00	20.00	0	1.00	20.00	20.00	0	1.00	20.00	20.00	0	1.00	20.00	20.00	0	1.00	20.00	20.00
A	Doty, Randell E Pharm.D. Pharmacotherapy & Translational Research	Clinical ASO Professor	Nontenure	16	9/9/2013	0	1.00	47.00	47.00	0	1.00	47.00	47.00	0	1.00	47.00	47.00	0	1.00	47.00	47.00	0	1.00	47.00	47.00
A	Duarte Jr.,Julio David Ph.D. Pharmacotherapy & Translational Research	AST Professor	Tenure Accruing	2	11/16/2015	0	1.00	7.00	7.00	0	1.00	7.00	7.00	0	1.00	7.00	7.00	0	1.00	7.00	7.00	0	1.00	7.00	7.00
A	Dupree,Lori Pharm.D. Pharmacotherapy & Translational Research	Clinical AST Professor	Nontenure	5	7/15/2013	0	1.00	15.00	15.00	0	1.00	15.00	15.00	0	1.00	15.00	15.00	0	1.00	15.00	15.00	0	1.00	15.00	15.00
A	Ebied, Alex Pharmacotherapy & Translational Research	Clinical AST Professor	Nontenure	16	6/1/2017	0	1.00	85.00	85.00	0	1.00	85.00	85.00	0	1.00	85.00	85.00	0	1.00	85.00	85.00	0	1.00	85.00	85.00
A	Egelund,Eric Free Ph.D. Pharmacotherapy & Translational Research	Clinical AST Professor	Nontenure	3	8/5/2016	0	1.00	8.00	8.00	0	1.00	8.00	8.00	0	1.00	8.00	8.00	0	1.00	8.00	8.00	0	1.00	8.00	8.00
A	Feild, Carinda Office of Experiental Programs	AST Dean & Clinical ASO Professor	Non Tenure Accruing	16	7/1/2014	0	1.00	16.00	16.00	0	1.00	16.00	16.00	0	1.00	16.00	16.00	0	1.00	16.00	16.00	0	1.00	16.00	16.00
A	Farland,Michelle Zingone Pharm.D. Pharmacotherapy & Translational Research	Director & Clinical ASO Professor	Nontenure	9	7/17/2015	0	1.00	13.00	13.00	0	1.00	13.00	13.00	0	1.00	13.00	13.00	0	1.00	13.00	13.00	0	1.00	13.00	13.00
A	Frazier,Charles Jason Ph.D. Pharmacodynamics	ASO Professor	Tenure	2	7/1/2010	0	1.00	10.00	10.00	0	1.00	10.00	10.00	0	1.00	10.00	10.00	0	1.00	10.00	10.00	0	1.00	10.00	10.00
A	Frye, Reginald F Ph.D. Pharmacotherapy & Translational Research	Chair & Professor	Tenure	2	7/1/2012	0	1.00	31.00	31.00	0	1.00	31.00	31.00	0	1.00	31.00	31.00	0	1.00	31.00	31.00	0	1.00	31.00	31.00
A	Goms, John Pharmacotherapy & Translational Research	ASO Dean & Professor	Tenure	2		0	1.00	14.00	14.00	0	1.00	14.00	14.00	0	1.00	14.00	14.00	0	1.00	14.00	14.00	0	1.00	14.00	14.00
A	Grundmann,Oliver Ph.D. Medicinal Chemistry	Clinical ASO Professor	Nontenure	8	7/1/2014	0	1.00	23.00	23.00	0	1.00	23.00	23.00	0	1.00	23.00	23.00	0	1.00	23.00	23.00	0	1.00	23.00	23.00
A	Hochhaus,Guenther Ph.D. Pharmaceutics	Professor	Tenure	2	7/20/1987	0	1.00	13.00	13.00	0	1.00	13.00	13.00	0	1.00	13.00	13.00	0	1.00	13.00	13.00	0	1.00	13.00	13.00
A	Huigens III,Robert W Ph.D. Medicinal Chemistry	AST Professor	Tenure Accruing	2	4/1/2013	0	1.00	26.00	26.00	0	1.00	26.00	26.00	0	1.00	26.00	26.00	0	1.00	26.00	26.00	0	1.00	26.00	26.00
A	James,Margaret O Ph.D. Medicinal Chemistry	Professor	Tenure	2	7/2/2015	0	1.00	25.00	25.00	0	1.00	25.00	25.00	0	1.00	25.00	25.00	0	1.00	25.00	25.00	0	1.00	25.00	25.00
A	Johnson, Jule Pharmacotherapy & Translational Research	Dean and Dist Prof	Tenure	2		0	1.00	5.00	5.00	0	1.00	5.00	5.00	0	1.00	5.00	5.00	0	1.00	5.00	5.00	0	1.00	5.00	5.00
A	Keller Wood,Maureen Ph.D. Pharmacodynamics	ASO Dean & Professor	Tenure	2	7/1/2015	0	1.00	14.00	14.00	0	1.00	14.00	14.00	0	1.00	14.00	14.00	0	1.00	14.00	14.00	0	1.00	14.00	14.00
A	Khoury,Adonice Paul Pharm.D. Pharmacotherapy & Translational Research	Clinical AST Professor	Nontenure	16	7/28/2014	0	1.00	21.00	21.00	0	1.00	21.00	21.00	0	1.00	21.00	21.00	0	1.00	21.00	21.00	0	1.00	21.00	21.00
A	Klinker,Kenneth P Pharm.D. Pharmacotherapy & Translational Research	Clinical ASO Professor	Nontenure	16	8/24/2015	0	1.00	57.00	57.00	0	1.00	57.00	57.00	0	1.00	57.00	57.00	0	1.00	57.00	57.00	0	1.00	57.00	57.00
A	Krause,Eric Ph.D. Pharmacodynamics	ASO Professor	Tenure	2	7/1/2017	0	1.00	13.00	13.00	0	1.00	13.00	13.00	0	1.00	13.00	13.00	0	1.00	13.00	13.00	0	1.00	13.00	13.00
A	Lamba,Jatinder Kaur Ph.D. Pharmacotherapy & Translational Research	ASO Professor	Tenure	2	7/1/2014	0	1.00	13.00	13.00	0	1.00	13.00	13.00	0	1.00	13.00	13.00	0	1.00	13.00	13.00	0	1.00	13.00	13.00
D	Langaee,Taimour Ph.D. Pharmacotherapy & Translational Research	Research ASO Professor	Nontenure	2	7/1/2008	0	1.00	2.00	2.00	0	1.00	2.00	2.00	0	1.00	2.00	2.00	0	1.00	2.00	2.00	0	1.00	2.00	2.00
A	Li,Chenglong Ph.D. Medicinal Chemistry	Professor	Tenure	2	8/1/2016	0	1.00	6.00	6.00	0	1.00	6.00	6.00	0	1.00	6.00	6.00	0	1.00	6.00	6.00	0	1.00	6.00	6.00
A	Li,Robin Moorman Pharm.D. Pharmacotherapy & Translational Research	AST Director & Clinical ASO Professor	Nontenure	6	7/1/2016	0	1.00	19.00	19.00	0	1.00	19.00	19.00	0	1.00	19.00	19.00	0	1.00	19.00	19.00	0	1.00	19.00	19.00
A	Liu,Bin Ph.D. Pharmacodynamics	ASO Professor	Tenure	2	7/1/2010	0	1.00	53.00	53.00	0	1.00	53.00	53.00	0	1.00	53.00	53.00	0	1.00	53.00	53.00	0	1.00	53.00	53.00
A	Lo Ciganic,Wei Hsuan Jenny Pharmaceutical Outcomes & Policy	AST Professor	Tenure Accruing	6	6/30/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	

Worksheet Table 2 Faculty

A	Luesch,Hendrik Ph.D. Medicinal Chemistry	Chair & Professor	Tenure	2	7/2/2015	0	1.00	10.00	10.00	0	1.00	10.00	10.00	0	1.00	10.00	10.00	0	1.00	10.00	10.00	0	1.00	10.00	10.00
A	Manasco, Kalen Pharmacotherapy & Translational Research	Clinical AST Professor	Non Tenure Accruing	13	3/1/2017	0	1.00	40.00	40.00	0	1.00	40.00	40.00	0	1.00	40.00	40.00	0	1.00	40.00	40.00	0	1.00	40.00	40.00
A	Markowitz,John S Pharm.D. Pharmacotherapy & Translational Research	Professor	Tenure	2	8/14/2009	0	1.00	8.00	8.00	0	1.00	8.00	8.00	0	1.00	8.00	8.00	0	1.00	8.00	8.00	0	1.00	8.00	8.00
A	Markowsky, Susan Pharmacotherapy & Translational Research	Clinical ASO Professor	Non Tenure Accruing	1	11/23/2012	0	1.00	17.00	17.00	0	1.00	17.00	17.00	0	1.00	17.00	17.00	0	1.00	17.00	17.00	0	1.00	17.00	17.00
A	McCurdy, Chris Medicinal Chemistry	Professor	Tenure	2	1/2/2017	0	1.00	30.00	30.00	0	1.00	30.00	30.00	0	1.00	30.00	30.00	0	1.00	30.00	30.00	0	1.00	30.00	30.00
A	McLaughlin,Jay Patrick Ph.D. Pharmacodynamics	ASO Professor	Tenure Accruing	2	3/1/2015	0	1.00	4.00	4.00	0	1.00	4.00	4.00	0	1.00	4.00	4.00	0	1.00	4.00	4.00	0	1.00	4.00	4.00
A	McMahon, Lance Pharmacodynamics	Chair & Professor	Tenure Accruing	2	8/14/2017	0	1.00	30.00	30.00	0	1.00	30.00	30.00	0	1.00	30.00	30.00	0	1.00	30.00	30.00	0	1.00	30.00	30.00
A	Michaud,Veronique Pharmacotherapy & Translational Research	ASO Professor	Tenure Accruing	6	1/1/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	
A	Miller,Shannon A Pharm.D. Pharmacotherapy & Translational Research	Clinical ASO Professor	Nontenure	100	1/21/2014	0	1.00	37.00	37.00	0	1.00	37.00	37.00	0	1.00	37.00	37.00	0	1.00	37.00	37.00	0	1.00	37.00	37.00
A	Mobley,William C Ph.D. Pharmaceutics	Clinical ASO Professor	Nontenure	16	7/1/2005	0	1.00	73.00	73.00	0	1.00	73.00	73.00	0	1.00	73.00	73.00	0	1.00	73.00	73.00	0	1.00	73.00	73.00
A	Motycka,Carol Anne Pharm.D. Pharmacotherapy & Translational Research	AST Dean & Clinical ASO Professor	Nontenure	16	7/1/2012	0	1.00	33.00	33.00	0	1.00	33.00	33.00	0	1.00	33.00	33.00	0	1.00	33.00	33.00	0	1.00	33.00	33.00
A	Moya Canellas,Bartolome Pharmaceutics	AST Professor	Tenure Accruing	2	5/14/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	
A	Navarro,Robert P Pharm.D. Pharmaceutical Outcomes & Policy	Clinical Professor	Nontenure	16	5/2/2011	0	1.00	78.00	78.00	0	1.00	78.00	78.00	0	1.00	78.00	78.00	0	1.00	78.00	78.00	0	1.00	78.00	78.00
A	Normann,Sven Allan Pharm.D Pharmacotherapy & Translational Research	Clinical ASO Professor	Nontenure	16	7/22/2015	0	1.00	26.00	26.00	0	1.00	26.00	26.00	0	1.00	26.00	26.00	0	1.00	26.00	26.00	0	1.00	26.00	26.00
A	Odedina,Folakemi G Ph.D. Pharmacotherapy & Translational Research	Professor	Tenure	100	1/5/2010	0	1.00	16.00	16.00	0	1.00	16.00	16.00	0	1.00	16.00	16.00	0	1.00	16.00	16.00	0	1.00	16.00	16.00
A	Park,Haesuk Ph.D. Pharmaceutical Outcomes & Policy	AST Professor	Tenure Accruing	2	10/8/2013	0	1.00	27.00	27.00	0	1.00	27.00	27.00	0	1.00	27.00	27.00	0	1.00	27.00	27.00	0	1.00	27.00	27.00
A	Patel,Priti Pharm.D. Pharmacotherapy & Translational Research	Clinical ASO Professor	Nontenure	16	7/11/2014	0	1.00	39.00	39.00	0	1.00	39.00	39.00	0	1.00	39.00	39.00	0	1.00	39.00	39.00	0	1.00	39.00	39.00
A	Peloquin,Charles A Pharm.D. Pharmacotherapy & Translational Research	Professor	Tenure	2	3/1/2009	0	1.00	3.00	3.00	0	1.00	3.00	3.00	0	1.00	3.00	3.00	0	1.00	3.00	3.00	0	1.00	3.00	3.00
A	Peris,Joanna Ph.D. Pharmacodynamics	ASO Professor	Tenure	2	12/1/1988	0	1.00	42.00	42.00	0	1.00	42.00	42.00	0	1.00	42.00	42.00	0	1.00	42.00	42.00	0	1.00	42.00	42.00
A	Powell, Jason Pharmacotherapy & Translational Research	Clinical AST Professor	Non Tenure Accruing	2	7/1/2013	0	1.00	19.00	19.00	0	1.00	19.00	19.00	0	1.00	19.00	19.00	0	1.00	19.00	19.00	0	1.00	19.00	19.00
A	Roane,Teresa Elaine Pharm.D. Pharmacotherapy & Translational Research	Clinical AST Professor	Nontenure	5	3/22/2010	0	1.00	17.00	17.00	0	1.00	17.00	17.00	0	1.00	17.00	17.00	0	1.00	17.00	17.00	0	1.00	17.00	17.00
A	Rowe,Caitrin W M Ph.D. Pharmacotherapy & Translational Research	Research AST Professor	Nontenure	2	5/10/2013	0	1.00	14.00	14.00	0	1.00	14.00	14.00	0	1.00	14.00	14.00	0	1.00	14.00	14.00	0	1.00	14.00	14.00
A	Schmidt,Stephan Ph.D. Pharmaceutics	ASO Chair & ASO Professor	Tenure	100	7/1/2017	0	1.00	4.00	4.00	0	1.00	4.00	4.00	0	1.00	4.00	4.00	0	1.00	4.00	4.00	0	1.00	4.00	4.00
A	Schmittgen, Janet L B.S. Pharmacotherapy & Translational Research	Clinical Lecturer	Nontenure	16	9/9/2016	0	1.00	38.00	38.00	0	1.00	38.00	38.00	0	1.00	38.00	38.00	0	1.00	38.00	38.00	0	1.00	38.00	38.00
A	Schmittgen, Thomas Pharmaceutics	Professor	Tenure	2	7/1/2015	0	1.00	5.00	5.00	0	1.00	5.00	5.00	0	1.00	5.00	5.00	0	1.00	5.00	5.00	0	1.00	5.00	5.00
A	Schwartz,Emily Pharmacotherapy & Translational Research	Clinical AST Professor	Nontenure	6	8/13/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	
A	Segal,Richard Ph.D. Pharmaceutical Outcomes & Policy	ASO Dean & Professor	Tenure	2	11/17/2014	0	1.00	9.00	9.00	0	1.00	9.00	9.00	0	1.00	9.00	9.00	0	1.00	9.00	9.00	0	1.00	9.00	9.00
A	Shoulders, Bethany Pharmacotherapy & Translational Research	Clinical AST Professor	Non Tenure Accruing	16	7/25/2016	0	1.00	5.00	5.00	0	1.00	5.00	5.00	0	1.00	5.00	5.00	0	1.00	5.00	5.00	0	1.00	5.00	5.00
A	Smith,Kathryn Jean Pharm.D. Pharmacotherapy & Translational Research	Clinical AST Professor	Nontenure	16	8/1/2016	0	1.00	22.00	0.00	0	1.00	22.00	0.00	0	1.00	22.00	0.00	0	1.00	22.00	0.00	0	1.00	22.00	0.00
A	Smith,Shivon M Pharm.D. Pharmacotherapy & Translational Research	AST Professor	Tenure Accruing	2	10/7/2016	0	1.00	24.00	0.00	0	1.00	24.00	0.00	0	1.00	24.00	0.00	0	1.00	24.00	0.00	0	1.00	24.00	0.00
A	Song,Sihong Ph.D. Pharmaceutics	ASO Professor	Tenure	2	7/1/2006	0	1.00	15.00	0.00	0	1.00	15.00	0.00	0	1.00	15.00	0.00	0	1.00	15.00	0.00	0	1.00	15.00	0.00
A	Soucie,Janel P Pharm.D. Office of Experiental Programs	Clinical Lecturer	Nontenure	100	11/18/2016	0	1.00	8.00	8.00	0	1.00	8.00	8.00	0	1.00	8.00	8.00	0	1.00	8.00	8.00	0	1.00	8.00	8.00
A	St Onge,Erin Lyn Pharm.D. Pharmacotherapy & Translational Research	AST Dean & Clinical ASO Professor	Nontenure	100	7/1/2012	0	1.00	27.00	27.00	0	1.00	27.00	27.00	0	1.00	27.00	27.00	0	1.00	27.00	27.00	0	1.00	27.00	27.00
A	Taylor,James Robert Pharm.D. Pharmacotherapy & Translational Research	Director & Clinical ASO Professor	Nontenure	5	3/11/2011	0	1.00	5.00	5.00	0	1.00	5.00	5.00	0	1.00	5.00	5.00	0	1.00	5.00	5.00	0	1.00	5.00	5.00
A	Turgeon, J Pharmaceutics	ASO Dean & Professor	Tenure Accruing	100	1/1/2018	0	1.00	3.00	3.00	0	1.00	3.00	3.00	0	1.00	3.00	3.00	0	1.00	3.00	3.00	0	1.00	3.00	3.00
A	Vandervoort,Lisa M Pharm.D. Pharmacotherapy & Translational Research	Clinical Lecturer	Nontenure	100	10/14/2016	0	1.00	3.00	3.00	0	1.00	3.00	3.00	0	1.00	3.00	3.00	0	1.00	3.00	3.00	0	1.00	3.00	3.00
A	Venugopalan, Veena Pharm.D. Pharmacotherapy & Translational Research	Clinical AST Professor	Nontenure	16	1/4/2016	0	1.00	20.00	20.00	0	1.00	20.00	20.00	0	1.00	20.00	20.00	0	1.00	20.00	20.00	0	1.00	20.00	20.00
A	Vogel Anderson,Katherine L Pharm.D. Pharmacotherapy & Translational Research	Clinical ASO Professor	Nontenure	16	7/1/2017	0	1.00	52.00	52.00	0	1.00	52.00	52.00	0	1.00	52.00	52.00	0	1.00	52.00	52.00	0	1.00	52.00	52.00
A	Voils,Stacy Alan Pharm.D. Pharmacotherapy & Translational Research	Clinical ASO Professor	Nontenure	4	7/1/2016	0	1.00	12.00	12.00	0	1.00	12.00	12.00	0	1.00	12.00	12.00	0	1.00	12.00	12.00	0	1.00	12.00	12.00
A	Vourt,Scott M Pharmaceutical Outcomes & Policy	Clinical AST Professor	Nontenure	2	6/25/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	
A	Vozmediano Esteban,Valvanera Pharmaceutics	AST Professor	Tenure Accruing	2	3/28/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	
A	Wang,Danxin Pharmacotherapy & Translational Research	ASO Professor	Tenure Accruing	2	5/1/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	
A	Warren, Brandon Pharmacodynamics	AST Professor	Tenure Accruing	2	9/1/2018																				
A	Wei,Yu-Jung Ph.D. Pharmaceutical Outcomes & Policy	AST Professor	Tenure Accruing	2	9/1/2015	0	1.00	9.00	9.00	0	1.00	9.00	9.00	0	1.00	9.00	9.00	0	1.00	9.00	9.00	0	1.00	9.00	9.00
A	Weitzel,Kristin W Pharm.D. Pharmacotherapy & Translational Research	Program Director & Clinical Professor	Nontenure	10	7/1/2017	0	1.00	30.00	30.00	0	1.00	30.00	30.00	0	1.00	30.00	30.00	0	1.00	30.00	30.00	0	1.00	30.00	30.00
A	Whalen,Karen Palmquist Pharm.D. Pharmacotherapy & Translational Research	AST Dean & Clinical Professor	Nontenure	16	7/1/2014	0	1.00	41.00	41.00	0	1.00	41.00	41.00	0	1.00	41.00	41.00	0	1.00	41.00	41.00	0	1.00	41.00	41.00
A	Whisler, Yan Pharmacotherapy & Translational Research	ASO Professor	Tenure Accruing	2	9/30/2016	0	1.00	6.00	6.00	0	1.00	6.00	6.00	0	1.00	6.00	6.00	0	1.00	6.00	6.00	0	1.00	6.00	6.00
A	Winterstein, Almut Pharmaceutical Outcomes & Policy	Chair & Professor	Tenure	2	1/1/2016	0	1.00	34.00	34.00	0	1.00	34.00	34.00	0	1.00	34.00	34.00	0	1.00	34.00	34.00	0	1.00	34.00	34.00
A	Xiao,Hong Ph.D. Pharmaceutical Outcomes & Policy	Professor	Tenure Accruing	2	3/1/2015	0	1.00	24.00	24.00	0	1.00	24.00	24.00	0	1.00	24.00	24.00	0	1.00	24.00	24.00	0	1.00	24.00	24.00
A	Xing,Chengguo Ph.D. Medicinal Chemistry	Professor	Tenure	2	8/1/2016	0	1.00	21.00	21.00	0	1.00	21.00	21.00	0	1.00	21.00	21.00	0	1.00	21.00	21.00	0	1.00	21.00	21.00
A	Yuan,Lihui Ph.D. Pharmacodynamics	Clinical Lecturer	Nontenure	2	9/30/2016	0	1.00	27.00	27.00	0	1.00	27.00	27.00	0	1.00	27.00	27.00	0	1.00	27.00	27.00	0	1.00	27.00	27.00

Worksheet Table 2 Faculty

A	Zheng,Guangrong Medicinal Chemistry	ASO Professor	Tenure Accruing	2	3/1/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	
A	Zhou,Daohong Pharmacodynamics	Professor	Tenure	2	3/1/2018		1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00			1.00	0.00	
C	TBD - Office of Experiential Programs	AST Dean & Clinical Professor	TBD	16																					
C	TBD - (Certera line) Pharmaceutics	AST Professor	TBD	2																					
C	TBD - Adt faculty line Pharmaceutics	AST/ASOC Professor (per chair letter)	TBD	2																					
C	TBD - Nemours Shared Pharmacotherapy & Translational Research	Clinical AST Professor	TBD	16																					
C	TBD - Nemours Shared Pharmacotherapy & Translational Research	Clinical AST Professor	TBD	16																					
B	TBD (Lasko) Pharmaceutics	AST Professor	TBD	2																					
C	TBD Amb Care Division Head Pharmacotherapy & Translational Research	ASO/Full Professor	TBD	2																					
C	TBD Clinical Informatics Pharmacotherapy & Translational Research	ASO/Assoc Professor	TBD	2																					
C	TBD Foote Compamiion Pharmaceutical Outcomes & Policy	AST Professor	TBD	2																					
B	TBD Foote Professorship (Hatton) Pharmaceutical Outcomes & Policy	Professor	TBD	2																					
B	TBD-RSS line Pharmaceutical Outcomes & Policy	AST Professor	TBD	2																					
C	TBD JR line Pharmaceutical Outcomes & Policy	AST Professor	TBD	2																					
	Total Person-Years (PY)								**307.00**				**307.00**				**307.00**				**307.00**				**307.00**

Faculty Code		**Source of Funding**	**PY Workload by Budget Classsification**											
			Year 1		**Year 1**		**Year 1**		**Year 1**		**Year 1**			
A	Existing faculty on a regular line	Current Education & General Revenue	100.00		100.00		100.00		100.00					
B	New faculty to be hired on a vacant line	Current Education & General Revenue	3.00		3.00		3.00		3.00					
C	New faculty to be hired on a new line	New Education & General Revenue	9.00		9.00		9.00		9.00					
D	Existing faculty hired on contracts/grants	Contracts/Grants	1.00		1.00		1.00		1.00					
E	New faculty to be hired on contracts/grants	Contracts/Grants	0.00		0.00		0.00		0.00					
		Overall Totals for	**Year 1**	**113.00**	**Overall Totals for**	**Year 1**	**113.00**	**Overall Totals for**	**Year 1**	**113.00**	**Overall Totals for**	**Year 1**	**113.00**	**Overall Totals for**	**Year 1**	**113.00**

NOTE: Add Year columns as necessary to cover the period of time needed for full implementation.

Edition 09/1/12

Worksheet Table 2 Faculty

NA- For Lake Nona Campus

STATE UNIVERSITY SYSTEM
CIP-3 SHORT TERM PROJECT EXPLANATION

Page ___of ___

GEOGRAPHIC LOCATION: (campus name & city)
PROJECT DESCRIPTION/TITLE:

COUNTY:
PROJECT BR No. (if assigned):____

Facility/Space Type	Net Area (NASF)	Net to Gross Conversion	Gross Area (GSF)	Unit Cost (Cost/GSF)*	Construction Cost	Assumed Bid Date	Occupancy Date
			0		0		
			0		0		
			0		0		
			0		0		
			0		0		
Totals	0		0		0		

*Apply Unit Cost to total GSF based on primary space type

Space Detail for Remodeling Projects

	BEFORE		AFTER	
	Space Type	Net Area (NASF)	Space Type	Net Area (NASF)
Remodeling/Renovation				
Total Construction - New & Rem./Renov.	Total	0	Total	0

SCHEDULE OF PROJECT COMPONENTS — ESTIMATED COSTS

Basic Construction Cost	Funded to Date	Year 1	Year 2	Year 3	Year 4	Year 5	Funded & In CIP
1. a.Construction Cost (from above)							0
Add'l/Extraordinary Const. Costs							
b.Environmental Impacts/Mitigation							0
c.Site Preparation							0
d.Landscape/Irrigaiton							0
e.Plaza/Walks							0
f.Roadway Improvements							0
g.Parking ___ spaces							0
h.Telecommunication							0
i.Electrical Service							0
j.Water Distribution							0
k.Sanitary Sewer System							0
l.Chilled Water System							0
m.Storm Water System							0
n.Energy Efficient Equipment							0
Total Construction Costs	0	0	0	0	0	0	0
2. Other Project Costs							
a.Land/existing facility acquisition							0
b.Professional Fees							0
c.Fire Marshall Fees							0
d.Inspection Services							0
e.Insurance Consultant							0
f.Surveys & Tests							0
g.Permit/Impact/Environmental Fees							0
h.Artwork							0
i.Moveable Furnishings & Equipment							0
j.Project Contingency							0
Total - Other Project Costs	0	0	0	0	0	0	0
ALL COSTS 1+2	0	0	0	0	0	0	0

Appropriations to Date Source	Fiscal Year	Amount	Project Costs Beyond CIP Period Source	Fiscal Year	Amount	Total Project In CIP & Beyond
TOTAL		0	TOTAL		0	0

Edition 09/1/12

11/5/2018

APPENDIX A

TABLE 4

SUMMARY FINANCIAL PROJECTIONS TO FULL IMPLEMENTATION

Fiscal Year Ending June 30		**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Revenues		**2019**	**2020**	**2021**	**2022**	**2023**
General Operations						
Carry Forward from Prior Year		0	0	0	0	0
General Revenue/Lottery						
	State Allocations (GR/Lottery)	0	0	0	0	0
Tuition/Tuition Differential and Fees						
	Tuition (Marticulation)	7,137,407	6,851,911	6,646,354	6,779,281	6,982,659
	Tuition (Differential, 70% UG Support)	24,330	27,408	26,585	27,117	27,931
	Out of State Student Tuition Fees	99,145	102,779	99,695	101,689	104,740
Research - C&G (Federal, State, Industry, Indirect cost return, UF Research Foundation)		11,154,898	12,828,132	14,495,790	16,380,242	18,345,871
		0	0	0	0	0
Financial Aid and Academic Related Fees						
	Financial Aid	0	0	0	0	0
	Tuition (Differential, 30% Financial Aid)	0	0	0	0	0
	Out of State Financial Aid	0	0	0	0	0
	Student Technology Fee	0	0	0	0	0
	Stuudent Distance Learning Fee	0	0	0	0	0
	Other Fees (Material/Supply), Facility/Equipment, etc.)	10,722	10,722	11,044	11,375	11,716
Other Revenues						
	List - Self-Funded (Off Book) PharmD Program	518,947	733,785	868,959	825,511	842,021
Total Revenues		**18,945,449**	**20,554,736**	**22,148,427**	**24,125,215**	**26,314,938**

Expenses						
General Operations						
Non-C&G	Compensation and Employee Benefits (Incl. remote site)	2,376,000	2,411,640	2,447,815	2,472,293	2,497,016
	Shared Services, Centralized Admin, Other Indirect Personnel	3,564,540	3,507,129	3,424,582	3,465,891	3,612,339
	Incremental Shared and/or Contractual Services Costs	0	0	0	0	0
	Library Services/e-Collections	0	0	0	0	0
	Contractual Services	0	0	0	0	0
	Plant Costs and Operating Supplies	466,060	480,042	494,443	509,276	524,555
	Financial Aid, Scholarships, Stipends	0	0	0	0	0
	Equipment	0	0	0	0	0
	List: Material and Supply Expenses	10,722	11,044	11,375	11,716	12,068
	List: RCM OH (18% of state tuition rev)	1,292,688	1,202,866	1,139,560	1,157,677	1,192,408
	List: RCM OH (15.52% of self-funded program tuition rev)	80,541	113,883	134,862	128,119	130,682
C&G	Compensation and Employee Benefits (Incl. remote site)	7,959,685	9,153,638	10,343,611	11,688,280	13,090,873
	Plant Costs and Operating Supplies	3,145,038	3,616,793	4,086,977	4,618,284	5,172,478
	Financial Aid, Scholarships, Stipends	23,368	26,873	30,366	34,314	38,432
	Equipment	26,807	30,828	34,836	39,364	44,088
Total Expenses		**18,945,449**	**20,554,736**	**22,148,427**	**24,125,215**	**26,314,938**
Operating Net Revenues Over Expenses		**0**	**0**	**(0)**	**0**	**0**

NOTE: Add Year columns as necessary to cover the period of time needed for full implementation.

Edition 09/1/12

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
March 28, 2019

SUBJECT: SUS and FCS Mathematics Redesign Update

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. Christy England, Vice Chancellor for Academic and Student Affairs and Dr. Karinda Barrett, Director of Academic Affairs, Florida College System, will provide an update on the State University System and Florida College System Mathematics Redesign effort.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Christy England
Dr. Karinda Barrett

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
March 28, 2019

SUBJECT: An Update on SUS Engineering Programs Exceeding 120 Credit Hours

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. Sally McRorie, Provost and Executive Vice President for Academic Affairs at Florida State University, will provide an update on a review of engineering programs in the State University System that require more than 120 credit hours for a baccalaureate degree.

Additionally, Mr. Bryan Anderson, a student at Florida A&M University; Ms. Anna Mills, a student at Florida State University; and Mr. Bryan Mahoney, Vice President & CoE Leader, St. Augustine Aircraft Integration Center of Excellence, Northrop Grumman, will provide their perspectives on the current state undergraduate engineering programs.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Sally McRorie
Mr. Bryan Anderson
Ms. Anna Mills
Mr. Bryan Mahoney

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
March 28, 2019

SUBJECT: Florida Virtual Campus Revised Common Prerequisite Manual

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Ms. Nashla Dawahre, Director of Student Services, and Mr. Javier Reyna, Director of Enterprise Applications, both from the Florida Virtual Campus will demonstrate the newly revised website for the Common Prerequisite Manual.

Supporting Documentation Included: None

Facilitators/Presenters: Ms. Nashla Dawahre
Mr. Javier Reyna

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
March 28, 2019

SUBJECT: State University System Council of Academic Vice Presidents

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. Sally McRorie, Chair of the State University System Council of Academic Vice Presidents, will provide an update on current Council activities and issues.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Sally McRorie

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
March 28, 2019

SUBJECT: State University System Council for Student Affairs

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. Corey King, Chair of the State University System Council for Student Affairs, will provide an update on current Council activities and issues.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Corey King

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
March 28, 2019

SUBJECT: Florida Student Association

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Governor Jalisa White, Chair of the Florida Student Association, will update the Committee on current Association activities and issues.

Supporting Documentation Included: None

Facilitators / Presenters: Governor Jalisa White

AGENDA
Audit and Compliance Committee
Grand Ballroom
H. Manning Efferson Student Union Building
Florida A&M University
1780 S. Martin Luther King, Jr. Boulevard
Tallahassee, Florida 32307
March 28, 2019
11:00 a.m. – 12:00 p.m.
or
Upon Adjournment of Previous Meeting

Chair: Mr. Tim Cerio; Vice Chair: Mr. H. Wayne Huizenga, Jr.
Members: Frost, Levine, Morton, Patel, Valverde

1.	**Call to Order and Opening Remarks**	**Governor Tim Cerio**
2.	**Minutes of Committee Meeting** Minutes: January 31, 2019	**Governor Cerio**
3.	**Board of Governors Compliance Program Approval**	**Ms. Julie Leftheris** *Inspector General and Director of Compliance*
4.	**Performance-based Funding Data Integrity Audits and Certifications**	**Ms. Leftheris**
5.	**UCF E&G Funds Misuse Investigative Report Update**	**Ms. Leftheris**
6.	**Florida House of Representatives Public Integrity And Ethics Committee Report of Investigation into Unauthorized Use of Appropriated funds for**	**Ms. Leftheris**

	Fixed Capital Outlay Projects at the University of Central Florida	
7.	**USF Report of Findings, Review Into Use of Carryforward Funds in the Construction of the Dr. Kiran C. Patel Center for Global Solutions (Patel Center)**	**Ms. Leftheris**
8.	**OIGC Updates**	**Ms. Leftheris**
9.	**Concluding Remarks and Adjournment**	**Governor Cerio**

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
March 28, 2019

SUBJECT: Minutes of Committee Meeting held January 31, 2019

PROPOSED COMMITTEE ACTION

Approval of the January 31, 2019, Committee meeting minutes.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will consider approval of the minutes of the January 31, 2019 Committee meeting.

Supporting Documentation Included: Minutes: January 31, 2019

Facilitators/Presenters: Governor Tim Cerio

MINUTES
BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
AUDIT AND COMPLIANCE COMMITTEE MEETING
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FL
JANURARY 31, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at http://www.flbog.edu/.

Chair H. Wayne Huizenga, Jr. convened the meeting of the Audit and Compliance Committee on January 31, 2019 at 3:33 p.m., in the Graham Center on the campus of Florida International University in Miami, Florida. The following Audit and Compliance Committee members were present: H. Wayne Huizenga, Patricia Frost, Alan M. Levine, Ed Morton, Jay Patel, and Fernando Valverde. The following members of the Board were also present: Tim Cerio, Shawn Felton, Darlene Jordan, Sydney Kitson, Ned Lautenbach, Norman Tripp, Jalisa White, and Zachariah Zachariah.

1. Call to Order

Mr. Huizenga called the meeting to order.

2. Approval of Minutes

Mr. Morton motioned that the Committee approve the minutes of the Audit and Compliance Committee meeting held September 12, 2018, as presented. Mr. Valverde seconded the motion. The minutes were approved.

3. SUS Compliance and Ethics Program Implementation Status

Ms. Leftheris provided the Committee with an update regarding each university's progress in implementing Board of Governors Regulation 4.003. She informed the Committee that all state universities were in full compliance with the regulation.

4. OIGC Charter Revision

Ms. Leftheris provided the Committee with a revised *Office of the Inspector General and Director of Compliance Charter* and described that the charter now formally defines assurance and consulting engagements to align with professional auditing standards. Mr. Morton motioned that the Committee approve revisions to the *Office of the Inspector General and Director of Compliance Charter*. Mr. Patel seconded the motion. The charter revisions were approved.

5. SUS Capital Projects Certifications

Ms. Leftheris provided Committee members with a summary of the State University System Capital Project Certifications that were received by Board of Governors staff. She disclosed two exceptions found in the review. First, pursuant to Section 1013.74(6), Florida Statutes, Florida Polytechnic University is authorized to expend carryforwards reserve balances from prior year operational and programmatic appropriations for legislatively approved fixed capital outlay projects through the 2022-2023 fiscal year. Second, Ms. Leftheris stated that the University of South Florida had identified one project, the Patel Center for Global Solutions, that was primarily funded using $6.4 million in carryforward funds. In response to this finding, USF Board of Trustees Audit and Compliance Committee Chair Nancy Watkins was appointed to oversee the review of this misuse of funds. In addition, the University's chief audit executive, Virginia Kalil, is conducting a review into the use of carryforward funds for the construction of the center and the current compliance structure in place regarding the use of E&G funds in construction projects.

6. UCF Investigative Report, Misuse of E&G Funds for Construction of (UCF) Trevor Colbourn Hall

Mr. Huizenga provided background information on the University of Central Florida (UCF)'s misuse of E&G Funds for the construction of Trevor Colbourn Hall. He explained that in August 2018, the Auditor General had identified the improper use of E&G funds for the construction of a new building during the operational audit of UCF. At the Board of Governors Facilities Committee meeting held September 13, 2018, UCF's Board of Trustees Chair and the University's President presented their corrective and intended actions. Following that meeting, on September 20, the Board of Trustees hired a national law firm that specializes in corporate investigations, Bryan Cave Leighton Paisner and PricewaterhouseCoopers LLP, to conduct a full investigation with Beverly Seay, UCF's Audit and Compliance Committee Chair, as the sole source of contact and leader of the investigation. Mr. Huizenga explained that the Board of Governors' Inspector General was not assigned to conduct the investigation as the University has demonstrated its willingness to address this matter by hiring the Bryan Cave law firm. He added that Inspector General Julie Leftheris, however, played an active role in the investigation. Mr. Huizenga acknowledged and thanked Beverly Seay and former Board of Governors Audit and Compliance Committee Chair Wendy Link for their efforts in monitoring the investigation before asking Ms. Leftheris to discuss the results of the investigative report.

Ms. Leftheris stated that the investigation took place during the months of September and December 2018 and involved over 56 interviews and 43 witnesses. She explained that the investigation involved the extensive review of Board of Trustees meeting

recordings, minutes and materials, financial and accounting records, and administrative records that included text messages and email accounts. Ms. Leftheris further explained that lead investigator Joey Burby presented the investigation results to the UCF Board of Trustees during their special meeting held on January 18, 2019. The report included numerous recommendations for the University to improve accounting internal controls and oversight.

Ms. Leftheris stated that, based on her involvement and observations throughout the investigation, she believed that Bryan Cave conducted a thorough investigation into the inappropriate use of E&G Funds for the construction of Trevor Colbourn Hall. Ms. Leftheris introduced Bryan Cave's lead investigator Joey Burby and PwC's Bob Gallagher to answer questions regarding the report.

Mr. Huizenga invited UCF Trustee Seay and Joey Burby to discuss the investigation and corrective actions in response to the report. Additionally, he invited members to ask questions of the panel, which included Joey Burby, Bob Gallagher, UCF Board of Trustees Chair Marchena, UCF President Whittaker, UCF Board of Trustees Audit and Compliance Committee Chair Seay, Board of Governors Vice Chancellor and Chief Financial Officer Tim Jones, and Board of Governors Inspector General Leftheris.

Joey Burby introduced himself to the Committee and provided a brief description of his background and experience before joining the Bryan Cave law firm. He previously worked for the United States Department of Justice and the U.S. Attorney's Office in Atlanta as a Federal Prosecutor. At Bryan Cave, he focusses on conducting internal investigations that includes universities and colleges. He leads the firm's Higher Education Internal Investigations and Compliance team.

Mr. Burby described the approach his team took to conduct the investigation and provided brief remarks about the report itself. He said the university's board of trustees mandated that his team "find the facts…no matter what they were -- no matter who they implicated -- and to report those findings to the full board." He said the team was not influenced by anyone outside of the investigation and that the report's findings are theirs. He explained Trustee Seay's role in overseeing the investigation involved ensuring the team received everything they needed from the University, such as access to documents and employees. He emphasized that neither she nor any of the trustees tried to influence the investigative process or findings.

To ensure they had the necessary expertise on their team, Mr. Burby said they retained the services of PricewaterhouseCoopers (PwC) to handle the complex finance and accounting issues they expected to encounter. The PwC team was led by Bob Gallagher, a certified public accountant, certified fraud examiner, and leader of the firm's Southeast Forensics Services practices group.

In describing the investigative process, Mr. Burby reiterated the brief process description Inspector General Leftheris provided in her introductory remarks. Mr. Burby emphasized that they had reviewed thousands of documents and listened to hundreds of hours of audio recordings of board of trustees meetings spanning eight years in an attempt to "leave no stone unturned."

Mr. Burby said the investigative team worked cooperatively with the Board of Governors and its staff, as well as with the Florida House of Representatives' Public Integrity and Ethics committee. Ms. Leftheris was provided access to all of the documents and attended almost all of the witness interviews.

Mr. Burby provided the following key facts and investigative summary:

- E&G funds, annually appropriated to a university through the General Appropriations Act, are permitted to be used for specific operating activities per Florida Statutes and Board of Governors Regulations; they are not to be used for the construction of new facilities.
- Between the years 2013 – 2016, the University allocated over $38M in E&G funds, including over $37M in E&G carryforward funds (which are E&G funds not spent during the fiscal year for which they were appropriated) towards the Trevor Colbourn Hall (TCH) project, which was to replace the smaller Colbourn Hall building built in the 1970s.
- Of the $38M allocated to the TCH project, more than $30M was spent as of the end of August 2018 when the TCH construction was completed. Most of the funds were allocated to the project between the years of 2014-2016, although the funds were actually not spent until 2017-2018.
- The project was initially intended in 2013 as a $5M-$8M renovation project for Colbourn Hall. Over the next three years, it evolved into a larger project to construct a new building, with an estimated cost of $21.3M. The UCF Board of Trustees approved the new building construction phase and cost estimate in 2014. The funding source was not addressed, nor was the fate of Colbourn Hall. In 2015, a new plan emerged to build the new building, as well as renovate Colbourn Hall at the same time with an estimated combined cost of $38M. This plan was not presented to the board for its approval; it was presented to the Finance and Administration committee but was not voted on. In May 2016, it was decided that Colbourn Hall would be razed and TCH would be increased in size by using the funds that would have been used in the Colbourn Hall renovation. The Board of Trustees approved the razing of Colbourn Hall in July 2016. Because the estimated cost remained at $38M, the Board of Trustees did not discuss the project's funding source.
- Construction of TCH began in May 2017, and was completed in July 2018. The Colbourn Hall demolition began late in 2018.

- The investigation found that the University's former Vice President for Administration and Finance and Chief Financial Officer, William F. Merck II was the key figure in all of the decision-making on this project. In addition to his role as the CFO, Mr. Merck was responsible for managing and reporting on the use of E&G funds. He simultaneously oversaw the University's Facilities Department, which among other things is responsible for planning and overseeing the University's capital projects. He had the unique, dual role of making the funding and planning decisions for the TCH project and directing finance and facilities staff to carry out the necessary tasks. Mr. Merck took full responsibility for the decision-making in using E&G funds on this project after the Auditor General's operational audit revealed this issue in August 2018.
- Although Mr. Merck openly acknowledged his role in this matter, Mr. Burby said Mr. Merck declined to be interviewed by the Bryan Cave investigative team. He said Mr. Merck viewed the funding source decision as necessary and justified because Colbourn Hall presented an "emergency" situation that was a health and safety risk for the building's occupants. Additionally, he said Mr. Merck believed there were no other funds available to use for this project. Although these claims were rooted in legitimate concerns, Mr. Burby said, the investigation determined that the evidence did not support the health and safety risk Mr. Merck described. Nor did the evidence support that no other funding was available.
- Despite Mr. Merck's claims that Colbourn Hall's condition warranted emergency action because of its imminent health and safety risks, the investigative team found evidence that Mr. Merck and others involved in the project had consistently presented the Colbourn Hall renovation needs to the Board of Trustees and Board of Governors as routine for an older building; the building was described as safe and habitable. Additionally, it was categorized as a low to medium priority; it was never listed as a top priority for repairs or renovation.
- Regardless of the building's condition, Mr. Burby said that using restricted E&G funds without Board of Trustees or Board of Governors approval was not an appropriate response. Regarding the claim that no other viable funding options existed, Mr. Burby said the University was in a difficult position regarding capital projects funding as was and is the case for all state universities. They found no evidence, however, that there were no other funding options. Other options did exist, explained Mr. Burby; there were auxiliary funds, interest and investment earnings, and donations. None of those funds were subject to the same funding restrictions as E&G funds. Additionally, at Mr. Merck's direction, the University did pursue other non-critical capital projects during this same time period using permissible funds that could have been applied to TCH.
- The investigative team found it more plausible that Mr. Merck and others found using E&G carryforward funds as a convenient solution to the University's aging

infrastructure and a decrease in available state funding. Mr. Burby reiterated that $37M of E&G carryforward balance were transferred to the construction account before any significant portion of it was spent. By transferring carryforward funds to the construction account, they no longer needed to be reported to the Board of Governors or the state as a carryforward balance, which could potentially be taken away. Finance and Accounting officials, acting under Mr. Merck's direction, reported the transfers of E&G funds for Colbourn Hall as "planned expenditures on deferred maintenance" even after it became clear that the project would involve new construction rather than the repair or renovation of an existing facility.

- The investigative team found no evidence of any improper motive on Mr. Merck's part or that he stood to gain financially from any of these actions. The investigative team believed it is clear that Mr. Merck understood the significance of these decisions to use E&G funds for the new TCH construction project and that he took steps to conceal or downplay that significance. The team found evidence that Mr. Merck was aware of the Board of Governor regulations on the use of E&G funds and that he understood that state auditors might find the TCH project to be in violation of those regulations. He had told others close to the project that funding with E&G funds might result in an audit criticism.
- After the 2018 Auditor General audit uncovered the use of E&G funds for TCH, Mr. Merck acknowledged to several witnesses on multiple occasions that he could not have disclosed the relevant risks to the Board of Trustees because he knew they would not have approved the project.
- The investigative team found no evidence that Mr. Merck or anyone acting at his direction had told the Board of Trustees that the funding source for the TCH project was E&G funds. More significantly, the team found no evidence that Mr. Merck or anyone acting at his direction had explained to the Board of Trustees that the TCH funding source was not permitted under Board of Governors regulation and that the plan might lead to an adverse situation for the University.

Regarding the Board of Trustees' specific question about any other individuals, other than Mr. Merck, who were involved in the decision to construct TCH and to use E&G funds for the project, Mr. Burby urged members to read the report as the answer is not easy to summarize in a sentence or two about what individuals did or knew. The investigative team found that people from multiple University departments were involved in the decision to varying degrees and at different points in time. He reiterated that the decision evolved over multiple years. The transfer of E&G funds also occurred over many years. Staff from the Finance and Accounting Department, Facilities Department, the Academic Affairs Department, and the Provost's office were involved. The investigative report describes the role of all of these individuals as well as that of the University's former President, Dr. John Hitt.

Regarding the University's current President, Dr. Dale Whittaker, Mr. Burby briefly described the investigative team's findings into his role during the time as he served as the University's Provost. Mr. Burby explained that Dr. Whittaker had become the Provost on August 1, 2014. By that time, the Board of Trustees had already approved the TCH construction project at a cost of $21.3M. Mr. Merck and others had made a decision to commit another $10M in E&G funds towards the project; the funds had already been transferred to the construction account.

Dr. Whittaker had signed an internal budget document on August 8, 2014, recommending approval by Dr. Hitt for the allocation of an additional $18M in E&G funds towards what was identified in the document as Colbourn Hall renovations. The investigative team concluded that Dr. Whittaker could not have fairly understood the significance of this document since he had just started at the University. Nor did the investigative team find any evidence that he had understood at that time the details of the project or that the use of E&G funds for the project would violate Board of Governors Regulations. They found that over time, however, Dr. Whittaker did come to understand the nature and scope of the project and had involvement in the decision in 2015 to construct TCH and renovate Colbourn Hall simultaneously at the combined cost of $38M. They found that he also was involved in the subsequent decision in 2016 to demolish Colbourn Hall and expand TCH. They also found evidence that Dr. Whittaker was provided information reflecting that E&G funds were being used for the TCH project. At the same time, however, they found that Dr. Whittaker was provided vague and conflicting information about the source of funding from Mr. Merck and others. Dr. Whittaker stated to the investigative team that he was not aware of the Board of Governors' restriction on the use of E&G funds for construction projects. The investigative team found no persuasive evidence to the contrary. Dr. Whittaker also stated that although he heard Mr. Merck say that they might receive an audit criticism, he was not concerned because at that time he was not familiar with audits and did not understand the significance. Additionally, Mr. Merck downplayed the significance, which was corroborated by multiple witnesses.

The next question the Board of Trustees asked the investigative team to answer was whether any of the individuals involved in the decision to use E&G funds for the construction of TCH personally profited from the decision. The simple answer, Mr. Burby said, was "no." They found no evidence that anyone, including Mr. Merck, had personally profited.

The Board of Trustees also asked the investigative team to answer two other questions that are related. The first question was whether there controls in place that failed to prevent or detect what happened; and the second was what additional controls should be put in place to ensure that this does not happen again. Although discussed more fully in the report, Mr. Burby provided brief comments in answer to these questions.

He said they found that certain internal controls were either absent or inadequately designed, and as a result failed to prevent or detect this activity. Specifically, Mr. Burby listed the following areas of deficiencies:

- Written policies and procedures regarding the use of state appropriated funds, including E&G funds;
- Training and education of employees on policies and applicable state laws and regulations regarding the use of state appropriated funds;
- Policies designed to ensure independent oversight and approval of significant decisions in the use of appropriated funds;
- Auditing by the University's internal audit department for the proper funding of capital projects; and
- Reporting significant funding decisions to the Board of Trustees so that Trustees can satisfy and fulfill their fiduciary duties and ensure funds were being used properly.

Additionally, the investigative team found that campus departments, such as Finance and Accounting, failed to foster a culture of challenging senior members of the administration and engaging in Whistle-blower activity.

Based on these deficiencies, the investigative team proposed enhancements for consideration, which are enumerated in section IV of the final report. Mr. Burby indicated that President Whittaker or Chair Marchena might discuss them, so he did not.

Mr. Burby concluded his prepared remarks by inviting questions and then turning the floor over to other speakers.

Mr. Marchena asked to speak next. He stated that when he and Dr. Whittaker addressed the Board of Governors in September 2018, after the Auditor General's finding of the misuse of state funds for new building construction was discovered, they promised a thorough and transparent investigation would be conducted. It would be an investigation that followed the facts rather than begin with any preconceived conclusions. He reiterated that the Board of Governors' Inspector General worked closely with the investigative team to provide Board members with high confidence of the investigation's results.

Based on the investigation's results, Mr. Marchena said that Dr. Whittaker moved to terminate four additional senior staff in the Finance and Facilities department immediately after the final report was released. Additionally, Mr. Marchena said he had made recommendations to Board of Trustees members, which were all adopted. They are as follows:

- The former CFO was stripped of the remaining unpaid performance bonuses for the two trailing years to which he would otherwise been entitled. Mr. Marchena stressed that the investigative team found a pattern of behavior by the former CFO, Mr. Merck, to avoid informing the Finance Committee and the Board of Trustees that the approval of the project involved restricted funds. Mr. Merck refused to participate in the investigative interviews but then subsequently sought to discredit the investigation. Mr. Merck has accused several people, including Mr. Marchena, of "impolitic" behavior in the conduct of the investigation. Mr. Marchena stated unequivocally that the only imprudent behavior was Mr. Merck's decision that he knew best and that he would get TCH built with restricted funds without giving the Board of Trustees a legitimate opportunity to decide the correct course of action.

  Based on his own discussions with other CFOs, Mr. Marchena said they all agreed that it was Mr. Merck's duty to inform, even highlight, for the Board of Trustees the restricted nature of the funds to ensure a decision could be made knowingly. As noted in the investigative report, Mr. Merck stated to multiple people that if he had informed the Board of Trustees of the restricted nature of the funds, they would not have approved the project.
- The Board of Trustees accepted the resignation of the former President, Dr. John Hitt, for his one-year employment agreement with the University. The resignation was effective as of January 10, 2019.
- The Board of Trustees also eliminated Dr. Whittaker's participation in the performance bonus program for two years. Mr. Marchena emphasized that this recommendation was not made because he believed Dr. Whittaker was in any way knowingly involved in the decision to use restricted funds. As reflected in the investigative report, an internal managerial decision to use restricted funds was made as early as June 2013. This item was first presented to the Board of Trustees' committee in April 2014. The investigation confirmed that the misuse of restricted funds was not disclosed. Dr. Whittaker was not hired as Provost until August 2014. As supported by the investigative report, Dr. Whittaker has stated that he was not aware the use of the funds was inappropriate. It is because of his oversight role, Mr. Marchena said, that Dr. Whittaker had a heightened duty of inquiry; it is for that reason that he recommended the action with respect to his performance bonus.

  Mr. Marchena assured the Board of Governors that he and the Board of Trustees have full confidence in Dr. Whittaker going forward. He will describe his actions to establish a staff culture of compliance, full disclosure, and accountability. Mr. Marchena said he believes Dr. Whittaker will lead the University to pre-eminence, achieve high results under the Board of Governors performance

standards, and will continue to develop UCF into a model of a 21st century university.

- The Board of Trustees also adopted recommendations to reduce the possibility of a similar incident occurring in the future. These include:
    - Separating the positions of CFO from the VP of Administration. At a minimum, Mr. Marchena explained, facilities should not report directly up through the CFO.
    - Developing updated, specific written policies and procedures to ensure the proper use of state appropriated E&G funds.
    - Updating the Whistle-blower program and implementing an education process regarding the availability and use of the program for University staff and faculty.
    - Requiring an independent review by the internal audit office regarding the propriety of the funding sources for any capital projects over $2M approved by the Board of Trustees but prior to the project's commencement. Internal auditors will also do random verification checks during the project that the use of the capital project funding source is the Board-approved source.
    - Requiring a standard format for all committee and Board of Trustees agenda memoranda for which action will be taken. They will follow a specific format even for oral or PowerPoint presentations in connection with an action agenda item. The essential components for the standardized format will be that all decision points relative to the action item be specifically identified and all pro and con facts relative to each decision point be disclosed to the committee and the Board of Trustees. The specific source of funding and the fiscal impact to the University will be included in a section of the agenda item memorandum and any restrictions on the proposed funding source will be clearly identified. The source of the Board's legal authority to take the action will also be included.

Mr. Marchena concluded his comments by saying the investigative report makes it clear the Board of Trustees did not know that they had approved expending funds inappropriately. In fact, he said, it was concealed from them.

Mr. Marchena announced that he was relinquishing his position of Board chairman, he said, in the hope of making it clear to all concerned that the investigation and the actions they took as a result of it were thorough, objective, and fair.

Mr. Huizenga recognized President Whittaker, who wished to make some comments. Dr. Whittaker offered to answer any questions about his time as UCF's Provost but preferred to focus his comments on his seven months as the University President and the future.

Dr. Whittaker expressed his commitment to identifying what broke down, fixing it, and ensuring it does not happen again. He this is his top leadership priority, and described the following actions the University has taken:

- Separation of the CFO duties from the Vice President for Administration and Finance. After the Board of Governors [September 2018] meeting, Mr. Merck resigned. That separation is now permanent, he said.
- Replacement of E&G funds with those that were appropriate for use. The transferred funds were flexible funds that had been budgeted for other university unit uses.
- Institution of a building moratorium, which is currently in effect, for any new projects greater than $2M.
- Institution on a permanent basis of the "real time audit on a temporary basis" that Chair Marchena had just described.

After the actions above had been taken, Dr. Whittaker said they went into a "quiet time" where he and others fully cooperated with the Bryan Cave investigative team. He committed not to influence the investigation in any way such as public comment or any other kind of intervention. Additionally, Dr. Whittaker said he had made a personal commitment not to draw any conclusions about personnel actions or any other actions until the report had been done.

After the Bryan Cave investigative report was released, he read it and found a broad and broken sub-culture within one of the units, Facilities, Administration, and Finance, that did not reflect UCF's values. Additionally, the behavior surrounding TCH was found on other capital projects, which are being investigated and will be corrected.

Based on this sub-culture, Dr. Whittaker said he terminated four senior leaders of the four main divisions.

Next, the University decided to realize unrealized gains and move funds which had been mixed between the [Special Purpose Investment Account] SPIA portfolio and investment portfolio to separate the E&G funds and move them back into the SPIA portfolio to permit better tracking of those gains in the future.

Dr. Whittaker said he hired Bob Caslen [retired Lieutenant General Robert L. Caslen Jr.], who had just retired as the Superintendent of West Point Military Academy.

"Superintendent" is the equivalent of a university president. He has experience in managing higher education and, more importantly Dr. Whittaker said, he has high integrity and organizational acumen. Dr. Whittaker hired General Caslen to implement the recommendations made in these reports: the Bryan Cave investigative report, the Florida Auditor General's operational audit report, a report from Accenture (which Dr. Whittaker had commissioned when the Bryan Cave investigation began to address organizational structures and look at best practices), and a report from the Association of Governing Boards (which he had commissioned to look at board and staff governance).

Dr. Whittaker concluded by saying he is committed to integrity, transparency, and competency in doing the things they are supposed to do right and well. Under his presidency, his top priority is to regain trust in UCF and ensure that every taxpayer, every student, and every donor knows the money they give to UCF is well-spent and accounted for.

Mr. Huizenga asked Board of Governors Chair Ned Lautenbach to make a few comments. Mr. Lautenbach began by acknowledging the Bryan Cave investigative report is not a reflection on the great students and faculty who contribute to the enormous impact UCF has on our state. The report does, however, focus on decisions made by certain individuals who occupied positions of trust at the University and how they breached that trust.

Mr. Lautenbach said that UCF's former chief financial officer, Mr. Bill Merck, claimed he "had done the wrong thing, but for the right reason." This statement is indicative of an attitude that is antithetical to the serious fiduciary responsibility entrusted to the senior leaders in the State University System of Florida. Other senior UCF administrators obfuscated the funding source for Trevor Colbourn Hall and mischaracterized the inappropriate expenditures in reports submitted to the Board of Governors office.

In response, and to its credit, the UCF Board of Trustees hired an independent law firm to conduct a thorough investigation that included the full participation of the Board's Inspector General, Julie Leftheris. Mr. Lautenbach thanked Board of Trustees Audit and Compliance Committee Chair Beverly Seay for her oversight efforts of the investigation and for ensuring the investigative team had full access to university personnel and documents. Although we now know who was involved and how the E&G funds were misused, we may not still know the "why." Mr. Merck's alleged "calamity" condition of TCH appears to have been created after the fact as an excuse to justify the means.

The true calamity, Mr. Lautenbach said, was the loss of credibility this serious breach of trust has caused. It is incumbent, he said, upon the Board of Governors and the UCF Board of Trustees to send a message that this behavior will not be tolerated.

Mr. Lautenbach said the University must ensure that the money taken from E&G appropriations must be fully repaid in the same form as it was appropriated. The state funds us in dollars, he said, not in spreadsheet entries, investment accounts, or through unrealized gains. The dollars need to be repaid now, and UCF needs to provide a full and complete accounting of that repayment to the Board of Governors as soon as possible. This includes any other E&G funds inappropriately used for projects as well.

Mr. Lautenbach expressed his concern that the responsibilities delegated by the Board of Governors to the Board of Trustees are not clearly understood by each trustee. Trustee Seay clearly recognizes this delegation of fiduciary responsibility, but he said he knows of at least one board member who has said to him that s/he thinks the punishment is too harsh. Mr. Lautenbach said that any Board of Trustee who thinks this was no "big deal" should step down from the board. He committed that the Board of Governors will continue to review the processes, controls, and practices across the system to prevent this from happening again. University boards of trustees are the first line of defense, and we must have trustees who possess the acumen and willingness to ask the right questions.

Mr. Lautenbach said we need system-wide training for all university trustees and finance staff to ensure they fully appreciate the fiduciary duties entrusted to them and to understand the appropriate use of operating and capital infrastructure fund sources. It must become a required segment of each Trustee Summit, and in the interim, this training responsibility lies with each board to ensure they have a complete understanding of university fund sources and the appropriate uses of those funds.

Regarding UCF's corrective actions in response to the investigative report, Chair Lautenbach addressed whether they were appropriate. President Whittaker took immediate action to terminate the employees involved in the fund transfers, and Mr. Merck had resigned in September 2018. Additionally, the Board of Trustees took action to curtail Dr. Whittaker's participation in the University's performance unit plan for the period he was Provost.

Addressing President Whittaker directly, Chair Lautenbach acknowledged that he [Whittaker] was not responsible for the inappropriate use of E&G funds, but he was aware that it was happening and did not ask why. He encouraged Dr. Whittaker to develop his own understanding of the finance and facilities operations as he rebuilds those teams. Although he is not responsible for knowing everything, as President and CEO of the university, he does have a responsibility for everything.

Mr. Lautenbach said that he and UCF's Board of Trustees Chair will consult on President Whittaker's annual assessment. Mr. Lautenbach urged Dr. Whittaker to focus on rebuilding public trust through a transparent and accountable set of financial controls. As the University's CEO, President Whittaker is directly responsible for ensuring the integrity of those controls.

Mr. Lautenbach asked UCF to present to the Board of Governors a full review of their Strategic Plan. He added that he believes UCF grew too fast and built new facilities at an unprecedented rate. He suggested we step back and look at where the UCF is going, how big it's going to be, and what actions are required.

Secondly, Mr. Lautenbach asked that Board of Governors member Syd Kitson and his [Budget and Finance] Committee should finalize their work described today and look at UCF's reserves to determine their appropriateness.

Thirdly, Mr. Lautenbach requested a review of the UCF Board of Trustees' fiduciary responsibilities to ensure members understand the difference between the different funding classes and their use. This should be done at every university, he said, so that all trustees clearly understand their fiduciary responsibilities and how money is being used. Although trustees should not be too involved in campus operations, Mr. Lautenbach said oversight and understanding of financial expenditures is not operations. Trustees should be deeply involved in finances, where the money comes from, what it should be used for, and how it's being managed.

Lastly, Mr. Lautenbach thanked Mr. Marchena for his leadership in taking action on all the recommendations agreed to in response to this situation and his service as chairman.

Mr. Huizenga asked Vice Chair Syd Kitson to make a few comments. Mr. Kitson thanked the Bryan Cave investigative team for their thorough review into the inappropriate use of education and general funds for the construction of Trevor Colbourn Hall. He said he found their conclusions concerning and indicative of a lack of engagement by the University of Central Florida's Board of Trustees.

Mr. Kitson referred to Board of Governors Regulation 1.001, which requires each board of trustees to be responsible for the administration and financial management of its university. He believes the UCF Board of Trustees and its leadership failed in their fulfillment of this responsibility.

Mr. Kitson said he believes there is a lack of understanding at UCF about the reporting relationships and specifically the relationship between the University President and Board of Trustees. He referenced the organizational charts from three universities in the meeting materials. FSU's and UWF's organizational charts correctly reflect that the

university president reports to the board of trustees. UCF's organizational chart, however, does not align with our constitutional structure in that it shows the UCF Board of Trustees reporting to the UCF President. This is in violation of Board of Governors regulation, and Mr. Kitson expressed his concern that this is part of the misguided attitude and actions exhibited by the university.

In addition to the misuse of E&G funds to construct a new building, the University also moved $32M of additional E&G funds into construction accounts over numerous years. This exhibits, he said, a planned and calculated intent to deceive the Board of Governors and ultimately our state lawmakers before whom the Board of Governors has sought funding for the entire State University System of Florida.

In reflecting on previous years and the Board of Governors questioning of UCF's insatiable growth, Mr. Kitson said that based on recent findings we can conclude that the University's growth was faster than its infrastructure could support, and it lacked the needed controls to prevent what we have learned about today.

Mr. Kitson said he expects significant change to take place at the UCF. We need to discuss strategically the direction of the University in scaling to a more manageable size with appropriate controls to prevent what he considers a total disregard for the use of taxpayer money.

Finally, Mr. Kitson said the UCF Board of Trustees' decision that this matter is closed is not acceptable. We now know, he said, there were additional, illegal transfers of funds. We still need to identify all of the responsible individuals for these fund transfers and the extent of their involvement. Since the UCF Board of Trustees has indicated they are unwilling to pursue this to the end, Mr. Kitson proposed that the Board of Governors Inspector General seek to answer these questions with our own independent investigation to be funded by UCF. Additionally, he said UCF should support this effort and ask Mr. Burby, with the Bryan Cave law firm, and PwC to be available and continue investigating this matter.

Mr. Kitson recommended the independent investigation by the Board of Governors review the Bryan Cave investigative report and determine what follow-up is needed and to open an investigation into why $32M of E&G funds had been illegally transferred into separate construction accounts and then just recently transferred back into the E&G accounts.

Mr. Huizenga asked for any other comments. Governor Norman Tripp said that he believes we have a duty to look at who else was involved in the decision-making. Mr. Lautenbach asked the investigators to respond to Mr. Tripp's concern as he believes it was addressed in their investigation. Mr. Burby answered that the report included all the factual findings regarding former University President John Hitt's involvement and

knowledge. They also discussed what he shared in his interview, and they included his subsequent letter to Mr. Burby after his interview, which was different from the information he gave in his interview.

Mr. Morton said the investigative report was very thorough. As Mr. Lautenbach and Mr. Kitson said, we have to look to the future and ensure this does not happen again. He expressed his support for the comments they made and their intent that we conduct our own investigation.

Governor Jay Patel echoed the concerns expressed, and wondered what role the legal office played. Legal counsel has an ethical role as well as fiduciary responsibility to the taxpayers and their employer. He said he did not see anything in the investigative report addressing the legal office's role in this matter. Also, in Mr. Hitt's letter, he said the direction from the Board of Governors was unclear and that they thought everything was fine. Mr. Patel said he believes it is clear to every university president and staff member that we had a $2M limit on any carryforward, E&G, funds. These are commonsense questions that need to be asked and answered.

Governor Tim Cerio expressed his support for the discussion and said he believes the issues seem to be cultural. For example, Mr. Merck mentioned in a meeting that they might have an audit "hit" but that didn't raise any alarms; people who had concerns were afraid to speak up; and it seemed, from the investigative report, the legal department wasn't involved in the discussions and planning. He said we need to know the status of the carryforward funds now as he believes they have not been repaid.

Mr. Marchena responded to Mr. Cerio's concern about the funds not being repaid and said that they had. He explained that the Board of Trustees will discuss having an accounting firm, like PwC maybe, audit to ensure all of the funds budgeted from E&G into construction programs were put back. Chancellor Marshall Criser asked Board of Governors CFO Tim Jones if we have received confirmation of these transfers. Mr. Jones responded that we have not. Mr. Marchena said they will validate it and reiterated that the transfers have occurred.

Dr. Whittaker said that one of the corrective actions they have taken is to implement a certification process requiring the university's general counsel, CFO, and the president to certify on future projects that the funds had been evaluated and certified to be valid and appropriate and legal. Then the real-time audit will review that the funds certified are the ones actually being used for the project.

Additionally, Dr. Whittaker said that on board agenda items, using the Board of Governors agenda items as an example, they will include the regulation, statute, or constitutional authority as a means to verify that the agenda item is supported by statute and driven by the legal department.

Governor Syd Kitson made a motion to continue the investigation into the misuse of E&G funds, which will be paid for by UCF; to review UCF's Strategic Plan; for the Budget and Finance Committee to review UCF's reserves; and to undertake an education program for each university board of trustees regarding its fiduciary responsibilities. Governor Morton seconded the motion. It passed.

7. OIGC Updates

Ms. Leftheris gave a brief overview of her office's current and upcoming activities. She reported that the Auditor General's Quality Assessment Review of the OIGC determined her office was in conformance with the Standards for the Professional Practice of Internal Auditing. She concluded by mentioning that her office had conducted two internal audit reports since the last Board meeting. They were an audit of the Board of Governors Foundation, Inc. Student Scholarships as well as an audit of the IT Governance within the Board Office. She added the SUS Performance-based Funding Data Integrity Audits and Certifications will be summarized in the Audit and Compliance Committee's March meeting.

8. Concluding Remarks and Adjournment

Mr. Huizenga asked Board members if anyone had any questions or comments. Hearing none, the Audit and Compliance Committee was adjourned at 5:00 p.m.

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Timothy Cerio, Chair

_____
Lori Clark, Compliance and Audit Specialist

DRAFT

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
March 28, 2019

SUBJECT: Board of Governors Compliance Program Approval

PROPOSED COMMITTEE ACTION

Approval of *State University System of Florida Board of Governors Compliance Program*.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

In fulfilling the Inspector General and Director of Compliance's (OIGC) responsibilities for the compliance function of the Board of Governors Office, Inspector General and Director of Compliance Leftheris has developed the *State University System of Florida Board of Governors Compliance Program* for the Committee's review and consideration for approval.

The United States Sentencing Commission publishes the *Federal Sentencing Guidelines for Organizations* ("Guidelines"), which recommends that all organizations, including higher education institutions, have a comprehensive compliance program in place. Such a program should be designed to prevent and detect criminal conduct. Chapter 8 of the Guidelines lists and defines the seven elements required for an effective compliance program, which are incorporated in the "Compliance Program Structure" section of this document. The Guidelines continue to serve as the standards upon which compliance and ethics programs in all sectors are developed.

Once the Compliance Program is approved, IG Leftheris will develop the Board Office's compliance plan for the Committee to review and consider for approval at the June 2019 meeting.

Supporting Documentation Included: *State University System of Florida Board of Governors Compliance Program*

Facilitators/Presenters: Ms. Julie Leftheris

DRAFT

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
COMPLIANCE PROGRAM

INTRODUCTION

The State University System of Florida Board of Governors ("Board") Compliance Program ("compliance program") is a structured and organized approach to promote and support a culture of compliance, risk mitigation, and accountability. The Office of Inspector General and Director of Compliance (OIGC) has developed its compliance program with a focus on the Board of Governors Office ("Board Office").

The United States Sentencing Commission publishes the *Federal Sentencing Guidelines for Organizations* ("Guidelines"), which recommends that all organizations, including higher education institutions, have a comprehensive compliance program in place. Chapter 8 of the Guidelines lists and defines the seven elements required for an effective compliance program, which are incorporated in the "Compliance Program Structure" section of this document. The Guidelines continue to serve as the standards upon which compliance and ethics programs in all sectors are developed.

The benefits of a comprehensive compliance program within the Board Office are significant. The compliance program exists to:

- Foster a culture that encourages and supports compliance-based decision-making;
- Enhance decision-making by raising awareness of requirements/expectations;
- Reduce risks of non-compliance while increasing the likelihood of early detection and correction;
- Address concerns through collaboration, cooperation, and communication; and
- Enhance employee engagement to report actual or perceived violations of law or policy.

COMPLIANCE PROGRAM STRUCTURE

1) **Executive Oversight**
   Primary oversight and direction for the Board of Governor's compliance program rests with the Board's Audit and Compliance Committee ("Committee"). In addition to the Committee's duties and responsibilities enumerated in the *Audit and Compliance Committee Charter*, the Committee's responsibilities related to compliance focus directly on the Board Office and on the State University System (SUS) through Board of Governors Regulation 4.003.

Proactive and engaged leadership by Board of Governors members and Board Office management is critical to maintaining a strong culture of compliance conduct. The Committee has designated the Board's Inspector General and Director of Compliance (DoC) to implement and administer the Board Office's compliance program.

The DoC serves as the central point for coordination, collaboration, and oversight of activities and initiatives to promote and encourage a culture of compliance behavior. The DoC also serves in an advisory capacity to the Chancellor and his leadership team in making compliance management decisions. Included in the DoC's responsibility for the compliance program implementation is providing oversight and monitoring along with periodic review. The DoC reports functionally to the Board's Audit and Compliance Committee Chair and administratively to the Chancellor. As such, the DoC can escalate critical and/or time-sensitive compliance issues as appropriate and necessary.

As an opportunity to learn from and contribute to compliance for the SUS, the DoC is directed to serve as the Board's liaison on the State University Compliance and Ethics Consortium. The Consortium is composed of compliance directors and representatives from each SUS institution. Its mission is to provide an avenue for SUS institutions to discuss the development and improvement of compliance and ethics programs, new federal and state regulations, best practices, and issues campuses may be facing.

2) Standards of Conduct/Policies and Procedures

The Board Office has designated a separate Ethics Officer (EO), who also serves as the Board of Governors' General Counsel. The DoC will coordinate with the EO on activities that promote and encourage ethical behavior and compliance with laws, rules, regulations, policies, and procedures. Doing so can promote or enhance risk reduction and mitigation efforts.

The *Internal Operating Policies and Procedures Board of Governors' Office* (IOPP) includes guidance on appropriate employee conduct and behavior, which serves as the foundation of the compliance program. All employees are expected to perform their duties and responsibilities with integrity and accountability in compliance with the authoritative sources cited in the IOPP Manual, such as the Code of Ethics for Public Officers and Employees (Part III of Chapter 112, Florida Statutes). Additionally, the OIGC is governed by the *Office of Inspector General and Director of Compliance Charter*.

3) **Education and Training**
The DoC will coordinate with the Board of Governors, university leadership, and others as appropriate for outreach opportunities to educate them on the protocol for addressing concerns they may wish to voice without fear of retaliation. The objective will be for the DoC and the role of the Board of Governors OIGC to be more widely known both at the Board Office as well as on state university system campuses.

4) **Compliance Reviews and Issues Monitoring**
OIGC staff will conduct compliance reviews of statutes, Board of Governors regulations, policies, and procedures to evaluate Board Office as well as related SUS compliance. Identifying areas for review will be included in an annual OIGC risk assessment and scaled to available staff resources. The annual work plan will be presented to the Board of Governors through the Audit and Compliance Committee annually for their review and approval.

5) **Enforcement and Discipline**
An effective compliance program is one which incentivizes employees to engage in conduct in accordance with laws, regulations, rules, and policies. Conversely, it also applies appropriate disciplinary measures when employees engage in non-compliant conduct. The *Internal Operating Policies and Procedures of the Board of Governors' Office* describes what is required of employees as well as disciplinary measures for non-compliance.

6) **Effective Lines of Communication and Reporting**
Open lines of communication are critical to early detection and identification of issues. Issue identification also points to areas or topics requiring additional monitoring or education. Employees are encouraged to share concerns and issues with their supervisor or other appropriate officials.

There are, however, situations when employees of either the Board Office or an SUS institution are not comfortable sharing a concern. In those cases, employees are encouraged to contact the OIGC by email, phone, or completing the "General Complaint Form" accessible via the "How to File a Complaint" section of the Office of Inspector General and Director of Compliance webpage: https://www.flbog.edu/board/office/ig/complaint.php.

7) **Response and Reporting Results**
As described in the *Office of Inspector General and Director of Compliance Charter*, and in accordance with its internal procedures, the OIGC's implementation of its investigative responsibility is to deter, detect, and investigate fraud, waste, mismanagement, misconduct and other abuses.

For complaints concerning the SUS, the OIGC strives to promote accountability, efficiency, and effectiveness and to detect fraud and abuse within state universities. Upon receipt of any significant and credible allegations, OIGC staff are governed by the *Office of Inspector General and Director of Compliance Charter* and Board of Governors Regulation 4.001, *University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement.* The former describes the process for conducting a preliminary inquiry and making a determination for any possible Board of Governors action through the OIGC. The latter describes the process for any OIGC role that may be required in evaluating and/or handling the matter.

Reporting results of reviews or investigations is critical to fostering an environment of integrity, trust, and accountability. Corrective actions as a result of an investigation can aid in the prevention of similar future issues.

8) **Program Design and Effectiveness Review**
Internal and external assessments of a program's design and effectiveness are a critical management tool for program improvement. The DoC, in coordination with the Chancellor and Board of Governors Audit and Compliance Committee Chair, will oversee the compliance program evaluation process.

The DoC will report annually to the Board of Governors through the Audit and Compliance Committee on the compliance program's effectiveness. This information will be included in the *Office of Inspector General and Director of Compliance Annual Report*, which is due by September 30th each year. Any changes to the compliance program or the Office of Inspector General and Director of Compliance Annual Work Plan will be presented to the Board of Governors through its Audit and Compliance Committee for review and approval consideration.

The compliance program will undergo an external review of the program's design and effectiveness at least once every five years and make recommendations for improvement. Review results will be reported to the Board of Governors Audit and Compliance Committee as well as to the Chancellor of the State University System of Florida Board of Governors.

History: Adopted xx-xx-xx.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
March 28, 2019

SUBJECT: Performance-based Funding Data Integrity Audit Results and Certifications Summary

PROPOSED COMMITTEE ACTION

Information Only – Discussion of university performance-based funding data integrity audit reports, corrective action plans (if applicable), and certifications.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

In his July 12, 2018, letter to university presidents and boards of trustees' chairs, Board of Governors Chair Ned Lautenbach reiterated the importance of reliable, accurate, and complete data from each state university to the Board of Governors to use in assessing each institution's excellence and improvements in 10 key metrics.

Chair Lautenbach directed each university president to request the university's chief audit executive to conduct an audit of the university's processes that ensure the completeness, accuracy, and timeliness of data submissions to the Board Office. University presidents should then use the audit results to affirm, or modify if necessary, the Certification form regarding the effectiveness of the university's processes.

Committee members will receive a summary of the Performance-based Funding Data Integrity Certification process results as well as copies of the related chief audit executives' audits and certifications for their review and discussion.

Supporting Documentation Included:	University Performance-based Funding Data Integrity Audit Reports, Corrective Action Plans (as applicable), Certifications, and Summary Table
Facilitators/Presenters:	Ms. Julie Leftheris

Florida A&M University Project Report

2018-19 Performance Based Funding Data Integrity Audit

Overall Rating	Finding Counts	Target Completion
CONTROLS ARE EFFECTIVE	0 Findings	January 30, 2019

Objective, Background and Scope

FLORIDA A&M UNIVERSITY
TALLAHASSEE, FLORIDA • EST. 1887

Purpose / Objective	Background	Scope
The Performance Based Funding Data Integrity Audit is designed to assess those controls that address the topic of data integrity, including a detailed analysis of the processes, procedures, system based controls and other data verification measures in place to support the integrity of information presented to the Florida Board of Governors (Board) for the University's Performance Funding calculations. The objectives of this audit were to: A. Determine whether the university's performance based funding-related controls, processes, and data submissions were complete, accurate, and data submissions are timely. B. Evaluate the representations included on the Data Integrity Certification.	The Division of Audit and Compliance conducts internal audits of the University's operations, programs, and activities to provide management with independent, objective assurance services designed to add value and improve the University's operations. These services assist the University in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. **Audit Methodology** Data submitted to the Board, upon which performance funding is based, and methods and controls applied by management to ensure data integrity were subject to several key audit procedures. Specifically, detailed management narratives, as well as Board publications related to data compilation were reviewed, and various samples of data reported to the Board were verified to University source documents. Our audit was conducted in accordance with the International Professional Practices Framework, published by the Institute of Internal Auditors, Inc.; the Government Auditing Standards, published by the United States Government Accountability Office; and the Information Systems Auditing Standards published by ISACA.	The focus of the audit is specifically on the controls surrounding the development and submission of data relative to the University's 10 Performance Funding Metrics as outlined and approved by Florida Board of Governors: 1. Percent of Bachelor's Graduates Enrolled or Employed ($25,000+) 2. Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation 3. Cost to the Student (Net Tuition and Fee Cost to the Student) 4. Four Year FTIC Graduation Rate 5. Academic Progress Rate (2nd Year Retention with GPA Above 2.0) 6. Bachelor's Degrees within Programs of Strategic Emphasis 7. University Access Rate (Percent of Undergraduates with a Pell-grant) 8. Graduate Degrees Awarded in Areas of Strategic Emphasis (includes STEM) 9. Percent of Bachelor's Degrees without Excess Hours 10. Percent of R&D Expenditures Funded from External Sources Management responses to audit inquiries gathered are intended to reflect managements' assertions as to the validity, consistency, and integrity of Performance Funding Data. This audit reviewed Performance Funding Metrics reported data as of October 31, 2018.

Overall Project Rating

FLORIDA A&M UNIVERSITY
TALLAHASSEE, FLORIDA • EST. 1887

Overall Conclusion / Rating Description	Rating Scale
Based on our audit, we have concluded that controls and processes which Florida A & M University has in place to ensure the accuracy and completeness of data submitted to the Board of Governors in support of performance based funding were operating effectively. Generally, controls evaluated were adequate, appropriate, and effective to provide reasonable assurance that risks related to Performance Based Funding are being managed and objectives of data submissions as outlined in Florida Board of Governor file submission guides were met.	CONTROLS ARE EFFECTIVE CONTROLS NEEDED SOME IMPROVEMENT CONTROLS NEEDED SIGNIFICANT IMPROVEMENT CONTROLS ARE UNSATISFACTORY

FAMU | FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY

Division of Audit and Compliance (DAC)

To: **Julie Leftheris, Inspector General**

From: **Rica Calhoun, Interim Vice President, Division Audit and Compliance** Rc.

Date: **February 26, 2019**

Re: **Performance Based Funding Data Integrity Audit: Prior Audit Findings Update**

The Florida A&M University Board of Trustees Audit Committee emphasized the importance of imp corrective action and University management completed significant work to do so. The Division of A Compliance followed up on all audit findings from 2017-18 through our regular follow-up process th year and as part of the 2018-2019 Performance Based Funding Data Integrity Audit. The Division co audit pursuant to accepted audit standards. The results of the audit testing indicated that the data files materially correct. The Division of Audit and Compliance will continue to monitor the processes of a performance based funding to ensure data accuracy.

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Performance Based Funding

March 2019 Data Integrity Certification

University Name: Florida A&M University

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission	☒	☐	

Performance Based Funding

Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures
I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors. Certification: _____ Date 3/7/19 President
I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge. Certification: _____ Date 3/7/19 Board of Trustees Chair

Report No. FAU 18/19-1
Report Issue Date: December 12, 2018

FLORIDA ATLANTIC UNIVERSITY™

Office of Inspector General

Audit Report: *Performance Based Funding Data Integrity*

As of October 31, 2018

Use of Report

We are employed by Florida Atlantic University. This report is intended solely for the internal use of the State University System and is not intended to be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

BOCA RATON • DANIA BEACH • DAVIE • FORT LAUDERDALE • JUPITER • PORT ST. LUC

REPORT ON THE AUDIT OF PERFORMANCE BASED FUNDING DATA INTEGRITY

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2018 Performance-Based Funding Model
Final Metric Score Sheet

Scores in black are based on Excellence. Scores in orange are based on Improvement.

Metric	FAMU	FAU	FGCU	FIU	FSU	NCF	UCF	UF	UNF	USF	UWF
1	7	8	8	7	7	10	7	9	8	8	6
2	6	9	9	9	8	4	9	10	8	8	8
3	10	10	7	10	10	10	2	8	1	6	10
4	5	3	2	10	10	10	5	10	1	10	6
5	3	7	4	10	10	1	7	10	4	6	7
6	7	10	10	9	7	10	10	10	10	10	10
7	10	9	7	10	6	6	9	6	7	9	9
8.a	9	10	10	9	8		10	10	9	10	10
8.b						4					
9	5	8	8	6	10	10	8	10	10	9	10
10.a	10										
10.b		10	10	10							
10.c					10						
10.d						10					
10.e							10				
10.f								10			
10.g									10		
10.h										10	
10.i											10
Total Score	72	84	75	90	86	75	77	93	68	86	86

Metric 1 - Percent of Bachelor's Graduates Employed and/or Continuing their Education Further 1 Yr after Graduation
Metric 2 - Median Average Wages of Undergraduates Employed 1 Yr after Graduation
Metric 3 - Net Tuition & Fees per 120 Credit Hours
Metric 4 - Four Year Graduation Rates (Full-time FTIC)
Metric 5 - Academic Progress Rate (2nd Year Retention with GPA above 2.0)
Metric 6 - Bachelor's Degrees Awarded in Areas of Strategic Emphasis (includes STEM)
Metric 7 - University Access Rate (Percent of Undergraduates with a Pell Grant)
Metric 8a - Graduate Degrees Awarded in Areas of Strategic Emphasis (includes STEM)
Metric 8b - Freshman in Top 10% of Graduating High School Class
Metric 9 - Board of Governors' Choice (see detailed sheets)
Metric 10 - Board of Trustees' Choice (see detailed sheets)

FAU
FLORIDA ATLANTIC UNIVERSITY

MEMORANDUM

TO: Dr. John Kelly
President

FROM: Morley Barnett
Inspector General

DATE: December 12, 2018

SUBJ: PERFORMANCE BASED FUNDING DATA INTEGRITY AUDIT

In accordance with the University's Internal Audit Plan for fiscal year 2018-19, and at the request of the Florida Board of Governors (BOG), we have conducted an audit of the processes and controls that Florida Atlantic University has in place related to data submissions in support of the BOG performance based funding metrics as of October 31, 2018. The report contained herein presents our scope and objectives and provides comments and conclusions resulting from procedures performed.

Please call me if you have any questions.

cc: University Provost
Vice Presidents
University Chief Information Officer
University Data Administrator
FAU Board of Trustees
Inspector General, Florida Board of Governors
Florida Auditor General

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An Equal Opportunity/Equal Access Institution

Executive Summary

In accordance with the University's Internal Audit Plan for fiscal year 2018-19, and at the request of the Florida Board of Governors (BOG), we have conducted an audit of the University's processes and controls which support data submitted to the BOG for its performance based funding (PBF) metrics. This audit was part of a system-wide examination of data integrity based on data due to be submitted to the BOG as of October 31, 2018.

The primary objectives of this audit were to:

- Evaluate controls and processes established by the Office of Institutional Effectiveness and Analysis and primary data custodians to ensure completeness, accuracy, and timeliness of data submitted to the BOG; and,

- Provide a reasonable basis of support for the Performance Based Funding Data Integrity Certification statement which is required to be signed by the University president and Board of Trustees chair.

Audit procedures included, but were not limited to, the evaluation of internal controls as those controls relate to the accomplishment of the foregoing audit objectives, as well as limited compliance testing of data elements comprising the *Degrees Awarded* and *Student Financial Aid* data files which are used in computations for Metrics 4 and 7 of the BOG performance based funding model.

Based on our observations and tests performed, we are of the opinion that the University's processes and internal controls for data compilation and reporting to the BOG are adequate. There were no findings or recommendations as a result of this audit.

FAU
FLORIDA ATLANTIC UNIVERSITY

December 12, 2018

Dr. John Kelly
President
Florida Atlantic University
Boca Raton, Florida

Dear President Kelly:

SCOPE AND OBJECTIVES

At the request of the Florida Board of Governors, we have conducted an audit of the processes used by the University to ensure the completeness, accuracy, and timeliness of data submissions to the BOG. As part of this system-wide audit, we chose to focus on data elements supporting Metric #4 – *Four-Year Graduation Rate,* and Metric #7 – *University Access Rate*.

The primary objectives of this audit were to:

- Evaluate controls and processes established by the Office of Institutional Effectiveness and Analysis and primary data custodians to ensure completeness, accuracy and timeliness of data submitted to the BOG; and,

- Provide a reasonable basis of support for the Performance Based Funding Data Integrity Certification statement which is required to be signed by the University president and Board of Trustees chair.

Our audit covered data submissions to the BOG through October 31, 2018. Detailed testing of data submitted to the BOG was limited to information found in the *Degrees Awarded (SIFD)* and *Student Financial Aid (SFA)* files, used for calculation of Metrics #4 and #7 respectively. Elements located in data tables of these two files were tested on a sample basis for validation with information primarily recorded in the Banner Student System and other records such as scanned documents maintained in the University's virtual imaging system - VIP. Other relevant information reviewed for the audit included BOG narratives on PBF metric derivations, BOG data definitions, minutes of the University's data integrity committee, and documentation related to controls over centralized and decentralized data validation, compilation and submission protocols.

Our audit was conducted in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

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BACKGROUND

The Florida Board of Governors has broad governance responsibilities affecting administrative and budgetary matters for Florida's 12 public universities. In January 2014, the BOG approved a performance funding model for the State University System of Florida (SUS) based on ten metrics, the first eight of which are common to all institutions and the last two reflecting the choices of the BOG and each university's board of trustees respectively. Listed below are the 10 performance based funding metrics which are applicable to Florida Atlantic University for the 2018/19 scoring cycle:

1. **Percent of Bachelor's Graduates Employed (Earning $25,000 +) or Continuing their Education**
2. **Median Wages of Bachelor's Graduates Employed Full-time**
3. **Average Cost to the Student (Net Tuition per 120 Credit Hours)**
4. **Four Year Graduation Rate (Full-time FTIC)**
5. **Academic Progress Rate (Second Year Retention Rate with GPA Above 2.0)**
6. **Bachelor's Degrees Awarded in Areas of Strategic Emphasis**
7. **University Access Rate (Percent of Undergraduates with a Pell grant)**
8. **Graduate Degrees Awarded in Areas of Strategic Emphasis**
9. **Percent of Baccalaureate Degrees Awarded Without Excess Hours**
10. **Percent of Baccalaureate Degrees Awarded to Minorities**

The BOG performance funding model has four guiding principles: 1) use metrics that align with SUS Strategic Plan goals, 2) reward Excellence or Improvement, 3) have a few clear, simple metrics, and 4) acknowledge the unique mission of the different SUS institutions.

Controls over Data Validation, Compilation, and Submission

The Florida Board of Governors maintains a student unit record database titled the State University Database System (SUDS). This database contains over 400 data elements about students, faculty and programs at SUS institutions. SUDS is part of a web-based portal developed by the BOG for the SUS to report data, and has centralized security protocols for access, data encryption, and password controls. Initial input of data files supporting PBF metrics is the responsibility of primary data custodians, such as the Admissions Office, Office of the Registrar, and Student Financial Aid, and is scheduled to be uploaded to SUDS based on the BOG's *Due Date Master Calendar*. Data uploaded to SUDS by various departments are subject to edit checks to help ensure propriety, consistency with BOG-defined data elements, and accuracy of information submitted. Once satisfied that any edit errors have been fully addressed, official submission of data files to the BOG is managed by the Office of Institutional Effectiveness and Analysis (IEA), a unit within the Office of Information Technology.

Each file submission by IEA is subject to an affirmation statement in SUDS which declares that data submitted for approval "represents electronic certification of this data per Board of Governors Regulation 3.007". The University also requires an internal certification by departments when they upload data to SUDS. The internal certification is an email notification to IEA from the departmental data custodian manager which states "I certify that the approved business process for submission of the data file(s) has been followed and that the data submission is free from any major errors and accurate to the best of my knowledge."

Board of Governors acceptance of data submissions is a formal process which is documented in SUDS, and if a submission is rejected it will be subject to resubmission protocols set by the BOG.

Degrees Awarded and Student Financial Aid data submissions

As part of the audit, we chose to focus on Metrics 4 and 7 based on significant changes in the computations and implications for the 2018/19 performance based metrics scoring cycle. Since implementation of the performance metrics model for the State University System in 2014, Metric #4 had been established to evaluate the 6-Year graduation rate for first-time-in-college (FTIC) students from the same university. Evaluation for this metric was recently changed to a 4-Year rate benchmark, with the most current information based on FTIC students graduating in the 2018 summer semester. Universities that meet or exceed the 50% mark under the new standard will be granted maximum points, while those with a 4-Year graduation rate below 38.8% will receive no points. Similarly, Metric #7, which measures the level of undergraduates receiving Pell grants, had an unchanged benchmark scoring rate since 2014. Recent changes to this metric make it more restrictive by allowing universities to only score maximum points if the percent of undergraduates receiving Pell grants comprise 42% or more of enrollment. The most current information filed with the BOG for this metric reflect undergraduate students enrolled during the 2017 fall semester.

COMMENTS AND RECOMMENDATIONS

Current Findings and Recommendations

No findings were noted as a result of this audit.

Prior Audit Recommendations

Our examination generally includes a follow-up on findings and recommendations of prior internal audits, where the subjects of such findings are applicable to the scope of the current audit being performed.

Within the past three years, our office has conducted data integrity audits related to the BOG performance based funding model. There were no reportable findings in the prior year's audit and any audit recommendations reported in similar audits completed during the last three fiscal years were satisfactorily addressed with appropriate corrective action.

CONCLUSION

Based on our audit, we have concluded that the controls and processes which Florida Atlantic University has in place to ensure the accuracy and completeness of data submitted to the Board of Governors in support of performance based funding are adequate.

We believe our audit can be relied upon by the University Board of Trustees and president as a basis for certifying representations to the Board of Governors related to the integrity of data required for its performance based funding model.

We wish to thank the staffs of the Office of Institutional Effectiveness and Analysis, Office of the Registrar, and other primary data custodians for their cooperation and assistance which contributed to the successful completion of this audit.

Morley Barnett, CPA, CPE
Inspector General

Audit performed by: Morley Barnett, CPA, CFE
Allaire Vroman

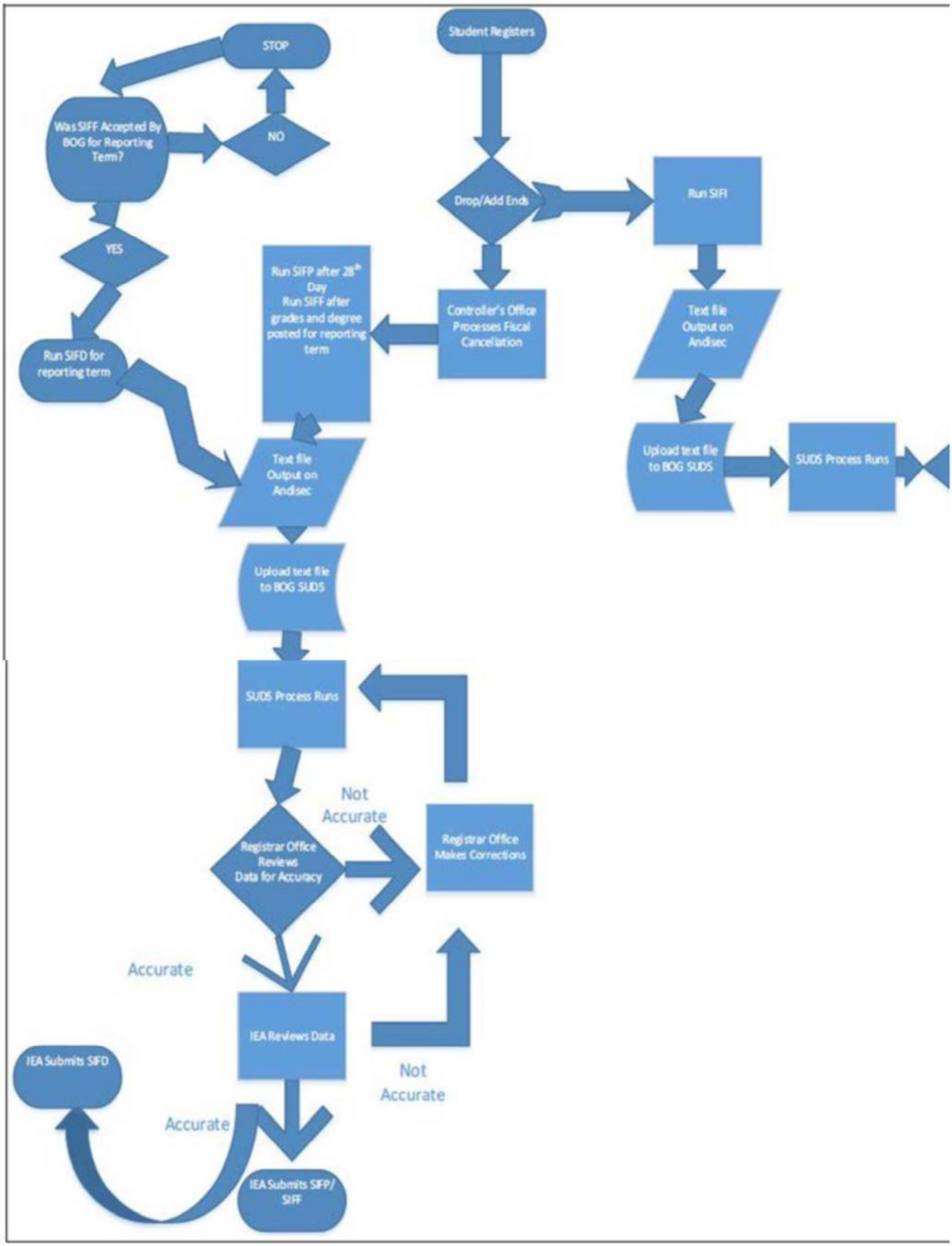
Performance Based Funding Data Integrity Audit
10/31/2018

LIST OF REPORT APPENDICES

	Appendix
• TYPICAL INTERNAL DATA PROCESS FLOW AND SUBMISSION TO BOG - *Office of the Registrar*	A
• MEHODOLOGY FOR METRICS CALCULATIONS - *SIFD and SFA* FILES - Metric #4, *Retention and Graduation Rates* - Metric #7, *University Access Rate*	B
• DATA INTEGRITY CERTIFICATION STATEMENT REQUIRED BY BOG	C

Typical Process Flow for Data Integrity and Submission to the Florida Board of Governors **Appendix A**

-Office of the Registrar-



Metric #4 **Appendix B**

Performance Funding Metrics

Retention and Graduation Rates

OVERVIEW OF METHODOLOGY AND PROCEDURES

REVISED 07/13/2018

STATE UNIVERSITY SYSTEM *of* FLORIDA
Board of Governors

PERFORMANCE FUNDING METRICS

RETENTION & GRADUATION RATES

METHODOLOGY & PROCEDURES

REVISED 07/1

Background

The national standard graduation rate was created by the Student Right to Know Act of 1990, which required institutions of higher education receiving federal financial assistance to report graduation rates to current and prospective students via the US Department of Education's Integrated Postsecondary Education Data System (IPEDS). This act established the graduation rate based on 150% of the normal time for completion from the program - which is six years for a four-year program.

In 2011, the Board of Governors included retention and graduation rate metrics in its 2012-2025 System Strategic Plan. In 2014, the importance of the retention and graduation rate data was further elevated by their inclusion in a new Performance-Based Funding (PBF) Model. In 2018, the Florida Legislature changed the graduation rate metric included in PBF from a six-year to a four-year measure. This document provides details on the methodology and procedures used by Board of Governors staff during the analysis of the retention and graduation rate data as reported in the annual Accountability Report and used in the Performance Based Funding model.

1. Overview of Data Sources & Procedure

The State University System of Florida Board of Governors maintains a student unit record database titled the State University Database System (SUDS). This database contains over 400 data elements about students, faculty and programs at SUS institutions. Retention and graduation rate data are finalized using the Retention submission. The Board's Office of Data & Analytics (ODA) unit builds the Retention file annually using data from the Admission (ADM), Student Instruction File (SIF) and the Degrees Awarded (SIFD) submissions that have been previously submitted by university Data Administrators. Once Retention has been built, each university Data Administrator reviews the Retention data and works with ODA staff to make edits before university Data Administrators approve and submit the final data to ODA. After universities have approved the Retention submission, the Board's ODA staff calculate the number of students in a cohort (which serves as the denominator) and the number of those same students who are retained or graduated by a specified year (which serves as the numerator). ODA staff then provide the results of the retention and graduation rate data analysis to each university Data Administrator for their review and approval prior to the data being shared with, and approved by, each university Board of Trustee and the Board of Governors as part of the Accountability Plan process.

2. Defining the Cohort

A cohort is a group of people used in a study who have something in common. In this case, a cohort is composed of students who were all admitted to the university during the same year. The number of students who are assigned to a cohort serves as the denominator in the calculation of retention and graduation rates. University Data Administrators classify students based on the following components which Board staff use to determine student cohorts:

a. Student Level:

Only the students who meet the following criteria are included in the cohort.

- STUDENT CLASS LEVEL [#1060] is either L (lower division undergraduate) or U (upper division undergraduate).
- DEGREE HIGHEST HELD [#1112] must be less than a Bachelor's.
- FEE CLASSIFICATION KIND [#1107] must equal 'G' (general instruction).

b. Cohort Year:

A year is measured differently in retention and graduation data than the standard academic year (of summer, fall, spring). A retention cohort year is defined as the fall, spring, and summer terms. Students selected for inclusion within each Cohort Year are based on the following rule:

- DATE MOST RECENT ADMISSION [#1420] equals REPORTING TIME FRAME [#2001].

c. Cohort Types:

The COHORT TYPE [#1429] is a derived element that is built by ODA and is based on the TYPE OF STUDENT AT TIME OF MOST RECENT ADMISSION [#1413] as assigned by the university.

- First-Time in College Students include two types of students:
  - Students who are admitted into a university for the first time and who have earned less than 12 credit hours after high school graduation [#1413= 'B'].
  - Students who are considered 'Early Admits' because they have been officially admitted and are seeking a degree at the university prior to their high school graduation [#1413= 'E'].
- AA Transfer Students who have transferred from the Florida College System with an Associate in Arts Degree. This value is based on the three following elements:
  - TYPE OF STUDENT AT DATE OF ENTRY [#1068] or TYPE OF STUDENT AT TIME OF MOST RECENT ADMISSION [#1413] equals 'J'.
  - DEGREE HIGHEST HELD [#1112] equals 'A' (Associates).
  - LAST INSTITUTIONAL CODE [#1067] or INSTITUTION GRANTING HIGHEST DEGREE [#1411] must equal a Florida Public Community College.
- Other Transfer Students include all other undergraduate transfer students.

d. Student Right to Know Flag:

The STUDENT RIGHT TO KNOW (SRK) FLAG [#1437] is an entry status indicator that is a 'Yes/No' flag based on the term (Summer, Fall, or Spring) that a student is first admitted.

- YES: If a student enters the institution in the fall term the SRK flag will be set to 'Yes'. If a student enters the institution in the summer term and progresses to fall term, the SRK flag will be set to 'Yes'.
- NO: If a student enters in the summer term and does not progress to the fall term; or, if a student enters in the spring term the SRK flag will be set to 'No'.

e. Full-Time / Part-Time Indicator:

The FULL-TIME / PART-TIME INDICATOR [#1433] is an indicator based on the number of credit hours attempted (not earned) during their first fall term. A student entering in the fall and taking 12 or more credit hours will remain in the full-time category regardless of the number of credits taken in subsequent terms.

- This indicator is based on the CURRENT TERM COURSE LOAD [#1063] which is the number of hours enrolled/attempted during a term. This excludes courses that are audited, all credits awarded during the term through 'Credit by Examination'. Students completing prior term incompletes are not included unless they have registered and paid fees for the credits they are completing.
- This indicator is used in reporting retention and graduation data to the federal government - to IPEDS.

f. Cohort Revisions and Adjustments:

The US Congress and the US Dept. of Education allow institutions to make revisions and adjustments to their student cohorts. There is a difference between revising and adjusting a cohort. Revising a cohort means modifying the cohort data to reflect better information that has become available since the cohort was first reported. Adjusting a cohort means subtracting any allowable exclusions from the revised cohort to establish a denominator for graduation rate calculation. These cohort adjustments are typically the cause of the differences between historical and updated retention and graduation rates.

- Cohort Adjustment Flag [#1442] is a data element on the Retention Cohort Changes (RETC) table that is used to indicate that a retention file record has been modified based on a change in status of the student at the institution.
    - University Data Administrators identify the students who have died, suffered a permanent disability, left to serve in the Armed Services, left to serve in with Foreign Aid Service of the federal government (such as the Peace Corps), or left to serve on an Official Church Mission. These students are removed from the cohort and are not included in the retention and graduation rates.
    - University Data Administrators also can identify students who enter an Advanced Graduate program (e.g., PharmD) without earning a bachelor's degree. Since these students do not earn a bachelor's degree, they can be removed from the standard FTIC cohort. This is technically an adjustment, not an exclusion because students are moved from one cohort to another.

3. Calculating the Number Retained or Graduated

a. Second Year Retention Rates

- Cohorts: The number of students in the cohort serves as the denominator for the retention rate, and is based on the following rules: Cohort Type= 'FTIC'; Student Right to Know (SRK)= 'Yes'; FT/PT Indicator= 'Full-time'.
    - The methodology used for the Retention Rate in the annual Accountability Report is different from what is reported to the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS). The primary difference is due to timing – the retention rate that is reported to IPEDS is based on preliminary enrollment data; whereas the retention rate in the annual Accountability Report is based on final enrollment data.
- Retained: The number of students in the cohort who are enrolled during the second fall term serves as the numerator for the retention rate.
- As part of the Performance Based Funding model, the Board of Governors decided to add a Grade Point Average (GPA) component to the standard retention rate metric to gain a sense of how well students who are retained are doing in their courses. This new metric is called the Academic Progress Rate. Board staff decided to use a cumulative GPA (at the end of the first year - before the second fall term) of at least 2.0 as a threshold because it is a commonly referenced measure of satisfactory academic progress. In fact, FTICs who returned for their 2nd fall with a GPA above 2.0 are *8 times more likely* to graduate within six years than students who begin their second Fall with a GPA of less than 2.0.

b. Four Year FTIC Graduation Rates

- Cohorts: The number of students in the cohort serves as the denominator for the graduation rate. The denominator used in the calculation of the four-year FTIC graduation rate is based on the following: Cohort Type= 'FTIC' ('B' and 'E'); SRK= 'Yes'; FT/PT Indicator= 'Full-time' only; when Cohort Adjust Indicator is not equal to 'A','B', 'F', 'K','P', 'T' and when Degree Level Sought (#01053) in the fourth year is not equal to a Pharmacy Degree ('W').
- Graduated: The number of students in the cohort who graduated within four years (by the fourth summer term after entry) from the same university serves as the numerator for the graduation rate. It is important to note that a small number of degrees are reported to SUDS after the degree was awarded – these are called 'late degrees'. The methodology for four-year graduation rates include these 'late degrees'; however, late degrees that haven't already been submitted on the SIFD must be submitted on the Retention submission to be included in the graduation rates.

Metric #7 **Appendix B**

Performance Funding Metrics

University Access Rate

(Percent of Undergraduates with a Pell Grant)

OVERVIEW OF METHODOLOGY AND PROCEDURES

REVISED 06/08/2016

STATE UNIVERSITY SYSTEM *of* FLORIDA

Board of Governors

The State University System of Florida included the University Access Rate in the Performance-Based Funding model to help preserve access for students from low-income families. This document provides details on the methodology and procedures used by Board of Governors staff to calculate the percentage of undergraduates with a Pell-Grant as reported in the annual Accountability Report and used in the Performance Based Funding model.

BOG Analysis of State University Database System (SUDS) Data

The State University System of Florida Board of Governors maintains a student unit record database titled the State University Database System (SUDS). This database contains over 400 data elements about students, faculty and programs at SUS institutions. The University Access Rate is based on data from the enrollment table on the Student Instruction File (SIF), and the Awards table on the Student Financial Aid (SFA) file.

a. **Numerator**: Board staff query the Financial Aid Awards table within SUDS to identify the students who received a Pell Grant (award_prog_id='001') during the Fall term (award_payment_term= 'yyyy08').

   - In addition to demonstrating financial need, the US Dept. of Education considers other factors when determining eligibility for a federal Pell grant. For example, students must be a US citizen or an eligible noncitizen[1]. The US Dept. of Education does provide a few exceptions whereby non-resident aliens can receive a Pell grant. SUDS does not collect information to allow Board staff to determine the Pell-eligibility for non-resident aliens; therefore, Board staff exclude non-resident aliens (#2043 = 'Y') from both the numerator and denominator for this metric.

b. **Denominator**: Board IR staff identify all degree-seeking undergraduate (both lower and upper divisions) students enrolled in the Fall term. In addition, Board staff exclude unclassified students (student_class_level='N') and post-baccalaureate students (stu_recent_adm_typ= 'P') from the denominator because these students are not eligible for a Pell grant.

Note on US Dept. of Education Pell Data

The US Dept. of Education reports data for the 'Percent of Undergraduate Students Receiving Pell Grants' online at the Integrated Postsecondary Education Data System (IPEDS) website. However, Board staff decided not to use the IPEDS data for this metric for the following reasons:

- Since there is funding attached to the data, Board staff felt it was preferable to calculate the percentage of undergraduates receiving Pell grants using the student level data that is available in SUDS rather than simply using the data that universities report to IPEDS.
- Board staff also felt that the methodology that is used by IPEDS to generate their percentage of undergraduates who received a Pell grant is flawed. In IPEDS, the numerator is based on the number of students who received a Pell grant anytime during a particular academic year. Alternatively, the denominator is only based on the students enrolled during the Fall term – including unclassified students who are not seeking a degree and therefore not eligible for financial aid. Furthermore, the IPEDS Financial Aid survey imports the total headcount denominator from their Fall Enrollment survey. Due to the IPEDS schedule for data submissions, the State University System of Florida institutions use the *preliminary* Student Instruction File (SIFP) data when reporting the total Fall enrollment counts on the Fall Enrollment survey, so the denominator that IPEDS uses to calculate the percentage of undergraduates who received a Pell grant is based on preliminary data.

[1] For more information about eligibility requirements for the federal Pell grant, see: https://studentaid.ed.gov/sa/eligibility/basic-criteria.

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Performance Based Funding

March 2019 Data Integrity Certification

University Name: _____

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☑	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☑	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☑	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☑	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☑	☐	

Performance Based Funding Data Integrity Certification Form

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☑	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☑	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☑	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☑	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☑	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☑	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☑	☐	

Performance Based Funding Data Integrity Certification Form

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleadi withheld information relating to these statements render this certification void. My signature below acknowledges that read and understand these statements. I certify that this information will be reported to the board of trustees and the Bo Governors.

Certification: _____ Date 1/15/19
President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____ Date 1/15/19
Board of Trustees Chair

Performance Based Funding Data Integrity Certification Form

Performance Based Funding

Data Integrity Audit

Florida Gulf Coast University

January 17, 2019

William Foster, MBA, CPA, CIA, CGAP, CFE, CRMA, CCSA
Director, Internal Audit

Executive Summary

At the direction of the Florida Board of Governors (BOG), audit procedures were performed to determine whether Florida Gulf Coast University (University) has effective internal controls, processes and procedures in operation to ensure the completeness, accuracy, and timeliness of the data submissions to the BOG which support the University's Performance Funding Metrics. Certain procedures were applied to the data submitted during the period October 1, 2017 through September 30, 2018. The procedures were originally established jointly by the State University Internal Audit leaders to ensure that the audit guidelines provided by the BOG were fully addressed.

Specifically, responsible management and other personnel were interviewed, detailed narratives related to data compilation and submission were reviewed, and various samples of data reported to the BOG were verified. These procedures were performed by Mauldin & Jenkins, an independent audit firm, as an Agreed Upon Procedures Engagement performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The Mauldin & Jenkins report, which appears as Appendix A to this report, is intended solely for the information and use of Florida Gulf Coast University.

It is the University's responsibility to conclude on the completeness, accuracy, and timeliness of the data submissions based upon the procedures applied. The University was involved in the development of the appropriate audit procedures to be applied, in accordance with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors, and in the implementation of the agreed upon procedures. Internal Audit personnel acted as liaison between Mauldin & Jenkins auditors and University management and staff. Our responsibilities included ensuring that accurate information was provided by University personnel to Mauldin & Jenkins and that any initial anomalies during testing were appropriately resolved.

Our audit, which incorporates the Mauldin & Jenkins Agreed Upon Procedures Report, was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors. The audit procedures provided a reasonable basis for my opinion and the following reportable observation.

Background

The Florida Board of Governors (BOG) has broad governance responsibilities that affect administrative and budgetary matters for Florida's public universities. Beginning in fiscal year 2013 – 2014, the BOG instituted a performance funding program which is based on 10 performance metrics used to evaluate the institutions on a range of issues.

The 2017-2018 metrics are listed below:

No.	Performance Based Funding 2017-2018 Metrics
1	Percent of Bachelor's Graduates Enrolled or Employed ($25,000+) in U.S.
2	Median Average Wages of Bachelor's Graduates Employed 1 Year After Graduation in U.S.
3	Cost of Bachelor's to Student, net tuition and fees per 120 credit hours
4	Four Year FTIC Graduation Rate
5	Academic Progress Rate, FTIC 2nd year retention, GPA above 2.0
6	Bachelor's Degrees within Programs of Strategic Emphasis
7	University Access Rate, percentage of undergraduates with Pell grants
8	Graduate Degrees within Programs of Strategic Emphasis
9	Percent of Bachelor's Degrees Without Excess Hours (Board of Governors' Choice)
10	Bachelor's Degrees Awarded to Minorities (Board of Trustees' Choice)

According to information published by the BOG in March 2016, the following are key components of the funding model:

- Institutions are evaluated on either Excellence or Improvement for each metric.
- Data is based on one-year data.
- The benchmarks for Excellence are based on the Board of Governors 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement were determined after reviewing data trends for each metric.
- The Florida Legislature and Governor determine the amount of new state funding and an amount of institutional funding that will come from each university's recurring state base appropriation.

The amount of the state investment appropriated by the Legislature and Governor for performance funding will be matched by an amount reallocated from the university system base budget. These "institutional base" funds are the cumulative recurring state appropriations the Legislature has appropriated to each institution.

The highest point value for each metric is 10 points. All 10 of the metrics have equal weight. From a total possible 100 points, a university is required to earn at least 51 points in order to be eligible for new funding.

The Agreed Upon Procedures report included as part of this report discloses one observation regarding one data late submission.

Observation

Hours to Degree Submission (HTD): Academic Administration directed Institutional Research and Analysis (IRA) to hold the Hours to Degree submission for additional reviews of the data to ensure that the University received every possible credit for its performance. The submission is critical to FGCU's Performance Metrics score, and compiling the data is time intensive. Management wanted a final review at the highest level to ensure accurate data.

Submission	Term or Year	Due Date	Date Submitted	Business Days Late
Hours to Degree (HTD)	Annual 2016 – 20162017	11/08/2017	11/17/2017	6

In my opinion, this observation did not affect the overall integrity of the data submissions. This observation does not require Management to create a new corrective action plan to address the observation. Overall, FGCU staff provide accurate and timely information to the Board of Governors.

Conclusion

In my opinion, based upon the work performed, the internal controls, processes and procedures Florida Gulf Coast University has in place to ensure the completeness, accuracy, and overall timeliness of data submissions to the BOG that affect performance based funding metrics are operating effectively.

Audit Report Prepared by: William Foster, MBA, CPA, CIA, CGAP, CFE, CRMA, CCSA,
Director, Internal Audit.

APPENDIX A

FLORIDA GULF COAST UNIVERSITY
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING
AGREED-UPON PROCEDURES

January 14, 2019

FLORIDA GULF COAST UNIVERSITY
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

January 14, 2019

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MAULDIN & JENKINS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Joseph G. Fogg III, Chair Audit and Compliance Committee
Florida Gulf Coast University
Fort Myers, Florida 33965-6565

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees of Florida Gulf Coast University (the "University"), solely to assist the University in determining whether the University has processes established to ensure the completeness, accuracy and timeliness of data submissions to the Board of Governors (BOG) which support the Performance Funding Metrics of the University as of September 30, 2018. The University's management is responsible for all processes and procedures for the complete, accurate, and timely submission of data to the BOG. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

We reviewed all of the BOG submissions relating to the Performance Funding Metrics identified and published by the State University System of Florida specific to the certification. See Attachment I for a listing of the submissions tested as provided by the University to us.

a) *Verify the appointment of the Data Administrator by the University President and that duties related to these responsibilities are incorporated into the Data Administrator's official position description*.

1. Review the Data Administrator's position description; note details of the description, paying special attention to responsibilities related to coordinating the gathering of data from departmental sources, quality assurance procedures applied and other data integrity checks prior to submission to the BOG.
2. Determine if the Data Administrator was appointed by the President.
3. Conclude on whether the Institutional Data Administrator's responsibilities include the requirements identified in BOG Regulation 3.007, SUS Management Information System. (For example, verify the Data Administrator's data submission statements indicated, "I certify that this file/data represents the position of this University for the term being reported.").

Procedures Performed

- Reviewed the Position Description for the Director of Institutional Research and Analysis dated October 2, 2018. Verified the description included the requirements identified in the BOG Regulation 3.007.
- Reviewed the original appointment for the Director of Institutional Research and Analysis by the Provost dated April 23, 2004. Also, reviewed the re-affirmation appointment by the President dated September 8, 2014.
- Observed the SUDS submission screen and the "Submit for Approval" button that represents the University's certification of complying with BOG regulation 3.007.
- Reviewed the current FGCU Summary of Organization chart dated September 17, 2018, and the Institutional Performance Organizational Chart dated January 30, 2018.

Findings

No exceptions were identified as a result of applying these procedures.

b) *Review the processes used by the Data Administrator to ensure the completeness, accuracy and timely submission of data to the Board of Governors*.

1. Interview the Data Administrator and other key data managers to understand the internal processes in place to gather, test, and ensure that only valid data, as defined by the BOG, is timely submitted to the BOG.
2. Identify and evaluate key processes over data input and submission. Consider evaluating the processes from the point of incoming information to the submission of the data file to the BOG.
3. Review internal records such as time management schedules and relevant correspondence which purport to demonstrate that complete and accurate data is timely submitted to the BOG. (See due dates addressed in the SUS data workshop). https://www.flbog.edu/board/office/oda/_doc/2018_Workshop_Proceedings_with_notes.pdf
4. According to BOG Regulation 3.007, prior to submitting the file, the universities shall ensure the file is consistent with the criteria established in the specifications document by performing tests on the file using applications/processes provided by the BOG Information Resource Management (IRM) office. Review process for timely and accurately addressing data file error reports.
5. Evaluate the results and document your conclusion on the Data Administrator's processes.

Procedures Performed

- Interviewed the following people who are key in the data being reported and submitted to the BOG:
  - Director of Institutional Research and Analysis
  - Assistant Director, Management Information Resources

- Programmer Analyst, Institutional Research
- Director, Business Applications, ITS
- Associate Vice President, ITS & CIO
- University Registrar
- Associate Vice President, Academic & Curriculum Support
- Assistant Director, Academic and Curriculum Support
- Associate Director, Admissions Operations
- Director, Financial Aid

- For those interviewed, we discussed key internal controls and processes in place over data input, Banner access, State University Database System (SUDS) access, validation tables, data submission procedures, error resolution, staff training, and other controls specific to the department and submission of accurate and timely data. Detailed review and evaluation of these processes is performed by the internal audit department during their normal internal audit reviews.
- Reviewed the metrics specific to each department to ensure controls are in place and a clear understanding exists to ensure only valid data is being submitted based on the data definitions.
- Reviewed weekly email communications (the "HitList") from the Institutional Research and Analysis (IRA) department to department heads. These emails detail the upcoming submissions due in the next two (2) months to the BOG and who is responsible for the data being submitted. Department heads review the data requests and are responsible to ensure the data is accurate and ready for timely submission.
- Reviewed submission schedule maintained by the IRA department.
- Verified submission files tested were submitted by the due date as published by the State University System of Florida (SUS) and identified on the SUDS website.
- Tested the submission file criteria definitions used by the University to ensure they meet the data definitions published by the SUDS.
- Obtained the data definition tables from the SUDS website and verified tables documented in the University processes agreed to the SUDS tables.
- Reviewed processes over testing and validating data submissions and procedures for the resolution of errors prior to the final submission.

Findings

We identified the following file that was not submitted by the required due date:

Submission	Term or Year	Reporting Time Frame	Due Date	Date Submitted	Submitted in a timely manner?
Hours to Degree	Annual 2016	20162017	11/8/2017	11/17/2017	No

c) *Evaluate any available documentation including policies, procedures, and desk manuals of appropriate staff; and assess their adequacy for ensuring data integrity for University data submissions to the Board of Governors*.

1. Request the Data Administrator provide its policies, procedures, minutes of meetings, and any other written documentation used as resources to ensure data integrity; note whether these documents are sufficiently detailed, up-to-date, and distributed to appropriate staff.
2. Evaluate the results and document your conclusion. If necessary, consider benchmarking with peer universities.

Procedures Performed

- Discussed key processes with those interviewed to ensure procedures are in place to ensure data accuracy for their department.
- Ensured each department, that is key to the submission process, had written policy and procedures regarding data they are responsible for.
- Reviewed the monthly project meeting agenda and minutes and verified data integrity was a significant objective.
- We do not perform benchmarking as this is a process the University would perform.

Findings

No exceptions were identified as a result of applying these procedures.

d) *Review system access controls and user privileges to evaluate if they are properly assigned and periodically reviewed to ensure only those authorized to make data changes do so*.

1. Obtain a list of individuals that have access to the State University Database System (SUDS).
6. Obtain the definitions for the roles in the SUDS system. https://www.flbog.edu/resources/ditr/suds/_doc/userguide.pdf
2. Review the procedures to grant system access and/or initiate, monitor and cancel user privileges.
3. Perform a test of system access controls and/or user privileges to determine if only appropriate employees have access or need the privilege.
4. Consider other IT systems and related system access controls or user privileges that may impact the data elements used for each measure reviewed.
5. Evaluate the results and conclude on the reasonableness of procedures and practices in place for the setup and maintenance of system access, specifically addressing employees with SUDS access.

Procedures Performed

- Obtained a current listing of all those individuals who have access to the SUDS system from the BOG's application portal manager.
- Obtained the role definitions in the SUDS system for each type of user.
- Discussed procedures with the Director of Institutional Research and Analysis for granting access to the SUDS system and monitoring to ensure user privileges are cancelled in a timely manner. Reviewed current listing of SUDS users and obtained reason for any new additions.
- Reviewed user listing and discussed with the Director of Institutional Research and Analysis to ensure only personnel that need access have access to the SUDS system, and only a limited amount have the ability to submit data.
- Reviewed Banner access/termination procedures with each department listed in section *b* of this report and ensured procedures are in place for authorization of adding a new user and timeliness of terminating personnel access.
- Reviewed email sent to department heads informing them the Banner Security Class Reports were created and stored on the common drive for them to review. Reports are created on a quarterly basis and we reviewed a sample of reports that were on the drive.
- Selected a sample of users who are significant to the submissions being tested and verified authorization was obtained for the new user, proper workorder was initiated by an authorized person, and determined the class approved agreed to their current Banner access privileges.
- Discussed procedures for terminating a Banner user with the Associate Vice President, ITS & CIO.

Findings

No exceptions were identified as a result of applying these procedures.

e) *Testing of data accuracy*.

1. Identify and evaluate data validity controls to ensure that data extracted from the primary systems of record are accurate and complete. This may include review of controls over code used to create the data submission. Review each measure's definition and calculation for the consistency of data submissions with the data definitions and guidance provided by the BOG.
2. As appropriate, select samples from data the University has submitted to the BOG for its Performance Funding Model. Vouch selected data to original source documents.
3. Evaluate the results of the testing and conclude on the completeness and accuracy of the submissions examined.

Procedures Performed

For each submission file listed in Attachment I we performed the following procedures for the specific metrics identified in the Performance Funding Metrics published by the SUS:

- Obtained complete submission file for time period being tested.
- Selected a sample size of thirty (30) data items to test for each file submission and each metric specific to the performance funding testing.
- Verified data reported in the submission files specific to the metrics identified by the SUS agreed to the source system Banner.
- Verified the data reported for each metric agreed with the SUDS data dictionary.

To ensure completeness of the files being submitted we performed the following procedures:

- For each term and reported time frame we obtained, from the Information Technology Services department, a file which was extracted from Banner and compared to submission files extracted by the Institutional Research and Analysis department. For each comparison, we identified any person that was on the Banner report that was not in the file submission. We then selected a sample size based on the size of the file and errors returned and verified the student was properly omitted for the specific submission based on the current data definitions. Selected files and corresponding sample sizes are as follows:

    1. All students enrolled were compared to the Student Instruction (SIF) files submitted. Two (2) differences were identified and reconciled.
    2. All students who received Pell grants were compared to the Student Financial Aid (SFA) files submitted. Five (5) differences were identified and reconciled.
    3. All students who had a degree awarded were compared to the Degrees Awarded (SIFD) files submitted. We selected ten (10) variances and all were reconciled.
    4. All students admitted were compared to the Admissions (ADM) files submitted. We selected ten (10) variances and all were reconciled.

Findings

No exceptions were identified as a result of applying these procedures.

f) *Evaluate the veracity of the University Data Administrator's data submission statements that indicate, "I certify that this file/data represents the position of this University for the term being reported."*

1. Interview the University Data Administrator to consider the reasonableness of the various coordination efforts with the Data Administrator's staff, the other data custodians' staff, BOG IRM, and other knowledgeable individuals which form the

basis for personal and professional satisfaction that data submitted to the BOG is complete, accurate and submitted timely.
2. Inquire how the Data Administrator knows the key controls are in place and operating effectively. If not already done, consider verifying these key controls are in place and adequate to support the Data Administrator's assertions.

Procedures Performed

- Interviewed personnel listed in section *b.* of this report and verified communication with the Institutional Research and Analysis is on-going and clear to ensure accurate and timely data submission. Also verified controls are in place specific to the metrics being tested.
- Verified with the Director of Institutional Research and Analysis communication with the BOG and IRM to ensure data being submitted meets the data definitions.

Findings

No exceptions were identified as a result of applying these procedures.

g) *Review the consistency of data submissions with the data definitions and guidance provided by the Board of Governors through the Data Committee and communications from data workshops*.

1. Evaluate the University's procedures for periodically obtaining and communicating definitions and due dates as provided by the BOG through the Data Committee and communications from data workshops.
2. Verify with the University Data Administrator that the most current data file definitions are used as a basis for preparation of data to be submitted to the BOG.
3. Review SUDS most recent cumulative release notes and workshop agendas. https://www.flbog.edu/resources/ditr/suds/
4. Request evidence of the most recent formal staff training/workshops, internal discussions or communications with other responsible employees and the BOG Data Committee necessary to ensure the overall integrity of data to be submitted to the BOG.
5. Conclude as to the consistency of the submissions.

Procedures Performed

- Reviewed email communications (the "HitList") from the Institutional Research and Analysis (IRA) department to department heads. These emails detail the upcoming submissions due in the next two (2) months to the BOG and who is responsible for the data being submitted. Department heads review the data requests and are responsible to ensure the data is accurate and ready for timely submission.
- Obtained the most recent data definition tables on the SUDS website and verified data definitions outlined in the file processes agreed to the SUDS data tables.

- Verified process with the Institutional Research and Analysis department of their communication to department heads of the data definitions and communication of any new or changed metric.
- Obtained the SUDS release notes and workshop agendas during the testing period and verified any changes were properly incorporated into the data file submissions.
- Reviewed staff training with each personnel interviewed as listed in section *b.* in relation to both Banner and SUDS security and knowledge training.
- Our testing was performed on all file submissions from October 1, 2017 through September 30, 2018, for the specific metrics tested to review for consistency among data submissions.

Findings

No exceptions were identified as a result of applying these procedures.

h) *Review the University Data Administrator's data resubmissions to the Board of Governors with a view toward ensuring these resubmissions are both necessary and authorized. This review should also evaluate how to minimize the need for data resubmissions*.

1. Interview the University Data Administrator about the types and quantity of recent data resubmissions and the level(s) of approvals necessary for corrective action.
2. Request and examine any correspondence between the University and the BOG IRM office related to data resubmissions that pertain to the performance metrics. Determine if these resubmission problems tend to be reoccurring and what, if any, actions management has taken or plans to take in order to reduce them.
3. Conclude as to the frequency, need and authorization of the resubmission process.

Procedures Performed

- Interviewed the Director of Institutional Research and Analysis about the resubmission process followed by the department.
- There were no resubmissions during our testing period.

Findings

No exceptions were identified as a result of applying these procedures.

i) *Provide an objective basis of support for the president and board of trustees chair to sign the representations made in the Performance Based Funding−Data Integrity Certification*.

1. Review the Performance Based Funding Data Integrity Certification statement to identify additional procedures that should be designed to support the representations.

Florida Gulf Coast University
January 14, 2019

Procedures Performed

- We reviewed the Data Integrity Certification and performed procedures agreed upon by Florida Gulf Coast University's Board of Trustees to meet the objectives of the certification.

Findings

Mauldin & Jenkins was engaged to perform procedures that were provided by you and were outlined in our engagement letter. Management has identified these procedures to meet the objectives of the certification. The Board of Trustees must conclude as to the adequacy of these procedures and findings in meeting their certification objectives.

We were not engaged to and did not perform an audit, the objective of which would be the expression of an opinion on the processes and procedures for the complete, accurate and timely submission of data to the BOG. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Florida Gulf Coast University's Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
January 14, 2019

Florida Gulf Coast University
Metric Related Submissions
10/1/2017-9/30/2018

Attachment I

Submissions Tested			
Due Date	**Submission**	**Term or Year**	**Rept Time Frame**
10/11/2017	Degrees Awarded (SIFD)	Summer 2017	201705
10/6/2017	Admissions (ADM)	Fall 2017	201708
10/10/2017	Student Financial Aid (SFA)	Annual 2016	20162017
10/17/2017	Student Instruction File Preliminary (SIFP)	Fall 2017	201708
11/8/2017	Hours to Degree (HTD)	Annual 2016	20162017
1/19/2018	Student Instruction File (SIF)	Fall 2017	201708
1/23/2018	Retention (RET)	Annual 2016	20162017
2/2/2018	Degrees Awarded (SIFD)	Fall 2017	201708
3/2/2018	Admissions (ADM)	Spring 2018	201801
6/14/2018	Student Instruction File (SIF)	Spring 2018	201801
6/28/2018	Degrees Awarded (SIFD)	Spring 2018	201801
9/7/2018	Admissions (ADM)	Summer 2018	201805

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Performance Based Funding

March 2019 Data Integrity Certification

University Name: __Florida Gulf Coast University_____

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	There was 1 late submission
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representation & Signatures

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _____ Date 19-1-

President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____ Date _____

Board of Trustees Chair

FIU | FLORIDA INTERNATIONAL UNIVERSITY

Office of Internal Audit

Audit of the Performance Based Funding Metrics Data Integrity

Report No. 18/19-06

January 23, 2019

FIU | FLORIDA INTERNATIONAL UNIVERSITY

OFFICE OF INTERNAL AUDIT

Date: January 23, 2019

To: Kenneth G. Furton, Provost and Executive Vice President
Hiselgis Perez, Acting Vice Provost of Office of Analysis and Information Management

From: Trevor L. Williams, Chief Audit Executive

Subject: **Audit of the Performance Based Funding Metrics Data Integrity**
Report No. 18/19-06

Beginning in fiscal year 2013-14, the State University System of Florida Boa Governors (BOG) instituted a performance-funding program based on 10 perform metrics used to evaluate Florida's public universities. Of the $560 million dolla performance-based awards made by the BOG for fiscal year 2018-2019 FIU rec $73.7 million.

Pursuant to a request by the (BOG), we have completed an audit relating t University's performance based funding metrics. The primary objectives of our audit to:

1) Determine whether the processes established by the University ensure reliability, accuracy, and timeliness of data submissions to the BOG, v support the Performance Based Funding Metrics; and

2) Provide an objective basis of support for the University Board of Trustees and President to sign the representations made in the *Performance E Funding - Data Integrity Certification* that will be submitted to the Boa Trustees and filed with the BOG by March 1, 2019.

Our annual audit confirmed the results of past audits that FIU continues to have process controls for maintaining and reporting performance metrics data. In our op the system in all material respects continues to function in a reliable manner. We two recommendations to further reduce that risk which management agree implement.

I would like to take this opportunity to express our appreciation for the cooperatio courtesies extended to us during this audit.

Attachment

C: FIU Board of Trustees
Mark B. Rosenberg, University President
Kenneth A. Jessell, Chief Financial Officer and Senior Vice President
Javier I. Marques, Chief of Staff – Office of the President
Carlos Castillo, General Counsel

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OBJECTIVES, SCOPE, AND METHODOLOGY

As directed by the State University System of Florida (SUS) Board of Governors (BOG), we have completed an audit of the data integrity and processes utilized in the University's Performance Based Funding Metrics ("PBF" or "Funding Metrics"). The primary objectives of our audit were to:

(a) Determine whether the processes established by the University ensure the completeness, accuracy, and timeliness of data submissions to the BOG, which support the Performance Based Funding Metrics; and

(b) Provide an objective basis of support for the University Board of Trustees Chair and President to sign the representations made in the *Performance Based Funding - Data Integrity Certification,* which will be submitted to the Board of Trustees and filed with the BOG by March 1, 2019.

Our audit was conducted in conformance with *the International Standards for the Professional Practice of Internal Auditing* and ISACA *IS Audit and Assurance Standards*, and included tests of the supporting records and such other auditing procedures, as we considered necessary under the circumstances.

During the audit, we:

1. Updated our understanding of the process flows of data for all of the relevant data files from the transactional level to their submission to the BOG;
2. Reviewed BOG data definitions, SUS Data workshop documentation, and meeting notes to identify changes to the BOG Funding Metrics;
3. Interviewed key personnel, including the University's Data Administrator, functional unit leads, and those responsible for developing and maintaining the information systems;
4. Observed current practices and processing techniques;
5. Tested the system access controls and user privileges within the State University Database System (SUDS) application, upload folders, and production data; and
6. Tested the latest data files for two of the 10 performance based funding metrics submitted to the BOG as of August 31, 2018. Sample sizes and transactions selected for testing were determined on a judgmental basis applying a non-statistical sampling methodology.

Audit fieldwork was conducted from August to December 2018. In fiscal year 2017-2018, we issued the report Audit of Performance Based Funding Metrics Data Integrity (Report No. 17/18-07), dated January 29, 2018. During the current audit, we reviewed the prior audit report and found that no recommendations were issued, which otherwise would have required follow-up.

BACKGROUND

The Florida Board of Governors (BOG) has broad governance responsibilities affecting administrative and budgetary matters for Florida's 12 public universities. Beginning in fiscal year 2013-2014, the BOG instituted a performance based funding program, which is based on 10 performance metrics used to evaluate the institutions on a range of indicators, including graduation and retention rates, job placement, and access rate, among others. Two of the 10 metrics are "choice metrics" – one picked by the BOG and one by each University's Boards of Trustees. These metrics were chosen after reviewing over 40 metrics identified in the Universities' Work Plans but are subject to change yearly.

The BOG model has four guiding principles:

1. Use metrics that align with SUS Strategic Plan goals;
2. Reward Excellence or Improvement;
3. Have a few clear, simple metrics; and
4. Acknowledge the unique mission of the different institutions.

The Performance Funding Program also has four key components:

1. Institutions are evaluated and receive a numeric score for either Excellence or Improvement relating to each metric;
2. Data is based on one year data;
3. The benchmarks for Excellence were based on the Board of Governors 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement were decided after reviewing data trends for each metric; and
4. The Florida Legislature and Governor determine the amount of new state funding and the proportional amount of institutional funding that would come from each university's recurring state base appropriation.

In 2016, the Florida Legislature passed and the Governor signed into law the Board of Governors' Performance-Based Funding Model, now codified into the Florida Statutes under Section 1001.66, *Florida College System Performance-Based Incentive*.

FIU's Performance Based Funding Metrics			
1.	Percent of Bachelor's Graduates Employed (Earning $25,000) or Continuing their Education One Year After Graduation	6.	Bachelor's Degrees Awarded in Areas of Strategic Emphasis
2.	Median Average Wages of Bachelor's Graduates Employed Full-Time One Year After Graduation	7.	University Access Rate (Percent of Undergraduates with a Pell-grant)
3.	Average Cost to the Student (Net Tuition and Fees per 120 Credit Hours)	8.	Graduate Degrees Awarded in Areas of Strategic Emphasis
4.	Four Year Graduation Rate (Full-Time, First-Time-In-College)	9.	Board of Governor's Choice - Percent of Bachelor's Degrees Without Excess Hours
5.	Academic Progress Rate (2nd Year Retention with GPA above 2.0)	10.	Board of Trustee's Choice - Bachelor's Degrees Awarded to Minorities

The following table provided by the BOG summarizes the performance funds allocated for the fiscal year 2018-2019 using the performance metrics results from fiscal year 2017-2018, wherein FIU earned 90 points.

Florida Board of Governors Performance Funding Allocation, 2018-2019[1]				
	Points*	**Allocation of State Investment**	**Allocation of Institutional Investment**	**Total Performance Funding Allocation**
UF	93	$ 57,631,857	$ 53,002,618	$110,634,475
FIU	**90**	**39,996,601**	**33,730,710**	**73,727,311**
FSU	86	51,607,104	47,135,335	98,742,439
USF	86	37,650,670	41,913,010	79,563,680
UWF	86	10,772,844	11,992,412	22,765,256
FAU	84	20,553,876	22,880,729	43,434,605
UCF	77	37,522,699	41,770,552	79,293,251
FGCU	75	9,264,349	10,313,143	19,577,492
NCF	75	-	3,921,395	3,921,395
FAMU	72	-	14,765,439	14,765,439
UNF	68	-	13,574,657	13,574,657
Totals		**$265,000,000**	**$295,000,000**	**$560,000,000**

*Institutions scoring 50 points or less or the three lowest scoring universities will not receive any State Investment. Any ties in scores are broken using the tiebreaker policy in BOG Regulation 5.001.

[1] The amount of state investment is appropriated by the Legislature and Governor. A prorated amount is deducted from each university's base recurring state appropriation (Institutional Investment) and is reallocated to each institution based on the results of the performance based funding metrics (State Investment).

In 2018, the Florida Legislature changed the graduation rate metric (Metric 4) included in the PBF from a six-year to a four-year measure and changed from accounting for all First-Time-In-College (FTIC) students to only Full-Time, FTIC. The new metric was used in calculating the performance metrics results on the previous page.

Organization

FIU's Office of Analysis and Information Management (AIM) consists of Institutional Research (IR) and the Office of Retention & Graduation Success. One of the goals of AIM is to provide the University community with convenient and timely access to information needed for planning and data driven decision-making and to respond to data requests from external parties. IR is currently responsible for:

- Faculty Perception of Administrators (FPOA) formerly Faculty Assessment of Administrator System; Assisting with the online system used to credential faculty;
- Academic Program Inventory; and
- Assignment of CIP (Classification of Instructional Program) codes to courses and certificate programs.

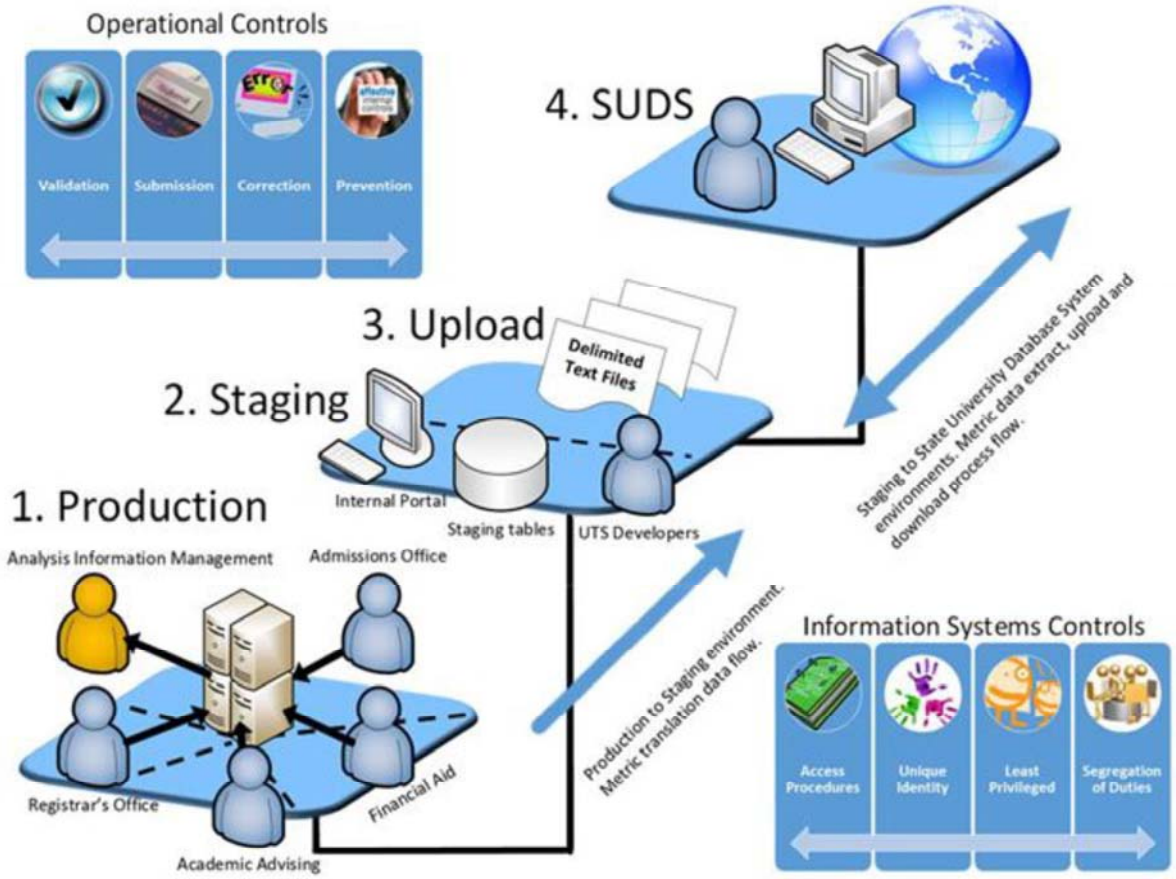
IR has been the official source of FIU's statistics, providing statistical information to support decision-making processes within all academic and administrative units at FIU, and preparing reports and files for submission to the BOG and other agencies. It is also responsible for data administration, enrollment planning, and strategic planning.

The Office of Retention & Graduation Success identifies barriers to student success and works to eliminate those barriers. This Office helps to carry out the Graduation Success Initiative (GSI), primarily by providing "Major Maps" and alerts for students and academic advisors, and information and analyses to departments and decision-makers.

The Acting Vice Provost for AIM who is also the University's Data Administrator reports directly to the Provost and is responsible for gathering data from all applicable units, preparing the data to meet BOG data definitions and requirements, and submitting the data.

At FIU, the Performance Funding Metrics reporting process flows consist of four layers: (1) Production, (2) Staging, (3) Upload, and (4) the State University Database System (SUDS) application. The Production data (extracted from the PantherSoft databases) are originated from the following functional units—the Admissions Office, Registrar's Office, Academic Advising, and Financial Aid. AIM and the BOG team from the University's Division of IT (DoIT) work collaboratively to translate the production data, which are then sent to Staging (either to tables or directly to Upload folders) where dedicated developers perform data element calculations that are based on BOG guidelines and are used to develop the Internal Portal. Once the calculations are completed, the data are formatted into text files and moved to an Upload folder. Users then log into the SUDS and depending on their roles, they upload, validate, or submit the data to the BOG. The DoIT assists with the entire consolidation and upload process.

The diagram below illustrates the operational controls and the information system access controls currently implemented in the overall data element process flows.



FINDINGS AND RECOMMENDATIONS

Based on our audit, we concluded that there are no material weaknesses or significant deficiencies in the processes established by the University to report required data to the Board of Governors in support of their Performance Based Funding Metrics. While there is always room for improvement as outlined in the detailed findings and recommendations that follow, the system is functioning in a manner that can be relied upon to provide complete, accurate, and timely submission of data to the BOG.

Accordingly, in our opinion, this report provides an objective basis of support for the Board of Trustees Chair and the University President to sign the representations made in the BOG *Performance Based Funding Data Integrity Certification*, which the BOG requested be filed with them by March 1, 2019. Our evaluation of FIU's operational and system access controls that fall within the scope of our audit is summarized in the following table:

INTERNAL CONTROLS RATING			
CRITERIA	**SATISFACTORY**	**FAIR**	**INADEQUATE**
Process Controls	**X**		
Policy & Procedures Compliance	**X**		
Effect	**X**		
Information Risk	**X**		
External Risk	**X**		
INTERNAL CONTROLS LEGEND			
CRITERIA	**SATISFACTORY**	**FAIR**	**INADEQUATE**
Process Controls	Effective	Opportunities exist to improve effectiveness	Do not exist or are not reliable
Policy & Procedures Compliance	Non-compliance issues are minor	Non-compliance Issues may be systemic	Non-compliance issues are pervasive, significant, or have severe consequences
Effect	Not likely to impact operations or program outcomes	Impact on outcomes contained	Negative impact on outcomes
Information Risk	Information systems are reliable	Data systems are mostly accurate but can be improved	Systems produce incomplete or inaccurate data which may cause inappropriate financial and operational decisions
External Risk	None or low	Potential for damage	Severe risk of damage

The results of our audit are as follows:

1. Review of Process Flows of Data

During prior years' audits, we obtained an understanding of the processes the University implemented to ensure the complete, accurate, and timely submission of data to the BOG. During this audit, we met with the Data Administrator and other key personnel to update our understanding of the processes in place to gather, test, and ensure that only valid data, as defined by the BOG, are timely submitted to the BOG. Based on our updated understanding, we determined that no significant changes have occurred in the process flows of data.

At FIU, the PantherSoft Security Team and AIM collaborated and developed a tool that generates edit reports similar to the ones found in the State University Database System (SUDS). This tool allows users at functional units more time to work on their file(s) since the BOG edits are released closer to the submission deadline. The purpose of the review is for users at functional units to correct any problems concerning transactional errors before submitting the files. We found the Registrar's Office, which generates data for five of the 10 performance based metrics, along with the Office of Financial Aid and the Graduation Office using the tool. The Data Administrator's team routinely reviews error and summary reports to identify and correct any data inconsistencies. As explained, the Data Administrator's team is responsible for the day-to-day reporting and understands the functional process flows, while the functional units are responsible for their data and understand the technical process flows. According to AIM, they plan to continue to extend the use of the tool to all appropriate users. Furthermore, for certain files, there are additional PantherSoft queries in place that users run to identify errors or bad data combinations.

In addition to the internal FIU reports, the BOG has built into the SUDS a data validation process, which through many diagnostic edits flags errors by critical level. SUDS also provides summary reports and frequency counts that allow for trend analysis. The AIM team reviews the SUDS reports and spot-checks records to verify the accuracy of the data. Once satisfied as to the validity of the data, the file is approved for submission.

As a result of a prior audit recommendation, AIM developed the *OPIR-BOG Business Process Manual*. The Manual addresses BOG SUDS Portal Security, BOG SUDS File Submission Process (see table on the following page and description and diagram of the process on page 5 of this report), and details of the process for each file submitted to the BOG. It is also evident that the Manual has been continually updated since its implementation.

Steps	**BOG Files Submission Cycle**
1.	The PantherSoft (PS) team extracts data from the PantherSoft database. Data are formatted according to the BOG data elements definitions and table layouts.
2.	The PantherSoft team uploads data to SUDS and runs edits.
3.	SUDS edits the data for possible errors and generates dynamic reports.
4.	Functional unit users are notified that edits are ready to be reviewed.
5.	Functional unit users review the edits and make any required transactional corrections in the PantherSoft database.
6.	AIM Lead/PS Team/Functional Unit users communicate by email, phone, or in person about any questions/issues related to the file.
7.	Steps 1-6 are repeated until the freeze date.
8.	On the freeze date, a final snapshot of the production data is taken.
9.	The file is finalized, making sure all Level-9 (critical) errors were corrected or can be explained.
10.	AIM Lead reviews SUDS reports, spot-checks data, and contacts functional unit users if there are any pending questions.

Conclusion

Based on the review performed, the data submitted to the BOG is properly validated prior to submission and approval and no material weaknesses were found in the University's current process flows of data.

2. System Access Controls and User Privileges Follow-up

Access controls testing included examination of user privileges within the SUDS application and examination of audit log files and production data. Annually, AIM works with the functional units and the PantherSoft Security Team to:

a) Review user accounts to ensure on-boarded and off-boarded SUDS users have an associated PAWS ticket and the existing users' access match their current job description;

b) Review and reduce access privileges to production and stage environments to appropriately mitigate least privileged and segregation of duties risks; and

c) Review log reporting for all metric data files, where appropriate, to ensure the integrity of the data sent to the BOG.

On September 27, 2018, AIM completed their data integrity review. The following were the results of our follow-up into these areas:

a. Review and Deactivate State University Database System User Accounts

In our prior audits, we noted that AIM relied on expired passwords as a mitigating access control. However, a BOG Database Administrator stated that this is not a good control, as the system will prompt the user to create a new password. She also said that user accounts would need to be deactivated in order to revoke their access. With this understanding of SUDS user accounts, AIM identified 21 questionable user accounts. These are accounts where the access rights granted to the users might not be needed in order for them to perform their job duties, based on the least-privilege principle of "need-to-have and need-to-know." After communicating with the functional units, they deactivated two of the 21 user accounts and one terminated employee's account.

Job duties may change as the user account sits dormant and can increase the risk of inappropriate access should the user reactivate their account. AIM has adequately identified and deactivated user accounts from the SUDS, deemed warranted as indicated above.

b. Limit Access to Production Data

On the following page, Figure 1 – *Production Data Elements Process Flows*, illustrates the four departments: Admissions Office, Registrar's Office, Academic Advising, and Financial Aid that feed data into the production system available to AIM.

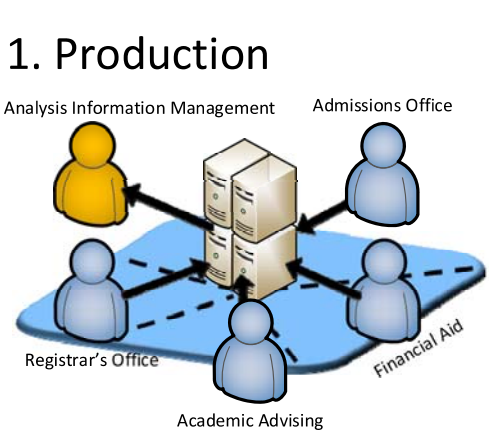


Figure 1 – Production Data Elements Process Flows

According to documentation provided by AIM, they reviewed write-access for all metrics. In their write-access reviews for Metrics 4 and 5, they identified four questionable user accounts. The users had the ability to modify data, which appeared to be in conflict with their job titles and duties. User access was changed to view-only for one of the four users after obtaining approval from the functional units.

By continually reviewing and limiting user access, as appropriate, AIM adequately reduces the integrity risk[2] to the data uploaded to the BOG.

c. Review Log Reports

Documentation provided by AIM showed that they reviewed log files and identified four users that made changes to the BOG data as questionable. After communicating with the functional units, the PantherSoft Security Team changed access to read-only on one user's account.

Figure 1 - Upload Process Flows

However, we noted that none of the fields in the Staging environment had its logging capabilities activated. This is where AIM uploads data to the SUDS. In addition, we identified one production field requiring a change in a user's access but did not have its logging capabilities activated. Ultimately, the University Data Administrator is accountable for the data provided to the BOG. Activating audit log capabilities in the Staging and Production environments, as appropriate, increases the effectiveness of detection control to help the Data Administrator mitigate least privileged and segregation of duties risks.

Conclusion

The actions taken to deactivate dormant accounts, continuously review log reports, and limit access reduce the integrity risks to the data uploaded to the BOG. However, activating audit log capabilities to all fields in the Staging environment and as needed in Production, further reduces the likelihood that an unauthorized data change can be made and go undetected.

[2] COBIT 5.0 correlates Integrity to the information quality goals of completeness and accuracy.

Recommendation

The Office of Analysis and Information Management should:	
1.1	Work with the PantherSoft Department to activate auditing log capabilities to the Staging and Production environment fields, as appropriate, for inclusion into their annual analysis report.

Management Response/Action Plan:

1.1 The Office of Analysis and Information Management will work with IT to add more audit logs to capture updates to other high-risk fields. Both teams (AIM/IT) will begin work during the spring term. As with current audits, they will have a date search parameter. Therefore, although expected availability will be for summer, the date parameter will be able to capture any updates regardless of when it was completed.

Implementation date: May 2019

3. Data Accuracy Testing

This is our fifth audit of the performance based funding (PBF) metrics since it became effective in 2014. During our first-year audit, we performed data accuracy testing on all 10 metrics as requested by the BOG. In subsequent years' audits, we limited our data accuracy testing to specific metrics and followed up on any prior year recommendations as depicted in the following table.

AUDIT COVERAGE OF PBF METRICS			
Audit FY		**Metrics Tested**	**Comment**
1.	2014-15	1-10	First year; test of all metrics required by BOG
2.	2015-16	6, 7, 8, & 10	
3.	2016-17	1, 2, 4, & 5	
4.	2017-18	3 & 9	First year of the revised Metric 3
5.	2018-19	4 & 5	First year of the revised Metric 4

At the May 2018 meeting of the *State University Audit Council* (SUAC), the BOG Chief Data Officer presented a risk rating, ranging from low to high, for each PBF metric. In developing this year's audit scope, since there were no prior year audit findings stemming from our data accuracy testing, we determined to test Metrics 4 and 5, two of the four metrics identified during the said meeting to be of moderately high and moderate audit risk, respectively. The remaining two metrics were audited in the prior year. Furthermore, this is the first year of the revised Metric 4. In addition, the University received the highest possible points (10) for both metrics. Points are distributed based on a rating of either "Excellence" or "Improvement." Both Metrics 4 and 5 saw improvements of greater than 5 percent. Based on the PBF benchmarks, improvements of 5 percent or greater are given the maximum of 10 points.

Metrics Testing

The two PBF metrics tested were as follows:

- Metric 4 – Four Year Graduation Rate (Full-time, First-Time-In-College).
- Metric 5 – Academic Progress Rate (Second Year Retention with GPA Above 2.0).

We identified the main data files and tables related to the calculations of the two metrics under review, as follows:

- Student Instruction file (SIF), Enrollment table;
- Degrees Awarded file (SIFD), Degrees Awarded table; and
- Retention file (RET), Retention Cohort Changes table.

The BOG provided us with the in-scope data elements for each of the metrics under review (see Appendix A – In-scope BOG Data Elements), which we used in our testing.

Data accuracy for the two metrics was tested by reviewing the corresponding data files, tables, and elements, and by tracing them to the source document data in PantherSoft. Testing was limited to the PantherSoft data itself as the objective of our testing was to corroborate that the data submitted were in fact unabridged and identical to the data contained in the University's PantherSoft system.

Metrics 4 and 5

As a result of the *Florida Excellence in Higher Education Act of 2018*, signed into law by the Governor on March 11, 2018, Metric 4 was changed from a six-year graduation standard to a four-year measure and from all first-time-in-college students to full-time, first-time-in-college students. Universities achieving or exceeding the 50 percent mark under the new standard will secure the maximum points in the formula, while universities with a four-year graduation rate below 38.8 percent will receive no points.

> ***Metric 4, Four Year Graduation Rate (Full-time, First-Time-In-College)**, is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or Summer continuing to Fall) term and were enrolled full-time in their first semester and had graduated from the same institution during the Summer term of their fourth year. FTIC includes 'early admits' students who were admitted as a degree-seeking student prior to high school graduation.*

> ***Metric 5, Academic Progress Rate (2nd Year Retention with GPA above 2.0)**, is based on the percentage of FTIC students who started in the Fall (or Summer continuing to Fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the Fall term following their first year with a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer).*

The data for Metrics 4 and 5 are generated by the BOG from the Student Instruction file (SIF), Degrees Awarded file (SIFD), and Retention file (RET) submitted by the University.

In order to verify that the data submitted in the SIF file to the BOG were accurate, we selected a sample of 25 students from the Fall 2017 SIF and verified that the data provided to the BOG were the same as the data contained in PantherSoft student records. We verified the 14 elements relevant to Metrics 4 and 5 and found no exceptions.

In addition, to verify the data submitted in the SIFD file, we judgmentally selected a sample of 25 students for testing. We verified without exception the one element related to Metrics 4 and 5. As evidenced by the supporting documentation, all students had graduated in Fall 2017 as reported in the Fall 2017 SIFD file.

The BOG builds the Retention file annually using the SIF and SIFD files. The BOG then annually provides the retention data to the University. FIU's Office of Institutional Research (IR) reconciles the data with the files (SIF and SIFD) originally submitted to the BOG and investigates and resolves any differences. They work with the BOG Information

Resource Management (IRM) staff to make edits, if necessary, before the Data Administrator approves and submits the data to the BOG IRM.

We reviewed IR's reconciliation process of retention data and concluded that FIU's IR staff adequately performed the reconciliation of data provided by the BOG against FIU's data. We reviewed the retention data for cohort year 2013-2014 and determined that the cohort count of 1,652 students matched the data found in the Fall 2016, Spring 2017, and Summer 2017 SIF files, with the difference of one student, which we determined was properly accounted for in PantherSoft.

To validate further that the data submitted to the BOG in the Retention file were accurate, we selected a sample of 15 students from the Annual 2016 RET file. We reviewed the supporting documentation related to three relevant elements and verified that the data provided to the BOG were the same as the data contained in the PantherSoft student records. No exceptions were found.

However, during our review of the reconciliation process, we found that there were no written guidelines in place detailing the process. Moreover, only one employee who is the sole employee that is fully knowledgeable of the system's reconciliation process performs the reconciliations. In addition, management stated they relied heavily on the internal programs to pick up any discrepancies.

Conclusion

Our testing of the SIF, SIFD, and RET files data found no differences between the information submitted to BOG and the data in FIU's system relating to the relevant elements for Metrics 4 and 5. However, we found that there were no written guidelines in place detailing the RET reconciliation procedures performed and the employee performing these reconciliations had no backup.

Recommendation

The Office of Analysis and Information Management should:	
1.2	Develop written guidelines detailing the reconciliation procedures for the Retention file received from the BOG and ensure that more than one employee is able to perform the procedures.

Management Response/Action Plan:

1.2 The Office of Analysis and Information Management will enhance the current BOG documentation with a manual of written procedures that document the steps taken in the verification and validation of the annual Retention file. Furthermore, another technical employee at AIM will be trained and delegated with additional

responsibilities to handle the BOG files with an emphasis on mastering the reconciliation procedures for the Retention file.

Implementation date: June 2019

4. Data File Submissions and Resubmissions

Data File Submissions

To ensure the timely submission of data, AIM used the due date schedule provided by the BOG as part of the SUS data workshop to keep track of the files due for submission and their due dates. AIM also maintains a schedule for each of the files to be submitted, which includes meeting dates with the functional unit leads, file freeze date, file due date, and actions (deliverables) for each date on the schedule. We used data received directly from the BOG-IRM Office in addition to data provided by AIM to review the timeliness of actual submittals.

The following table and related notes, where applicable, reflects the original due dates and original submission dates of all relevant Performance Based Funding Metrics files during our audit period:

File	File Submission	Period	Original Due Date	Original Submission Date
SFA	Student Financial Aid	Annual 2016	10/09/2017	10/09/2017
ADM	Admissions	Fall 2017	10/06/2017	10/06/2017
SIFD	Degrees Awarded	Summer 2017	10/11/2017	10/11/2017
IRD	Instruction & Research	Annual 2016	10/23/2017	10/23/2017
SIFP	Student Instruction Preliminary	Fall 2017	10/17/2017	10/17/2017
HTD	Hours to Degree	Annual 2016	11/08/2017	11/08/2017
EA	Expenditure Analysis	Annual 2016	10/30/2017	10/30/2017
SIF	Student Instruction	Fall 2017	01/19/2018	01/19/2018
RET	Retention	Annual 2016	01/23/2018	01/23/2018
SIFD	Degrees Awarded	Fall 2017	02/02/2018	02/02/2018
ADM	Admissions	Spring 2018	03/02/2018	03/02/2018
SIF	Student Instruction	Spring 2018	06/14/2018	06/14/2018
SIFD	Degrees Awarded	Spring 2018	06/28/2018	07/02/2018*

*Management informed us that the Spring 2018 Degrees Awarded file (SIFD) was submitted four days late due to a delay in the SIF file being accepted by the BOG. According to management and BOG, the SIFD file cannot be submitted until the SIF file is accepted by the BOG. Based on the records provided, the SIF file was submitted by the due date, June 14, but was not accepted by the BOG until July 2. Once the SIF was accepted, the SIFD was submitted on the same day, July 2.

Data File Resubmissions

The list of resubmissions since the last audit was obtained from the BOG-IRM staff. The Data Administrator described the nature and frequency of these resubmissions and provided correspondence between the BOG and the University related to the data resubmissions. AIM examined the correspondence to identify lessons learned and to determine whether any future actions can be taken that would reduce the need for resubmissions.

The Data Administrator has acknowledged that although their goal is to prevent any resubmissions, they are needed in cases where inconsistencies in data are detected by either University or BOG staff after the file has been submitted. According to her, a common reason for not detecting the error before submission is that some inconsistencies only arise when the data are cross-validated among multiple files. “When logic changes are implemented or added, it is an additional edit in our internal tool,” said the Data Administrator.

In regards to the frequency of the resubmissions, a list was provided by the BOG-IRM staff for all files submitted pertaining to the 10 PBF metrics. For files with due dates between October 1, 2017, and August 31, 2018, the University submitted 13 files to the BOG.

The following table describes the two files resubmitted and AIM’s reasons for each resubmission.

No.	File Submission	Period	Original Due Date	Original Submission Date	Resubmission Date
1	Hours to Degree	Annual 2016	11/08/2017	11/08/2017	11/20/2017
	AIM Reason for Resubmission: In preparing the annual HTD file, we discovered a student’s record as it related to elements 01413 and 01468 had been reported incorrectly. The error resulted from our institution’s transition to reporting the data from a legacy system to the current student information system as well as a bug in the logic. Our institution requested feedback from the BOG office to determine the best course of action in correcting the errors. We did not know if the BOG would require resubmission of all the files where the error was listed or simply request the corrections via an email from our University’s data administrator to the BOG office. Unfortunately, we were unable to receive a response in time for the original submission due date. Subsequently, the BOG informed our institution to resubmit the file in order for their office to make the necessary data corrections.				
2	Retention	Annual 2016	01/23/2018	01/23/2018	03/12/2018
	AIM Reason for Resubmission: At the request of the BOG, the cohort adjustment table for the Retention file was resubmitted in order to include adjustments (72 exclusions) to the 2012 cohort. This allowed the same methodology to be used when comparing the cohorts and scoring the performance metric.				

In both instances observed, the BOG staff authorized the resubmission by reopening the SUDS system for resubmission. Furthermore, continuing improvements have been noted from prior years' where two files were resubmitted in FY 2017-18, four in FY 2016-17, and nine in FY 2015-16.

Conclusion

Our review disclosed that the process used by the Data Administrator provides reasonable assurance that complete, accurate, and for the most part timely submissions occurred. The one late filing was the result of a system issue, not considered systemic, while the two resubmissions were necessary and authorized. In addition, we noted no reportable material weaknesses or significant control deficiencies related to data file submissions or resubmissions.

5. Review of University Initiatives

We obtained the following list of the University initiatives that are meant to bring the FIU's operations and practices in line with SUS Strategic Plan goals:

- Implemented E&G revenue reallocation model
- Implemented faculty reallocation model for academic units
- Provided greater access to on-demand analytics relevant to the metrics
- Implemented student level graduation benchmarking
- Implemented student attendance and midterm progress monitoring and outreach
- Integration of career and academic advising
- Strategic enrollment planning and course scheduling optimization via Noel Levitz and Platinum Analytics
- Created an Office of Scholarships and Academic Program Partners to support all colleges in their efforts to apply foundation scholarship funds to student success and enrollment goals
- Expanded merit scholarship opportunities and initiated two new scholarships – "Jumpstart FIU" and "Panther Achievement Award"
- Implemented centralized coordination and local deployment for student recruitment efforts
- Established centralized retention, graduation, and student success outreach

Conclusion

None of the initiatives provided appears to have been made for the purposes of artificially inflating performance goals.

APPENDIX A

In-Scope BOG Data Elements				
No.	**Metric**	**Definition**	**Submission/Table/Element Information**	**Relevant Submission**
4	Four Year FTIC Graduation Rate	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and had graduated from the same institution by the summer term of their fourth year. FTIC includes "early admits" students who were admitted as degree-seeking student prior to high school graduation.	**Submission:** SIFD **Table:** Degrees Awarded **Elements:** 02001 – Reporting Time Frame	October 11, 2017 February 2, 2018 July 2, 2018
			Submission: SIF **Table:** Enrollments **Elements:** 01063 – Current Term Course Load 01067 – Last Institution Code 01068 – Type of Student at Date of Entry 01085 – Institutional Hours for GPA 01086 – Total Institutional Grade Points 01088 – Term Credit Hours for GPA 01089 – Term Credit Hours Earned 01090 – Term Grade Points Earned 01060 – Student Classification Level 01112 – Degree Highest Held 01107 – Fee Classification Kind 01420 – Date of Most Recent Admission 01413 – Type of Student at Time of Most Recent Admission 01411 – Institution Granting Highest Degree	January 19, 2018 June 14,2018
			Submission: RET **Table:** Retention Cohort Changes **Elements:** 01429 – Cohort Type 01437 – Student – Right-to-Know (SRK) Flag 01442 – Cohort Adjustment Flag	January 23, 2018
5	Academic Progress Rate *2nd Year Retention with GPA Above 2.0*	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full- time in their first semester and were still enrolled in the same institution during the Fall term following their first year with had a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer).	Same as No. 4 above.	

Definition Source: State University Database System (SUDS).

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Performance Based Funding

March 2019 Data Integrity Certification

University Name: Florida International University

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding

Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _____ Date 3/4/2019
President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____ Date 3/4/19
Board of Trustees Chair

Audit Report

THE FLORIDA STATE UNIVERSITY

Office of Inspector General Services

Sam McCall, Ph.D., CPA, CGFM, CIA, CGAP, CIG
Chief Audit Officer

Performance-Based Funding Metrics
Data Integrity Certification Audit
Fiscal Year 2018-19

AR 19-05 ***January 29, 2019***

Summary

Overall, we concluded the University has adequate processes for collecting and reporting Performance-Based Funding (PBF) metrics data to the Board of Governors (BOG). In addition, we can provide an objective basis of support for the University's President and Board of Trustees Chair to sign the Performance-Based Funding – Data Integrity Certification, which the BOG requested to be filed with it by March 1, 2019.

Scope, Objectives, and Methodology

In his July 12, 2018, memorandum to University Boards of Trustees' Chairs, the Chair of the State University System (SUS) of Florida Board of Governors (BOG) directed the President of each University to complete a Performance-Based Funding - Data Integrity Certification.

> *When completing this certification, you should evaluate each of the preparedrepresentations. If you are able to affirm the representation, do so. If you are not able to make the representation as prepared, provide an explanation or modification in the space provided. It is important that representations be modified to reflect audit findings. The certification document shall be signed by the President and board of trustees Chair after being approved by the board of trustees. The completed Data Integrity Certification shall be submitted to the Office of Inspector General and Director of Compliance.*[1]
>
> *To make such certifications meaningful, university boards of trustees shall direct the university Chief Audit Executive to perform, or cause to have performed by an independent audit firm, an audit of the university's processes that ensure the completeness, accuracy, and timeliness of data submissions. It is our intent that such audits include testing of data that supports performance funding metrics. Such testing is essential to determining if processes are in place and working as intended.*

[1] This is a reference to the BOG's Office of Inspector General and Director of Compliance.

The scope and objectives of the audit should be set jointly between the Chair of the university board of trustees and the university Chief Audit Executive. The audit shall be performed in accordance with the current International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors, Inc.

The results of this audit shall be provided to the Board of Governors after being accepted by the university's board of trustees. The audit report shall include the university's corrective action plan designed to correct any audit findings. The audit results shall support the President's certification which shall include any noted audit findings. The completed Data Integrity Certification and audit report shall be submitted to the Office of Inspector General and Director of Compliance no later than March 1, 2019.

This is the fifth consecutive year the BOG has called for such an audit. Florida State University has decided upon the following scope and objectives for the audit.

Scope:

The overall purpose of the audit is to report on the controls and processes established by the University to ensure the completeness, accuracy, and timeliness of data submissions to the BOG that support the University's PBF Metrics, and to provide an objective basis of support for the University's President and Board of Trustees Chair to sign the representations included in the Performance-Based Funding – Data Integrity Certification, which will be submitted to the University's Board of Trustees and filed with the BOG by March 1, 2019. This audit will include an evaluation of the key controls that support these processes, as well as testing of the actual data upon which the University's PBF Metrics are based.

The Performance-Based Funding 2018 Metrics (along with their definitions), as of April 3, 2018, were published on the BOG website. The complete current listing of these PBF Metrics that relate to FSU are as follows:

1. Percent of Bachelor's Graduates Enrolled or Employed ($25,000+) in the U.S. One Year After Graduation;
2. Median Wages of Bachelor's Graduates Employed Full-Time One Year After Graduation;
3. Cost to the Student (Net Tuition and Fees per 120 Credit Hours);
4. Four-Year Graduation Rate for First-Time-in-College Students;
5. Academic Progress Rate (Second Year Retention Rate with Grade Point Average (GPA) Above 2.0);
6. Bachelor's Degrees Awarded within Programs of Strategic Emphasis (including Science, Technology, Engineering, and Mathematics (STEM));
7. University Access Rate (Percent of Undergraduates with Pell Grants);
8. Graduate Degrees Awarded within Programs of Strategic Emphasis (including STEM);

9. Percent of Bachelor's Degrees without Excess Hours (Board of Governors' Choice Metric for all SUS universities); and

10. National Rank Higher than Predicted by the Financial Resources Ranking, Based on *U.S. News & World Report* (FSU's Board of Trustees' Choice Metric).[1]

This audit solely addresses the integrity of the University's data submissions to the BOG that support the University's Performance-Based Funding Metrics for the 2017-18 Annual Accountability Report. The BOG extracts data from the files provided it by the University and performs additional calculations to derive the final PBF Metrics data published by the BOG. The University is not involved in these extractions or additional calculations by the BOG.

Objectives:

1. Determine if there were any changes since our 2017-18 PBF audit conclusion concerning the Data Administrator's appointment and the duties and responsibilities in his official position description.

2. Determine the current status of processes used by the Data Administrator to ensure the completeness, accuracy, and timely submission of data to the BOG.

3. Determine the current status of available documentation including policies, procedures, and desk manuals of appropriate staff and assess their adequacy for ensuring data integrity for University data submissions to the BOG.

4. Determine the current status since our conclusion in the 2017-18 PBF audit concerning system access controls and user privileges.

5. Determine the current status since our conclusion in the 2017-18 PBF audit concerning audit testing of data accuracy.

6. Determine the current status since our conclusion in the 2017-18 PBF audit concerning the consistency of data submissions with the data definitions and guidance provided by the BOG through the Data Committee and communications from data workshops.

7. Determine the current status since our conclusion in the 2017-18 PBF audit concerning the University Data Administrator's data resubmissions to the BOG.

8. Provide an objective basis of support for the President and Board of Trustees chair to sign the representations made in the Performance-Based Funding - Data Integrity Certification.

[1] In its November 28, 2018 Draft Template 2019 Accountability Plan for each university in the State University System, the BOG indicated that FSU's current BOT Choice Metric #10, National Rank Higher than Predicted by Financial Resources Ranking Based on *US News and World Report*, and our future BOT Choice Metric #10, Percent of Bachelor's Graduates Who Took An Entrepreneurship Class, will both be reported for 2018-19. However, it is the University's understanding that only the current metric will be counted that year towards the University's performance.

Our detailed methodology for each of our eight objectives is included in the report section for each. In general, to complete the stated audit objectives, we conducted interviews and otherwise communicated with the Data Administrator and other key data managers, and analyzed supporting documentation related to the objectives. Such supporting documentation included available data and information related to:

- The Data Administrator's appointment and position duties and responsibilities;
- Processes, policies, procedures, and desk manuals concerning data input, error identification and correction, compliance with the BOG guidance, etc., to determine whether these are adequate to provide reasonably sufficient internal control over data;
- Data file submissions by the University to the BOG, to determine whether they were made in a timely manner and included any resubmissions and the reasons for these;
- SUDS and University systems access by individuals associated with the University, to determine if that access is appropriate;
- Written guidance from the BOG and the University's related training and communications, to demonstrate the University's efforts to attain agreement of its efforts with BOG expectations; and
- Latest data files submitted to the BOG that contained elements used in calculating Performance-Based Funding metrics, and the University's related source data, to ensure that data submitted to the BOG were consistent with University transactional data and the BOG requirements.

This audit was performed in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The Florida Board of Governors, created in 2002, is authorized in Article IX, Section 7(d), Florida Constitution to "operate, regulate, control, and be fully responsible for the management of the whole university system," which consists of the state's 12 public universities.

Beginning in fiscal year 2013-14, the BOG instituted a Performance-Based Funding Program based on 10 performance metrics used to evaluate the universities on a range of issues, including graduation rates, job placement, academic progress rate, etc. According to information published by the BOG in April 2018, the BOG funding model has four guiding principles:

1. Use metrics that align with State University System (SUS) Strategic Plan goals;
2. Reward excellence or improvement;
3. Have a few, clear, simple metrics; and
4. Acknowledge the unique mission of the different SUS institutions.

The Performance-Based Funding Program also has four key components:

1. Institutions will be evaluated on either Excellence or Improvement for each metric;
2. Data are based on one year;
3. The benchmarks for Excellence were based on the BOG's 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement were determined after reviewing data trends for each metric; and
4. The Florida Legislature and Governor determine the amount of new state funding and an amount of institutional funding that would come from each university's recurring state base appropriation.

To provide assurance that data submitted by the 12 state public universities to the BOG in support of their Performance-Based Funding metrics are reliable, accurate, and complete, the BOG developed a Data Integrity Certification process. This is the fifth consecutive year Florida State University's Office of Inspector General Services has completed a PBF Data Integrity Certification audit and certification for the University's President and Board of Trustees Chair to sign after being approved by the Board of Trustees. The audit and signed certification are both subsequently provided to the BOG.

Findings

Overall, we concluded that the University has adequate processes for collecting and reporting Performance-Based Funding metrics data to the BOG. In addition, we can provide an objective basis of support for the University's President and Board of Trustees Chair to sign the Performance-Based Funding – Data Integrity Certification, which the BOG requested to be filed with it upon approval by the Board of Trustees, by March 1, 2019.

Objective #1: Determine if there were any changes since our 2017-18 PBF audit conclusion concerning the Data Administrator's appointment and the duties and responsibilities in his official position description.

In our 2017-18 PBF audit we concluded that:

> *Dr. Burnette has been officially appointed by the University President as the Data Administrator and his Position Description reflects this appointment and the related responsibility of preparing and submitting files as required by the BOG.*

Current Findings:

The University's current Data Administrator continues to be Richard R. (Rick) Burnette III, Ph.D. Dr. Burnette, Associate Vice President for Academic Affairs, assumed the University Data Administrator responsibilities effective May 13, 2013. Dr. Burnette's appointment as University Data Administrator by the President was further and more officially documented on November 25,

2014, when President John Thrasher sent a letter to the BOG's Chancellor Marshall Criser listing Dr. Burnette as the University's Data Administrator in a list of University appointments.

We reviewed Dr. Burnette's current Position Description, last updated July 1, 2016, and effective December 14, 2017, which listed among his responsibilities "Maintains the role of the University Data Administrator in accordance with Board of Governors Regulation 3.007, and states that the Data Administrator will ensure that the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee."

Conclusion for Objective #1:

Dr. Burnette has been officially appointed by the University President as the Data Administrator and his current Position Description reflects this appointment and the related responsibility of preparing and submitting files as required by the BOG.

Recommendations:

We have no recommendations for Objective #1.

Objective #2: Determine the current status of processes used by the Data Administrator to ensure the completeness, accuracy, and timely submission of data to the BOG.

In our 2017-18 PBF audit we concluded that:

> *…the processes used by the University Data Administrator and his staff in Institutional Research reasonably ensure the completeness, accuracy, and timely submission of data submitted to the BOG, including compliance with BOG criteria for the data.*

Current Findings:

As we observed in our 2017-18 Performance-Based Funding Metrics Data Integrity Certification Audit, we continue to conclude the processes used by the University Data Administrator and his staff in IR reasonably ensure the completeness, accuracy, and timeliness of data submitted to the BOG, including compliance with BOG criteria for the data.

To better understand the organization of the current reporting process, the present chain of custody continues to be as follows:

- Student information necessary for reporting is captured in the University's Campus Solutions/PeopleSoft transactional Student Information System.
- Data are captured in the data warehouse on a nightly basis. These data cannot be edited by individual users and as such are "read only." These transactional views are supplemented with an extract view that was created from external sources and parked in the data warehouse so it can be compared against warehoused transactional data.

- Over a month before the due date for a file, the reporting team consisting of IR, the functional office for the data, and the Campus Solutions reporting team begin extracting data and creating a draft file via Oracle Business Intelligence Enterprise Edition (OBIEE).
- OBIEE has data transformation logic in place to represent transactional data using BOG defined codes and to match BOG field names.
- In cases where external data must be merged with the file, the data are moved to Excel for the purpose of comparison.
- Once a file is sufficiently complete and formatted for submission, it is loaded to the BOG SUDS environment, for testing.
- After all files are added, the edits are run to generate the dynamic reports and frequency distributions.
- IR and functional users review the errors to determine whether there are simply translation errors or if data in the Student Information System are incorrect.
- Any necessary corrections are made to the transactional system so that the changes are permanent.
- The Data Administrator emails the BOG if there are any questions about interpretation that are not addressed in the BOG's online SUDS Data Dictionary and SUS Master File Documentation, or the Annual Data Administrators' Conference Proceedings.
- Corrected files are reloaded and the review process continues until all the errors have been cleaned up or explained.
- For each file, the final check is to compare data frequencies with those from the prior year using the Submission Summary feature on the SUDS submission page. Large differences are explained even if they do not generate any errors. Just prior to submission to the BOG, the Submission Summary is downloaded to Excel so that the FSU team can enter and retain their comments on errors that the BOG has defined as Level 9 (critical) errors, and for datapoints where there were meaningful changes from one year to the next. The comments are recorded in the Excel spreadsheet and saved on IR's shared drive.
- Each file is then submitted to the BOG after all of the frequency explanations have been added by IR staff.

To test the timeliness of submissions of required files to the BOG that relate to FSU's Performance-Based Funding metrics, we used Submission History information from the BOG SUDS system. The following BOG-required files relate to the University's Performance-Based Funding metrics. For each of these required files, we reviewed the University's current and historical submissions back to the fifth most recent submission. The listing below shows the time span of each file's submissions that we reviewed.

1. Student Instruction File (SIF) (Spring 2017 through Summer 2018 Terms);
2. Expenditure Analysis (EA) File (2013-14 through 2014-15) [3];
3. Hours to Degree (HTD) File (2015-16 through 2017-18);
4. Retention File (2012-13 through 2016-17);
5. Student Financial Aid (SFA) File (2013-14 through 2017-18); and
6. Student Instruction File Degrees Awarded (SIFD) (Spring 2017 through Summer 2018.

The table below shows each file we reviewed to test timeliness of submissions, and the reporting period covered for each file.

File	Campus Solutions—Reporting Period(s)
SIF	Spring 2017 through Summer 2018
EA[4]	2013-14 through 2014-15
HTD	2015-16 through 2017-18
Retention	2013-14 through 2016-17
SFA	2013-14 through 2017-18
SIFD	Spring 2017 through Summer 2018

Since our previous audit report accepted by the Board of Trustees on February 7, 2018, six files were submitted to the BOG SUDS system. These six files are highlighted in the following table and all were submitted on time. Please note in the table the five most recent submissions of each of the five required files that relate to FSU's Performance-Based Funding metrics. There has been steady improvement in the timeliness of the University's data submissions from the previous audits, and timeliness of the University's data submissions to the BOG is not a present concern.

[3] The EA File was used in the analysis of Metric 3 for the prior three allocations. The HTD, SFA, and SIF Files are now used in the analysis of a new Metric 3, beginning with the data from the 2015-16 academic year.

[4] This file is derived by the BOG based on the University's Operating Budget and Instruction and Research Data File submissions.

	Most Recent Submission			
File	**Term**	**SUDS Due Dates**	**Submission to BOG**	**Days Late**
Student Instruction File (SIF)	Summer 2018	9/25/2018	9/25/2018	N/A – On Time
Hours to Degree	Annual 2017	11/7/2018	11/7/2018	N/A – On Time
Retention File	Annual 2016	1/23/2018	1/23/2018	N/A – On Time
Student Financial Aid File	Annual 2017	10/4/2018	10/4/2018	N/A – On Time
SIF Degrees Awarded File	Summer 2018	10/4/2018	10/3/2018	N/A – Early
	Second Most Recent Submission			
File	**Term**	**SUDS Due Dates**	**Submission to BOG**	**Days Late**
Student Instruction File (SIF)	Spring 2018	6/14/2018	6/14/2018	N/A - On Time
Hours to Degree	Annual 2016	11/8/2017	11/8/2017	N/A - On Time
Retention File	Annual 2015	1/25/2017	1/25/2017	N/A - On Time
Student Financial Aid File	Annual 2016	10/9/2017	10/9/2017	N/A - On Time
SIF Degrees Awarded File	Spring 2018	6/28/2018	6/27/2018	N/A - Early
	Third Most Recent Submission			
File	**Term**	**SUDS Due Dates**	**Submission to BOG**	**Days Late**
Student Instruction File	Fall 2017	1/19/2018	1/19/2018	N/A - On Time
Hours to Degree	Annual 2015	10/18/2016	10/20/2016	2 days
Retention File	Annual 2014	1/29/2016	1/29/2016	N/A – On Time
Student Financial Aid File	Annual 2015	10/14/2016	10/14/2016	N/A – On Time
SIF Degrees Awarded File	Fall 2017	2/2/2018	2/2/2018	N/A – On Time
	Fourth Most Recent Submission			
File	**Term**	**SUDS Due Dates**	**Submission to BOG**	**Days Late**
Student Instruction File	Summer 2017	09/29/2017	09/29/2017	N/A - On Time
Expenditure Analysis	Annual 2014	10/20/2015	10/23/2015	3 days
Retention File	Annual 2013	1/21/2015	1/21/2015	N/A - On time
Student Financial Aid File	Annual 2014	10/5/2015	10/14/2015	9 days
SIF Degrees Awarded File	Summer 2017	10/11/2017	10/5/2017	N/A – Early
	Fifth Most Recent Submission			
File	**Term**	**SUDS Due Dates**	**Submission to BOG**	**Days Late**
Student Instruction File	Spring 2017	6/19/2017	6/19/2017	N/A - On Time
Expenditure Analysis	Annual 2013	10/28/2014	11/18/2014	21 days
Retention File	Annual 2012	1/22/2014	1/22/2014	N/A – On Time
Student Financial Aid File	Annual 2013	10/6/2014	11/3/2014	28 days
SIF Degrees Awarded File	Spring 2017	6/29/2017	6/28/2017	N/A – Early

Conclusion for Objective #2:

We concluded the processes used by the University Data Administrator and his staff in Institutional Research reasonably ensure the completeness, accuracy, and timely submission of data submitted to the BOG, including compliance with BOG criteria for the data. The most definitive evidence of the effectiveness of IR's processes to ensure the completeness and accuracy of the University's data submitted to the BOG, including criteria for the data, is presented in our positive conclusions pertaining to our Objective #5 concerning audit testing of PBF data accuracy. We also tested the accuracy of data submissions to the BOG, as presented above.

Recommendations:

We have no recommendations for Objective #2.

Objective #3: Determine the current status of available documentation including policies, procedures, and desk manuals of appropriate staff and assess its adequacy for ensuring data integrity for University PBF data submissions to the BOG.

In our 2017-18 PBF audit we concluded that:

> *Institutional Research's available documentation including policies, procedures, and desk manuals of appropriate staff were adequate for ensuring data integrity for University PBF data submissions to the BOG.*

Current Findings:

The Office of Institutional Research, the Office of Financial Aid (OFA), and Enterprise Resource Planning (ERP) have produced intranet-based policies and procedures manuals for the affected BOG files. IR has published a "BOG File Submission Policy" on its Wiki web application and shared the document with other offices in the University that help in the production of SUDS files. The documentation of the file build processes (i.e., desk manuals) is sufficient to allow an individual with appropriate context and knowledge of FSU systems to produce the SUDS files submitted to the BOG pertaining to the University's PBF metrics. The documentation generally includes data mapping and references to historical file submissions and edits.

Conclusion for Objective #3:

We concluded that Institutional Research's available documentation including policies, procedures, and desk manuals of appropriate staff were adequate for ensuring data integrity for University PBF data submissions to the BOG.

Recommendations:

We have no recommendations for Objective #3.

Objective #4: Determine the current status since our conclusion in the 2017-18 PBF audit concerning system access controls and user privileges.

In our 2017-18 PBF audit we concluded that:

> *System access controls and user privileges for the University's Campus Solutions and BOG SUDS systems are properly assigned and periodically reviewed to ensure only those authorized to make data changes can do so.*

Current Findings:

There are system access controls throughout the BOG data submission process. Florida State University has role-based and application-based security in its Oracle/PeopleSoft Campus Solutions student information system. The PeopleSoft role management process is an integrated online workflow that, at a minimum, depending on the sensitivity of the role, requires an employee's direct supervisor and the functional owner of the application or module to approve each request. Additionally, there are sufficient automated safeguards to remove access when employees are terminated, and supervisors and subject-area owners are responsible for auditing access logs on at least a quarterly basis. This same role-based and reporting-subject-area-based protocol is used for the OBIEE access to the data in the data warehouse. Based on our review of IR staff's security access to FSU systems, we concluded that IR employees do not have security to change transactional data in Campus Solutions or the data warehouse (which is read only), therefore adding an additional layer of control.

The address for the State University Database System (SUDS) is a secure site and all communications are encrypted. This system was designed with redundant fail-over protections to assure against inappropriate access. FSU's Data Administrator, Dr. Burnette, and its Director of Institutional Research, Dr. James Hunt, are the University's designated security managers for the SUDS database access. Institutional Data Administrators receive their passwords from a BOG System Administrator. The **Data Administrator** (DA) role is the highest level assignable at the institution level and is assigned to only one individual at each institution. DAs, in turn, log into the system and have the authority to create users to process information for their universities. The DA role is authorized to process all data submissions to the BOG and includes the Submitter, Uploader, Validator, and Research roles.

Each user is assigned to a role and a set of authorized submissions, which defines the scope of that user's authority in the SUDS system. The **Submitter** role allows the user to "officially" submit university files to the BOG; this role includes the Uploader, Validator, and Research roles. The **Uploader** role allows the user to upload files for editing/review. The user can initiate and review all edits and reports of the files for a submission. The Uploader role includes the Validator and Researcher roles. The **Validator** role allows the user to review edit reports for submissions that have already been uploaded and edited. This user is able to enter explanations and comments. The Validator role includes the Researcher role. The **Researcher** role is designed to be given to university researchers who want to do studies with system data and need access to the reporting view. The reporting view allows the researcher to identify students from within his/her own institution, follow them across the system, and do other kinds of system/school comparison research, without having to expose personally identifiable information regarding the students. Every time a

user's access or password is modified, the security manager receives an email indicating the change and the person who submitted it. SUDS passwords also must be changed every three months.

From our review of SUDS access, we found no inappropriate access. Finally, the access does not allow for the manipulation of previously submitted data. To change data, the University Data Administrator would have to submit a request with justification to the BOG to reopen the file for resubmission. Only at that time could someone submit a new table. However, the SUDS system captures his/her identity, a timestamp, and the name of the source file in a way that is visible to any user. The Institutional Data Administrator also receives an email every time a file is submitted, so he would be aware of any unauthorized access.

Conclusion for Objective #4:

System access controls and user privileges for the University's Campus Solutions and BOG SUDS systems are properly assigned and periodically reviewed to ensure only those authorized to make data changes can do so.

Recommendations:

We have no recommendations for this Objective #4.

Objective #5: Determine the current status since our conclusion in the 2017-18 PBF audit concerning audit testing of data accuracy.

In our 2017-18 PBF audit we concluded that:

> *Based on our data accuracy testing for the University's 10 Performance-Based Funding metrics, we determined the University's data submitted to the BOG were complete and accurate, and in accordance with BOG guidance.*

The University's 10 Performance-Based Funding metrics are as follows.

Key Metrics Common to all Universities, with the exception of Metric 8 for which New College has its own unique metric:

1. Percent of Bachelor's Graduates Enrolled or Employed ($25,000+) in the U.S. One Year After Graduation
2. Median Wages of Bachelor's Graduates Employed Full-Time in Florida One Year After Graduation
3. Net Tuition and Fees for Resident Undergraduates per 120 Credit Hours
4. Four-Year Graduation Rate for First-Time-in-College Students
5. Academic Progress Rate (Second-Year Retention Rate with GPA Above 2.0)
6. Bachelor's Degrees Awarded within Programs of Strategic Emphasis (including STEM)
7. University Access Rate (Percent of Undergraduates with Pell Grants)
8. Graduate Degrees Awarded within Programs of Strategic Emphasis (including STEM)
9. Percent of Bachelor's Degrees without Excess Hours

Institution-Specific Metric for Florida State University:

10. National Rank Higher than Predicted by the Financial Resources Ranking, Based on *U.S. News & World Report* (FSU's Board of Trustees Choice Metric)

The State University System of Florida Board of Governors maintains a student unit record database titled the SUDS. The database contains over 400 data elements about students, faculty, and programs at State University System institutions. The metrics are based on the data that universities submit to the BOG as part of various data tables and file submissions. We interviewed the Data Administrator, IR staff, and key departmental Data Managers to determine the primary sources of data used for the calculations of the metrics.

Current Findings:

Metric 1 - Percent of Bachelor's Graduates Enrolled or Employed ($25,000 or More) in the U.S. One Year after Graduation. The calculation of this measure is to be done as follows, according to BOG definitions:

> *This metric is based on the percentage of a graduating class of bachelor's degree recipients who are enrolled or employed (earning at least $25,000) somewhere in the United States. Students who do not have valid social security numbers and are not found enrolled are excluded. This data now includes non-Florida data from 41 states and districts, including the District of Columbia and Puerto Rico.*
> *Sources: State University Database System (SUDS), Florida Education and Training Placement Information Program (FETPIP) and Florida Department of Economic Opportunity (DEO) analysis of Wage Record Interchange System (WRIS2) and Federal Employment Data Exchange (FEDES), and National Student Clearinghouse (NSC).*

Metric 2 - Median Wages of Bachelor's Graduates Employed Full-Time One Year after Graduation. The calculation of this measure is to be done as follows, according to BOG definitions:

> *This metric is based on annualized Unemployment Insurance (UI) wage data from the fourth fiscal quarter after graduation for bachelor's recipients. This data does not include individuals who are self-employed, employed by the military, those without valid social security numbers, or those making less than minimum wage. This data now includes non- Florida data from 41 states and districts, including the District of Columbia and Puerto Rico.*
> *Sources: State University Database System (SUDS), Florida Education and Training Placement Information Program (FETPIP) and Florida Department of Economic Opportunity (DEO) analysis of Wage Record Interchange System (WRIS2) and Federal Employment Data Exchange (FEDES), and National Student Clearinghouse (NSC).*

FSU provides the SIFD Degrees Awarded Table in the SIFD File submission. This file identifies those students who have been awarded degrees and, for each, when the degree was awarded. The BOG uses information provided in the SIFD Degrees Awarded Table and included in the SUDS database to identify the students who were awarded degrees during the prior year. The cohort to be reported on for 2018 Performance Based Funding includes those who graduated in the Summer 2016, Fall 2016, and Spring 2017 semesters. The BOG then uses demographic information from SUDS, along with external reporting sources, to determine these students' outcomes one year later.

Social security numbers are provided as part of the SIFD Degrees Awarded Table and are used to match employment data. First, middle, and last names and date of birth are the demographic information fields used to identify graduates who are continuing their education. These fields are not a part of the SIFD Degrees Awarded Table but are provided during different submissions to SUDS, primarily as part of original admissions records.

SIFD File Testing

An audit step in validating data for PBF Metrics 6 and 8 is determining whether SIFD Degrees Awarded data are complete and accurate. The SIFD Degrees Awarded Tables for Summer 2016, Fall 2016, and Spring 2017, which define the cohort for this year's Measures 1 and 2, were tested and validated as part of our prior year PBF audit in our testing of Metrics 6 and 8. As reported in Audit Report AR18-06, the data were accurate and complete.

Metric 3 - Net Tuition and Fees for Resident Undergraduates per 120 Credit Hours. According to BOG definitions:

> *This metric is based on resident undergraduate student tuition and fees, books and supplies as calculated by the College Board (which serves as a proxy until a university work group makes an alternative recommendation), the average number of credit hours attempted by students who were admitted as first-time-in-college (FTIC) and graduated with bachelor's degrees for programs that require 120 credit hours, and financial aid (grants, scholarships and waivers) provided to resident undergraduate students (does not include unclassified students).*
> *Source: State University Database System (SUDS), the Legislature's annual General Appropriations Act, and university required fees.*

Data for this metric are based on the Florida Board of Governors' (BOG's) analysis of three different files: Hours to Degree (HTD) File, Student Instruction File (SIF), and Student Financial Aid (SFA) File. The HTD File provides the BOG with the number of credit hours each student completed towards his/her first baccalaureate degree for a 120-hour program. The SIF File provides the BOG with information on the student's residency (i.e., must be a Florida resident) for tuition purposes, and any waivers the student received towards his/her tuition. The SFA File provides the BOG with information on any grants and/or scholarships that the student received.

Establishment of a Population of Students Who Were Awarded First Baccalaureate Degrees (Single Majors Only) During the Time Period under Review

The Hours to Degree (HTD) File contains information about students who are awarded first baccalaureate degrees with a single major within the academic year. For each student, this information is reported during the term his/her degree was awarded (Summer, Fall, or Spring). The course information for students reported on the file includes all post-secondary course work and their course work taken in high school and accepted as post-secondary credit after high school. To build the HTD File, IR sends a listing of students who were awarded their first baccalaureate degrees (single major only) during the reporting period (HTD population file) to staff within the University's Enterprise Resource Planning (ERP). (For purposes of this audit, the time period is Academic Year 2017-18 (Summer 2017, Fall 2017, Spring 2018).) ERP staff uses this listing to build the HTD Table and the Courses Taken Table for the HTD File submission to the BOG. From an IR business analyst, we obtained the HTD Table that was submitted to the BOG, for our time period.

Comparison of IR HTD Population File to the University's Campus Solutions System Records (Source Records) Based on Employee Identification (EMPLID). We compared the EMPLID, Classification of Instructional Programs (CIP) code, and completed term records in the HTD Table submitted to the BOG (7,148 records) to the EMPLID, CIP code, and completed term records in our query results of degrees awarded during the Summer 2017, Fall 2017, and Spring 2018 terms from the University's source Campus Solutions system. We determined that the HTD Table reconciled to the University's Campus Solutions records, within an immaterial amount, in terms of validation of the students included in the HTD Table. Based on this analysis, we have assurance that the HTD Table submitted to the BOG is complete and correctly includes the population of students who were awarded first baccalaureate degrees (single majors only) during the time period under review.

Testing of Students Included in the HTD Table Submitted to the BOG to Determine the Accuracy of Data Elements Used for Metric 3

Having established that our population in the HTD Table submitted to the BOG was materially correct, we then tested the accuracy of the following data elements used for Metric 3: 1) term in which the student completed his/her degree, 2) course identification, 3) credit hours each student completed towards his/her first baccalaureate degree for a 120-hour program, 4) residency status (should be resident, for tuition purposes), 5) fee waivers, and 6) scholarships and/or grants awarded. For all of these six data elements, we took a random sample of 100 students from the HTD Table population.

Term in Which the Student Completed His/Her Degree. We confirmed that each of the 100 students in our sample received his/her baccalaureate degree in the term identified on the HTD Table (part of the HTD File submission to the BOG), and that this was the student's first baccalaureate degree (single major), based on our review of his/her Campus Solutions source documentation. We noted no exceptions.

Course Identification. According to the BOG Overview of Methodology and Procedures for this metric, certain courses are excluded from the cost to the student calculation. These courses include courses taken by active duty military, dual enrollment courses, exam credit courses, graduate rollover courses, life experience courses, military courses, and courses where the student withdrew due to a personal hardship. We determined that these excluded courses were correctly identified in the Courses to Degree Table, based on our review of Campus Solutions source documentation.

Credit Hours Each Student Completed Towards His/Her First Baccalaureate Degree for a 120-Hour Program. We reviewed information on the Courses to Degree Table (part of the HTD File submission to the BOG) and noted that the column titled "Credit Hour Usage Indicator" identified whether or not a course was used towards the student's degree. There are various reasons why a course may not be used towards a degree. Some examples are if the student fails or withdraws from the class, if he/she repeats the class, or if the class is a remedial class. We reviewed our sample of 100 students and determined that none of the courses that were marked "D," meaning the course counted towards the student's degree, had non-passing grades, were remedial courses, or had an "R" listed under the Repeated Indicator column. Thus, for all of the 100 students in our sample, we determined their courses classified as "D" were in accordance with instructions provided in the BOG's SUDS Data Dictionary. No exceptions were noted.

We also performed an analysis for any course numbers in our sample that were marked "D" more than once per student. In some cases, this is permissible. Generally, according to undergraduate academic regulations and procedures, students are not allowed additional credit for courses repeated in which the students originally made grades of a "C-" or better, except for courses specifically designated as repeatable to allow for additional credit. Repeatable courses may be taken to a maximum number of times or hours, as spelled out in the course descriptions. We identified one student who had two courses listed twice. However, we determined that this was a timing issue with the HTD file build process and it did not affect the calculation of this metric.

We also compared the total amount of native credit hours and non-native credit hours to source documentation in Campus Solutions. Native credit hours are all credit hours attempted at Florida State University. Non-native credit hours are hours transferred from other universities and colleges. We did identify one student who had one course originally included as a placeholder for a transfer credit, but then was later removed. We determined this was a timing issue with the HTD file build process and did not affect the calculation of this metric. We made a similar comparison, for all 100 students in our sample, of the total amount of credit hours, both native and non-native, that were marked "D" in the Credit Hour Usage Indicator column, and found agreement in the data FSU submitted to the BOG and FSU source data. We concluded that the sum of these hours met the minimum number of hours for each student's degree for this Metric 3 (i.e., 120 hours).

Residency Status. The HTD Table submitted to the BOG included 7,148 students, and we determined that 6,475 of these (91 percent) were considered resident students, for tuition purposes. For our sample of 100 students, we concluded that all had the correct residency classification (i.e., resident for tuition purposes), which information we obtained from the SIF Enrollment Table (part of the SIF File submission), based on our review of Campus Solutions source documentation. We noted no exceptions.

Fee Waivers. For the 100 students in our sample, we compared the amount of fee waivers awarded to them and reported on the Fee Waivers Table submitted to the BOG (part of the SIF File submission for the period of Summer 2017, Fall 2017, and Spring 2018), to their Campus Solutions source documentation. We noted no exceptions.

Scholarships and/or Grants Awarded. Finally, for the students in our sample of 100, we compared the amounts of scholarships and grants awarded to them and reported on the Financial Aid Awards Table (part of the 2017-18 SFA File submission to the BOG), to the Campus Solutions source documentation. For our sample of 100 students, we did note a discrepancy in Pell awards for three students. We analyzed these issues further for the entire population and concluded that these discrepancies in Pell awards that we found in our sample were immaterial to the total scholarships and grants awarded, and did not affect the calculation of Metric 3.

Based on our testing, the University's data submitted to the BOG for the Metric 3 Performance-Based Funding metric were materially complete and accurate, and in accordance with BOG guidance. For those minor exceptions noted above, we provided the details of such findings to the Data Administrator for his follow-up actions.

Metric 4 – Four-Year Graduation Rate for First-Time-in-College (FTIC) Students. According to the BOG definition for Metric 4, the calculation of this measure is performed as follows:

> *This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or Summer continuing to Fall) term and were enrolled full-time in their first semester and had graduated from the same institution by the Summer term of their fourth year. FTIC includes "early admits" students who were admitted as degree-seeking students prior to high school graduation.* Source: State University Database System (SUDS).

The BOG's Overview of Methodology and Procedures: Performance Funding Metrics – Retention and Graduation Rates indicates that this measure was originally based on the national standard graduation rate, which was created by the Student Right to Know Act of 1990. This Act established the graduation rate based on 150 percent of the normal time for completion of the program, which is six years for a four-year program. In 2018, the Florida Legislature changed the graduation rate metric included in the Performance-Based Funding model from a six-year to a four-year measure.

The BOG creates annual Retention Files on student cohorts by year of entry to the University (from the Summer semester through the Spring semester). These cohorts are identified from cumulative University SIF and Admission (ADM) File submissions, and include data needed for the four-year graduation rate metric, including degree information from cumulative University SIFD submissions. IR reviews the BOG-developed Retention File and provides any needed edits. To validate the data to be used for this metric, IR filters the cohort Retention File to identify FTIC students who were enrolled full time in their first semester and who are included in Student Right to Know Act reporting. The filtered data are reconciled to an independently developed IR database to identify any errors in the BOG's FTIC cohort population and graduation data, and any needed corrections are submitted. The final approved file is submitted to the BOG by IR when its validations have been completed.

IR also develops the Retention Adjustment File, which it submits to the BOG. This file identifies students in the cohort who have since died, entered military service, had total and permanent disabilities, or left to serve with a Foreign Aid Service of the federal government (e.g., Peace Corps) or on religious missions. These adjustments are used by the BOG to exclude these individuals from the cohort. The adjustments to the Retention File for the 2013-14 cohort will not be due until after this audit has been finalized. Therefore, we reviewed the 2012-13 adjustment file and noted that the process for identifying these adjustments is consistent with prior years.

Verification of the 2014 FTIC Cohort. We reviewed the 2014-15 cohort detail records file, which was compiled by the BOG and downloaded from SUDS by IR staff, for validation. This file has records for each student enrolled during the 2014 academic year, with degrees awarded for each included student through Fall 2017. The Summer 2014 and Fall 2014 SIF File data provide the information needed to identify the 2014 FTIC cohort population for this PBF measure.

To validate the 2014 FTIC cohort used by the BOG for this measure, we first filtered the cohort detail records file to include only those students who: (1) started in the Fall (or Summer continuing to Fall) term, (2) were initially enrolled at the University immediately after their high school graduation or enrolled in a first-time-in-college, degree-seeking status having earned less than 12 hours of transferable college credit after their high school graduation, (3) were identified as being included in Student Right to Know reporting. This analysis returned 6,129 records. We used a query

we developed in Campus Solutions and additional manual reconciliations and determined that the 6,129 records identified using BOG selection criteria for this measure agreed with corresponding University records. In addition, we had eight additional students identified through the Campus Solutions query who were not included in the filtered cohort, but should have been. These students were all included in the Fall 2014 SIF file. According to IR staff, these students will be added to the cohort when they reconcile it to their internal database and submit their adjustments to the Retention File. However, the Retention File is not due until after our audit has been finalized.

Based on our analysis, we concluded that the 2014 FTIC cohort data used by the BOG from University SIF data relevant to this metric are correct.

Verification of Degree Earned. We further filtered the BOG 2014 FTIC cohort data to identify only those individuals in the cohort who earned degrees. Since the cohort detail records only provided degrees awarded through Fall 2017, we joined data from the Summer 2017, Fall 2017, Spring 2018, and Summer 2018 SIFD Files, for any students included in the filtered cohort. We identified 4,359 students in our cohort who earned degrees by Summer 2018.

We added degree information to our Campus Solutions query used to verify the 2014 FTIC cohort and identified 4,363 students who were reported to have earned degrees. To validate the degree data used by the BOG for this measure, we reconciled the individual records in the BOG cohort file to our Campus Solutions query results. We determined that four of the 4,363 students in our Campus Solutions query earned late degrees and, therefore, had not been included in the SIFD File. This is a timing issue and these four students will be included when IR submits its adjustments for the Retention File.

Based on our analyses, we concluded that the data used by the BOG to develop the Four-Year Graduation Rate for First-Time-in-College (FTIC) Students are materially correct and can be relied upon.

Metric 5 – Academic Progress Rate (Second Year Retention Rate with GPA Above 2.0). According to the BOG definition for Metric 5, the calculation of this measure is performed as follows:

> *This metric is based on the percentage of first-time-in-college (FTIC students) who started in the Fall (or Summer continuing to Fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the Fall term following their first year with a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer).*
> *Source: State University Database System (SUDS).*

The calculation of this Performance-Based Funding metric in the 2018 Performance-Based Funding Model uses two sets of enrollment data from sequential Fall SIF Files. The first year's Fall SIF enrollment data are used to identify the first-year cohort of full-time Fall (or Summer semester continuing to Fall) FTIC students. The second year's Fall SIF File enrollment data are used to determine whether those individuals continued to be enrolled one year later and had cumulative GPAs of at least 2.0.

We evaluated the most recent two years of Fall SIF File enrollment data submitted to the BOG, which were for Fall 2016 and Fall 2017. We filtered the University's Fall 2016 SIF File submitted to the BOG to identify the University's FTIC students who started in the Fall 2016 (or Summer continuing to Fall 2016) term and were enrolled full time. The filtered Fall 2016 SIF File contained 6,217 records of students who comprised the Fall 2016 FTIC cohort. To compare these data to the University's source data, we developed a query in the University's Campus Solutions system following the BOG's criteria for this metric, which returned 6,284 unique student identification numbers. We reconciled the filtered Fall 2016 SIF File records to those in our Campus Solutions query results and determined that 6,210 SIF records had corresponding records in Campus Solutions, and the remaining seven records were correctly included in the Fall 2016 SIF file according to our review of the students' records in Campus Solutions. There were 74 students in the Campus Solutions query results who did not appear in the SIF File FTIC cohort; 70 of these were not enrolled full-time in Fall 2016, and four withdrew for medical reasons. These records were correctly excluded from the filtered SIF File FTIC cohort.

We compared student records in the Fall 2016 SIF File FTIC cohort to the 2017 unfiltered SIF File to determine the number of SIF File FTIC cohort students who continued their enrollment into a second year. We identified 5,795 of the 6,217 students (93 percent) from the Fall 2016 SIF File FTIC cohort who continued their enrollment in Fall 2017.

We compared all 5,795 students who were retained in 2017 to the results of a Campus Solutions query we developed that identified the 2016 Student Group, as well as the Summer 2017 term institutional hours and grade points, to determine whether the data in the Fall 2017 SIF File that were used in the BOG's GPA calculation were in agreement with corresponding information in the University's Campus Solutions system. There were 48 students whose hours and/or grade points in the SIF File FTIC Cohort differed from the information in Campus Solutions. In each of these cases, the calculated GPAs from the hours and grade points submitted to the BOG in the SIF file were less than the calculated GPAs in Campus Solutions. We reviewed student records for any calculated GPAs below the 2.0 threshold. All eight of these variances were timing issues due to subsequent grade changes or the students withdrawing.

Based on our analyses, we concluded that the data used by the BOG to develop the University's one-year retention rate are materially correct and can be relied upon.

Metric 6 - Bachelor's Degrees within Programs of Strategic Emphasis (includes STEM). The calculation of this measure is to be done as follows, according to BOG definitions:

> *This metric is based on the number of baccalaureate degrees awarded within the programs designated by the BOG as 'Programs of Strategic Emphasis.' A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included).*
> *Source: State University Database System (SUDS).*

According to the BOG in its Overview of Methodology and Procedures: Performance Funding Metrics Methodology and Procedures - Percentage of Degrees Awarded in Programs of Strategic Emphasis document, last revised April 28, 2016, the purpose of Metric 6 is to promote the alignment of the SUS degree program offerings with the economic development and workforce needs of the state. The list was originally created by an advisory group in 2001, and has been updated several times—most recently by the BOG in November 2013.

University SIFD data are used to identify the graduating cohort. The graduation year for this measure begins with the Summer semester and continues with Fall and Spring terms.

SIFD File Testing

The SIFD File is used to identify the cohort of students who received degrees during a given semester and is submitted at the end of each semester. This file is used by the BOG in calculating both the post-graduation outcome and degrees awarded in programs of strategic emphasis measures. In the metrics related to degrees awarded in areas of strategic emphasis, final degree program information is also used.

For our testing, the data used for the SIFD File submissions to the BOG resided in the University's data warehouse, with reporting produced using OBIEE. Our testing population consisted of SIFD File submissions data for the terms Summer 2017 (2,630 records), Fall 2017 (2,849 records), and Spring 2018 (7,347 records), for a total of 12,826 records.

To determine the validity of the SIFD File submissions data, we developed queries in the University's Campus Solutions system, which is now the system of record, to obtain degrees awarded data for academic year 2017-18. We then used Microsoft Excel and TeamMate Analytics to reconcile the SIFD File data from OBIEE, which is sent to the BOG, to the degrees awarded data from the University's Campus Solutions system, to determine if the data submitted to the BOG were complete and valid.

Of the 12,826 degrees awarded records submitted to the BOG for Summer 2017, Fall 2017, and Spring 2018, all 12,826 degrees awarded records based on the student identification numbers were readily reconcilable to our query results using Campus Solutions source data.

Classification of Instructional Programs (CIP) Testing

The Board of Governors maintains an inventory of State University System Academic Degree Programs, which identifies approved degree programs for each university within the SUS. The programs are listed based on the Classification of Instructional Programs (CIP) taxonomy.

We added CIP code data to the degrees awarded query in the University's Campus Solutions System and used this data as source data to validate individual degrees awarded insubmissions to the BOG. We did not identify differences between the two files and concluded that records in the SIFD File were consistent with codes in effect at the time of submission. As we validated individually awarded degrees in the SIFD data, we can conclude that the CIP codes in programs of strategic emphasis included in the SIFD data were accurate.

Undergraduate Degrees Awarded Testing

To validate the level of degree reported to the BOG, we disaggregated undergraduate degrees from graduate degrees included in the SIFD Files and our Campus Solutions system query, and compared the two listings. We determined that all degrees at the undergraduate award level in the SIFD File submissions were accurately reported and that all degrees at the undergraduate award level in Campus Solutions had been included in the SIFD File submission.

Based on the results of our analysis of the University's SIFD File submissions for Summer 2017, Fall 2017, and Spring 2018, we determined the data elements provided by the University for use in calculating Metric 6 to be complete and accurate and in accordance with BOG guidance. We found no significant differences between degrees awarded data submitted by the University tothe BOG and source data in the University's system of record. We concluded that the data provided to the BOG to be used in calculating the percentage of undergraduate degrees in programs of strategic emphasis are materially correct and can be relied upon.

M**etric 7 - University Access Rate (Percent of Undergraduates with Pell Grants).** The calculation of this measure is to be done as follows, according to BOG definitions:

> *This metric is based on the number of undergraduates, enrolled during the Fall term, who received a Pell-Grant during the Fall term. Unclassified students, who are not eligible for Pell-grants, were excluded from this metric.*
> *Source: State University Database System (SUDS).*

The calculation of this Performance-Based Funding metric uses enrollment data from the Fall SIF Files and Pell Grant award data from the Student Financial Aid (SFA) file to determine all degree-seeking undergraduate students enrolled in the Fall term that received Pell Grant awards in the Fall term. Unclassified students and post-baccalaureate students are removed from the calculation because they are not eligible for Pell Grants. In addition, non-resident aliens are excluded from this metric because only a limited number of these students are eligible to receive Pell Grants and SUDS does not collect information that would allow Board staff to determine the Pell eligibility for non-resident aliens.

To validate the University's processes for submitting the data that underlie this measure, we reviewed the 2017 Fall SIF File and the 2017-18 SFA File that was submitted to the BOG.

SIF File Testing

We evaluated the most recent Fall SIF File enrollment data submitted to the BOG, which was for the Fall 2017 term. We filtered the University's Fall 2017 SIF File to identify undergraduates enrolled in the Fall 2017 term who were ***not*** unclassified, second-bachelor's degree, or non-resident alien students. There were 32,117 records that met these criteria.

We developed a query in Campus Solutions to identify undergraduate students enrolled during the Fall 2017 term and used the results to validate information reported in the SIF Fall enrollment file. We determined that information reported in the SIF 2017 Fall enrollment file for this metric was accurate and complete.

SFA File Testing

The SFA File submitted to the BOG is generated by Office of Financial Aid (OFA) staff, in partnership with IR and Information Technology Services.

We evaluated the 2017-18 SFA File that was submitted to the BOG, which includes a line for each type of financial aid award—by student and by term—for all terms during the academic year. We

filtered this data to identify Pell Grants awarded in the Fall 2017 term. There were 8,988 awards meeting this criterion.

We developed a query in Campus Solutions to identify all students who received Pell Grants during the Fall 2017 term and used the results to validate information reported in the 2017-18 SFA File. We determined that awards reported in the 2017-18 SFA File for this metric were materially correct.

We concluded that, based on our testing, the University's data submitted to the BOG for Performance-Based Funding Metric 7 were accurate, complete, and can be relied upon.

Metric 8 - Graduate Degrees within Programs of Strategic Emphasis (includes STEM). The calculation of this measure is to be done as follows, according to BOG definitions:

> *This metric is based on the number of graduate degrees awarded within the programs designated by the BOG as 'Programs of Strategic Emphasis.' A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double majors are included).*
> *Source: State University Database System (SUDS).*

According to the BOG in its Overview of Methodology and Procedures: Performance Funding Metrics Methodology and Procedures - Percentage of Degrees Awarded in Programs of Strategic Emphasis document, last revised April 28, 2016, the purpose of Metric 8 is to promote the alignment of the SUS degree program offerings with the economic development and workforce needs of the state. The list was originally created by an advisory group in 2001, and has been updated several times—most recently by the BOG in November 2013.

University SIFD data are used to identify the graduating cohort. The graduation year for this measure begins with the Summer semester and continues with Fall and Spring terms.

SIFD File Testing

The SIFD File is used to identify the cohort of students who received degrees during a given semester and is submitted at the end of each semester. This is used by the BOG in calculating both the post-graduation outcome and degrees awarded in programs of strategic emphasis measures. In the metrics related to degrees awarded in areas of strategic emphasis, final degree program information is also used.

For our testing, the data used for the SIFD File submissions to the BOG resided in the University's data warehouse, with reporting produced using OBIEE. Our testing population consisted of SIFD File submissions data for the terms Summer 2017 (2,630 records), Fall 2017 (2,849 records), and Spring 2018 (7,347 records), for a total of 12,826 records.

To determine the validity of the SIFD File submissions data, we developed queries in the University's Campus Solutions system, which is now the system of record, to produce degrees awarded data for academic year 2017-18. We then used Microsoft Excel and TeamMate Analytics to reconcile the SIFD File data from OBIEE, which is sent to the BOG, to the degrees awarded data from the Campus Solutions system, to determine if the data submitted to the BOG were complete and valid.

Of the 12,826 degrees awarded records submitted to the BOG for Summer 2017, Fall 2017, and Spring 2018, all 12,826 degrees awarded records based on the student identification numbers were readily reconcilable to our query results using Campus Solutions source data.

Classification of Instructional Programs (CIP) Testing

The Board of Governors maintains an inventory of State University System Academic Degree Programs, which identifies approved degree programs for each university within the State University System. The programs are listed based on the Classification of Instructional Programs (CIP) taxonomy.

We added CIP code data to the degrees awarded query in Campus Solutions and used this data as source data to validate individual degrees awarded in the submissions to the BOG. We did not identify differences between the two files and concluded that records in the SIFD data were consistent with codes in effect at the time of the submission of the file. As we validated individually awarded degrees in the SIFD data, we can conclude that the CIP codes in programs of strategic emphasis included in the SIFD data were accurate.

Graduate Degrees Awarded Testing

To validate the level of degree reported to the BOG we disaggregated graduate degrees from undergraduate degrees included in the SIFD Files and our Campus Solutions system's query results, and compared the two listings. We determined that all degrees at the graduate award level in the SIFD submissions were accurately reported and that all degrees at the graduate award level in Campus Solutions had been included in the SIFD File submission.

Based on the results of our analysis of the University's SIFD File submissions for Summer 2017, Fall 2017, and Spring 2018, we determined the data elements provided by the University for use in calculating Metric 8 to be complete and accurate, and in accordance with BOG guidance. We found no significant differences between data submitted by the University to the BOG and source data in the University's system of record. We concluded that the data provided to the BOG to be used in calculating the percentage of graduate degrees in programs of strategic emphasis are materially correct and can be relied upon.

Metric 9 – Percent of Bachelor's Degrees without Excess Hours.

This Metric 9 is based on the percentage of baccalaureate degrees awarded within 110 percent of the credit hours required for a degree based on the Board of Governors Academic Program Inventory. Metric 9 data are based on the latest statutory requirements that mandate 110 percent of required hours as the threshold. In accordance with statute, this metric excludes the following types of student credits: accelerated mechanisms; remedial coursework; non-native credit hours that are not used toward the degree; non-native credit hours from failed, incomplete, withdrawn, or repeated courses; credit hours from internship programs; credit hours up to 10 foreign language credit hours; and credit hours earned in military science courses that are part of the Reserve Officers' Training Corps (ROTC) program. Data for this metric come from each SUS member's Hours to Degree (HTD) File submitted to the Florida Board of Governors, which file is also used for Metric 3. The BOG calculates excess hours for each student based on the data submitted by the SUS entities. The purpose of our testing was to ensure the data in FSU's HTD File submitted to the BOG for its calculations agreed with source data in the University's Campus Solutions system.

Testing of Students Included in the HTD Table Submitted to the BOG to Determine the Accuracy of Data Elements Used for Metric 9

Having established that our population in the HTD Table submitted to the BOG was correct in our testing of Metric 3, we then tested the accuracy of the following data elements used for Metric 9: 1) term in which the student completed his/her degree, 2) course identification, 3) credit hours each student completed towards his/her first baccalaureate degree, and 4) total catalog hours for the student's degree program category. Since some of the data elements we tested for Metric 9 overlapped with our testing for Metric 3, we used our initial sample of 100 students for that metric to test additional data elements for Metric 9. Because the Metric 3 population of students only consisted of students who were resident undergraduates in degree programs of 120 hours (6,004 students), we took a random sample of 19 additional students from the remaining HTD Table population (1,144 students) that were not part of the Metric 3 population. Therefore, we tested a total of 119 students for Metric 9.

Term in Which the Student Completed His/Her Degree. Having concluded that the 100 students in our Metric 3 testing each had the correct reporting of the degree awarded, we then confirmed that each of the additional 19 students in our sample received his/her baccalaureate degree in the term identified on the HTD Table (part of the HTD File submission to the BOG). We also confirmed that this was the student's first baccalaureate degree (single major), based on our review of his/her Campus Solutions source documentation. We noted no exceptions.

Course Identification. According to the BOG Overview of Methodology and Procedures for this Metric 9, certain courses are excluded from the excess hours calculation. These courses include courses taken by active duty military, dual enrollment courses, exam credit courses, foreign language courses, graduate rollover courses, internships, life experience courses, military courses, courses where the student withdrew due to a personal hardship, and remedial courses. We determined that these excluded courses were correctly identified in the Courses to Degree Table for all 119 students in both our Metric 3 and Metric 9 samples, based on our review of Campus Solutions source documentation.

Credit Hours Each Student Completed Towards His/Her First Baccalaureate Degree. Since we established that the 100 students in our Metric 3 testing had the correct reporting of the credit hours completed towards their first baccalaureate degrees, we then confirmed that each of the additional 19 students in our sample were also correctly reported in the Courses to Degree Table (part of the HTD File submission to the BOG). We determined that, similarly for each of these 19 students, none of the courses that were marked "D," (i.e., counted towards the student's degree), had non-passing grades, were remedial courses, or had an "R" listed under the Repeated Indicator column. Thus, for all of the 19 additional students, we determined their courses classified as "D" were in accordance with instructions provided in the BOG's SUDS Data Dictionary. We noted no exceptions.

We also performed an analysis to identify, for our sample of 19 additional students, any course numbers that were marked "D" more than once per student. Generally, according to undergraduate academic regulations and procedures, students are not allowed additional credit for courses repeated in which the students originally made grades of a "C-" or better, except for courses specifically designated as repeatable to allow for additional credit. Repeatable courses may be taken to a maximum number of times or hours, as spelled out in the course descriptions. We noted no courses

marked "D" more than once that did not meet the criteria for exceptions, other than the duplicate courses for one student identified in our testing of Metric 3. However, that exception would not affect the calculation of Metric 9, as the student did not have excess hours, with or without the duplicate courses.

Additionally, we compared the total amount of native credit hours and non-native credit hours to source documentation in Campus Solutions, for agreement. Native credit hours are all credit hours attempted at Florida State University. Non-native credit hours are hours transferred from other universities and colleges. All courses were classified correctly, with the exception of the one course identified in our testing of Metric 3. However, that exception would not have affected the calculation of Metric 9, as the student did not have excess hours, with or without the additional course identified. We made a similar comparison, for each of the 19 additional students, of the total amount of credit hours, both native and non-native, that were marked "D" in the Credit Hour Usage Indicator column of the Courses to Degree Table, and found agreement in the data FSU submitted to the BOG and FSU source data. We concluded that the sum of these hours met the minimum number of hours for each student's degree (ranging from 120 to 131).

Total Catalog Hours for Each Student's Degree Program Category. The BOG maintains the official State University System Academic Degree Program Inventory, which identifies all approved degree programs for each university within the SUS. The programs are listed based on the Classification of Instructional Programs (CIP) taxonomy that the U.S. Department of Education maintains. Universities may have multiple "majors" at the same degree level under one CIP code and they may have degree programs at different levels within the same CIP. For our sample of 119 students, we reviewed the total program hours for each CIP code listed in the HTD File and compared it to the BOG's program inventory. We noted none of the CIP codes had total program hours that exceeded the BOG's approved maximum hours for the CIP codes.

Based on our testing, the University's data submitted to the BOG for the Performance-Based Funding Metric 9 were materially complete and accurate, and in accordance with BOG guidance. For the minor exceptions noted above, we provided the details of our findings to the Data Administrator for his follow-up actions.

Metric 10c - National Rank Higher than Predicted by the Financial Resources Ranking Based on *U.S. News & World Report.* Metric 10c is based on rankings reported by the *U.S. News & World Report* (*U.S. News*), a multi-platform publisher of news and information, which includes www.usnews.com and www.rankingsandreviews.com. *U.S. News* publishes annual print and e-book versions of its authoritative rankings of Best Colleges and Best Graduate Schools.

Metric 10c is now the University's sole institution-specific choice measure and this metric is the FSU Board of Trustees' Choice Metric. According to the BOG 2018 definitions, Metric 10c is defined as "the difference between the Financial Resources rank and the overall University rank. *U.S. News* measures financial resources by using a two-year average spending per student on instruction, research, student services, and related educational expenditures – spending on sports, dorms and hospitals doesn't count."

The table below shows, from *U.S. News* Best Colleges Ranking Reports, data on Financial Resources Rankings versus National Universities Rankings for Florida State University, and the differences between these rankings (i.e., values for this Metric 10c), for the last six years.

Magazine Edition	Survey Year	Fall Statistics for:	Financial Resources Rank	National Universities Rank	Metric 10 Value
2014	2013	2012	211	91	120
2015	2014	2013	214	95	119
2016	2015	2014	210	96	114
2017	2016	2015	212	92	120
2018	2017	2016	211	81	130
2019	2018	2017	215	70	145

The *U.S. News* 2019 edition (publication year) shows the University's Financial Resources Rank as 215. When the National Universities Rank of 70 is subtracted from that number, the difference of 145 is significant. This difference, which is the Metric 10c value, measures the University in terms of its resources received as compared to its national ranking. A large difference represents an efficient university.

To help place this metric in perspective, the University's Data Administrator provided additional tables and graphs that show that the 145-point difference between the University's Financial Resources Rank of 215 and the National Universities Rank of 70 for 2019 places the University at the 99th percentile. This is 87 points above the 90th percentile and 116 points above the 75th percentile. The Metric 10c values shown above for the last six years show stability, which should remain as long as efficiency data continue to be reported.

U.S. *News* has published additional data on the top-ranked colleges, according to its Best Colleges Rankings, that operate most efficiently. It defines operating efficiency as a college's fiscal year financial resources per student divided by its overall scale score, which is made up of several categorical rankings.

The following table shows *U.S. News* Efficiency Rankings for Florida State University for the last five years.

U.S. News Reporting Year	Fiscal Year Fall Statistics for:	U.S. News National Universities Rank	U.S. News Overall Scale Score	U.S. News Financial Resources Rank	U.S. News Expenditures per Student	Spending per Student for Each Point in the U.S. News Overall Scale Score	National Rank for Efficiency
2015	2013	95	47	214	$18,113	$392.77	2nd
2016	2014	96	45	210	$19,429	$431.76	2nd
2017	2015	92	50	212	$20,575	$411.50	2nd
2018	2016	81	54	211	$21,019	$389.24	2nd
2019	2017	70	57	215	$21,677	$380.30	1st

U.S. News reported that its national ranking for efficiency indicates a school's ability to produce the highest education quality while also spending relatively less on education programs to achieve that quality. Also, to be ranked schools had to be numerically ranked in the top half of the *U.S. News* ranking category in the Best Colleges annual rankings. Based on this calculation, the University received a ranking for efficiency of 2nd, 2nd, 2nd, 2^{nd,} and 1st nationally for 2015, 2016, 2017, 2018, and 2019, respectively.

The purpose of the above table is to show that, as currently calculated, *U.S. News* views the University as very efficient. *U.S. News* has not published spending per student for each point in the overall scale score for the last four years. Spending shown above for 2018-19 was provided by the University Data Administrator via screen capture from the *U.S. News* database. There is evidence, based upon the above two tables, that the University continues to be among the most efficient in the nation.

In summary for Metric 10c, we reviewed copies of the *U.S. News & World Report* Best Colleges Rankings Reports and *U.S. News* Historical Rankings for Florida State University, provided by the FSU Institutional Research Office. Using these sources for the most recent data, the 2019 Metric 10c (National Rank Higher than Predicted by the Financial Resources Ranking Based on *U.S. News and World Report*) value is 145, which will be reported by the University and subsequently by the BOG in its 2017-18 System Accountability Report.

As mentioned previously, in its November 28, 2018 Draft Template 2019 Accountability Plan for each university in the State University System, the BOG indicated that FSU's current BOT Choice Metric #10, National Rank Higher than Predicted by Financial Resources Ranking Based on *US News and World Report*, and our future BOT Choice Metric #10, Percent of Bachelor's Graduates Who Took An Entrepreneurship Class, will both be reported for 2018-19. However, it is the University's understanding that only the current metric will be counted that year towards the University's performance.

Conclusion for Objective #5:

Based on our continued review of the University's internal controls as a whole over data pertaining to the University's PBF metrics and our data accuracy testing for the metrics, we determined the University's data submitted to the BOG were complete and accurate, and in accordance with BOG guidance.

Recommendations:

We have no recommendations for this Objective #5, which addresses the completeness and accuracy of data file submissions to the BOG for Performance-Based Funding Metrics.

Objective #6: Determine the current status since our conclusion in the 2017-18 PBF audit concerning the consistency of data submissions with the data definitions and guidance provided by the BOG through the Data Committee and communications from data workshops.

In the 2017-18 audit, we concluded that:

> *We found no evidence that the University's data submissions to the BOG, specifically those pertaining to data elements germane to this audit, were inconsistent with BOG reporting requirements for these data elements, and no files were resubmitted to correct or change data in these fields.*

Current Findings:

The University Data Administrator certifies each data submission into the BOG SUDS data system through a mechanism deployed by BOG staff on January 15, 2015. The BOG Information Resource Management staff updated the SUDS interface to include a statement that submitting the file "represents electronic certification of this data per Board of Governors Regulation 3.007."

We determined there is ample evidence that University data are being mapped to the current BOG data elements as defined in the BOG's SUDS Data Dictionary. The University Data Administrator demonstrated that sufficient personnel have been consistently attending the Annual Data Administrators' Workshops. Additionally, FSU's data administrator was instrumental in forming the Council of Data Administrators (CODA) to review and standardize reporting among SUS institutions. This group works with BOG staff when any institution forwards questions about interpretation of BOG policies. The FSU Office of Institutional Research has completed an institutional review of all the data elements from Campus Solutions that are required by the BOG for its reports. The scoping and mapping exercises usually involved more than one person from each of the key constituencies: IR, the data warehouse and reporting team, and the Campus Solutions technical and functional teams. These discussions frequently involved validating output data from sample cases with live transactional data. At all times, there was someone available in the room or via electronic media who was able to define the context and constraints of the data for each data element. Questions about BOG interpretations were discussed with the BOG staff, via the CODA listserv or with IR directors at other SUS institutions.

The University Data Administrator has previously provided evidence of requests sent to the BOG for clarification of BOG SUDS data elements and of requests sent to FSU subject-matter experts to reinforce BOG interpretations. He has indicated that process still continues and that he has been instrumental in coordinating the Council of Data Administrators (CODA) to meet this need. FSU's University Data Administrator has also demonstrated a largely automated online (SharePoint) tracking tool for data submissions and resubmissions. Using that information source, concerning data elements that are germane to this audit there was no evidence of inconsistency with BOG requirements in the reporting of these and no files were resubmitted to correct or change data materially in these fields due to FSU, as discussed in Objective #7, to follow. Finally, our testing of data accuracy for Objective #5 included certain tests of the University's adherence to BOG guidance for the data, and we noted no inconsistencies.

Conclusion for Objective #6:

We found no evidence that the University's data submissions to the BOG, specifically those pertaining to data elements germane to this audit, were inconsistent with BOG reporting requirements for these data elements, and no files were resubmitted to correct or change data in these fields, other than a resubmission of the 2016-17 Student Financial Aid File, which was due to a late change in reporting requested by the BOG to add third-party payments to the file, which had not been done before. The resubmission was made in a timely manner, prior to the BOG's need for the data for its PBF metrics calculations.

Recommendations:

We have no recommendations for this Objective #6.

Objective #7: Determine the current status since our conclusion in the 2017-18 PBF audit concerning the University Data Administrator's data resubmissions to the BOG.

In our 2017-18 audit, we determined that:

> *...resubmissions by the University have been very rare, are both necessary and authorized, and have had no FSU-generated effect on the University's Performance-Based Funding metrics (i.e., the BOG called for a change in reporting).*

Current Findings:

According to the University Data Administrator, there are three triggers for resubmissions: 1) the BOG staff determines that the way the institution is interpreting or reporting data is either incorrect or inconsistent with the way most of the other institutions are interpreting the requirements; 2) University staff determines there are inconsistencies with data in a current file that have to be cross-validated with data on an earlier submission of a different file (e.g., SFA File cohort must match SIF File cohort for the same term), requiring resubmission of the earlier file; 3) University staff finds new ways to improve upon the granularity of data being submitted and they choose to apply the new understanding or method to a previously submitted file. Near the end of 2015, the BOG began requiring that a SUDS Data Resubmission Form be completed and submitted to the BOG for every resubmission, unless the resubmission was required for changes initiated because of agreed-upon system-wide criteria changes, or BOG programmatic changes. This form details the reason for the resubmission, indicates whether the resubmission impacts Performance-Based Funding metrics, and is signed by the University Data Administrator.

From the BOG's SUDS system, we searched for files with due dates between July 1, 2017 and June 30, 2018, and found that the University submitted 24 files to the BOG and resubmitted only two of these files. The resubmitted files were the Annual 2016 Student Financial Aid File and the Annual 2016 Retention File. The resubmission of the Student Financial Aid File was due to a late change in reporting requested by the BOG to add third-party payments to the file, which had not been required previously. This resubmission was made in a timely manner, prior to the BOG's need for the data for its PBF metrics calculations. The second resubmission, involving the Retention File, was due to the BOG requesting the University's IR Office to resubmit changes in unique student identifier numbers on the Retention File, even though IR had previously submitted these same identification changes on earlier files sent to the BOG. The BOG itself was not reconciling these changes throughout the various file submissions to it. The effect upon the University's Four-Year Graduation Rate PBF metric was insignificant and did not affect the University's performance on the metric. In a University Data Administrators Workshop with the BOG, it was recommended the BOG improve its process so that Universities' submitted changes perpetuate across all subsequent files submitted to it. For a more in-depth analysis of more current file resubmissions and reasons for these, also using the SUDS system, we noted the University submitted 12 files from July 1, 2018 through November 17, 2018, and only one of these files resulted in a resubmission. This resubmitted file was the Annual 2017 Instruction and Research File. The resubmission was necessary to correct a typo on one record, and occurred timely—two days after the initial submission. The resubmission did not pertain to the University's Performance-Based Funding metrics.

Conclusion for Objective #7:

We determined that, in general, resubmissions by the University have been very rare, are not attributable to the University, and did not affect the University's performance towards achieving the Performance-Based Funding metrics. In the one instance where the University resubmitted a file due to a typo, the correction was timely—within two days.

Recommendations:

We have no recommendations for this Objective #7.

Objective #8: Provide an objective basis of support for the University's President and Board of Trustees Chair to sign the representations made in the Performance-Based Funding - Data Integrity Certification.

Current Findings/Conclusion for Objective #8:

Overall, we concluded that the University has adequate processes for collecting and reporting Performance-Based Funding metrics data to the Board of Governors. In addition, we can provide an objective basis of support for the University's President and Board of Trustees Chair to sign the Performance-Based Funding – Data Integrity Certification, which the BOG requested to be filed with it by March 1, 2019.

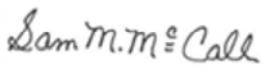
Recommendations:

We have no recommendations for this Objective #8.

Acknowledgements

We would like to acknowledge the full and complete cooperation and support of all involved University faculty and staff, and especially the assistance of Dr. Richard R. Burnette III, the Florida State University Data Administrator, and Dr. James M. Hunt, Director of Institutional Research.

Respectfully submitted,



Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP, CIG
Chief Audit Officer

President's Response

I would like to thank the staff of the Office of Inspector General Services for their hard work on this audit. I am very pleased that no issues requiring corrective action were identified in this audit, and I am comfortable that Chairman Burr and I can rely on these results and sign the Data Integrity Certification without reservation.

John Thrasher, President

Audit conducted by:	Kitty Aggelis, CIA, CGAP, CRMA, CIG Jeffrey Caines, CIA, CGAP, CFE Heather Harrell, CPA Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP, CIG
Audit reviewed by:	Kitty Aggelis Janice Foley
With assistance from:	Madison Meehan (OIGS Intern)

Acronyms Used in This Report

BOG	Board of Governors
CIP	Classification of Instructional Programs
EA	Expenditure Analysis
EMPLID	Employee Identification
ERP	Enterprise Resource Planning
FEDES	Federal Unemployment Data Exchange
FETPIP	Florida Education and Training Placement Information Program
FSU	Florida State University
FTIC	First Time in College
GPA	Grade Point Average
HTD	Hours to Degree
IR	Institutional Research
OBIEE	Oracle Business Intelligence Enterprise Edition
OFA	Office of Financial Aid
PBF	Performance-Based Funding
SFA	Student Financial Aid
SIF	Student Instruction File
SIFD	Student Instruction File Degrees Awarded
STEM	Science, Technology, Engineering, and Mathematics
SUDS	State University Database System
SUS	State University System
WRIS2	Wage Record Interchange System

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Performance Based Funding

March 2019 Data Integrity Certification

University Name: Florida State University

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding

Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures
I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors. Certification: _____ Date 2-22-2019 President
I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge. Certification: _____ Date 2-22-2019 Board of Trustees Chair

NEW COLLEGE OF FLORIDA BOARD OF TRUSTEES
Meeting Date: February 26, 2019

SUBJECT: Performance Based Funding Data Integrity Agreed-Upon Procedures Audit and Certification Representations

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PROPOSED BOARD ACTION

Accept the Performance Based Funding Data Integrity Agreed-Upon Procedures Audit Report dated February 11, 2019 and authorize Chairman Schulaner and President O'Shea to execute the Data Integrity Certification Representations document.

BACKGROUND INFORMATION

The integrity of data provided to the Board of Governors by each SUS institution is critical to the performance based funding decision-making process. In accordance with July 12, 2018 correspondence received from Board of Governors' Chairman Ned Lautenbach, President O'Shea and BOT Audit Committee Chairman Schulaner directed that a Data Integrity Audit be conducted by the College's independent audit firm, Mauldin & Jenkins, to:

1) Determine whether the processes established by the College ensure the completeness, accuracy and timeliness of data submissions to the Board of Governors that support performance funding metrics; and,

2) Provide an objective basis of support for the College's President and Board of Trustees' Chairman to sign the representations made in the *Performance Based Funding – Data Integrity Certification* to be submitted to the Board of Governors by March 1, 2019.

The Audit Committee approved Mauldin & Jenkins' Agreed-Upon Procedures engagement at its meeting on June 9, 2018. The engagement was performed in accordance with attestation standards established by the American Institute of Certified Public. The planning, fieldwork, and reporting were consistent with the International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors.

Supporting Documentation Included:
Memorandum from CAE/CCO Stier dated February 11, 2019
Performance Based Funding Data Integrity Agreed-Upon Procedures Audit dated January 23, 2019
Performance Based Funding Data Integrity Certification Form
Florida Board of Governors' Letter dated July 12, 2018

Facilitators/Presenters: CAE/CCO Stier

Other Supporting Documentation Available:
Mauldin & Jenkins Engagement Letter Executed on June 9, 2018

New College of Florida
THE HONORS COLLEGE

INTERNAL AUDIT SERVICES

Date: February 11, 2019

To: New College of Florida Board of Trustees
President O'Shea

From: Barbara Stier, CAE/CCO

Subject: Summary of new College of Florida's Performance Based Funding Data Integrity Agreed-Upon Procedures Audit

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The Integrity of data provided to the Board of Governors by each SUS institution is critical to the performance based funding decision-making process. In accordance with July 12, 2018 correspondence received from Board of Governors' Chairman Ned Lautenbach, President O'Shea and Chairman Schulaner directed that a Data Integrity Audit be conducted to:

1) Determine whether the processes established by the College ensure the completeness, accuracy and timeliness of data submissions to the Board of Governors that support performance funding metrics; and,

2) Provide an objective basis of support for the College's President and Board of Trustees' Chairman to sign the representations made in the Performance Based Funding – Data Integrity Certification to be submitted to the Board of Governors by March 1, 2019.

Chairman Lautenbach's correspondence directed the Chair of the Board of Trustee and the Chief Audit Executive to set the scope and objectives. It was decided to retain the scope and objectives established in the previous year.

Audit Findings

There were no audit findings.

Conclusion

In our opinion, based upon the work performed, the internal controls, processes and procedures in all material respects are functioning in a reliable manner to ensure completeness, accuracy, and timeliness of data submissions and meet Board of Governors' certification objectives.

Enclosure: Performance Based Funding Data Integrity Agreed-Upon Procedures Audit issued January 23, 2019
Performance Based Funding Data Integrity Certification Form
Florida Board of Governors' Letter dated July 12, 2018

New College of Florida | 5800 Bay Shore Road | Sarasota, FL 34243-2109 | 941-487-4441 | Fax: 941-487-4446 | www.ncf.edu

NEW COLLEGE OF FLORIDA
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING
AGREED-UPON PROCEDURES

SEPTEMBER 30, 2018

NEW COLLEGE OF FLORIDA
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

SEPTEMBER 30, 2018

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MAULDIN & JENKINS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees
New College of Florida
Sarasota, Florida 34243

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees of New College of Florida (the "College"), solely to assist the College in determining whether the College has processes established to ensure the completeness, accuracy and timeliness of data submissions to the Board of Governors (the "BOG") which support the Performance Funding Metrics of the College as of September 30, 2018. The College is responsible for all processes and procedures related to the complete, accurate and timely submission of data to the BOG. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings were as follows:

We reviewed all of the BOG submissions relating to the Performance Funding Metrics identified and published by the State University System of Florida (the "SUS") specific to the certification. See Attachment I for a listing of the submissions tested as provided by the College to us.

a) *Verify the appointment of the Data Administrator by the College President and that duties related to these responsibilities are incorporated into the Data Administrator's official position description.*

1. Review the Data Administrator's position description; note details of the description, paying special attention to responsibilities related to coordinating the gathering of data from departmental sources, quality assurance procedures applied and other data integrity checks prior to submission to the BOG.
2. Determine if the Data Administrator was appointed by the President.
3. Conclude on whether the Institutional Data Administrator's responsibilities include the requirements identified in BOG Regulation 3.007, SUS Management Information System. (For example, verify the Data Administrator's data submission statements indicated, "I certify that this file/data represents the position of this College for the term being reported.").

Procedures Performed

- Reviewed the Position Description for the Director of Institutional Research and Assessment effective February 14, 2007. Verified description included the requirements identified in the BOG Regulation 3.007.
- Reviewed the original appointment for the Director of Institutional Research by the President dated July 11, 2003.
- Observed the State University Database System (the "SUDS") submission screen and the "Submit for Approval" button that represents the College's certification of complying with BOG regulation 3.007.
- Reviewed current organizational chart available via the President's office, and discussed the Institutional Research and Assessment structure with the Director.

Findings

No exceptions were identified as a result of applying these procedures.

b) *Review the processes used by the Data Administrator to ensure the completeness, accuracy and timely submission of data to the Board of Governors.*

1. Interview the Data Administrator and other key data managers to understand the internal processes in place to gather, test and ensure that only valid data, as defined by the BOG, is timely submitted to the BOG.
2. Identify and evaluate key processes over data input and submission. Consider evaluating the processes from the point of incoming information to the submission of the data file to the BOG.
3. Review internal records such as time management schedules and relevant correspondence which purport to demonstrate that complete and accurate data is timely submitted to the BOG. (See due dates addressed in the SUS data workshop).
4. According to BOG Regulation 3.007, prior to submitting the file, the universities shall ensure the file is consistent with the criteria established in the specifications document by performing tests on the file using applications/processes provided by the BOG Information Resource Management (IRM) office. Review process for timely and accurately addressing data file error reports.
5. Evaluate the results and document your conclusion on the Data Administrator's processes.

Procedures Performed

- Interviewed the following people who have significant responsibility for the data being reported and submitted to the BOG:

  - Director of Institutional Research and Assessment, Office of Institutional Research and Assessment;
  - Director of Administrative Computing, Office of Information Technology;
  - Controller, Business Office;

- Registrar, Office of the Registrar;
- Associate Dean of Enrollment Services and Director of Admissions, Office of Admissions and Financial Aid;
- Director of Financial Aid, Office of Admissions and Financial Aid.

- For those interviewed, we discussed key internal controls and processes in place over data input, Banner access, SLATE (the Admission Department's recruitment software) access (when applicable), State University Database System (SUDS) access, validation tables, data submission procedures, error resolution, staff training, and other controls specific to the department and submission of accurate and timely data. Reviewed the metrics specific to each department to ensure controls are in place and a clear understanding exists to ensure only valid data is being submitted based on the data definitions.
- Reviewed the Recurring Reporting Calendar created by the Office of Information Technology and maintained by the Institutional Research and Assessment Department (IRA) which is sent to department heads annually when the BOG submission schedule is produced. These calendar events detail the upcoming submissions due during the year to the BOG and who is responsible for the data being submitted. Department heads review the data requests and are responsible to ensure the data is accurate and ready for timely submission.
- Reviewed submission schedule maintained by the IRA department.
- Verified submission files tested were submitted by the due date as published by the State University System of Florida (SUS) and identified on the SUDS website.
- Tested the submission file criteria definitions used by the College to ensure they meet the data definitions published by the SUS.
- Obtained the data definition tables from the SUDS website and verified tables documented in the College processes agreed to the SUDS tables.
- Reviewed processes over testing and validating data submissions and procedures for the resolution of errors prior to the final submission.

Findings

No exceptions were identified as a result of applying these procedures.

c) *Evaluate any available documentation including policies, procedures and desk manuals of appropriate staff; and assess their adequacy for ensuring data integrity for College data submissions to the Board of Governors*.

1. Request the Data Administrator provide its policies, procedures, minutes of meetings, and any other written documentation used as resources to ensure data integrity; note whether these documents are sufficiently detailed, up-to-date and distributed to appropriate staff.
2. Evaluate the results and document your conclusion. If necessary, consider benchmarking with peer universities.

Procedures Performed

- Discussed key processes with those interviewed to ensure procedures are in place to ensure data accuracy for their department.
- Ensured each department, that is key to the submission process, had written policy and procedures regarding data they are responsible for.

Findings

No exceptions were identified as a result of applying these procedures.

d) *Review system access controls and user privileges to evaluate if they are properly assigned and periodically reviewed to ensure only those authorized to make data changes do so*.

1. Obtain a list of individuals that have access to SUDS.
2. Obtain the definitions for the roles in the SUDS system. http://www.flbog.edu/resources/ditr/suds/_doc/userguide.pdf
3. Review the procedures to grant system access and/or initiate, monitor and cancel user privileges.
4. Perform a test of system access controls and/or user privileges to determine if only appropriate employees have access or need the privilege.
5. Consider other IT systems and related system access controls or user privileges that may impact the data elements used for each measure reviewed.
6. Evaluate the results and conclude on the reasonableness of procedures and practices in place for the setup and maintenance of system access, specifically addressing employees with SUDS access.

Procedures Performed

- Obtained a current listing of all those individuals who have access to the SUDS system from the BOG's application portal manager.
- Obtained the role definitions in the SUDS system for each type of user.
- Discussed procedures with the Director of Institutional Research and Assessment for granting access to the SUDS system and monitoring to ensure user privileges are terminated in a timely manner. Verified only she has administrative authority to change users in the system.
- Reviewed user listing and discussed with the Director of Institutional Research and Assessment to ensure only personnel that need access have access to the SUDS system and only a limited number have the ability to submit data.
- Reviewed Banner access/termination procedures with each department listed in section *b.* and ensured procedures are in place for authorization of adding a new user and timeliness of terminating personnel access.
- Verified email is sent to Data Custodians on a semi-annual basis requesting them to review Banner users for their department to ensure access is proper and needed.

- Selected a sample of four (4) users to verify proper authorization was obtained for the user to be added to Banner and verified employee requires access for their job duties.
- Reviewed SLATE access/termination procedures with the Associate Dean of Enrollment Services and Director of Admissions in the Office of Admissions and Financial Aid and ensured procedures are in place for authorization of adding a new user and timeliness of terminating personnel access.
- Reviewed the October 2018 SLATE user listing.
- Verified that only the Acting Director of Operations has access to add new users.
- Selected a sample of four (4) users to verify proper authorization was obtained for the user to be added to SLATE and verified employee requires access for their job duties.

Findings

No exceptions were identified as a result of applying these procedures.

e) *Testing of data accuracy*.

1. Identify and evaluate data validity controls to ensure that data extracted from the primary systems of record are accurate and complete. This may include review of controls over code used to create the data submission. Review each measure's definition and calculation for the consistency of data submissions with the data definitions and guidance provided by the BOG.
2. As appropriate, select samples from data the College has submitted to the BOG for its Performance Funding Model. Vouch selected data to original source documents (this will most likely include the College's student and financial systems used to capture relevant information).
3. Evaluate the results of the testing and conclude on the completeness and accuracy of the submissions examined.

Procedures Performed

- For each submission file listed in Attachment I, we performed the following procedures for the specific metrics identified in the Performance Funding Metrics published by the SUS:

  - Obtained complete submission file for time period being tested.
  - Selected a sample size of thirty (30) data items to test for each file submission and each metric specific to the performance funding testing.
  - Verified data reported in the submission files specific to the metrics identified by the SUS agreed to the source system Banner.
  - Verified the data reported for each metric agreed with the SUDS data dictionary.

- To determine the completeness of the files being submitted, we performed the following procedures:

  - For each term and reported time frame, we obtained which was extracted from Banner and compared to submission files extracted by the Institutional Research and Analysis department. For each comparison we identified any person that was on the Banner report that was not in the file submission. We then selected a sample size based on the size of the file and errors returned and verified the student was properly omitted for the specific submission based on the current data definitions. Selected files and corresponding sample sizes are as follows:

    1. All students enrolled were compared to the Student Instruction (SIF) files submitted. No differences were identified.
    2. All students who received Pell grants were compared to the Student Financial Aid (SFA) files submitted. One difference was identified and reconciled.
    3. All students who had a degree awarded were compared to the Degrees Awarded (SIFD) files submitted. No differences were identified.
    4. All students admitted were compared to the Admissions (ADM) files submitted. We selected nine differences and all were reconciled.

Findings

No exceptions were identified as a result of applying these procedures.

f) *Evaluate the veracity of the College Data Administrator's data submission statements that indicate, "I certify that this file/data represents the position of this College for the term being reported."*

1. Interview the College Data Administrator to consider the reasonableness of the various coordination efforts with the Data Administrator's staff, the other Data Custodians' staff, BOG IRM, and other knowledgeable individuals which form the basis for personal and professional satisfaction that data submitted to the BOG is complete, accurate and submitted timely.
2. Inquire how the Data Administrator knows the key controls are in place and operating effectively. If not already done, consider verifying these key controls are in place and adequate to support the Data Administrator's assertions.

Procedures Performed

- Interviewed personnel listed in section *b.* and verified communication with the Institutional Research and Assessment department is on-going and clear to ensure accurate and timely data submission. Also, verified the Data Administrator understands the key controls specific to the metrics being tested and that they are functioning.
- Verified with the Director of Institutional Research and Assessment her communication with the BOG and IRM to ensure data being submitted meets the data definitions.

Findings

No exceptions were identified as a result of applying these procedures.

g) *Review the consistency of data submissions with the data definitions and guidance provided by the Board of Governors through the Data Committee and communications from data workshops*.

1. Evaluate the College's procedures for periodically obtaining and communicating definitions and due dates as provided by the BOG through the Data Committee and communications from data workshops.
2. Verify with the College Data Administrator that the most current data file definitions are used as a basis for preparation of data to be submitted to the BOG.
3. Review SUDS most recent cumulative release notes and workshop agendas. http://www.flbog.edu/resources/ditr/suds/
4. Request evidence of the most recent formal staff training/workshops, internal discussions or communications with other responsible employees and the BOG Data Committee necessary to ensure the overall integrity of data to be submitted to the BOG.
5. Conclude as to the consistency of the submissions.

Procedures Performed

- Reviewed the Recurring Reporting Calendar created by the Office of Information Technology and maintained by the IRA department sent to department heads. These calendar events detail the upcoming submissions due in the next year to the BOG and who is responsible for the data being submitted. Department heads review the data requests and are responsible to ensure the data is accurate and ready for timely submission.
- Obtained the most recent data definition tables on the SUDS website and verified data definitions outlined in the file processes agreed to the SUDS data tables.
- Verified the Institutional Research and Assessment Department's process of communication to department heads of the data definitions and any new or changed metric.

- Obtained the SUDS release notes and workshop agenda's during the testing period and verified any changes were properly incorporated into the data file submissions.
- Reviewed staff training with each personnel interviewed as listed in section *b.* in relation to both Banner and SUDS security and knowledge training.
- Our testing was performed on all file submissions with due dates from October 1, 2017 through September 30, 2018, for the specific metrics tested to review for consistency among data submissions.

Findings

No exceptions were identified as a result of applying these procedures.

h) *Review the College Data Administrator's data resubmissions to the Board of Governors with a view toward ensuring these resubmissions are both necessary and authorized. This review should also evaluate how to minimize the need for data resubmissions*.

1. Interview the College Data Administrator about the types and quantity of recent data resubmissions and the level(s) of approvals necessary for corrective action.
2. Request and examine any correspondence between the College and the BOG IRM office related to data resubmissions that pertain to the performance metrics. Determine if these resubmissions problems tend to be reoccurring and what, if any, actions management has taken or plans to take in order to reduce them.
3. Conclude as to the frequency, need and authorization of the resubmission process.

Procedures Performed

- Interviewed the Director of Institutional Research and Assessment about the resubmission procedures.
- Reviewed data resubmission correspondence from the BOG and verified files were properly resubmitted with no outstanding errors.
- Reviewed resubmissions to identify if there are reoccurring submission problems.

Findings

No exceptions were identified as a result of applying these procedures.

i) *Provide an objective basis of support for the president and board of trustees chair to sign the representations made in the Performance Based Funding−Data Integrity Certification*.

1. Review The Performance Based Funding (the "PBF") Data Integrity Certification statement to identify additional procedures that should be designed to support the representations. (For example, #11 requests a certification that College policy changes and decisions impacting the PBF initiative were not made for the purposes of artificially inflating performance measures).

New College of Florida
January 23, 2019

Procedures Performed

- We reviewed the Data Integrity Certification and performed procedures agreed upon by the College to meet the objectives of the certification.

Findings

2018-01 Mauldin & Jenkins was engaged to perform procedures that were provided by you and were outlined in our engagement letter that management has identified to meet the objectives of the certification. The College must conclude as to the adequacy of these procedures and findings in meeting their certification objectives.

We were not engaged to and did not perform an audit, the objective of which would be the expression of an opinion on the processes and procedures for the complete, accurate and timely submission of data to the BOG. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to management.

This report is intended solely for the information and use of New College of Florida's Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
January 23, 2019

New College of Florida
Metric Related Submissions
October 1, 2017 through September 30, 2018

Attachment I

Submissions Tested				
Due Date	**Submission**	**Term or Year**	**Rept Time Frame**	**Sample Tested**
10/6/2017	ADM - Admissions File	Fall 2017	201708	30
10/9/2017	SFA - Student Financial Aid File [1]	Annual 2016	20162017	60
10/17/2017	SIFP - Student Instruction File Preliminary	Fall 2017	201708	30
10/23/2018	RET - Retention File [2]	Annual 2016	20162017	0
1/26/2018	SIF - Student Instruction File [4]	Fall 2017	201708	90
3/2/2018	ADM - Admissions File	Spring 2018	201801	30
6/21/2018	SIF - Student Instruction File [4]	Spring 2018	201801	90
7/5/2018	SIFD - Degrees Awarded [3]	Spring 2018	201801	30
Additional Data Submissions tested for New College specific metrics				
Metric	**Submitted Data**	**Term or Year**	**Rept Time Frame**	**Sample Tested**
Metric #3	HTD Data	Annual 2016	20162017	30
Metric #6	STEM Data	Annual 2017	20172018	30
Metric #8b	ADM - Admissions File	Fall 2017	201708	30
Metric #9c	Common Data Set	Annual 2016	20162017	30

[1] The Financial Aid Awards table was tested for both Metric #3 and Metric #7. The metrics have different methodologies and require two (2) samples to be tested, therefore sample tested is sixty (60).

[2] There were no changes to report and submit to the BOG during the period.

[3] The sample tested was also used to test Metric 10(d) specific to New College of Florida.

[4] The Enrollments table was tested for Metric #3 and for Metric #4/7. Metric #3 required its own sample to be selected while Metrics #4 and #7 shared a sample, generating a sample size of sixty (60) per submission. In addition, the Fee Waivers table was tested for Metric #3, increasing the sample size per submission to ninety (90).

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Performance Based Funding

March 2019 Data Integrity Certification

University Name: New College of Florida

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding

Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures
I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors. Certification: _____ Date 2/26/19 Donal O'Shea, President
I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge. Certification: _____ Date 2/26/19 Felice Schulaner, Board of Trustees Chair

UNIVERSITY AUDIT

AUDIT 353

DECEMBER 14, 2018

PERFORMANCE-BASED FUNDING DATA INTEGRITY

AUDIT OF INTERNAL CONTROLS AND COMPLIANCE AS OF SEPTEMBER 30, 2018

UNIVERSITY OF CENTRAL FLORIDA

This work product was prepared in accordance with the International Standards for the Professional Practice of Internal Auditing, as published by the Institute of Internal Auditors, Inc.

UNIVERSITY OF CENTRAL FLORIDA

University Audit
Phone: 407-823-2889
P.O. Box 160080
Orlando, FL 32816-0080

MEMORANDUM

TO: A. Dale Whittaker
President

FROM: Robert J. Taft
Chief Audit Executive

DATE: December 14, 2018

SUBJECT: Audit of Performance-based Funding Data Integrity

The enclosed report represents the results of our Performance-based Funding Data Integrity audit.

We appreciate the cooperation and assistance of the staff in Institutional Knowledge Management and UCF IT.

cc: M. Paige Bordon
Linda Sullivan
Elizabeth Dooley
Ronnie Korosec
Board of Trustees
Grant Heston

Background and Performance Objectives

Beginning in 2013-14, the Florida Board of Governors (BOG) implemented a performance-based funding (PBF) model which utilizes 10 performance metrics to evaluate universities on a range of issues, including graduation rates, job placement, cost per degree, and retention rates. According to information published by the BOG in May 2014, the following are key components of the funding model.

- For each metric, institutions are evaluated on either Excellence (a raw score) or Improvement (the percentage change from the prior year).
- Performance is based on data from one academic year.
- The benchmarks for Excellence are based on the BOG 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement are determined by the BOG after reviewing data trends for each metric.
- The Florida Legislature and Governor determine the amount of new state funding and a proportional amount of institutional funding that would come from each university's recurring state base appropriation.

For 2018-19 funding, each university was evaluated on seven metrics common to all universities, except Florida Polytechnic University, which is not yet eligible to participate in the funding process. The eighth metric applied to all institutions except New College, which had an alternate metric more appropriate to its mission. The ninth metric was chosen by the BOG, focusing on areas of improvement and the distinct missions of each university. The tenth metric was chosen by each university's Board of Trustees (BOT) from the remaining metrics in the University Work Plan.

UCF's metrics were:

1. percent of bachelor's graduates continuing their education or employed (with a salary greater than $25,000) within the U.S. one year after graduation
2. median wages of bachelor's graduates employed full-time one year after graduation
3. average cost to the student (net tuition per 120 credit hours) for a bachelor's degree
4. four-year graduation rate (includes full-time, first time in college students)
5. academic progress rate (second year retention with a GPA greater than 2.0)
6. bachelor's degrees awarded within programs of strategic emphasis
7. university access rate (percent of fall undergraduates with a Pell-grant)
8. graduate degrees awarded within programs of strategic emphasis
9. percent of bachelor's degrees without excess hours
10. number of bachelor's degrees awarded annually

The Florida Excellence in Higher Education Act of 2018, which was signed into law on March 12, 2018, amending Section 1001.92 F.S., requires the Performance Funding Model to include:

- a four-year graduation rate metric
- the access rate benchmarks to be differentiated and scored to reflect the varying access rate levels among the universities.

The BOG developed a Performance-based Funding Data Integrity Certification form to provide assurances that the data provided by universities is reliable, accurate, and complete. This certification form is to be signed by the university president, affirmatively certifying each of the 12 stated representations or providing an explanation as to why the representation cannot be made as written. The certification form is also to be approved by the university BOT and signed by the BOT chair.

To make such certifications meaningful, the BOG again instructed each university BOT to "direct the university Chief Audit Executive to perform or cause to have performed by an independent audit firm, an audit of the university's processes that ensure the completeness, accuracy, and timeliness of data submissions."

Audit Objectives and Scope

The primary objective of this audit was to determine the adequacy of university controls in place to promote the completeness, accuracy, and timeliness of data submissions to the BOG, particularly as they relate to PBF metrics. This audit will also provide an objective basis of support for the president and BOT chair to certify the required representations on the data integrity certification form.

Our approach is to audit files related to four of the 10 measures each year so that all measures are tested twice within a five-year cycle. This year's testing including data files submitted as of September 30, 2018, related to:

- Metric 3: cost of bachelor's degrees to the student, net tuition and fees per 120 credit hours
- Metric 4: four-year graduation rate for full-time, first time in college students
- Metric 7: university access rate (percentage of undergraduates with a Pell grant)
- Metric 9: percent of bachelor's degrees without excess hours

We performed a comprehensive review of the controls and processes established by the university to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which supported the PBF metrics during our audit in 2015-16. During our 2016-17 and 2017-18 audit and the current 2018-19 audit, we reviewed any changes to controls and processes.

In addition, we verified the completeness and accuracy of the Hours to Degree (HTD), Courses to Degree (CTD), Student Instruction File (SIF), and Student Financial Aid (SFA) files

submitted to the BOG in support of the measures listed above. By developing our own queries in PeopleSoft and comparing those results to the files submitted to BOG, we were able to test 100 percent of the students submitted for each file.

Overview of Results

Based on our audit, we have concluded that UCF's controls and processes are adequate to ensure the completeness of data submitted to the BOG in support of performance-based funding. Although we found minor errors that resulted in inaccurate or incomplete information being submitted to the BOG for a small number of students, these errors were **immaterial** and had **no impact** on UCF's overall ranking among SUS institutions. Additional details are contained in Table 1.

We believe that our audit can be relied upon by the university president and the UCF Board of Trustees as a basis for certifying the representations made to the BOG related to the integrity of data required for the BOG performance-based funding model.

Audit Performance Metrics

Beginning of audit: March 28, 2018

End of fieldwork: October 26, 2018

Audit Team Members:

Vicky Sharp, senior auditor, auditor in charge

Robert Taft, chief audit executive, level I reviewer

Table 1 –Issues identified during the audit

Issue #	Description	Impact on UCF's Raw Score	Impact on UCF's Excellence Score	Impact on UCF's Ranking Among SUS Schools	Status of Remediation
1	Seventeen students' entry type information was in accurate; therefore, these students should not have been included in the Fall 2013 cohort. IKM has made changes to the logic that pulls the application history starting with academic year 2015-2016, which is after the 2013 cohort used in this metric.	By removing these students from the cohort, UCF's four-year graduation rate percentage falls from 43.8% to 43.7%	UCF would have earned only 4 excellence points rather than 5 excellence points.	None	**In Progress** as of the date of this report IKM will be submitting adjustments for 2012-13, 2014-15, and 2015-16 cohorts in the January 2019 SUDS cohort adjustments file.
2	The logic in the program used to pull transfer courses used to satisfy students' degree requirements from the "myKnight Audit" academic advising software (implemented in Spring 2016) continues to be adjusted affecting certain students' excess hours on the CTD files used for metric 9, percent of bachelor's degrees without excess hours. We found two students should not have had excess hours, 1 student should have had less excess hours, and two students should have had more excess hours.	None	None	None	**Fully remediated** as of the date of this report

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Attachment A

Performance Based Funding

March 2019 Data Integrity Certification

University Name: University of Central Florida

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	The 2016 HTD file was delayed due to continuing programming logic challenges with the new degree audit system. We kept the BOG informed of our delays and the submission delay did not have any adverse impact on any of the data processing for the Accountability Plan.
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the	☒	☐	

Performance Based Funding
Data Integrity Certification

university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.			
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐	

Performance Based Funding Data Integrity Certification Representations, Signatures

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _____ Date 1-24-19
President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____ Date 1/24/19
Board of Trustees Chair

UNIVERSITY OF FLORIDA

OFFICE OF INTERNAL AUDIT

Audit of:	University of Florida Performance Based Funding – Data Integrity
Period of Audit:	As of September 30, 2018
Report Issue Date:	October 30, 2018
Report Number:	UF-19-723-08

UF | UNIVERSITY of FLORIDA

Office of the President
Office of Internal Audit

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October 30, 2018

MEMORANDUM

TO: UF Board of Trustees Audit and Compliance Committee

FROM: Joe Cannella III
Interim Chief Audit Executive

SUBJECT: Performance Based Funding – Data Integrity audit

We audited the University of Florida's data submission process related to data metrics use the BOG's performance based funding initiative, as of September 30, 2018. The attached r defines the scope of our audit and contains analysis and comments.

Please call me if you have any questions regarding the contents of the audit report.

JC:dh

cc: President Fuchs
Provost and Sr. Vice President
Sr. Vice President and COO
Assistant Provost and Director, Institutional Planning and Research
Auditor General

An Equal Opportunity Institution

UNIVERSITY OF FLORIDA

PERFORMANCE BASED FUNDING – DATA INTEGRITY

As of September 30, 2018

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MANAGEMENT RESPONSE 12

PERFORMANCE BASED FUNDING – DATA INTEGRITY

EXECUTIVE SUMMARY

Pursuant to Section 1001.92, Florida Statutes, the Board of Governors (BOG) implemented a performance based funding (PBF) model, which is intended to build upon the BOG's strategic plans and goals and annual accountability reports. This model seeks to further elevate the SUS while acknowledging each university's distinct mission.

The integrity of the data provided to the BOG by the universities is critical to the PBF decision-making process. Therefore, the BOG developed a Performance Based Funding Data Integrity Certification Form to provide assurances that the data submitted by the university is reliable, accurate, and complete. This certification form is to be executed by the university president, affirmatively certifying each representation and/or providing an explanation as to why the representation cannot be made as written. The certification is also to be approved by the university Board of Trustees (BOT) and executed by the BOT chair.

On July 12, 2018, the chairman of the BOG instructed each university BOT to "direct the university chief audit executive to perform, or cause to have performed by an independent audit firm, an audit of the university's processes that ensure the completeness, accuracy and timeliness of data submissions" to the BOG. This audit will provide an objective basis of support for the president and BOT chair to certify the required representations.

The Office of Internal Audit conducted an audit of the university's data submission process, related to data metrics used for the BOG's performance based funding initiative, as of September 30, 2018. The primary objective of this audit was to determine the adequacy of university controls in place to promote the completeness, accuracy, and timeliness of these data submissions to the BOG.

Based on the results of our audit procedures, we concluded that controls over the university's data submission process were adequate to promote the completeness, accuracy, and timeliness of submitted data relative to the BOG's PBF initiative. Our conclusion of "adequate" indicates that controls were in place and functioning as designed.

PERFORMANCE BASED FUNDING – DATA INTEGRITY

AUDIT REPORT

Scope and Objectives

On July 12, 2018, the chairman of the Board of Governors (BOG), instructed each university board of trustees to "direct the university chief audit executive to perform, or cause to have performed by an independent audit firm, an audit of the university's processes that ensure the completeness, accuracy and timeliness of data submissions" to the BOG with an emphasis on the data that supports performance funding metrics.

We have completed an audit, as of September 30, 2018, of the university's data submission process related to data metrics used for the BOG's performance based funding initiative. The primary objective of this audit was to determine the adequacy of university controls in place to promote the completeness, accuracy, and timeliness of these data submissions to the BOG.

Because of the inherent limitation in the application of such controls, errors or irregularities may, nevertheless, occur and not be detected. Also, assurances regarding the adequacy of internal controls cannot be projected to future periods due to the risk that procedures may become inadequate because of changes in conditions or compliance with procedures may deteriorate.

We conducted the audit in accordance with the International Standards for the Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors. The audit fieldwork was conducted from August 1, 2018 through October 18, 2018 in accordance with the 2018-2019 audit work plan, and pursuant to the BOG directive to the University of Florida Board of Trustees (BOT).

Background

The Florida Legislature has called upon the State University System (SUS) of Florida to reach new levels of efficiency, academic quality and accountability. Pursuant to Section 1001.92, Florida Statutes, the BOG implemented a performance-based funding (PBF) model, which is intended to build upon the BOG's strategic plans and goals and annual accountability reports. This model seeks to further elevate the SUS while acknowledging each university's distinct mission.

The integrity of the data provided to the BOG by the universities is considered critical to the performance based funding decision-making process. Therefore, the BOG developed a Performance Based Funding Data Integrity Certification to provide assurances that the data submitted to the BOG for PBF decision-making is reliable, accurate, and complete. This certification form is to be executed by the university president, affirmatively certifying each representation and/or providing an explanation as to why the representation cannot be made as written. The certification form is also to be approved and certified by the

BOT chair. This audit is intended to provide an objective basis of support for the president and BOT chair to certify the required representations (See Attachment A).

According to BOG Regulation 5.001(1), the PBF model is based upon four guiding principles:

- Align with SUS Strategic Plan goals
- Reward excellence or improvement
- Have a few clear, simple metrics
- Acknowledge the unique mission of the different institutions

The PBF Model includes ten metrics that evaluate the institutions' performance in a variety of different strategic areas:

- Eight of the ten metrics are common to all institutions. These include metrics on employment after graduation, cost to the student, graduation rates, academic progress, programs of strategic emphasis, and access to the university. In March 2018, metric 4 was changed from 6-year graduation rate to 4-year graduation rate.
- The ninth metric, chosen by the BOG, focuses on areas of improvement and distinct missions of each university. For the University of Florida, this metric was changed in November 2017 to the Percent of Bachelor's Degrees without Excess Hours.
- The final metric is chosen by each university BOT from the remaining metrics in the University Work Plans that are applicable to their mission. The University of Florida BOT selected the number of licenses/options executed annually.

Attachment B provides a list of the BOG Performance Based Funding Metric Definitions

Attachment C identifies the University of Florida's final scores for the past four allocation years and the 2018-2019 benchmarks.

The BOG Regulation 3.007, SUS Management Information System, states that SUS universities shall provide accurate data to a management information system established and maintained by the BOG Office. The BOG has created a web-based State University Database System (SUDS) Master File Submission Subsystem for the SUS to report their data.

The BOG Regulation 1.001, University Board of Trustees Powers and Duties, authorizes BOG regulations over local Boards of Trustees and sets expectations for University Administration and Oversight, requiring each board of trustees to maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and requires that all data and reporting requirements of the BOG are met.

The number of files to be uploaded is dependent on the submission type. Once all required files and any desired optional files for the submission are uploaded, the university checks the submission based on edits and standard reports generated by SUDS. The SUDS system will identify errors or anomalies which may cause the file to be rejected. These items should be corrected or explained on the source file and uploaded to the system to be checked again. This process is iterated until the submission is free of all significant errors and/or the errors are explained. Once that is accomplished, the university is ready to 'officially'

submit the data to the BOG for approval. The electronic submission certifies that the file/data represents the position of the university for the term reported.

Once submitted, BOG staff review the edit results, error explanations, and standard reports. The submission will either be accepted or rejected. If rejected, the reason will be posted to the user and a resubmission requested. If accepted, the submitted data will be promoted to the production database.

Organizational Responsibilities

The Office of Institutional Planning and Research (IPR) provides university management with information that supports institutional planning, policy formation and decision making; coordinates responses to inquiries for university-related information; serves as a comprehensive source for information about the institution; and administers data collection and reporting of institutional data to state and federal entities.

The IPR was comprised of a director and ten other staff responsible for completing the BOG requests, as well as requests from other internal or external parties. The IPR estimates they annually receive 850 data requests of which 34% originate from the BOG.

The data owners at the university consist of the core offices responsible for the extraction and compilation of the institutional data that support the BOG submissions and other data requests. Upon creating the submission file from the authoritative system of records, their staff are responsible for reviewing and correcting data in the information systems prior to the submission through SUDS. The following offices/units were responsible for compiling the data files for the PBF metrics and were included within the scope of this audit:

- **Office of University Registrar (OUR)**: Responsible for student records and degree information used to create the Student Instruction File (SIF) and Degrees Awarded (SIFD). This data was used in multiple metrics involving graduation, retention, academic progress, cost to student, and strategic emphasis.
- **Office of Undergraduate Affairs (OUA)**: Responsible for degree audit monitoring and generation of the Hours to Degree (HTD) file. This data was used in Metric 3 (Cost to the Student) and Metric 9 (Excess Hours).
- **Bursar**: Responsible for processing waivers in the Student Financial System and verifying the fee waiver table for SIF submissions. This data was used in metric 3 for determining the cost to the student
- **Student Financial Affairs (SFA)**: Responsible for the financial aid award data used to create the SFA file. This data was used in Metrics 3 (Cost to the Student) and 7 (University Access Rate).
- **Office of Technology Licensing (OTL):** Responsible for compiling a list of all licenses/options and reporting to the Association of University Technology Managers through their annual Licensing Survey. The information is used for the Board of Trustees Choice Metric 10f.
- **Enterprise Systems (ES)**: This unit provided information technology (IT) support to the various other units and was directly responsible for maintaining certain systems as well as compiling data and generating reports from those systems for the other core offices.

The data owners work collaboratively with IPR to review and explain errors noted in the SUDS edit summaries. The IPR then performs a final review to evaluate data accuracy prior to the data administrator or designee certifying the submission to the BOG for their approval. At any point, the BOG may ask the university to address additional exceptions requiring further review, explanation, or resubmission of the file.

Attachment D is a flowchart summarizing the data and process flows from extraction through the BOG approval.

Prior Audit Comments

An internal control audit of Performance Based Funding – Data Integrity was performed as of September 30, 2017, with audit report UF-18-703-06 issued November 21, 2017. The audit results included no comments in regards to the university's data submission process.

Overall Conclusion

To identify and evaluate the controls in place relative to the university's data submissions in support of the PBF metrics, we conducted employee interviews, performed analytical reviews, evaluated risks related to each metric, reviewed program codes, performed process walkthroughs, and tested reported values to source data.

Based on the results of our audit procedures, we concluded that controls over the university's data submission process were adequate to promote the completeness, accuracy, and timeliness of submitted data relative to the BOG's PBF initiative. Conclusions relative to specific data owners and other comments on the data submission process, including audit procedures employed, are described below.

DATA ADMINISTRATOR (DA)

BOG Regulation 3.007(2) states that each university president shall appoint an institutional DA to be responsible for managing university responses to the Board's official information requests. The president has formally appointed the IPR Director as the DA for the university, and the director's job description clearly defined her role as the DA. We noted that IPR Director has the overall responsibility to serve as the official point of contact with the BOG for transmission of data and reports. These responsibilities included the integrity of data reported to the BOG and promoting data stewardship on campus by working with different functional areas to resolve data issues, improve data quality and to assure that external reporting standards are met.

The DA also participated in the Council of Data Administrators (CODA) with other Florida university data administrators. The council's vision statement asserts that the CODA exists to promote and ensure that reliable and consistent data are used and reported by SUS institutions for current and future information-based decisions. Collectively, the DAs work to improve communication or find solutions that institutions consistently must address related to SUDS, such as incorrectly flagged records on submission error reports or mismatched file comparisons.

IPR Review and Edit Procedures

BOG Regulation 3.007(2)(b) states that the DA is responsible for providing complete responses to information requests within the time frame specified by the Board Office. Pursuant to the schedule set forth in the submission section of each file, IPR developed a Data Request System to communicate and monitor the required deadlines with data owners. The IPR works directly with the BOG Office of Data Analytics regarding edits and data definitions to enhance the accuracy and quality of the data being submitted.

Extensive procedures were performed by the data owners during their data extraction and review, and by the IPR during their review and submissions. Consistent and timely communication between the IPR and the data owners was critical to coordinate these procedures to meet the required deadlines. We reviewed evidence noting that IPR worked with the data owners and the BOG to resolve errors or inconsistencies within data elements. In addition, each data owner was required to submit a certification statement summarizing the work performed, verifying the supporting documents were maintained, and acknowledging the file was ready to submit.

We noted that IPR had comprehensive written procedures to document the work initiation and quality checking procedures to validate the accuracy of the data being submitted. We verified, through walkthroughs, that the IPR was following the written procedures by reviewing and comparing historical data for validity. For SIF and SIFD, we also noted a comparison was performed on areas such as enrollment, majors, student credit hours, and degree level awarded.

The IPR also had an internal review checklist and Data Quality Review summary in place to document procedures performed and issues noted for each BOG submission. IPR utilized the information documented in the summary to take proactive steps to resolve those issues from recurring in subsequent submissions. We reviewed all PBF-related submissions and observed that the quality checking procedures for the BOG submissions were performed by two IPR staff, with a final review by the IPR director.

The IPR director also submitted an annual letter to the president attesting to her due diligence to promote assurance that the submissions were timely, accurate and complete. The IPR created a file sharing site called the “President’s Portal” to facilitate the review and access to documentation as well as correspondence concerning the submissions for the PBF metrics.
We evaluated the controls and systems that promote accountability and timely reporting. We tested all nine submissions related to PBF from October 1, 2017 through September 30, 2018 and noted all submissions were timely, submitted by the appropriate staff with certification and explanations of any errors, approved by the DA, and accepted by the BOG.

Based on the results of our review, we concluded that the IPR employed adequate review and edit processes, including appropriate documentation of their procedures.

DATA OWNERS

To understand the requirements for complete and accurate submissions, we reviewed the SUDS Data Dictionary, documentation from SUS data workshops, and BOG methodology and procedures applicable

to the PBF submissions. The BOG issued annual notices communicating updates for reporting of institutional data based on the results of SUS data workshops. Depending on the required changes, the university may need to modify procedures or program code. Example of changes noted in the 2017 SUS data workshop was the new element of waiver/exemption type for the SIF submission, which related to Metric 3.

After gaining an understanding of the submission requirements, we reviewed key procedures for each data owner related to the extraction, compilation, and review of their data to ensure completeness and accuracy of the submission. We performed a risk analysis of the applicable metrics, taking into consideration changes in internal procedures for extraction, review, and submission processes. We also considered staffing changes, the significant changes in reporting requirements between years, variances in the data reported, and historical scores received.

The following is a summary of our review and conclusions for each data owner.

Office of University Registrar (OUR)

The mainframe-based Student Records System was the authoritative system of record (master data) for the SIF, SIFP, SIFD, and HTD. Metric submissions generated from these records involved graduation, retention, academic progress, and information regarding the programs of strategic emphasis (STEM programs).

The OUR had developed automated quality control checks that determined whether the data was within the BOG-expected parameters and allowed them to review the student data on a daily basis and make corrections, as necessary, prior to the SUDS submission. Because the mainframe-based system did not have input data validation checks, the OUR quality control checks looked for internal inconsistencies in the data, such as a student with their major not matching between internal files, invalid degree sought, incorrect matriculation status, blank data, invalid birth date, and student class level blank or inconsistent with other data.

We reviewed the OURs documented procedures for data extraction, review and upload, noting no significant changes since the prior audit in staffing, procedures, or BOG reporting requirements. The written procedures specifically addressed change management controls, processing and review of ad hoc reports, production jobs, and uploads. The OUR employed automated continuous monitoring procedures as well as separate layering of reviews to help assure the student data was accurate. We noted that the quality control procedures were performed by experienced staff prior to the final review by the DA.

The documented procedures indicated that IT system controls were in place for change management, access, data quality, audit logging, and security. Program change management controls were in place for both production scheduled jobs and the ad hoc generated reports. Access to production libraries were limited to personnel who were authorized to make changes. IT staff were tasked with the system and program changes while functional staff could make changes to data only through the applications, providing a separation of job functions.

SUDS submission data was stored in staging tables in a relational database on the mainframe. A custom application limited editing of the data to core office staff prior to a local download by the analyst and then upload to SUDS. We reviewed system and data security to ensure direct data access to files and relational database tables had been controlled. The records on the table kept track of the last user who made a change to the data and the date of change. At time of download, a control total report was generated by email to the OUR staff providing a summary of total number of records. We verified that both control total reports matched the spring SIF and SIFD submission record counts. Based on our review, we determined that access to make changes was limited to only authorized users.

We tested a random sample of 100 student records for SIF and SIFD submissions by comparing the data to the system of record to verify the accuracy of key elements identified in the BOG Methodology and Procedures. We found no exceptions for the sampled data elements.

OUR also coordinated with the Bursar Office for validation of the waivers, which were reported as part of the SIF submission for metric 3. We confirmed that the Bursar Office had established a process to verify the accuracy and completeness of the data by comparing the SUDS summary report with the Tuition Waiver Report from myUFL Enterprise Reporting. We reviewed the reports for Spring 2018 and determined the amount of waivers reported was accurately reflected in myUFL.

Based on the results of our review, we concluded that the OUR's processes were adequate for extraction, review and upload of student data to the SUDS.

Office of Undergraduate Affairs (OUA)

The "Hours to Degree" (HTD) file consists of students who graduated with their first baccalaureate degree but not more than one degree or a combined degree (BS/MS). Additionally, the submission contains a Courses to Degree (CTD) table which contain a listing of courses for each student that were used and not used to satisfy their degree.

OUA staff used the Student Academic Support System (SASS) to produce the data to build the HTD file. To build the HTD file, the IT staff developed a batch job that runs and pulls all the data together from the OUR core files in the Student Records System and combines that with the degree audits to create the submission file. The HTD file creation process was similar to the OUR process and used the same IT controls over submission data using the database staging tables, SUDS edit screens, and file download process.

We also noted the OUR staff coordinate with OUA and assist with checking the count of students on the HTD file as compared with the SIFD submission to provide a reasonable point of comparison for expected number of records.

We randomly selected 50 students and verified that the students' course information in CTD matched the data in the student record system. We did not have any differences for the key elements tested. We also performed our own data analytics review for data consistency and integrity testing between the HTD and

SIFD files. We found no significant errors with the HTD file and, based on our audit procedures, concluded that the HTD file submission appeared complete and accurate.

Based on the results of our review, we concluded that the OUA's processes were adequate for extraction, review and upload of student data to the SUDS.

Student Financial Affairs (SFA)

The primary role of SFA is to provide financial resources to students who would otherwise be unable to receive post-secondary education. Grants and scholarships are often called "gift aid" that does not have to be repaid. The BOG utilizes the amount of grants and scholarships students received to calculate Cost to the Student for Metric 3 and to evaluate access for students from low-income families (Metric 7).

We reviewed SFA's documented procedures for data extraction, review and upload, noting no significant changes since the prior audit in staffing, procedures, or BOG reporting requirements. Management also documented their review procedures for historical data comparison and verification of the amount of Pell Grants disbursed for Fall 2016 ($21,854,977).

We randomly selected eight financial aid awards and verified that the amount reported to the BOG, totaling $128,176,719, for the period 2016 and 2017 agreed with the SFA Funds Management system. All amounts reported were in agreement with the SFA Funds Management system of record.

Based on the results of our review, we concluded that SFA employed adequate processes to ensure data accuracy, completeness, and timely creation of the load file.

Office of Technology Licensing

The Office of Technology Licensing (OTL) connects researchers with investors and industry to lead them through the commercialization process. The OTL was responsible for reporting licenses (patents, copyrights, and trademarks) to the Association of University Technology Managers (AUTM) in their annual Licensing Survey. The data in this survey was used by the BOG to identify the university's ranking within Association of American Universities for Metric 10f.

OTL maintained a spreadsheet to track license agreements for the university. As noted in the 2018 Accountability Plan, there were a total of 293 licenses reported to the AUTM for the 2016 fiscal year. We verified the number of licenses reported agreed with the information tracked in the spreadsheet. Based on our review, the processes to compile and report the licensing information were generally adequate to promote that the licenses were accurately reported.

OTHER COMMENTS

Resubmissions

Resubmissions are typically an iterative process between the BOG, the DA and the data owners to correct data errors or anomalies identified by the SUDS edit process. Resubmissions may also be necessary in the event the university finds errors in its reporting system or the BOG does not agree with the comments identified in the SUDS review process. When errors are identified with a data submission that has already been accepted, BOG Regulation 3.007(2)(c) requires the DA shall email a resubmission request to the Office of Data Analytics.

We reviewed the DA's data resubmissions to the BOG to ensure these resubmissions were necessary, authorized, and were not indicative of any inherent problems in the submission process for PBF metrics. The resubmissions were related to the annual Retention file for 2016 and SIFD for Summer 2017.

The retention file was resubmitted due to the BOG procedural change for submitting Person ID changes. The resubmission was needed to correct nine student records, which resulted in a slightly higher academic progress rate by 0.17%. The Summer SIFD was resubmitted due to late degree processing where two students should have been reported as double major or double degree.

Based on the results of our review, resubmissions were performed within a reasonable time after the request. The need for the resubmissions at the university did not appear to be a systematic problem and generally consisted of individual data changes that would have no impact on the PBF metrics.

SUDS System Access Control

Data upload and submissions to the BOG were performed through a secure website. The DA was assigned the role of Data Administrator for the SUDS System by the BOG System Administrator. The DA's role was the highest level assignable at the institution and was assigned to only one individual at each SUS institution.

As of September 2018, there were 46 employees with access to SUDS. The DA and four IPR staff were the only individuals authorized to process submissions. In addition, the DA and two IPR staff were the only individuals with the Security Manager role that provided the ability to create users and assign roles to the authorized submissions that the user is responsible to process.

Procedures required a written approval by the supervisor and the DA to grant access to SUDS. We verified that the required approvals were obtained for all new users during the audit period. IPR also generates a monthly monitoring report to identify any changes in university personnel records for users with access. Based on our review of monitoring reports, we concluded that adequate controls were in place over authorization and monitoring of SUDS access.

Student Information System Modernization

The university initiated a large-scale three-year project in January 2016 to implement a new student information system by August 2018 to replace the decades old mainframe based Student Records System. Key offices, dedicated staff, and an implementation consultant were involved in the project and the new Campus Solutions information system was implemented on August 20, 2018. Although the submission files for the 2019 PBF metrics were sourced from the mainframe, for next year's audit the new system will be the authoritative source and system of record. We interviewed staff, reviewed project documentation and meeting notes, and participated with IPR on a committee to ensure that the BOG reporting requirements were adequately addressed. We noted that development, testing, and review was underway for producing the SIFP submission for Fall 2018, but that the reporting development effort had not been completed by the October 2018 deadline and a two-week extension was requested.

General Comment

We wish to express our appreciation to the management and staff of the Office of Institutional Planning and Research, Enterprise Systems, the Office of the University Registrar, the Office for Student Financial Affairs and Office of Technology and Licensing for the courtesy and cooperation extended to us during this review.

Audit Supervised by:	Joe Cannella	
Audit Conducted by:	Jeff Capehart	Choi Choi
	Lily Ly	Parvaneh Fazeli

Attachment A

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Performance Based Funding

March 2019 Data Integrity Certification

University Name: _____

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☐	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☐	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☐	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☐	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☐	☐	

Attachment A

Performance Based Funding

Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☐	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☐	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☐	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☐	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☐	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☐	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☐	☐	

Attachment A

Performance Based Funding

Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures
I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors. Certification: _____ Date_____ President
I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge. Certification: _____ Date_____ Board of Trustees Chair

Attachment B

PERFORMANCE BASED FUNDING
2018 METRIC DEFINITIONS

1. Percent of Bachelor's Graduates Enrolled or Employed ($25,000+) One Year After Graduation	This metric is based on the percentage of a graduating class of bachelor's degree recipients who are enrolled or employed (earning at least $25,000) somewhere in the United States. Students who do not have valid social security numbers and are not found enrolled are excluded. This data now includes non-Florida data from 41 states and districts, including the District of Columbia and Puerto Rico. Sources: State University Database System (SUDS), Florida Education & Training Placement Information Program (FETPIP) and Florida Department of Economic Opportunity (DEO) analysis of Wage Record Interchange System (WRIS2) and Federal Employment Data Exchange (FEDES), and National Student Clearinghouse (NSC).
2. Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation	This metric is based on annualized Unemployment Insurance (UI) wage data from the fourth fiscal quarter after graduation for bachelor's recipients. This data does not include individuals who are self-employed, employed by the military, those without a valid social security number, or making less than minimum wage. This data now includes non-Florida data from 41 states and districts, including the District of Columbia and Puerto Rico. Sources: State University Database System (SUDS), Florida Education & Training Placement Information Program (FETPIP) and Florida Department of Economic Opportunity (DEO) analysis of Wage Record Interchange System (WRIS2) and Federal Employment Data Exchange (FEDES), and National Student Clearinghouse (NSC).
3. Cost to the Student Net Tuition & Fees for Resident Undergraduates per 120 Credit Hours	This metric is based on resident undergraduate student tuition and fees, books and supplies as calculated by the College Board (which serves as a proxy until a university work group makes an alternative recommendation), the average number of credit hours attempted by students who were admitted as FTIC and graduated with a bachelor's degree for programs that requires 120 credit hours, and financial aid (grants, scholarships and waivers) provided to resident undergraduate students (does not include unclassified students). Source: State University Database System (SUDS), the Legislature's annual General Appropriations Act, and university required fees.
4. Four Year FTIC Graduation Rate	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and had graduated from the same institution by the summer term of their fourth year. FTIC includes 'early admits' students who were admitted as a degree-seeking student prior to high school graduation. Source: State University Database System (SUDS).
5. Academic Progress Rate 2nd Year Retention with GPA Above 2.0	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the Fall term following their first year with had a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer). Source: State University Database System (SUDS).
6. Bachelor's Degrees within Programs of Strategic Emphasis	This metric is based on the number of baccalaureate degrees awarded within the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included). Source: State University Database System (SUDS).
7. University Access Rate *Percent of Undergraduates with a Pell-grant*	This metric is based the number of undergraduates, enrolled during the fall term, who received a Pell-grant during the fall term. Unclassified students, who are not eligible for Pell-grants, were excluded from this metric. Source: State University Database System (SUDS).
8a. Graduate Degrees within Programs of Strategic Emphasis	This metric is based on the number of graduate degrees awarded within the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included). Source: State University Database System (SUDS).

PERFORMANCE BASED FUNDING 2018 METRIC DEFINITIONS

Attachment B

8b. Freshmen in Top 10% of High School Class Applies only to: NCF	Percent of all degree-seeking, first-time, first-year (freshman) students who had high school class rank within the top 10% of their graduating high school class. Source: New College of Florida as reported to the Common Data Set.

BOG Choice Metric

9. Percent of Bachelor's Degrees Without Excess Hours	This metric is based on the percentage of baccalaureate degrees awarded within 110% of the credit hours required for a degree based on the Board of Governors Academic Program Inventory. Note: It is important to note that the statutory provisions of the "Excess Hour Surcharge" (1009.286, FS) have been modified several times by the Florida Legislature, resulting in a phased-in approach that has created three different cohorts of students with different requirements. The performance funding metric data is based on the latest statutory requirements that mandates 110% of required hours as the threshold. In accordance with statute, this metric excludes the following types of student credits (ie, accelerated mechanisms, remedial coursework, non-native credit hours that are not used toward the degree, non-native credit hours from failed, incomplete, withdrawn, or repeated courses, credit hours from internship programs, credit hours up to 10 foreign language credit hours, and credit hours earned in military science courses that are part of the Reserve Officers' Training Corps (ROTC) program). Source: State University Database System (SUDS).

PERFORMANCE BASED FUNDING 2018 METRIC DEFINITIONS

Attachment B

BOT Choice Metrics

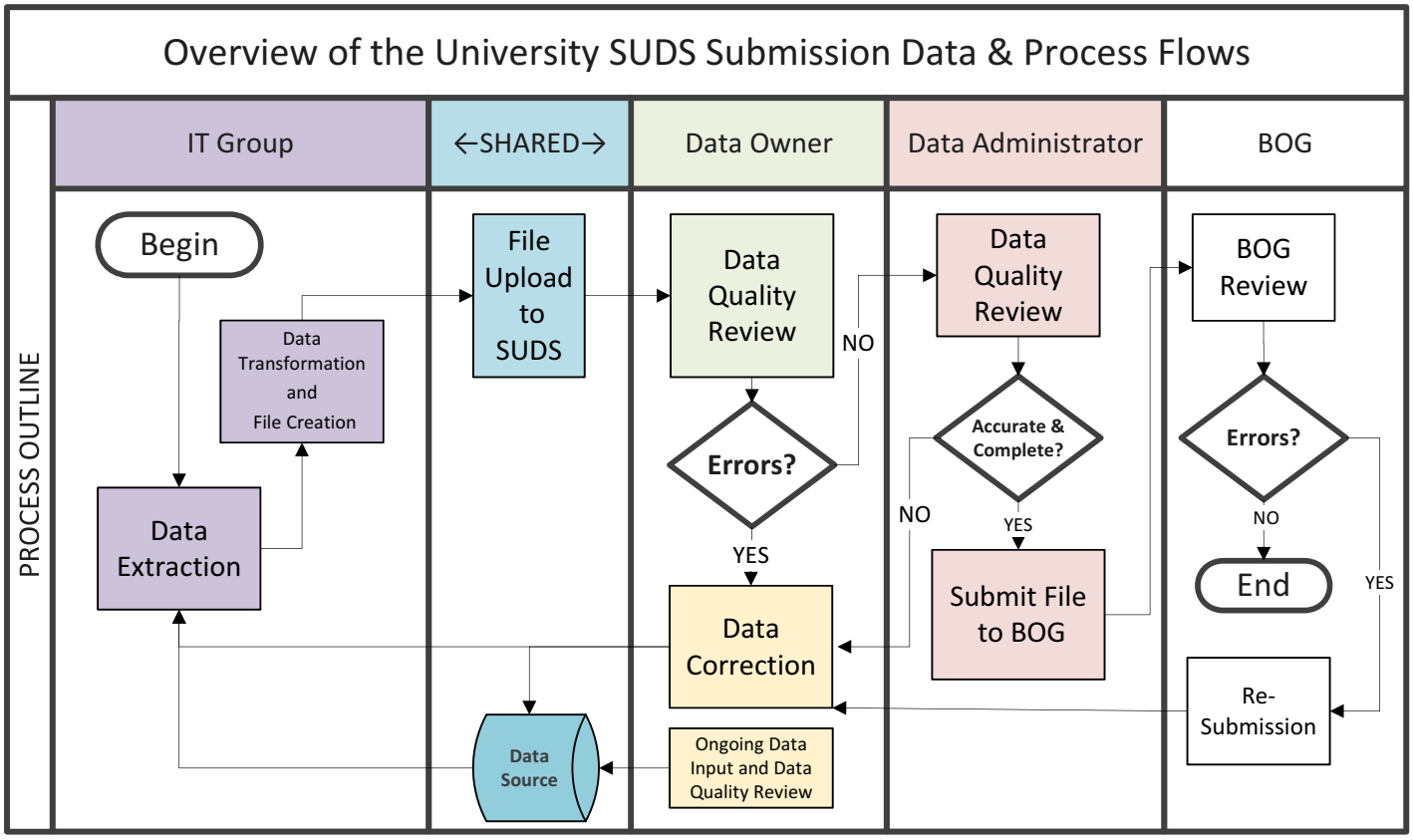
10a. Percent of R&D Expenditures Funded from External Sources FAMU	This metric reports the amount of research expenditures that was funded from federal, private industry and other (non-state and non-institutional) sources. Source: Accountability Report (Table 6A), National Science Foundation annual survey of Higher Education Research and Development (HERD).
10b. Bachelor's Degrees Awarded to Minorities FAU, FGCU, FIU	This metric is the number, or percentage, of baccalaureate degrees granted in an academic year to Non-Hispanic Black and Hispanic students. This metric does not include students classified as Non-Resident Alien or students with a missing race code. Source: Accountability Report (Table 4I), State University Database System (SUDS).
10c. National Rank Higher than Predicted by the Financial Resources Ranking Based on U.S. and World News FSU	This metric is based on the difference between the Financial Resources rank and the overall University rank. U.S. News measures financial resources by using a two-year average spending per student on instruction, research, student services and related educational expenditures - spending on sports, dorms and hospitals doesn't count. Source: US News and World Report's annual National University rankings.
10d. Percent of Undergraduate Seniors Participating in a Research Course NCF	This metric is based on the percentage of undergraduate seniors who participate in a research course during their senior year. Source: New College of Florida.
10e. Number of Bachelor Degrees Awarded Annually UCF	This metric is the number of baccalaureate degrees granted in an academic year. Students who earned two distinct degrees in the same academic year were counted twice; students who completed multiple majors or tracks were only counted once. Source: Accountability Report (Table 4G), State University Database System (SUDS).
10f. Number of Licenses/Options Executed Annually UF	This metric is the total number of licenses and options executed annually as reported to Association of Technology Managers (AUTM). The benchmarks are based on UF's rank within AAU institutions. Source: Accountability Report (Table 6A), University of Florida.
10g. Percent of Undergraduate FTE in Online Courses UNF	This metric is based on the percentage of undergraduate full-time equivalent (FTE) students enrolled in online courses. The FTE student is a measure of instructional activity that is based on the number of credit hours that students enroll by course level. Distance Learning is a course in which at least 80 percent of the direct instruction of the course is delivered using some form of technology when the student and instructor are separated by time or space, or both (per 1009.24(17), F.S.). Source: Accountability Report (Table 3C), State University Database System (SUDS).
10h. Number of Postdoctoral Appointees USF	This metric is based on the number of post-doctoral appointees at the beginning of the academic year. A postdoctoral researcher has recently earned a doctoral (or foreign equivalent) degree and has a temporary paid appointment to focus on specialized research/scholarship under the supervision of a senior scholar. Source: National Science Foundation/National Institutes of Health annual Survey of Graduate Students and Postdoctorates in Science and Engineering (GSS).
10i. Percentage of Adult Undergraduates Enrolled UWF	This metric is based on the percentage of undergraduates (enrolled during the fall term) who are at least 25 years old at the time of enrollment. This includes undergraduates who are unclassified (not degree-seeking) students. Source: State University Database System (SUDS).

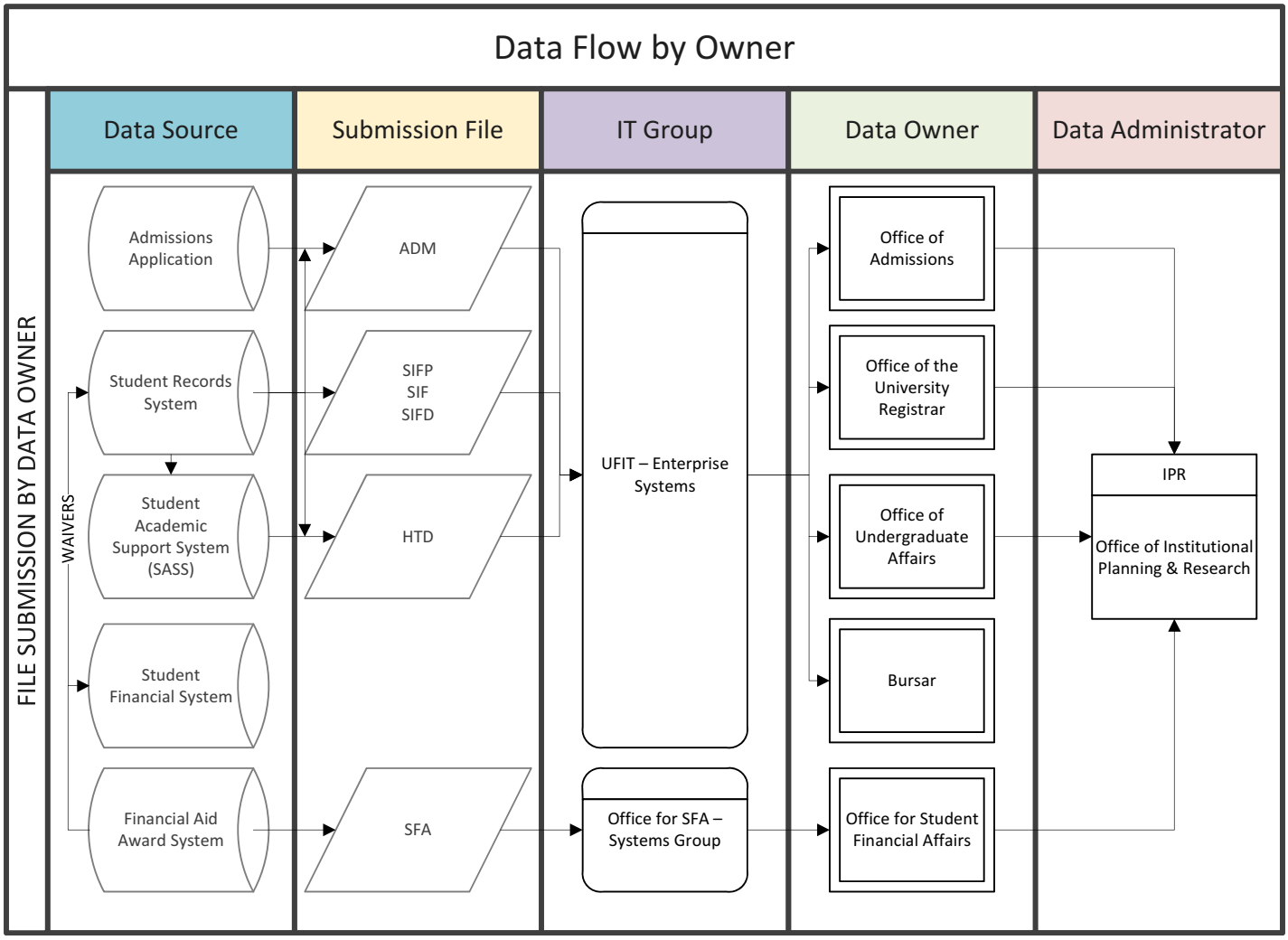
Attachment C

Performance Based Funding Metric Scores

Metric #	Metric Description	Points	Funding Model Year			
			2015-2016	2016-2017	2017-2018	2018-2019
1	**Percent of Bachelor's Graduates Enrolled or Employed (earning at least $25,000) - *in the U.S. One Year After Graduation***	*Points Received*	5	6	8	9
		Maximum Points	5	10	10	10
		Percent of Maximum	100%	60%	80%	90%
2	**Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation**	*Points Received*	5	8	10	10
		Maximum Points	5	10	10	10
		Percent of Maximum	100%	80%	100%	100%
3	**Cost to the Student - *Net Tuition and Fees per 120 credit hours***	*Points Received*	3	6	8	8
		Maximum Points	5	10	10	10
		Percent of Maximum	60%	60%	80%	80%
4	**Four Year FTIC Graduation Rate - *Percent of first-time-In-college students who graduate within four years***	*Points Received*	5	10	10	10
		Maximum Points	5	10	10	10
	Metric change in 2018-2019 from Six Year FTIC Graduation Rate	*Percent of Maximum*	100%	100%	100%	100%
5	**Academic Progress Rate - *2nd Year Retention with GPA Above 2.0***	*Points Received*	5	10	10	10
		Maximum Points	5	10	10	10
		Percent of Maximum	100%	100%	100%	100%
6	**Bachelor's Degrees Awarded within Programs of Strategic Emphasis - *as designated by the Board of Governors***	*Points Received*	5	10	10	10
		Maximum Points	5	10	10	10
		Percent of Maximum	100%	100%	100%	100%
7	**University Access Rate - *Percent of Undergraduates with a Pell-grant***	*Points Received*	5	10	9	6
	Access rate scale was changed in 2018-2019 due to Senate Bill 4	*Maximum Points*	5	10	10	10
		Percent of Maximum	100%	100%	90%	60%
8a	**Graduate Degrees Awarded within Programs of Strategic Emphasis - *as designated by the Board of Governors***	*Points Received*	5	10	10	10
		Maximum Points	5	10	10	10
		Percent of Maximum	100%	100%	100%	100%
9b	**Percent of Bachelor's Degrees without Excess Hours**	*Points Received*	3	5	10	10
	Metric change in 2018-2019 from Number of Faculty Awards: applies to UF and FSU only	*Maximum Points*	5	10	10	10
		Percent of Maximum	60%	50%	100%	100%
10f	**Number of Licenses/Options Executued Annually: *applies to UF only***	*Points Received*	3	7	10	10
		Maximum Points	5	10	10	10
		Percent of Maximum	60%	70%	100%	100%
Note:	***Points in red are based on improvement scoring***	***Total Points Received***	**44**	**82**	**95**	**93**
	Scale change from a maximum of 50 points to 100 points occurred in 2016-2017	***Maximum Points***	**50**	**100**	**100**	**100**
		Percent of Maximum	88%	82%	95%	93%

Attachment D





UF | UNIVERSITY of FLORIDA

Office of the Provost and Senior Vice President

235 Tigert Hall
PO Box 113175
Gainesville, Fl.

October 26, 2018

Audit and Compliance Committee
University of Florida Board of Trustees
903 W. University Avenue, Room 217
CAMPUS

Dear BOT Audit and Compliance Committee Members:

I am writing to indicate my concurrence with the *Performance Based Funding-Data Integrity* audit report as of September 30, 2018. I have reviewed the substance of t report in a meeting with Joe Canella and the audit staff in an exit meeting on October 25, 2018.

I would like to thank Joe and his staff for the substantial amount of work they pu into this audit review in support of the university's Performance Funding effort.

Sincerely yours,

Joseph Glover
Provost and Senior Vice President for Academic Affairs

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Performance Based Funding

March 2019 Data Integrity Certification

University Name: University of Florida

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
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2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the [illegible]			

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _____ Date 10/26/18
President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____ Date 12/7/18
Board of Trustees Chair

Final Internal Audit Report 2019.01

FY19 Performance Based Fundin Data Integrity

Tuesday, January 8, 2019

Issued to:
Audit and Compliance Committee:
Paul McElroy, Doug Burnett, Tom Bryan, Oscar Munoz, Hans Tanzler, Sharon Wamble-King, Kevin Hyde (ex-officio)

President: David Szymanski

Vice Presidents: Jay Coleman, Pam Chally, Shari Shuman

Abby Willcox, Director Institutional Research
Jeff Durfee, Director IT Networking
Shawn Brayton, Director of Academic Programs

Issued by:
Julia Hann, Chief Audit Executive

Lead Auditor:
Khareem Gordon, IT Internal Auditor

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The Swoop

Executive Summary

The University of North Florida (UNF), established in 1972, has gained national recognitic for its quality, service, and signature emphasis on *Transformational Learning Opportuniti* for students. The student population has grown to approximately 16,000, and the Univer has six colleges: Education and Human Services; Business; Health; Arts & Sciences; Honors; and Computing, Engineering, and Construction.

The integrity of data provided to the Florida Board of Governors (BOG) is critical to the performance-based funding (PBF) decision-making process. To provide assurance that th data submitted for this process is reliable, accurate, and complete, in 2014 the BOG developed a Data Integrity Certification process. University presidents and boards of trustees are required to execute a Data Integrity Certification affirmatively certifying eacl representation. The audit is to be conducted in accordance with professional auditing standards and is to be submitted to the Board of Governors for their annual meeting in March. The audit results provide the basis for the president's and the chair's certification.

This is the fifth iteration of the Performance Based Funding audit to support the data certification representations. Data integrity controls are embedded within key university processes. This year we focused on improving data integrity controls and ensuring contro are commensurate to risks inherent to maintaining data integrity. We categorize the over residual risk ranking as ***low*** (Appendix I) because corrective action to address these observations are opportunities to further control the integrity of the data.

Summary of Recommendations

The Office of Internal Auditing's (OIA) mission is to provide an independent objective assurance and consulting activity which adds value and helps improve operations. Ensuri the integrity of data submitted to the BOG requires a holistic approach that involves man areas and technological controls. We identified two (2) "*Osprey Opportunities*" to address *minor* risk and will add best practices to further strengthen internal controls for ensuring data integrity. The rating scale is described in detail in **Appendix I** – Report and Item Ranking Scale. We used guidance from the Department of Education, best practices from the National Institute of Standards and Technology, and from ISACA. The recommendatic below will make incremental improvements to the university's internal controls for ensuri data integrity. These items are discussed in detail in the **Observations and Recommendations** section of the report.

The Office of Internal Auditing recommends:

1. Consider additional controls to ensure the integrity and confidentiality of data submitted to the BOG.
2. Continue to clarify the approval status of programs exceeding 120 credit hours or reduce credit hours, where warranted.

Background, Objectives, and Scope

The Performance Based Funding Data Integrity Audit is required annually by the Board of Governors (BOG) and was part of the fiscal year 2019 risk-based audit plan approved by University president and the board of trustees.

The Performance Based Funding Model was approved by the BOG in January 2014 and ha incentivized universities and their boards of trustees to achieve excellence and performar improvements in key areas aligned to the State University System (SUS) Strategic Plan goals. Over the years, there have been several changes to the model. Most recently, in March 2018, Senate Bill 4 was signed into law requiring the inclusion of a 4-year, rather than a 6-year, graduation rate in the Performance Funding Model.

The Performance Funding Model includes 10 metrics used to evaluate the institutions on a range of issues. Two of the 10 metrics are choice metrics; one picked by the Board and another by the university's board of trustees. Appendix II defines the data submission file while Appendix III defines the metrics.

The Office of Institutional Research (IR) performs the University's data administration function by producing or coordinating all official data reports and electronic files submitte to federal, state, regional, and local agencies. IR has a director, an assistant director, a senior analyst, two analysts, a programmer analyst, and an office manager. IR is involve actively in the following committees: Data Governance, Student Records, and Advising Steering Committees. The president appointed the director of IR as the institutional data administrator to certify and to manage the submission of data to the BOG.

Data integrity controls exist throughout many of the University's data collecting, processi and reporting processes. This year's audit is the fifth iteration of the Performance Based Funding audit. It is noted management has made several improvements, outlined below, the internal controls over data integrity.

Accomplishments:	Description:
1. Data Governance Committee	The Data Governance Committee is actively involved in emerging data governance issues
2. Data Cookbook implementation	A business dictionary that contains the definitions of key data terms.
3. Process Documentation	The reporting process is being documented.
4. Timeliness of file submissions	Most files were submitted on time.
5. Data Owner Reviews	Data owners review file submissions.
6. Access Reviews	Data owners review, periodically, who has access to their data, ensuring a need-to-kno standard.
7. Audit Logs	ITS implemented access logs to track activity on PBF files.
8. Automated reports	Automated reports to identify potential problems records.
9. Automated student records cleanup	Automated jobs which perform limited cleanu of student records to ensure accuracy.
10. Encryption	The hard drives of computers used by IR employees are being encrypted.

The objectives of the audit were to:

1. Determine whether the University has adequate controls in place to ensure the completeness, accuracy, and timeliness of data submissions to the BOG, which support the Performance Based Funding metrics;
2. Provide an objective basis of support for the president and board of trustees chair to sign the required representations in the Performance Based Funding - Data Integrity Certification which will be filed with the BOG on or before March 1, 2019;
3. Identify improvements in critical data collection processes supporting high risk metrics;
4. Follow up on the implementation of corrective action plans reported in the prior audit.

The scope of the audit included policies, procedures, and processes that support maintaining the integrity of data submitted to the Board of Governors for the Performance Based Metrics. We performed detailed testing on the Student Instruction File (SIF) and the Student Financial Aid (SFA). We selected the SIF and the SFA files because of the impact on the metrics. We tested other files during previous audit periods.

We compiled a list of data elements for the selected data files and identified business processes which are critical in the data lifecycle. We reviewed five business processes related to the metrics listed as having higher audit risk and lower scoring metrics:

1. Admissions,
2. Registration,
3. Grade Submissions,
4. Excess Hours,
5. Undergraduate Advising.

We conducted employee interviews, performed process walkthroughs, analytical reviews, and evaluated risks in the processes and its impact on each metric. Our observations and recommended process improvements for the business process reviews will be issued in a separate consulting memo.

The audit fieldwork started on September 24, 2018 and ended in December 13, 2018. We used several control frameworks to identify and to evaluate the data integrity controls at various points in the data lifecycle. We evaluated controls by using the National Institute of Standards and Technology (NIST) Cybersecurity Framework and the Control Objectives for Information and Related Technologies (COBIT) 5 Framework. The use of these frameworks is important to providing objective assurance as required in representations 1, 2, 3, and 4 of the Data Integrity Certification.

We conducted the audit in accordance with the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors (IIA), the Professional Practices Framework for IS Audit/Assurance and the IS Standards, Guidelines, and Procedures for Auditing Professionals issued by the Information Systems Audit and Control Association (ISACA), and the professional code of the International Information System Security Certification Consortium (ISC^2).

Observations and Recommendations

Observation #1 Information Technology Controls

Osprey Opportunity
Minor Risk

UNF collects, stores, uses, and shares Family Educational Rights and Privacy Act (FERPA) protected data which includes personally identifiable information. The data submitted to t BOG is FERPA protected data and is uploaded via an encrypted connection to ensure integrity of the submission process.

The University's data classification policy states that restricted data, such as FERPA protected data, should be protected according to best practices. Best practices, such as NIST Cybersecurity Framework, list several controls that can be used to ensure data integrity.

Criteria

BOG Regulation 3.0075, Security of Data and Related Information Technology Resources, recommends policies and procedures regarding access control and transmission of sensitive/confidential data.

UNF policy 6.0220P, Data Classification Policy for restricted data, states restricted data is information protected by statutes, regulations, University policies or contractual language e.g. FERPA protected data.

Risk

Data integrity risks may increase without additional controls.

Cause

ITS is currently researching feasibility of additional controls in IR's IT environment.

Recommendation

Consider additional controls for FERPA protected student data in the IR environment.

Management Response

Institutional Research (IR) will submit a request to Information Technology Services (ITS) have additional controls on department desktop and laptop computers subject to the feasibility of those controls. Please note all newer workstations at UNF are being deployed with additional controls. We anticipate that this will be completed prior to the end of Janu 2019.

UNF currently utilizes the following controls on networks and databases:

- Access controls at the workstation, database and network levels
- Network security (e.g. firewall, IPS, segmentation)
- Workstation security (e.g. antivirus, access controls)

Observation #2 Excess Hours

Osprey Opportunity
Minor Risk

During the audit, we learned the BOG has a process to approve bachelor's degree progra exceeding 120 credit hours by a university. As of Fall 2018, UNF had approval from the BOG for nine disciplines to require more than 120 credit hours. However, there are three additional programs at UNF exceeding 120 credit hours which the SUS BOG has not approved excess hours. We learned these programs are currently being vetted at the college level and through the University's Academic Program Committee (APC) approval process to reduce program requirements to 120 credit hours. The purpose of APC is to review curricular proposals for the creation, deletion, or modification of academic prograr and courses.

Lastly, a third program within Sign Language Interpretation and Translation was added tc the degree program inventory file by the BOG in fall 2007. In July 2007 notification incluc the new program design that allowed students at five Florida Community Colleges with interpreter training programs to bridge into a 4-year bachelor's program requiring 135 credit hours. UNF understood the program to be approved at 135 credit hours. However, fall 2018, it was learned evidence of approval could not be located even though it is listec the degree program inventory file.

Criteria

BOG Methodology and Procedures for *Percent of Bachelor's Degrees Awarded Without Excess Hours*, states in part "in accordance with the requirements of Section 1007.25(8), F.S., and Board regulation 8.014, the Board of Governors may approve a request by a university board of trustees for a bachelor's degree program to exceed 120 credit hours t degree."

Risk

Programs exceeding 120 credit hours without documented approval from the BOG may impact metrics calculations.

Cause

Through leadership transitions the college has worked to reduce program offerings to 12C credit hours. The Sign Language Interpretation and Translation discipline was unaware BC documented approval was not on file.

Recommendation

We recommend the University continue to clarify the approval status of programs exceed 120 credit hours or reduce credit hours, where warranted.

Management Response

The three Science Teacher Education programs (CIP 13.1205)—Biology, Chemistry, and Physics—have been revised, vetted, and approved via faculty governance curriculum procedures. Effective fall 2019, all Science Teacher Education programs will have an approved program length of 120 semester hours. The English Teacher Education progran (CIP 13.1205) is currently undergoing the vetting and approval processes via faculty governance curriculum procedures. Academic Affairs anticipates approval of the program length reduction in early 2019.

The Mathematics Teacher Education (CIP 13.1311) program faculty were first advised to seek changes to the statewide common prerequisites. The request was denied at the state level and the Board of Governors recommended seeking approval to exceed 120 semester hours. The faculty prepared the necessary paperwork to request an exception to 120 semester hour program length, however, a decision was made by the dean and Provost to revise the curriculum to a program length of 120 semester hours. The reduction in program length is in the process of being vetted via faculty governance curriculum procedures and is expected to be approved by Faculty Association at its January 2019 meeting.

Academic Affairs will continue to monitor the faculty governance of curriculum processes for reducing the program length for the English Teacher Education and Mathematics Teacher Education programs.

With respect to ASL/English Interpreting (CIP 16.1603), the Associate of Science (AS) to Bachelor of Science (BS) program was approved by UNF's Board of Trustees in 2007 as a 135 semester hour degree program developed between UNF and FSCJ. After searching archives neither the Board of Governors nor UNF's President's Office have evidence stipulating Board of Governors' acceptance of UNF's program at 135 semester hours. In 2012 and 2014, the Board of Governors conducted an evaluation to ensure alignment of catalog hours to degree hours reported in the HTD file. The program was not listed on the 2012 audit however, it was listed on the 2014 audit. UNF provided a response to the 2014 audit to clarify the status of the program and that its program length was 135 semester hours. Board of Governors staff accepted UNF's response and did not request any further information. To this end, UNF thought the program length issue had been resolved and that no further action was required.

For CIP Codes where UNF is approved to offer a bachelor's degree in the discipline over 120 hours, college and department leadership will explore the feasibility of revising curriculum requirements to require less hours where appropriate with continued compliance with discipline specific accrediting bodies and industry best practices. For example, the Elementary Education (CIP 13.1202) is seeking to reduce the program length from the BOG approved 126 semester hours to 120 semester hours. The request is currently being vetted via faculty governance of curriculum procedures and is expected to be approved by Faculty Association at its January 2019 meeting.

Appendix I

Report and Item Ranking Scale

Overall Report Residual Risk Ranking

- **Low**
  - The internal control system scoped within the audit is functioning satisfactorily and remaining operating risks are low.
  - The collective audit issues are considered minor deficiencies.
  - Related corrective action need only be addressed to improve current operations.

- **Moderate**
  - The internal control system scoped within the audit is functioning in a man that provides reasonable assurance that most major risks will be mitigated
  - Corrective action to address the audit issues may not be critical to the university's business operations as a whole but should be addressed to minimize financial, reputational, operational and strategic risks.
- **High**
  - The internal control system scoped within the audit needs major improvement.
  - The deficiencies identified could significantly impair operations.
  - If corrective action is not implemented timely, issues may escalate to caus critical financial, reputational, operational or strategic risks.
  - Corrective action plans should be given a priority.

Reportable Item Ranking Scale

- **Minor Risk [*Osprey Opportunity*]**
  - Observation reportable to address a nominal risk.
  - Recommendations provide opportunities for improvement.
  - Minor violations of procedures, rules, or regulations.
  - Routine administration attention requested.
  - Corrective action strongly recommended to improve quality or processes of area being audited.

- **Notable Risk**
  - Significant observation reportable to address an increased risk.
  - Multiple violations of policies and procedures, and/or weak internal controls
  - Important opportunity to improve effectiveness and efficiency.
  - Corrective action required.

- **Critical Risk**
  - Major observation reportable due to a critical risk to the university.
  - Material violation of policies/procedures/laws, and/or unacceptable internal controls, and/or high risk for fraud/waste/abuse, and/or major opportunity improve effectiveness and efficiency.
  - Material risk identified. Immediate corrective action required.

Appendix II

Data Files

Metric	Description	Submitted Data File Name	Data Used/Created by BOG	Functio Data U
1	Percent of Bachelor's Graduates Employed Full-Time in Florida or Continuing Education in U.S. one year after Graduation	SIFP, SIF, SIFD	Accountability Report (table 4O), National Student Clearinghouse (NSC), Florida Education and Training Placement Information Program (FETPIP) analysis of Wage Record Interchange System (WRIS2), and Federal Employment Data Exchange (FEDES)	Registrar
2	Median Wages of Bachelor's Graduates Employed Full-Time in Florida one year after Graduation	SIFP, SIF, SIFD	Accountability Report (table 4O), FETPIP, WRIS2, FEDES, and NSC	Registrar
3	Cost to the Student: Net Tuition & Fees per 120 Credit Hours	HTD, SFA, SIF	Accountability Report (Table 1D)	Registrar
4	Six Year Graduation Rate FTIC (first time in college) Students	SIF, SIFP, SIFD, RET	Accountability Report (Table 4D)	Registrar
5	Academic Progress Rate	SIF, RET	Accountability Report (Table 4B)	Registrar
6	Bachelor's Degrees Awarded in Areas of Strategic Emphasis (includes STEM)	SIFD	Accountability Report (Table 4H)	Registrar
7	University Access Rate	SFA, SIF	Accountability Report (Table 3E)	Financial Aid, Registrar
8	Graduate Degrees Awarded in Areas of Strategic Emphasis (includes Stem)	SIFD	Accountability Report (Table 5C)	Registrar
9	BOG Choice: Percent of Bachelor's Degrees Without Excess Hours	HTD	Accountability Report (Table 4J)	Registrar
10	BOT Choice: Undergraduate FTE Enrollments in Online Courses	SIF	Accountability Report (Table 3C)	Registrar

SIFP = Student Instruction File – Preliminary
SIF = Student Instruction File
SIFD = Student Instruction File – Degrees Awarded
HTD = Hours to Degree
RET = Retention File
SFA = Student Financial Aid

Appendix III

Metric Definitions

1. Percent of Bachelor's Graduates Enrolled or Employed ($25,000+) One Year After Graduation	This metric is based on the percentage of a graduating class degree recipients who are enrolled or employed (earning at l $25,000) somewhere in the United States. Students who do valid social security numbers and are not found enrolled are This data now includes non-Florida data from 41 states and c including the District of Columbia and Puerto Rico. Sources: State University Database System (SUDS), Florida & Training Placement Information Program (FETPIP) and Flor Department of Economic Opportunity (DEO) analysis of Wage Interchange System (WRIS2) and Federal Employment Data (FEDES), and National Student Clearinghouse (NSC).
2. Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation	This metric is based on annualized Unemployment Insurance data from the fourth fiscal quarter after graduation for bache recipients. This data does not include individuals who are sel employed by the military, those without a valid social securit or making less than minimum wage. This data now includes data from 41 states and districts, including the District of Col Puerto Rico. Sources: State University Database System (SUDS), Florida Training Placement Information Program (FETPIP) and Florid Department of Economic Opportunity (DEO) analysis of Wage Interchange System (WRIS2) and Federal Employment Data (FEDES), and National Student Clearinghouse (NSC).
3. Cost to the Student Net Tuition & Fees for Resident Undergraduates per 120 Credit Hours	This metric is based on resident undergraduate student tuitio books and supplies as calculated by the College Board (which proxy until a university work group makes an alternative recommendation), the average number of credit hours attem students who were admitted as FTIC and graduated with a ba degree for programs that require 120 credit hours, and finan (grants, scholarships and waivers) provided to resident unde students (does not include unclassified students). Source: State University Database System (SUDS), the Legislature's annual General Appropriations Act, and universi required fees.
4. Four Year FTIC Graduation Rate	This metric is based on the percentage of first-time-in-college students who started in the Fall (or summer continuing to Fal were enrolled full-time in their first semester and had gradua the same institution by the summer term of their fourth year. includes 'early admits' students who were admitted as a degr student prior to high school graduation. Source: State University Database System (SUDS).

5. Academic Progress Rate 2nd Year Retention with GPA Above 2.0	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the Fall term following their first year with had a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer). Source: State University Database System (SUDS).
6. Bachelor's Degrees within Programs of Strategic Emphasis	This metric is based on the number of baccalaureate degrees awarded within the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included). Source: State University Database System (SUDS).
7. University Access Rate *Percent of Undergraduates with a Pell-grant*	This metric is based the number of undergraduates, enrolled during the fall term, who received a Pell-grant during the fall term. Unclassified students, who are not eligible for Pell- grants, were excluded from this metric. Source: State University Database System (SUDS).
8a. Graduate Degrees within Programs of Strategic Emphasis	This metric is based on the number of graduate degrees awarded within the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included). Source: State University Database System (SUDS).

BOG Choice Metric

9. Percent of Bachelor's Degrees Without Excess Hours	This metric is based on the percentage of baccalaureate degrees awarded within 110% of the credit hours required for a degree based on the Board of Governors Academic Program Inventory. Note: It is important to note that the statutory provisions of the "Excess Hour Surcharge" (1009.286, FS) have been modified several times by the Florida Legislature, resulting in a phased-in approach that has created three different cohorts of students with different requirements. The performance funding metric data is based on the latest statutory requirements that mandates 110% of required hours as the threshold. In accordance with statute, this metric excludes the following types of student credits (ie, accelerated mechanisms, remedial coursework, non-native credit hours that are not used toward the degree, non-native credit hours from failed, incomplete, withdrawn, or repeated courses, credit hours from internship programs, credit hours up to 10 foreign language credit hours, and credit hours earned in military science courses that are part of the Reserve Officers' Training Corps (ROTC) program). Source: State University Database System (SUDS).

BOT Choice Metric

10g. Percent of Undergraduate FTE in Online Courses UNF	This metric is based on the percentage of undergraduate full-time equivalent (FTE) students enrolled in online courses. The FTE student is a measure of instructional activity that is based on the number of credit hours that students enroll by course level. Distance Learning is a course in which at least 80 percent of the direct instruction of the course is delivered using some form of technology when the student and instructor are separated by time or space, or both (per 1009.24(17), F.S.). Source: Accountability Report (Table 3C), State University Database System (SUDS).

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Performance Based Funding

March 2019 Data Integrity Certification

University Name: University of North Florida

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding

Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: David M. Apgar Date 1/4/19
President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: [signature] Date 1/17/19
Board of Trustees Chair

MEMORANDUM

TO: Dr. Ralph Wilcox, Provost & Executive Vice President of Academic Affairs
Dr. Terry Chisolm, Vice Provost for Strategic Planning, Performance & Accountability

FROM: Virginia Kalil, CIA, CISA, CFE, CRISC
Executive Director/Chief Internal Auditor

DATE: February 4, 2019

SUBJECT: 19-010 Performance-Based Funding Data Integrity Audit

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USF System Audit (Audit) performed an audit of the internal controls that ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors (BOG). These data submissions are relied upon by the board in preparing the measures used in the performance-based funding process. This audit also provides an objective basis of support for the President and Board of Trustees (BOT) Chair to sign the representations included in the Performance-Based Funding Data Integrity Certification to be filed with the BOG by March 1, 2019. This project is part of the approved 2018-2019 Work Plan.

Measures One through Nine were based on data submitted through the State University Database System (SUDS) utilizing a state-wide data submission process for BOG files. Measure Ten was based on data submitted to the National Science Foundation/National Institutes of Health through their annual survey of Graduate Students and Postdoctorates in Science and Engineering (GSS). This data is published annually by The National Center for Science and Engineering Statistics. For additional information on data files included in this audit, see Appendix A.

Audit's overall conclusion was that there was an adequate system of internal controls in place to meet our audit objectives, assuming corrective actions are taken timely to address the two medium-priority risks communicated separately in our management letter. **No impact to the performance measures was identified.**

USF SYSTEM AUDIT
4019 E. Fowler Ave., Suite 200 • Tampa, FL 33617
(813) 974-2705 • www.usf.edu/audit

OVERALL CONCLUSION		
☐	Adequate System of Internal Control	Findings indicate that, as a whole, controls are adequate. Identified risks, if any, were low-priority requiring timely management attention within 90 days.
☒	Adequate System of Internal Control – with reservations	Medium-priority risks are present requiring urgent management attention within 60 days.
☐	Inadequate System of Internal Control	High-priority risks are present requiring immediate management attention within 30 days.

We received outstanding cooperation throughout this audit. Please contact us at 974-2705 if you have any questions.

cc: President Judy Genshaft, USF System
Chair Brian D. Lamb, USF Board of Trustees
David Lechner, Senior Vice President, Business and Financial Strategy
John Long, Senior Vice President, Business and Finance and Chief Operating Officer
Dr. Charles Lockwood, Senior Vice President, USF Health
Dr. Paul Sanberg, Senior Vice President, Research, Innovation & Knowledge Enterprise
Dr. Karen Holbrook, Regional Chancellor, USF Sarasota-Manatee
Dr. Martin Tadlock, Regional Chancellor, USF St. Petersburg
Dr. Paul Dosal, Vice President for Student Affairs and Student Success
Nick Trivunovich, Vice President, Business and Finance and Chief Financial Officer
Sidney Fernandes, Vice President, Information Technology and Chief Information Officer
Dr. Paul Atchley, Dean, Undergraduate Studies
Billie Jo Hamilton, Associate Vice President, Enrollment Planning & Management

BACKGROUND

In 2014, the Board of Governors (BOG) implemented the Performance-Based Funding (PBF) Model which includes 10 metrics intended to evaluate Florida institutions on a range of issues (e.g., graduation and retention rates, average student costs). Eight of the metrics are common to all institutions, while the remaining two vary by institution and focus on areas of improvement or the specific mission of the university.

The metric calculation for Measures One through Nine are based on data submitted through the State University Database System (SUDS) utilizing a state-wide data submission process for BOG files. Measure Ten is based on data submitted to the National Science Foundation/National Institutes of Health through their annual survey of Graduate Students and Postdoctorates in Science and Engineering.

In order to ensure the integrity of the data being submitted to the BOG to support the calculation of the metrics, USF has established specific file generation, review, certification, and submission processes.

File Generation Process

USF utilizes an automated process, Application Manager, to extract data files from the original systems of record and reformat and redefine data to meet the BOG data definition standards. The only data file that can be impacted outside the Application Manager process is the Hours to Degree submission. (See Hours to Degree File Generation Process below.)

This Application Manager process includes the following key controls:

- ✓ The Application Manager jobs can only be launched by authorized Data Stewards. In addition, individuals responsible for the collection and validation of the data have no ability to modify the Application Manager jobs.
- ✓ The Retention File generated by the BOG is downloaded from the BOG SUDS portal to HubMart by Resource Management & Analysis (RMA). The Data Stewards and Sub-certifiers cannot change the files.
- ✓ Corrections are made to the original systems of record and the Application Manager job is re-run until the file is free of material errors.
- ✓ Any changes to the data derivations, data elements, or table layouts in the Application Manager jobs are tightly controlled by RMA and Information Technology (IT) utilizing a formal change management process.
- ✓ There are IT controls designed to ensure that changes to the Application Manager jobs are approved via the standard USF change management process and that access to BOG submission-related data at rest or in transit is appropriately controlled.

Hours to Degree File Generation Process

The Hours to Degree file submission has two primary tables: 1) Hours to Degree (HTD) that contains information regarding the students and the degrees issued and 2) Courses to Degree (CTD) that includes information regarding the courses taken and utilization of the courses to degree. The

HTD file is derived based on data in HubMart (Degrees_Submitted_Vw) and data from the student records system, OASIS (Online Access Student Information System)-a Banner product. The CTD file is generated from a combination of OASIS data and data obtained from the degree certification and advising system (DegreeWorks).

While an Application Manager process is used to create the HTD file, the process utilizes a series of complex scripts to select the population, normalize the data fields to meet BOG data definition standards, and populate course attributes used by the BOG to identify excess hours exemptions. This includes deriving whether courses are "used to degree" or "not used to degree" from DegreeWorks.

The systematically-identified HTD population and CTD file are loaded into two custom Banner reporting tables for validation. Any necessary corrections are made manually by the Data Steward utilizing custom Banner forms.

BOG File Review and Certification Process

USF utilizes a formal review process managed by RMA for all BOG file submissions. The review and certification process includes the following key controls:

- ✓ Data Stewards, Sub-certifiers and Executive Reviewers who had operational and/or administrative responsibility for the institutional data are assigned key roles and responsibilities. The RMA website defines each of these roles.
- ✓ A central repository (DocMart) contains detailed information regarding data elements for each BOG SUDS file.
- ✓ A secured file storage location (HubMart) provides read-only access and functionality to the data collected and extracted into the Data Warehouse from transactional source systems in order to allow Data Stewards and Sub-certifiers to review and validate data.
- ✓ A formal sub-certification and executive review process is in place to ensure that institutional data submitted to the BOG accurately reflects the data contained in the primary systems of record. No BOG file is submitted to the BOG by the Data Administrator until the Executive Reviewer(s) approves the file.
- ✓ A formal process for requesting and approving resubmissions includes a second executive review process.

BOG File Submission Process

Once all data integrity steps are performed and the file is ready for upload to the SUDS portal, a secure transmission process is used by RMA to ensure data cannot be changed prior to submission.

Key controls within this process include:

- ✓ A dedicated transfer server is used to transmit the BOG SUDS files. Only RMA and IT server administrators have access to the transfer server.
- ✓ Only RMA staff can upload a file from the transfer server to SUDS, edit submissions, generate available reports, or generate reports with re-editing.
- ✓ Only the Data Administrator and Back-up administrator can submit the final BOG file.

Measure Ten - Number of Postdoctoral Appointees

Measure Ten is based on data submitted to the National Science Foundation/National Institutes of Health through their annual survey of Graduate Students and Postdoctorates in Science and Engineering (GSS). This data is published annually by The National Center for Science and Engineering Statistics. Aggregated data is collected via a web survey for each SEH (Science, Engineering, and selected Health fields) unit within an institution.

The individual responders from each SEH unit are responsible for the completeness and accuracy of the data they submitted in the survey. The SEH units submit rosters of reported postdocs to the primary Data Steward for verification. The primary Data Steward in the Office of Postdoctoral Affairs verifies the accuracy and completeness of the SEH-prepared rosters.

Prior to final submission of the GSS survey, the data goes through a Sub-certifier review process. The Data Steward will provide a master roster of reported postdocs, along with a report of the aggregated data contained in the GSS system. The Sub-certifier will verify that the roster data conforms to the criteria for postdoctoral appointees listed in the Guidelines for Reporting Postdocs and Non-Faculty Researchers. Measure Ten utilizes the same Executive Review process as the other nine measures.

SCOPE AND OBJECTIVES

Our audit focused on the internal controls established by the USF System as of September 30, 2018 to ensure the completeness, accuracy, and timeliness of data submissions to the BOG, which support the PBF measures.

The primary objectives of our audit were to:

- Determine whether the processes and internal controls established by the university ensure the completeness, accuracy, and timeliness of data submissions to the BOG which support the PBF measures.

- Provide an objective basis of support for the President and BOT Chair to sign the representations included in the Performance-Based Funding Data Integrity Certification, which will be submitted to the BOT and filed with the BOG by March 1, 2019.

The scope and objectives of the audit were set jointly and agreed to by the President, BOT Chair, the BOT Audit & Compliance Committee Chair, and the university's Chief Audit Executive. USF System Audit (Audit) followed its standard risk assessment, audit program, and reporting protocols.

PROCEDURES PERFORMED

We followed a disciplined, systematic approach using the *International Standards for the Professional Practice of Internal Auditing*. The information system components of the audit were performed in accordance with the *ISACA (Information Systems Audit and Control Association) Standards and Guidelines*. The COSO (Committee of Sponsoring Organizations of the Treadway Commission) and COBIT

(Control Objectives for Information and Related Technologies) Control Frameworks were used to assess control structure effectiveness.

Testing of the control processes was performed on the most recent data file submissions as of September 30, 2018, for term-based submissions. For files submitted annually, the current year file was selected for testing if available by November 15, 2018. Our testing focused on the tables and data elements in the files which were utilized by the BOG to compute the performance measure. For additional information on the files included in this review see Appendix A.

Minimum audit guidelines were established by the BOG in year one which outlined eight key objectives. These key audit objectives have been incorporated into our audit each subsequent year:

1. Verify the Data Administrator has been appointed by the university president and PBF responsibilities incorporated into their job duties.
2. Validate that processes and internal controls in place are designed to ensure completeness, accuracy, and timeliness of data submissions.
3. Determine whether policies, procedures, and desk manuals are adequate to ensure integrity of submissions.
4. Evaluate the adequacy of system access controls.
5. Verify data accuracy through sample testing of key files and data elements.
6. Assess the consistency of Data Administrator's certification of data submissions.
7. Confirm the consistency of data submissions with the BOG data definitions (files and data elements).
8. Evaluate the necessity and authorization of data resubmissions.

In year one, a comprehensive review (Audit 15-010) of processes and controls was conducted followed by a risk assessment. In each subsequent year, system process documentation was updated to reflect any material changes that took place; a new risk assessment was performed based on the updated system documentation and processes; and a new work plan was developed based on the updated risk assessment. Fraud-related risks, including the availability and appetite to manipulate data to produce more favorable results, was included as part of the risk assessment.

This year's audit included:

1. Identifying and evaluating any changes to key processes used by the Data Administrator and data owners/custodians to ensure the completeness, accuracy, and timeliness of data submissions to the BOG. This included verifying new controls put in place to resolve deficiencies identified in the prior year's audit and identifying changes in key personnel performing these processes.
2. Reviewing 2018 BOG SUDS workshop proceedings, metric definitions, benchmarks, and other key documents to identify any changes to the BOG PBF metrics and data definitions used for the BOG PBF metrics.
3. Reviewing all User Service Requests (USRs) to modify data elements and/or file submission processes to ensure they followed the standard change management process and were consistent with BOG expectations.
4. Reviewing the Data Administrator's data resubmissions to the BOG from January 1, 2018 to December 31, 2018 to ensure these resubmissions were both necessary and authorized, as

well as evaluating that controls were in place to minimize the need for data resubmissions and were functioning as designed.

5. Updating the prior year risk assessment and fraud risk assessment to reflect changes identified.
6. Tracing samples from the Student Instructional File (SIF), Student Instructional File - Degree (SIFD), and Student Financial Aid (SFA) BOG files to OASIS, the system of record. The integrity of these files collectively impact metrics one through eight.
7. Verifying reasonableness of the retention cohort change file (impacting measures four and five) and assessing the impact of moving to a 4-year retention period from a 6-year retention period.
8. Verifying accuracy, completeness, and consistency with BOG expectations of the data submitted to the BOG for Measure Nine - Percent of Bachelor's Degrees without Excess Hours, via the HTD file. This includes verifying procedures in place to resolve the prior year's audit issue are effectively mitigating risks.
9. Reviewing the textbook cost adhoc data request for Measure Three - Cost to Student to verify controls over the data submission are ensuring the accuracy, completeness, and integrity of the data. Note: The BOG delayed implementation of actual textbook cost.
10. Reviewing the data submitted for Measure Ten – Number of Postdoctoral Appointments in Science and Engineering to verify proper supporting documentation is being retained.

PRIOR AUDIT PROJECTS

In FY 2017-2018, an audit of the controls established by the university to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which supported the PBF metrics (Audit 18-010, issued February 1, 2018) was performed. As of February 1, 2018, the two medium-priority risk recommendations were reported as in progress. As of the date of this report, all recommendations have been reported by management as implemented.

Audit verified the new controls in place were effectively mitigating the risks identified.

APPENDIX A
PERFORMANCE MEASURES DATA SOURCES

Measure	Description	BOG File	Data Used/Created by the BOG
One	Percent of bachelor's graduates employed full-time in or continuing their education in the U.S. one year after graduation	SIFD	National Student Clearing house, Florida Education and Training Placement Information Program
Two	Median wages of bachelor's graduates employed full-time one year after graduation	SIFD	Unemployment Insurance wage data
Three	Net Cost to Student	SIF, SFA	College Board national average book cost
Four	Four year FTIC graduation rate	SIFP, SIF, SIFD, Retention Cohort Change File	BOG created Cohort and Retention File
Five	Academic progress rate	SIF	BOG created Cohort
Six	Bachelor's degrees awarded within programs of strategic emphasis	SIFD	
Seven	University access rate	SFA, SIF	
Eight	Graduate degrees awarded within programs of strategic emphasis	SIFD	
Nine	Percent of bachelor's degrees without excess hours	HTD	
Ten	Number of postdoctoral appointments in science and engineering	None[1]	National Science Foundation (NSF)/National Institutes of Health (NIH) Survey of Graduate Students and Postdoctorates in Science and Engineering

[1]Data is submitted by USF directly to the NSF/NIH via the NSF Graduate Students and Postdoctorates in Science and Engineering (GSS) Survey.

BOG FILES REVIEWED

Submission	System of Record	Table	Submission Reviewed
Hours to Degree (HTD)	OASIS, DegreeWorks	Hours to Degree Courses to Degree	2017-2018
Student Financial Aid (SFA)	OASIS	Financial Aid Awards	2017-2018
Student Instructional File - Degree (SIFD)	OASIS	Degrees Awarded	Spring 2018
Student Instructional File (SIF)	OASIS, GEMS	Person Demographics Enrollments	Spring 2018
Student Instructional File - Preliminary (SIFP)	OASIS, GEMS	Person Demographics Enrollments	Fall 2018
Retention File (RET)	BOG	Retention Cohort Change	2016-2017

MEMORANDUM

TO: Dr. Ralph Wilcox, Provost & Executive Vice President of Academic Affairs
Dr. Terry Chisolm, Vice Provost for Strategic Planning, Performance & Accountability

FROM: Virginia Kalil, CIA, CISA, CFE, CRISC
Executive Director/Chief Internal Auditor

DATE: February 4, 2019

SUBJECT: 19-010 Management Letter – Performance-Based Funding Data Integrity Audit

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USF System Audit (Audit) performed an audit of the university's processes and internal controls that ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors (BOG). These data submissions are relied upon by the board in preparing the measures used in the performance-based funding process. An audit report was issued on February 4, 2019, which defined the scope and results of our audit.

Based on the review, Audit concluded that there was an adequate system of internal controls in place to meet the audit objectives, assuming timely corrective actions are taken for the two medium-priority risks included in this Management Letter.

As audit reports are focused only on high-priority risks, these medium-priority risks were not addressed in our audit report. Urgent management attention is required within 60 days. The two medium-priority risks identified for management attention are related to Measure Three Net Cost to Student and Measure Nine Percent of Bachelor's Degrees without excess hours.

The risks identified had no impact on the performance metrics.

Within ten business days, please provide your actions planned and expected implementation dates within the Team Central Follow-Up System for those recommendations not marked as resolved.

Please contact us at 974-2705 if you have any questions.

USF SYSTEM AUDIT
4019 E. Fowler Ave., Suite 200 • Tampa, FL 33617
(813) 974-2705 • www.usf.edu/audit

cc: President Judy Genshaft, USF System
Chair Brian D. Lamb, USF Board of Trustees
David Lechner, Senior Vice President, Business and Financial Strategy
John Long, Senior Vice President, Business and Finance and Chief Operating Officer
Dr. Charles Lockwood, Senior Vice President, USF Health
Dr. Paul Sanberg, Senior Vice President, Research, Innovation & Knowledge Enterprise
Dr. Karen Holbrook, Regional Chancellor, USF Sarasota-Manatee
Dr. Martin Tadlock, Regional Chancellor, USF St. Petersburg
Dr. Paul Dosal, Vice President for Student Affairs and Student Success
Nick Trivunovich, Vice President, Business and Finance and Chief Financial Officer
Sidney Fernandes, Vice President and Chief Information Officer, Information Technology
Dr. Paul Atchley, Dean, Undergraduate Studies
Billie Jo Hamilton, Associate Vice President, Enrollment Planning & Management

MEDIUM PRIORITY RISKS	STATUS
1. The Student Financial Aid (SFA) file had to be resubmitted due to errors not identified in the review process. The Board of Governors (BOG) made a change to the SFA file on June 8, 2017 to include third-party billings to more accurately calculate Measure Three: Net Cost to Student. While the change went into effect in Summer 2017, the use of the new data for purposes of computing the performance metric was not effective until this year's 2017-2018 annual file. Third-party payments were defined by the BOG as, "Funds provided to the university by a third-party sponsor that pays all, or a portion, of a student's invoice directly to the university via a special billing process. The payments cannot be contingent on academic performance or employee reimbursement policies. These funds do not include Florida Pre-Paid, university foundation funds, or any other 529 saving plans that parents/students previously paid." Audit selected 25 undergraduate students included in the SFA file and verified that the students' financial aid amounts agreed to Banner's (student information system) financial aid and/or student receivable module. This included students with third-party payments. In addition, Audit reconciled the third-party payments included in the student receivable module to the SFA file in total to ensure all eligible third-party payments were properly included. Our review identified two issues which were not identified during the original SFA file preparation and validation file, including the executive review process: • Payments made to veterans and active military by Veterans Affairs (VA) were incorrectly coded in Banner as 529 plan payments. As a result, $655,644 in eligible third-party payments were excluded from the SFA file. This was a data entry error. The Application Manager job used to pull data into the SFA file appropriately pulled all third-party contracts not coded as 529 plans. • When the SFA file changes were made in October 2017, to include third-party payments, a programing error occurred. The programming error only impacted students with VA payments processed via electronic fund transfer (not a third-party payment). The VA amount paid was duplicated for all aid types the student had, overriding the amount actually paid. The impact of the error was to overstate the amount paid to students by $1,658,306. • The net impact of the two errors was to overstate financial aid, including third-party payments, by $1,000,662. Audit reviewed the change management process used to validate the code change to the SFA file generation process in October 2017 and determined USF's standard change management process was followed. The user acceptance testing was focused on validating the accuracy of the third-party payments added to the file and did not validate that unintentional changes to other financial aid types did not occur. The coding error was not detected since a full reconciliation by fund type was not being performed.	Resolved

MEDIUM PRIORITY RISKS	STATUS
USF resubmitted the SFA file to the BOG on November 9, 2018. The resubmission corrected the error in reporting. **Recommendations:** 1. University Controller's Office (UCO) should perform a review of the coding of accounts receivable contracts as 529 plans to ensure the accuracy of coding prior to submitting the SFA file. 2. Financial Aid should perform a full reconciliation of the SFA file to Banner by financial aid type before submitting the SFA file for executive review. **Management Attention Required:** ☐ Immediate ☒ Urgent ☐ Timely **Resources/Effort Required:** ☐ Significant ☒ Moderate ☐ Minimal **Management's Response:** UCO has put a process in place to ensure the 529 plans are properly coded. Financial Aid performed a full reconciliation of the SFA file to Banner by financial aid type prior to resubmitting the SFA file. This process has been added to the file preparation process by Financial Aid.	
2. Repeated coursework was not properly flagged in Banner and the Courses to Degree (CTD) file. Banner ruleset (SHARPTR) is used to evaluate coursework for potential repeated courses based on the course prefix, number, level, and title. Currently, this functionality is only being used for USF coursework and is utilized to prevent students from registering in a non-repeatable course for which the student has already earned a passing grade of C or better. In addition, the ruleset is used for an end of term process which is used to identify potential repeated courses for review. In order to identify repeated coursework which has occurred at USF or earned at another institution, an Application Manager repeat interface was developed which relies on course information in Banner. The Application Manager repeat interface places a course attribute ("REPT") on a student's course record which is then used by the Banner to DegreeWorks interface to transfer course information, including the repeated course information, to DegreeWorks. The process was designed to place the "REPT" course attribute on the instance(s) of the course which should not be used towards a degree. The "REPT" course indicator is systematically placed on the course but can be manually added by the Office of the Registrar when instances are identified which were not identified by the logic. Of the 448,471 records in the CTD file, contained within the Hours to Degree (HTD) submission, only 4,149 had the "REPT" course attribute applied. Audit performed a reasonableness review of the CTD file to determine if repeated coursework had been used toward a degree (Usage Indicator = "D"). Audit's testing did not rely on the "REPT" course attribute but focused on students who had the	In Progress

MEDIUM PRIORITY RISKS	STATUS
same course prefix and course suffix applied toward a degree more than once and the course was a non-repeatable course per the current course catalog. During the review, Audit identified 22 instances where a non-repeatable course was used toward a degree. None of these repeated courses identified by Audit had the "REPT" course attribute assigned to them in Banner indicating the Application Manager job failed to identify the course as a repeated course. In one instance, the repeated course was a result of an advisor error. Audit reviewed the Application Manager job logic and identified the following issues: • To allow for a manual override, the logic ignores courses for which the repeat indicator was populated (not null/blank). Audit noted, the repeat indicator flag had been systematically set to "include" in Banner for at least one of the two repeated courses in all but one instance. The native Banner logic was not originally set up to flag the usage indicator so the flag should not have been set by the system. It is believed that the anomalies were introduced when a temporary change was made to the Banner rule in Summer 2017. • In the remaining instance, the identified repeated course included one USF course and one course assigned to institution "MILTCR". The logic ignores courses coded to institution "MILTCR", a generic institution code for military coursework. Audit verified that the errors identified had no impact on the student's excess hours computation. A second data integrity issue was identified by Audit while searching for a cause for the repeated coursework. The CTD field Repeat Indicator (BOG Element 01487) was not being properly set for native coursework not used for degree. The problem was limited to grade forgiveness coursework. The CTD Repeat Indicator is "a code to indicate if this course was not counted toward the degree, because of repeat. If a student later repeated this course for any reason, this code should indicate this. A repeat should be indicated even if the repeat produced no credit, regardless of any forgiveness policy." A repeat indicator ("R" - repeated) is placed in the CTD Repeat Indicator field for any repeated course which was not used for a degree unless the course grade is failed, unsatisfactory, or withdrawn. Audit's review identified 307 USF courses in the CTD file which were not used toward a degree and had a passing grade; however, the CTD Repeat Indicator was set to "N" (not repeated). Audit reviewed the Application Manager job logic used to set the CTD Repeat indicator. The Application Manager logic used to create the CTD Repeat Indicator field relies on the course attribute "REPT" found in the SHRATTR_ATTR_CODE to identify repeated coursework and relies on the course grade to identify repeats resulting from grade forgiveness. The repeat indicator is set at "R" for any course with a course attribute code of "REPT" and Usage Indicator of "N" (Not Used Toward Degree). In addition, for	

MEDIUM PRIORITY RISKS	STATUS

grade forgiveness courses, the repeat indicator is set at "R" for all courses with a Banner grade of "R", hours attempted >0, credits earned = 0, and a Usage Indicator of "N". All other courses are set with a Repeat Indicator of "N" (Not repeated). Audit determined that the Application Manager logic was not properly identifying grade forgiveness repeats. The logic, however, was not functioning as designed. The logic was ignoring the Banner grade indicator ("R") and was actually ignoring any courses with credits earned equal to zero.

The grade forgiveness courses do not result in earned hours; therefore, they were not identified as a repeat by the CTD Application Manager job logic.

Since all USF course work is used in the excess hours computation, even if a repeated course, there was no impact to the performance metric.

Recommendation: Office of Registrar, in coordination with Information Technology and Undergraduate Studies, should:

1. **Review the Banner repeat rule functionality and ensure the rule is set appropriately.**
2. **Identify any student course records with a repeat indicator of "I" which were not set appropriately and correct the student record.**
3. **Make any necessary changes to the Application Manager repeat identification logic to ensure that all repeated coursework is being properly identified and the course attribute "REPT" is being appropriately applied.**
4. **Update the Application Manager logic used to populate the CTD repeat indicator to properly code grade forgiveness courses as repeats.**

Management Attention Required: ☐ Immediate ☒ Urgent ☐ Timely

Resources/Effort Required: ☒ Significant ☐ Moderate ☐ Minimal

Management's Response: A User Service Request has been submitted by the Office of the Registrar in order to identify and resolve the problems related to repeat checking in Banner and DegreeWorks. All advisors have been notified of the problem so that a manual check for repeated courses can be performed for all degree certifications until the corrections are made. The Application Manager logic used to process the CTD file is in the process of being corrected.

Estimated Completion Date: April 15, 2019

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Performance Based Funding

March 2019 Data Integrity Certification

University Name: University of South Florida

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures
I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors. Certification: Judy Genshaft President Date 2/15/19
I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge. Certification: Board of Trustees Chair Date 2/16/19

Internal Auditing & Management Consulting
Audit: Performance Based Funding Data Integrity - 2018
Report # UWF18-19_002
Date: January 14, 2019

EXECUTIVE SUMMARY

We audited Performance Based Funding Data Integrity as of September 30, 2018. This audit was included as part of our 2018/19 audit work plan, conducted in accordance with a Board of Governors (BOG) directive to state universities. Our specific objectives were to:

- Evaluate internal controls designed to ensure the accuracy, completeness, and timeliness of data submissions to the Board of Governors, and
- Provide an objective basis of support for the President and Chair of the Board of Trustees to sign the representations included in the *Performance Based Funding – Data Integrity Certification*, to be filed with the Board of Governors by March 1, 2019.

Audit fieldwork began on September 7, 2018, and ended on December 18, 2018. Our audit was conducted in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* and generally accepted auditing standards.

BACKGROUND

The BOG has broad governance responsibilities affecting administrative and budgetary matters for Florida's 12 public universities. Beginning in fiscal year 2013/14, they instituted a performance funding program that is based on 10 metrics. These metrics are used to evaluate the institutions on a range of issues including cost per degree, retention rates, graduation rates, and job placement, among other things.

Each university is offered a "Board of Trustees Choice Metric," enabling the institution to select a metric that improves their scoring with respect to performance funding, based on their unique strengths.

Much of the information that is used by the BOG in their calculation of the metrics is through 6 data files that are submitted periodically by the universities. This includes the:

- Admissions File
- Degrees Awarded File
- Hours to Degree File
- Retention File
- Student Financial Aid File
- Student Instruction File

Data that is ultimately submitted to the BOG through these electronic submissions is initially entered through the Admissions, Registrar, Financial Aid, and Controller's departments into the Banner Student system. The Office of Institutional Research (IR) has been delegated responsibility for compiling the data into tables according to BOG specifications, conducting a quality review of the data prior to submission to the BOG, and timely submission of the files.

In accordance with BOG Regulation 3.007 "State University System (SUS) Management Information Systems," the President has formally appointed an Institutional Data Administrator, who is the Director of Institutional Research. The Director has frequent contact with the BOG Institutional Research staff, strengthening his understanding of their complex requirements for the data in the files.

Audits similar to this one were conducted in 2014, 2015, 2016, and 2017.

Internal Auditing & Management Consulting
Audit: Performance Based Funding Data Integrity - 2018
Report # UWF18-19_002
Date: January 14, 2019

NOTABLE STRENGTH

The submission of accurate and complete data underlying the metrics is dependent upon having technical staff with the proper experience. The learning curve for these activities is long. The IR Director has been providing training in these matters to the IR Associate Director for over a year, considerably mitigating the risk to UWF of having a single knowledge holder for this critical process.

OBSERVATIONS

We interviewed key personnel involved in the processes that end with submission of data to the BOG that are used in the computation of metrics. We examined written policies and procedures and other related documents. Audit testing was conducted on data submitted to the BOG in order to evaluate accuracy and completeness. We found that internal controls over all processes were strong. We therefore make no recommendations.

We appreciate the cooperation, professionalism, and responsiveness of the employees who were involved in the audit.

Respectfully submitted,

Cindy Talbert, CFE, CIA, CICA, CPA, CRMA
Interim Internal Audit Director

REPORT PROVIDED TO THE FOLLOWING:

Dr. Martha Saunders, President
Mort O'Sullivan, Chair BOT
Bob Jones, Chair Audit & Compliance Committee
Dick Baker, Audit & Compliance Committee
Robert Sires, Audit & Compliance Committee
Dr. George Ellenberg, Provost/Sr. Vice President
Dr. Joffery Gaymon, Vice President
Dr. Kim LeDuff, Vice President
Betsy Bowers, Vice President
Dr. Kimberly McCorkle, Vice Provost
Pamela Langham, General Counsel
Melanie Haveard, ITS Executive Director and CTO
Keith King, Institutional Research Director
Colleen Asmus, Associate Vice President
Kelley Brundage, Registrar
Katie Condon, Admissions Director
Shana Gore, Financial Aid Director
Jaime Hoelscher, Manager, FL Auditor General
Ken Danley, Supervisor, FL Auditor General
Julie Leftheris, BOG Chief Inspector General
Lori Clark, BOG Compliance and Audit Specialist
Rebecca Luntsford, BOT Liaison

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Performance Based Funding

March 2019 Data Integrity Certification

University Name: University of West Florida

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☑	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☑	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☑	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☑	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission	☑	☐	

Performance Based Funding

Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures
I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors. Certification: _____ Date 2-15-19 President
I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge. Certification: _____ Date 2/14/19 Board of Trustees Chair

SUS Performance Based Funding Data Integrity Audits, Action Plans, and Certifications Summary March 2019, Year 6

UNIV.	CONCLUSIONS	OBSERVED ISSUES	ACTION PLAN	CERTIFICATION
FAMU	• Controls Adequate • Basis for Certification	No adverse findings	N/A	Unmodified Certification
FAU	• Controls Adequate • Basis for Certification	No adverse findings	N/A	Unmodified Certification
FGCU	• Controls Adequate • Basis for Certification	One issue related to timeliness of submissions.	N/A	Modified Certification – late data submission (no significant impact)
FIU	• Controls Adequate • Basis for Certification	Two issues related to activation of auditing log capabilities to Staging and Production environment fields; and lack of written guidelines and backup for Retention file reconciliation procedures performed.	May and June 2019	Unmodified Certification
FL Poly	N/A	N/A	N/A	N/A
FSU	• Controls Adequate • Basis for Certification	No adverse findings	N/A	Unmodified Certification
NCF	• Controls Adequate • Basis for Certification	No adverse findings	N/A	Unmodified Certification
UCF	• Controls Adequate • Basis for Certification	Two errors regarding a small population of students that were immaterial with no impact on University's overall ranking.	One completed; one in progress.	Modified Certification – logic and data entry errors, delayed submission. (No significant impact.)
UF	• Controls Adequate • Basis for Certification	No adverse findings	N/A	Unmodified Certification
UNF	• Controls Adequate • Basis for Certification	Two issues related to implementing additional controls for FERPA-protected student data submitted to the BOG and clarifying the approval status of programs exceeding 120 credit hours.	Completion Date: January 2019	Unmodified Certification
USF	• Controls Adequate • Basis for Certification	Two issues noted: one related to incorrect coding and programming errors in one data file (now resolved); and one related to repeated coursework not flagged in another data file. No impact on performance metrics.	Completion Date: April 2019	Unmodified Certification
UWF	• Controls Adequate • Basis for Certification	No adverse findings	N/A	Unmodified Certification

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
March 28, 2019

SUBJECT: UCF E&G Funds Misuse Investigative Report Update

PROPOSED COMMITTEE ACTION

Information Only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Inspector General and Director of Compliance, Julie Leftheris, will present an update to the Board of Governors investigation of UCF's misuse of E&G Funds to the Committee.

Supporting Documentation Included: None

Facilitators/Presenters: Ms. Julie Leftheris

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
March 28, 2019

SUBJECT: Florida House of Representatives Pubic Integrity and Ethics Committee Report of Investigation into Unauthorized Use of Appropriated Funds for Fixed Capital Outlay Projects at the University of Central Florida

PROPOSED COMMITTEE ACTION

Information Only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

After the release of the Bryan Cave Leighton Paisner LLP (Bryan Cave) report of investigation regarding the misuse of state appropriated funds for the construction of a new building, the Florida House of Representatives Public Integrity and Ethics Committee (PIE Committee) conducted its own investigation. The draft report was issued March 11, 2019, and contained six recommendations, each with sub-parts.

The Board of Governors Inspector General and Director of Compliance, Julie Leftheris, will provide Committee members with a brief summary of the Bryan Cave investigation, which was discussed in detail at the Board of Governors Audit and Compliance Committee meeting held January 31, 2019. She will then discuss the House of Representatives' PIE Committee report findings and recommendations.

Supporting Documentation Included: PIE Committee Report of Investigation
Recommended Actions Summary Table

Facilitators/Presenters: Ms. Julie Leftheris

REPORT OF INVESTIGATION INTO UNAUTHORIZED USE OF APPROPRIATED FUNDS FOR FIXED CAPITAL OUTLAY PROJECTS AT THE UNIVERSITY OF CENTRAL FLORIDA

Approved March 14, 2019

Public Integrity & Ethics Committee
Florida House of Representatives
Rep. Thomas J. Leek, Chair

I. Executive Summary of Report

Legislative oversight is the broad responsibility of elected representatives to review, monitor, and supervise the implementation of public policy and the use of public funds. This function provides an essential check and balance among the branches of government. Legislative oversight is also essential to the responsible and effective appropriation of state funds. Investigations of possible violations of state law regarding the use of public funds are necessary for the integrity of government and accountability to the taxpayers.

Speaker Richard Corcoran initiated the House investigation into the University of Central Florida capital outlays in September 2018, as a result of findings by the Auditor General that UCF used Education and General ("E&G") carryforward funds for construction of a new academic building in violation of s. 216.292(5), Florida Statutes and Board of Governors Regulation 9.007. Responsibility for the investigation was delegated to the Public Integrity and Ethics Committee.

This report presents background information and describes the investigation conducted by the Committee between September 2018 and March 2019. The investigative process included review of an extensive record of financial transactions and meetings by the staff and governing boards. In addition, interviews were conducted with key personnel, culminating in sworn testimony by thirteen individuals subpoenaed by the Committee. One individual, former UCF president John Hitt, is notable for his limited participation.

The Committee's key findings are as follows:

1. UCF improperly transferred as much as $85 million of E&G carryforward funds to university construction accounts for unauthorized uses.
2. UCF administrators failed to timely disclose improper fund transfers when discovered.
3. UCF administrators' response to the audit finding confounded a careful review of some questioned transfers.
4. UCF's budgeting and spending practices fostered ad hoc and unaccountable decisions.
5. Significant deficiencies exist in the capital budgeting and planning process of UCF.
6. Compliance activities of the university were inadequate to identify the misspending.
7. UCF BOT lacked training and information necessary to fulfill their fiduciary responsibilities.
8. Allocation of unrealized investment gains is an inappropriate means to fund operations.
9. Limited oversight by the Board of Governors contributed to UCF misspending.
10. BOG Inspector General lacks resources for robust oversight.

As a result of its investigation, the Committee recommends:

- Strict adherence to planning and budget laws and regulations;
- Establishment of sufficient checks and balances to prevent one or a few administrators from controlling both information and authority;
- Additional training for BOT members;
- Reform of certain BOG regulations and practices;
- Development of BOT policies and procedures to provide better internal controls; and
- Additional investigation by the BOG of complaints of waste, fraud and mismanagement.

II. Background

A. Audit

The Auditor General conducted an operational audit of UCF from March through September 2018. On August 7, auditors informed UCF administrators of likely findings including the misuse of E&G carryforward funds for construction of a new academic building in violation of BOG Reg. 9.007. Shortly thereafter, auditors contacted Board of Governors ("BOG") staff for clarification on the application of BOG Reg. 9.007 to the use of E&G carryforward funds for construction of Trevor Colbourn Hall ("TCH").

On November 27, 2018, the Auditor provided the preliminary and tentative findings of its audit to UCF. In pertinent part, the Auditor found that:

- UCF used E&G carryforward funds to construct TCH;
- UCF misreported the funding source in annual capital outlay budgets of the past four years by listing the TCH project under the category of Projects Funded by PECO;
- UCF misreported the Colbourn Hall and TCH projects as deferred maintenance projects and did not identify the projects by name in annual Operating Budget – Beginning Carryforward Fund Balance Composition Reports ("Fund Composition Reports") submitted to the BOG during a five-year period,;
- UCF used $16,910,886 of unrealized investment gains to replenish E&G carryforward funds expended on construction projects; and
- In addition to the TCH funding, UCF had transferred $46.5 million of E&G carryforward funds for 11 other construction projects, including $13.8 million that had been spent as of September 18, 2018, and $32.7 million that had not yet been spent.

B. BOG Preliminary Review

In August 2018, BOG Chancellor Marshall Criser contacted UCF regarding the audit finding. UCF reported on the matter at a September 13, 2018 BOG meeting. On September 14, BOG Chair Ned

C. Lautenbach reported the matter to the Governor and Legislature as a serious breach of trust and advising of actions the BOG intended to take in response. The BOG assigned its Inspector General to work with the Auditor General's office on resolution of the matter.

C. Bryan Cave Investigation

On September 20, 2018, UCF Board of Trustees ("BOT") approved retention of Atlanta law firm Bryan Cave Leighton Paisner ("Bryan Cave") to investigate the use of E&G funds for capital projects. Bryan Cave was directed to investigate five questions:

- Was anyone besides the former CFO, William Merck, 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?[1]
- 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?

Bryan Cave issued its final report on January 17, 2019. The report concluded that former UCF CFO William Merck was the principal figure in all of the decisions to use E&G funds for the construction of TCH.[2] Four of Merck's subordinates and former Provost Tony Waldrop were identified as having been involved in decisions or key tasks relating to funding the project.[3] The report concluded that former UCF President John C. Hitt was advised in advance of the possibility that the funding for TCH might lead to an adverse audit finding and he directed Merck to go forward with the project anyway.[4] The report determined that former Provost Dale Whittaker received vague and arguably misleading information about the source of funding and was not familiar with restrictions on the use of E&G; however, Whittaker acknowledged that he was aware that the funding source might draw an adverse audit finding. [5] The report found Trustees had been misled about the funding source and were uninformed of the risks or the restrictions on E&G

[1] The report indicates the scope of the investigation was subsequently narrowed to focus exclusively on TCH excluding other projects for which E&G funds may have been committed or expended. See BC Report at 1. The report may be found at https://www.ucf.edu/transparency/board-of-trustees-investigation/.
[2] BC Report at 6.
[3] BC Report at 8-9.
[4] BC Report at 11.
[5] BC Report at 10.

funds.[6] The report also concluded that investigators found no evidence that any UCF employee personally profited from the decision to use E&G funds.[7]

Investigators found deficiencies in UCF's written policies and procedures regarding the use of state appropriated funds, training and education on such policies and applicable laws and regulations, oversight and approval of significant decisions involving the use of appropriated funds, auditing for proper funding of capital projects, monitoring and reporting. Finally, investigators found that UCF failed to foster a culture that encouraged employees to challenge senior members of the administration or reporting illegitimate activity.[8]

D. Initiation of House Investigation

On September 14, 2018, Speaker Corcoran wrote UCF President Dale Whittaker to express his concerns and to notify UCF that the House Public Integrity & Ethics Committee ("PIE") would be undertaking an investigation of the matter.

Part V of this report describes the Committee's investigation in more detail.

III. Historical and Institutional Context

A. State University System

Florida's State University System ("SUS") includes twelve universities with an enrollment of more than 300,000 students and more than 60,000 faculty and staff.[9] The System has an annual operating budget of approximately $14.9 billion in revenues including total state appropriations for FY 2018-19 in excess of $5 billion.[10]

[6] BC Report at 26, 32-35.
[7] BC Report at 11.
[8] Id.
[9] Statistical information about the SUS was accessed on the BOG website at: https://www.flbog.edu/universities/.
[10] State University System of Florida Operating Budget Summary Fiscal Year 2018-2019, p. 12. The SUS Operating Budget can be found on the BOG website at: https://www.flbog.edu/board/office/budget/docs/2018-19_Combined-Final-Book.pdf. State appropriations include approximately $2.8 billion general revenue, $1.8 billion tuition and fees and over $300 million in lottery funds.

B. SUS Governance

The BOG operates, regulates, controls, and has full responsibility for the management of the state university system.[11] The BOG exercises both legislative and executive powers,[12] subject to the powers of the Legislature to appropriate for the expenditure of funds.[13] Accordingly, the BOG adopts regulations and exercises oversight functions to ensure the faithful execution of the regulations,[14] laws, and constitutional provisions governing the universities. The BOG employs a Chancellor to aid the BOG in the implementation of its responsibilities.[15] The BOG also employs an Inspector General to promote accountability, efficiency, and effectiveness, and to detect fraud and abuse within the universities.[16]

Separate from the BOG, a BOT administers each state university. The BOG establishes the powers and duties of the BOTs.[17] The BOT is responsible for the direction, operation, management and accountability of the university including administration, strategic planning, financial management, personnel policy, property management, academic programs and student affairs, and internal auditing.[18] Each BOT has various reporting responsibilities including submission of budgets and reporting expenditures to the BOG.[19] In the exercise of its responsibilities, each BOT has authority to adopt university regulations.[20]

C. Funding and Sources

University operating budgets are funded by E&G funds including general appropriations, tuition and fees, and state lottery funds. To discourage unnecessary spending, universities are allowed to retain unspent E&G funds left over at the end of a fiscal year.[21] These funds are referred to as E&G

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[11] Fla. Const., Art. IX, s. 7. The BOG has seventeen members, fourteen of which are appointed by the Governor and subject to Senate confirmation. Appointed members serve staggered seven-year terms. The three other members are the Commissioner of Education, chair of the advisory council of faculty senates, and the president of the Florida Student Association. Fla. Const., Art. IX, s. 7(d).
[12] Fla. Const., Art. IX, s. 7(d) ("The board shall operate, regulate, control…the whole university system"); s. 20.155, F.S. 2018 ("The Board of Governors…is granted rights and privileges equal to those of departments….").
[13] Fla. Const., Art. IX, s. 7(d). Each BOT is composed of thirteen members. Six members are appointed by the Governor, while five are appointed by the Board of Governors. Each appointed Trustee is subject to Senate confirmation, and serve a five-year term. The remaining two members are the chair of the state university's faculty senate and the state university's student body president. Id.
[14] BOG Regulations are published on its website accessed at https://www.flbog.edu/board/regulations/regulations.php.
[15] S. 20.155(3), F.S. (All citations to Florida Statute hereafter are to the 2018 Statutes, unless otherwise noted.)
[16] S. 20.155(5), F.S.
[17] Fla. Const., Art. IX, s. 7(c), BOG Reg. 1.001.
[18] BOG Reg. 1.001.
[19] Id.
[20] BOG Reg. 1.001(3)(j).
[21] S. 1011.45, F.S.

carryforward. The starting balance of E&G carryforward funds each fiscal year is reported to the BOG with operating budgets. Actual expenditures of current and carryforward E&G funds are reported at the end of the fiscal year. Universities are expected to keep an amount equal to 5% of E&G revenues as a minimum reserve.[22]

Additional funding sources for university operations include revenues from contracts and grants, auxiliary enterprises, local funds and faculty practice plan funding.[23] Tuition and non-resident fees are both authorized and appropriated by the Legislature.

Fixed capital funding sources for universities include Public Education Capital Outlay ("PECO") appropriations, Capital Improvement Trust Fund ("CITF") financing, bonding, private sources including donations, and the Courtelis challenge grant program.[24]

D. Spending Regulation

E&G funds may only be expended in accordance with operating budgets approved by the BOT.[25] E&G funds may only be used for operating activities such as general instruction, research, public service, plant operations and maintenance, student services, libraries, administrative support and other enrollment-related and stand-alone operations.[26] Additionally, interest earnings on E&G funds may be used only for E&G purposes.[27] Universities may never spend more than the funds available.[28]

State appropriations may not be used for fixed capital outlay unless specifically appropriated.[29] Fixed capital outlay is defined in law and generally means real property and permanent fixtures and includes "repairs, and renovations to real property which materially extend its useful life or materially improve or change its functional use."[30] Expenditures for plant operation and maintenance are permitted from E&G funds.[31] In addition, state law expressly authorizes expenditures for infrastructure serving university facilities including roads, sidewalks, sewer,

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[22] S. 1011.40(2), F.S.
[23] For FY 2018-19, non-E&G estimated revenues are approximately: $3 billion for contracts and grants, $2 billion for auxiliaries, $3.1 billion in local funds and $1.3 billion family practice revenues. BOG Reg. 9.007(3)(b)-(e) describes non-E&G operating revenues.
[24] See "Finance and Facilities" accessed at the BOG website at: https://www.flbog.edu/board/office/fac/index.php.
[25] See s. 1, ch. 2018-009, L.O.F. p. 42 (proviso to appropriations 15-19); s. 1011.40(2), F.S.
[26] BOG Reg. 9.007(3)(a)1.
[27] BOG Reg. 9.007(5).
[28] S. 1011.40(3), F.S.
[29] S. 216.292(5), F.S.
[30] S. 216.011(1)(p), F.S. Some statutory and regulatory uses of "fixed capital outlay" are broader when the context reflects that PECO appropriations may be used for repairs and renovations in addition to those.
[31] BOG Reg. 9.007(3)(a)1.

water, stormwater, and utility improvements.[32] Revenue bonds payable from non-E&G revenues may be used to fund capital projects.[33] However, projects financed by debt must be expressly approved by the Legislature.[34] Fixed capital outlay projects funded by non-appropriated funds must be approved by the Legislature if operation and maintenance of the facility will be funded from state appropriations.[35] Finally, a university may expend appropriated funds for fixed capital outlay projects costing less than $1 million notwithstanding general statutory limitations.[36]

E. UCF History and Growth

In the 2018-19 school year, UCF has a student enrollment of approximately 68,000. UCF's physical plant growth has been commensurate with UCF's growth in student population. The value of UCF owned buildings after accumulated depreciation grew from $385,303,000 in FY 2004-05 to $838,249,000 in FY 2016-17. The sum of state capital appropriations to UCF in that same period was $449,946,000. From 2006-07 to 2008-09, state capital appropriations peeked, averaging $76.2 million. From 2009-10 to 2016-17, that average was $22.8 million. Other sources of UCF capital funding, not reported here, included donations and revenue bonds financed by non-appropriated revenues. On June 30, 2017, UCF owed approximately $125,000,000 in capital improvement debt.[37]

Key personnel at UCF during relevant times were:

- Dr. John C. Hitt was President for more than 26 years, including the period in which all matters raised in the operational audit transpired.
- William Merck was Vice President for Administration and Finance for 22 years and held the additional title of Chief Financial Officer for his last 7 years with UCF.
- Dr. Dale Whittaker was Provost and Executive Vice President beginning August 2014. He became UCF's fifth President, on July 1, 2018.
- Tracy Clark was Associate Provost for Budget Planning and Administration and Vice President for Finance and beginning in early 2015, reported to Merck as well as to Whittaker with respect the Provost's budgetary responsibilities.
- Christy Tant was UCF Controller, reporting to Clark and Merck.

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[32] S. 1013.51, F.S. S. 1013.51(4) requires that university infrastructure must be authorized under s. 1013.30, F.S. governing university campus master plans.
[33] S. 1010.61, F.S. The statute requires the BOG to request bond issuance and lists the revenues that may be pledged, s. 1010.61(2).
[34] S. 1010.61(6), F.S.
[35] S. 1013.78, F.S.
[36] S. 1013.74(2)(e), F.S.
[37] UCF Operational Audit, Report No. 2018-153 at 36. The Report may be located at https://flauditor.gov/pages/pdf_files/2019-095.pdf.

- Lee Kernek was Associate Vice President over the Facilities department, which was responsible for construction, maintenance and operational costs of UCF facilities and infrastructure. Kernek reported to Merck.
- Scott Cole became UCF General Counsel in 2002.
- Marcos Marchena, appointed by the BOG to the UCF BOT in 2011, served as Chair of the Finance and Facilities Committee from early 2014 to July 2015, when he became BOT Chair.

IV. Overview of Issues

A. Expenditures of E&G Carryforward Funds for Trevor Colbourn Hall

From August 2013 through June 2016, UCF transferred $38 million in E&G carryforward funds from the central reserve to the Trevor Colbourn Hall Project Construction Fund.[38] The planning for those transfers began in 2013, although construction did not begin until 2017.[39]

On August 13, 2013, President Hitt authorized the allocation of $8 million of E&G for renovation of existing Colbourn Hall.[40] A transfer of $700,000 (pursuant to that allocation) was made on August 26, 2013.[41] A transfer of $9.3 million was made on May 1, 2014. Two million dollars of that transfer was authorized in a meeting between a former Provost and CFO Merck increasing the original $8 million allocation.[42]

In May, 2014, the BOT approved construction of TCH but did not approve the funding source.[43] On August 8, 2014, new Provost Dale Whittaker formally recommended that President Hitt

[38] UCF Operational Audit, Report No. 2019-095 at 3. This figure includes transfers for construction only. There were four additional transfers of significantly smaller amounts in 2017 and 2018 for furniture/equipment.
[39] Exhibit A - Planned E&G Allocations, updated as of November 15, 2013, reflecting $8 million being allocated for FY 2013-14 with $700,000 transferred to date. The first time it appeared on a Planned E&G Allocations list was May 22, 2013 for $8 million.
[40] Exhibit B - 2013-14 E&G Budget, Summary of Allocations and Reserve, signed by President Hitt on August 13, 2013.
[41] Exhibit C - Christy Tant's August 22, 2013, 11:37 a.m. email to the Budget Office.
[42] Exhibit D - Email chain between Christy Tant, Budget Office, and Wilson Rosario on April 30, 2014.
[43] Construction of TCH was recommended to house the occupants of Colbourn Hall when renovation of that building began. TCH was to be comparably sized. Funding was reported to be "non-recurring" university funds. In 2016, the BOT approved a larger TCH and demolition of the old building.

approve the allocation of an additional $18 million of E&G carryforward funds to the Colbourn Hall renovation.[44] Those funds were transferred to construction accounts on July 16, 2015.[45]

On January 20, 2015, Dr. Whittaker and President Hitt approved a plan for a combination project, involving the construction of TCH and the renovation of Colbourn Hall. That decision added $10 million to the projected project cost. Ten million dollars of E&G carryforward funds were transferred on June 6, 2016,[46] bringing the total amount of E&G carryforward funds transferred for TCH construction to $38 million.

Emails reflect that the General Counsel provided Provost Whittaker with briefing materials including BOG Reg. 9.007 upon Whittaker's arrival at UCF.[47] Further, Whittaker received at least one clear written explanation of the limited purposes and permissible uses of E&G funds written by Tracy Clark.[48] Clark reported she never briefed Whittaker about her TCH funding concerns.[49] Whittaker deferred to Merck's knowledge and experience and Clark deferred to Merck's authority.[50] All deferred to President Hitt's clear direction to build TCH despite audit concerns.

B. Allocation of E&G Funds for Other Capital Projects

Prior to the first transfer of E&G funds for the Colbourn projects, UCF had made two other transfers of E&G funds for other unrelated construction projects: specifically, $75,000 was transferred on June 17, 2013 for The Venue and $2 million was transferred on June 25, 2013 for the Facilities Surplus Showroom. Thereafter, sixteen additional transfers for various construction projects occurred between December 2014 and May 2018.[51]

On August 19, 2015, Provost Whittaker recommended that President Hitt approve the allocation of $4 million of E&G funds to Phase II of the CREOL project, which had been previously allocated

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[44] Exhibit E - The 2014-15 E&G Budget, Summary of Allocations and Reserve document was signed by President Hitt on August 11, 2014. While the Colbourn renovation was the line on the Allocation document, the total commitment of $28 million was primarily programmed for construction of TCH. Based on deposition testimony and documents reviewed, investigators could not determine if there was any intentional deception in using "renovation" for the allocation.
[45] Exhibit F - Christy Tant's June 19, 2015, 10:07 a.m. email to the Budget Office.
[46] Exhibit G - Email chain between William Merck, Tracy Clark, Christy Tant, and Rebeca Richards on January 20, 2015 and July 06, 2016. Christy Tant testified that she showed the last $10 million committed as Colbourn renovation because TCH was to be constructed first, while the last funds were thought to be needed for renovation. (Tant transcript at 85.)
[47] Exhibit H - Scott Cole's July 24, 2014, 5:04 p.m. email to Kassema Rhue.
[48] Exhibit I - William Merck's December 2, 2014, 4:15 p.m. email to Tracy Clark, copying Dale Whittaker.
[49] BC Report at 9.
[50] Whittaker transcript at 14-15; Clark transcript at 49-50.
[51] Exhibit J - Journal Entry Summary – E&G Funding Transferred to 8 Additional Construction Projects (Prior to Funding Corrections).

by the University Budget Committee and President Hitt approved.[52] The $4 million allocation was transferred on February 18, 2016.[53]

On August 16, 2016, the University Budget Committee met. Attached to that meeting's agenda was UCF's Central Reserve – Planned E&G Budget Allocations. That document identified $300,000 of E&G funds being allocated to the Band Building.[54] On August 31, 2016, Provost Whittaker recommended President Hitt's approval of the Band Building allocation.[55] The $300,000 in E&G funds were transferred on October 14, 2016.[56]

In addition to E&G transfers for construction of TCH, UCF transferred an additional $46.5 million for various other capital projects, with $13.8 million of that having been spent before the audit finding leading to this investigation. On September 18, 2018, Interim CFO Mitchell informed President Whittaker of those additional improper E&G fund transfers and the expenditures.[57]

On September 20, 2018, Interim CFO Mitchell presented a chart to the BOT at its meeting, disclosing three projects for which E&G funds were improperly used. UCF also identified another five projects for which E&G funds were used, but noted that the university was awaiting further clarification from the BOG as to the propriety of the use of those funds. On November 2, 2018, UCF certified to the BOG that no projects in the previous 10 years, other than TCH, had been constructed with improper funds.[58]

Although UCF staff and the UCF President discussed the E&G expenditures on TCH and other projects with the BOT, they did not disclose the $32.7 million transferred but unspent. Tracy Clark testified that after providing Mitchell a list of those projects funded by the $46.5 million, Mitchell informed her that she would only be presenting information on the $13.8 million actually spent because that is what the president's office wanted to present.[59] The BOT only learned of these improper transfers through the Auditor General report. During the January 19, 2019 BOT meeting

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[52] Exhibit K - 2015-16 E&G Budget, Summary of Allocations and Reserve, signed by President Hitt on August 19, 2015.
[53] Exhibit J - Journal Entry Summary – E&G Funding Transferred to 8 Additional Construction Projects (Prior to Funding Corrections).
[54] Exhibit L - UCF's Central Reserve – Planned E&G Budget Allocations Fiscal 2016-17, updated August 1, 2016.
[55] Exhibit M - 2016-17 E&G Budget, Summary of Allocations and Reserve, signed by President Hitt on August 31, 2016.
[56] Exhibit J - Journal Entry Summary – E&G Funding Transferred to 8 Additional Construction Projects (Prior to Funding Corrections).
[57] Exhibit N - Kathy Mitchell's September 18, 2018, 5:07 p.m. email to Dale Whittaker; Mitchell transcript at 20.
[58] Exhibit O - Summary of Projects with E&G Cash Funding Corrections. Exhibit P - UCF's November 2, 2018 cover letter and attached BOG certification. The $13.8 E&G expenditures on other projects were omitted as outside the BOG inquiry. See also Kathy Mitchell email to Tanya Perry dated February 8, 2019 as Exhibit Q.
[59] Clark transcript at 71.

Trustee David Walsh alleged that Ms. Mitchell told him that management had hoped not to have to share that information.

C. UCF Budget and Planning Practices

1. Capital Outlay Budgets Included No Funding for TCH

UCF adopts a Capital Outlay Budget each year along with its Operating Budget.[60] In 2016-17 through 2018-19, years in which construction of TCH occurred, the budgets showed no funding for the project.

2. Inaccurate Fund Composition Reports to BOG

Universities report planned use of E&G carryforward funds to the BOG each August in a "Fund Composition Report." UCF's Fund Composition Reports in 2013, 2014 and 2015[61] listed significant amounts of E&G carryforward funds committed to "Deferred Maintenance." Actual E&G carryforward expenditures are also reported to the BOG after each fiscal year. For those years, actual expenditure reports reflected similarly significant amounts as "Distribution and Transfers." After the audit, UCF staff identified internal accounting records of the specific E&G carryforward transfers made for the construction projects investigated. The following table compares the noted BOG report items with the UCF accounting records of fund transfers. The table shows that the deferred maintenance commitments were sufficient to fund the construction transfers. UCF has confirmed that transfer amounts included in the table were reported to the BOG as actual expenditures as Distribution and Transfers.

Fiscal Year	Reports to Board of Governors		UCF Records of Transfers from E&G Carryforward to Construction Accounts	
	Fund Composition Report: Deferred Maintenance	Actual Expenditures Report: Distribution and Transfers	UCF Transfers for TCH Construction	UCF Transfers for Other Projects
2013-14	15,147,799	10,776,134	10,000,000	
2014-15	[62] 20,155,861	5,453,415		1,006,588
2015-16	12,748,600	37,185,917	28,000,000	6,820,000
2016-17	2,957,828	18,918,088		14,862,704
2017-18	2,855,114	27,740,484		21,717,000

[60] Copies of the FY 2016-17 through 2018-19 Capital Outlay Budgets are attached as Exhibit R.
[61] Exhibit W – 2013-2015 Beginning Carryforward Fund Balance Composition Reports.
[62] UCF confirmed that this sum included $18 million committed for TCH not transferred until July 16, 2015. The $18 million amount was also reported in the FY 2015-16 Fund Composition Report as a carryforward "Expenditure" in the current fiscal year. The funds were not actually expended until 2017 or 2018. Reporting the same E&G carryforward item in two different years illustrates that Fund Composition Reports can reflect the same university commitment in multiple years when the expenditure is either scheduled for or deferred to a subsequent year.

3. UCF Internal Budget Processes

Budget Committees

The University Budget Committee ("UBC") was a university-wide Vice President level committee formed in 2015. It meets monthly to establish university-wide budget priorities and funding recommendations including uses of uncommitted E&G funds.[63] The TCH commitments were decided prior to formation of the UBC, by staff in weekly "budget chat" meetings called to review requests for E&G funds, including facilities needs. The Facilities Budget Committee ("FBC"), formed in 2017, prioritized facilities' needs. Funding for those priorities was considered by the UBC.[64] As Provost, Whittaker co-chaired, hosted or sponsored all these groups. CFO Merck co-chaired both the UBC and FBC.

Budget Documents

UCF staff maintained a number of budget documents to track spending plans, including the E&G Commitment list, E&G Allocation Document, and Capital Projects lists. The E&G Commitment list tracks all of the decisions of the Provost-led groups and all allocation decisions approved by the Provost.[65] The Provost's approval was necessary to add a commitment to the E&G commitment list.[66] That list projects spending over five years and reflects the anticipated unencumbered balance in the central E&G reserve.[67] The E&G Allocation Document records formal allocations of E&G funds including carryforward. The Provost signs the Allocation Document, recommending it for the President's approval.[68] The Capital Projects lists is an internal list of capital projects including estimated costs and funding sources. The document is divided into two sections: unfunded and funded projects.[69]

Additional details regarding UCF's internal budget practices are provided in Appendix B.

4. Allocations of Unrealized Investment Gains

On September 6, 2018, General Counsel Scott Cole reported to the BOT that E&G funding for TCH had been refunded in part by investment earnings. But on September 20, Interim CFO Kathy

[63] Clark transcript at 26.
[64] Clark transcript at 29.
[65] Clark transcript at 16.
[66] Tant transcript at 23.
[67] Clark transcript at 16-17. Central reserves include restricted funds and unrestricted funds, which are available for subsequent commitment. Restricted funds include a mandatory 5% cash reserve, specific appropriations restricted by the Legislature, and other legal encumbrances.
[68] Exhibit E - 2014-15 E&G Budget, Summary of Allocations and Reserve; Tant transcript at 16.
[69] See Exhibit S - Capital Projects Current Funding Plan, updated 03/22/16.

Mitchell reported instead that a major share of refunding came from "unrealized investment gains."[70] Unrealized gains or losses represent the differences between the market value of assets and their cost. Gains and losses are "realized" when the investor sells an asset.

UCF's transfer of unrealized gains among university accounts raised the question of how university funds in its investment program[71] are tracked. A September 30, 2018, spreadsheet from UCF shows 15,000 UCF accounts having an interest in $600 million invested. Some of the accounts show a negative balance. Negative investment balances and other evidence[72] indicates UCF has a practice of lending assets from one account to another.

Unrealized gains share the volatility of an asset's market price. The unrealized investment earnings assigned to E&G in September were attributable to non-E&G funds invested in securities with substantial market risk.[73] UCF BOT Audit Chair Bev Seay reports that securities have since been sold and equivalent gains realized. She also reports that E&G funds have been withdrawn from the UCF investment program and deposited in the SBA SPIA.[74]

D. Issues Arising During Committee Investigation

1. Oversight of Carryforward Funds

BOG Regulation 9.007 prohibits inclusion of E&G carryforward funds in BOT-approved operating budgets.[75] Therefore, unencumbered carryforward funds may be expended without BOT direction. The BOG maintains minimal oversight of E&G carryforward budgeting through the Fund Composition Reports filed each August.

UCF annually reports expenditures of E&G carryforward funds to its BOT in combination with all E&G expenditures for the first three quarters of the fiscal year. This practice obscures significant information such as large transfers for construction projects. Additionally, transfers and

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[70] See September 20, 2018 UCF BOT meeting.
[71] As of June 30, 2018, UCF had $329,002,144 in the State Board of Administration, Special Purpose Investment Account and $276,810,124 in a Structured Investment Portfolio, which included more than $91 million in equity investments. The Structured Investment Portfolio is managed pursuant to the UCF Investment Policy and Manual, a copy of which is available in the Committee office.
[72] See https://thefloridachannel.org/videos/10317-florida-board-governors-workshop-part-2/.
[73] Exhibit T - Structured Portfolio Realized/Unrealized Gain & Losses (2014-2018).
BNY Mellon account statements provided by UCF verify that gains allocated to refunding E&G construction expenditures came from equity investments in Pools III and IV funds established under the UCF Investment Policy and Manual. Copies of the BNY Mellon statements may be reviewed at the Committee office.
[74] The State Board of Administration, Special Purpose Investment Account, managed for the benefit of state universities and other public entities.
[75] BOG Reg. 9.007(3)(a).

expenditures in the fourth quarter are not included in annual operating budget documents.[76] $19.3 million in TCH transfers occurred in the fourth quarter of a fiscal year without BOT review.

University reports of actual E&G carryforward expenditures after the fiscal year use spending categories that may obscure the nature of some expenditures.

2. Operating Budgets

The UCF operating budgets reviewed and approved by the BOT list only revenues and do not specify any expenditures.[77] Administrators submit a more complete budget to the BOG that includes both revenues and expenditures. Tim Jones, BOG Vice-Chancellor, Finance/Administration and CFO, advised that this was the normal practice for all universities.

The BOG ultimately approves the operating budget for the entire SUS. The FY 2018-19 BOG-approved expenditure budget for UCF E&G funds is:[78]

- Salaries and Benefits $431 million
- Expenses $157 million
- Risk Management $ 2.4 million
- Financial Aid $41.3 million
- Library Resources $ 7.1 million.

This budget offers limited information. Additional categories and specific breakdowns within each category are necessary for meaningful budget oversight.

3. Planning Documents

Campus Master Plans are required and regulated by law and the BOG.[79] Master plans serve multiple purposes including land use planning, infrastructure planning and capital improvement planning. The BOT must adopt the Master Plan. The Capital Improvements Element of the 2015-

[76] See Exhibit V - 2018-19 University Operating Budget. Operating budgets are approved before the 4th quarter ends. Each quarter, at a Finance and Facilities Committee meeting, UCF administrators present year-to-date revenue and expenditure totals which also include total expenditures budgeted. There is no specificity of expenditures, the report is for information only, and it is not presented to the BOT. At no time is an expenditure budget ratified by the BOT.
[77] The quarterly Operating Budget Reports presented to the Finance and Facilities Committee as informational items included a glossary of budget terms with brief description of each, along with expenditure categories. The budget terms include Educational & General described as funding for instructional activities and related administrative support. See Exhibit U - University Operating Budget Report Ended March 31, 2015.
[78] State University System of Florida Operating Budget Summary Fiscal Year 2018-2019, pp. 25-26, published at https://www.flbog.edu/board/office/budget/docs/2018-19_Combined-Final-Book.pdf.
[79] S. 1013.30, F.S. 2018; Chapter 21, BOG Regulations.

25 UCF Master Plan identifies funding sources, not including E&G, used for capital projects.[80] If the budgeting and planning for TCH had conformed to the Master Plan, E&G funds would not have been used.

The Master Plan includes a Capital Improvements List projecting fixed capital outlay projects over the 10 years of the Plan. That list includes expected funding sources[81] and is the basis for 5-year Capital Improvement Plans. The 2015-2025 UCF Master Plan did not incorporate a late 2014 amendment to the prior plan authorizing TCH.[82] A January 2019 amendment changed funding sources noted for some projects in the Capital Improvements List. The BOT agenda did not provide a reason for the changes.

UCF's "Trevor Colbourn Hall Building Program" documented the university's reason for undertaking the capital project; it also notes the project's conformity with the Campus Master Plan and applicable building codes.[83] The document was signed by President Hitt, Provost Whittaker, CFO Merck and Lee Kernek, among others. The document provided vague information about the TCH funding source. The Building Program was not presented to the BOT or the BOG.

Plant surveys are required by law to validate a university's facilities inventory and assess space needs.[84] Groups that include staff from peer institutions and BOG staff conduct the surveys. An academic building like TCH may not be constructed without support in a Plant Survey. In October 2015, a Plant Survey was conducted of the UCF campus. In that survey, Colbourn Hall was determined to be a satisfactory academic facility and renovation was recommended.[85] However, despite the Plant Survey, less than 6 months later, UCF administrators determined that Colbourn Hall was beyond saving, and recommended its demolition.

4. Compliance Roles

UCF assigns most compliance responsibilities to the office of University Audit ("UCF Audit") and the University Compliance, Ethics and Risk Office ("Compliance office"). The Compliance office

[80] Beginning in October, 2016, UCF noted E&G funding sources on the Capital Improvements list included in Master Plan amendments. By December 2018, seven projects had been listed with an E&G funding source. Those sources were changed by amendment in January 2019.
[81] Ordinary funding for fixed capital outlay projects noted in the UCF Capital Improvements List include state PECO appropriations, Capital Improvement Trust Fund (CITF) financed by a fee paid by students, bonding authorized by s. 1013.71, and private donations.
[82] Projects List (rev. 12/04/14), 2015-25 Master Plan, p. 229, published at: http://fp.ucf.edu/wp-content/uploads/planning/mp2015/UCF%20Campus%20Master%20Plan%202015-2025.pdf.
[83] SS. 1011.012, 1013.30, 1013.31, 1013.61 F.S.; Ch. 21, BOG Regulations.
[84] S. 1013.31, F.S.
[85] UCF 2015 Educational Plant Survey, published at: https://spaa.ucf.edu/documents/reports/2015-Educational-Plant-Survey.pdf.

has a broad mandate,[86] with a focus on ethics and employee behavior[87] rather than institutional compliance with laws.[88] The office sponsors the "IntegrityLine," an anonymous hotline for ethics and compliance concerns hosted by a third-party contractor. The Compliance office administers a notification system to advise recipients of law and regulatory issues. Employees can elect to receive notifications of new BOG regulations or amendments thereto, but the service is purely optional.[89]

UCF Audit performs audit, advisory and investigative services appropriate to the needs of the university.[90] UCF Audit also works as a liaison with the state Auditor General.[91] UCF Audit receives numerous inquiries concerning the appropriate use of funds, on which they give advice or opinions.[92] Employees in UCF Audit do not receive training on the application of statutes and regulations pertinent to their work[93] other than whistleblower training, provided by the BOG.[94]

UCF Audit staff and the Compliance office meet regularly to share hotline and other reports or concerns received by either office so that the appropriate staff will provide an appropriate response.[95] At least one UCF Audit employee attends budget directors meetings for awareness of issues, to provide advice and suggest internal controls.[96] The UCF Audit attendee reports information gathered to all UCF Audit staff.[97] No one in UCF Audit is responsible for notification of new or amended statutes and regulations.

The UCF General Counsel may advise affected departments when a proposed change in law or regulations may affect them. In the case of a significant change, attorneys may send out a memo in lieu of an email to the department head.[98]

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[86] "The University Compliance, Ethics, and Risk Office supports and promotes a culture of ethics, compliance, risk mitigation, and accountability. Our office provides centralized and coordinated oversight of the university's ethics, compliance, and risk mitigation efforts through the ongoing development of effective policies and procedures, education and training, monitoring, communication, risk assessment, and response to reported issues." See https://compliance.ucf.edu/about/.

[87] https://compliance.ucf.edu/training-3/.

[88] BOG regulations and the "UCF General Counsel – Legal Issues" are listed among many ethics and compliance resources at https://compliance.ucf.edu/resources/.

[89] Maier transcript at 15-16.

[90] Maier transcript at 12-13.

[91] Taft transcript at 8.

[92] Taft transcript at 11.

[93] Robert Taft stated that the former chief compliance officer would provide trainings, however she left the university. He was unsure whether the current chief compliance officer provides trainings. (Taft transcript at 13-14.)

[94] Maier transcript at 14-15.

[95] Mitchell transcript at 36; Taft transcript at 40-41.

[96] Taft transcript at 23-24; Maier transcript at 25-26; Mitchell transcript at 32.

[97] Mitchell transcript at 32.

[98] Cole transcript at 18-19. When presented with a copy of an email received from the BOG concerning an amendment to Reg. 9.007, Cole testified that he would have waited for any of the affected departments to approach his office if they had any questions because that amendment fell squarely within Finance and Accounting. Id.

UCF does not appear to require notifications or other reminders to responsible officers to ensure compliance with the laws or notice of law changes. It does not appear that UCF Audit, the Compliance office or the General Counsel's office received any report, complaint or question relating to the misuse of E&G funds for facilities construction prior to publication of the TCH audit concerns. No internal audit previously examined E&G funds distributed to a particular department, such as Facilities.[99]

The BOG I.G. has investigatory responsibility for the BOG.[100] The House asked for an independent I.G. investigation, but Chancellor Criser declined, in part due to the limited capacity of the BOG I.G. office. UCF decided to hire an outside investigator, indicating it was unable to internally investigate the TCH misspending.[101] Chancellor Criser directed the BOG I.G. to monitor the Bryan Cave investigation.

5. BOG Guidance

University staff regularly consulted BOG accounting and facilities staff concerning BOG regulations, budgeting requirements, and BOG reporting requirements. The BOG provides little written guidance relating to university finances and capital funding. Some guidance is available on matters directly affecting Legislative Budget Requests for operating and capital outlay funds.

Laws limiting unauthorized use of funds for fixed capital outlay make an exception for university projects that cost $1 million or less.[102] The BOG, however, has employed a $2 million dollar cap on projects.

The BOB 2 list accompanying capital outlay budget requests seeks legislative authorization of facilities built with non-appropriated funds. Lee Kernek communicated that BOG staff had instructed UCF to use "E&G" as funding source on BOB 2 forms when funding sources were uncertain or unknown.[103] Many university BOB 2 projects have shown E&G as a funding source.[104] The BOG has not objected to the practice.

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[99] Mitchell transcript at 24.
[100] S. 20.055(1)-(2), F.S.; s. 1001.706(5)(f).
[101] If the BOG determines a BOT is "unable to address" substantiated allegations of financial mismanagement, the BOG I.G. "shall investigate," s. 1001.706(5)(f).
[102] S. 1013.74(2)(e), F.S. Ambiguity remains in the definition of fixed capital outlay not including repairs and renovations to real property which do not materially extend its useful life or materially improve or change its functional use, s. 216.292(5), F.S.
[103] Kernek transcript at 100.
[104] Separate from this report, the Committee has surveyed other university's using E&G or ambiguous funding sources on BOB 2 forms. As of this writing, results are pending and the Committee has no specific concerns about any other university or project.

6. Training of Employees

UCF offered no formal training and employees learned both functions and legal requirements from job experience.[105] Employees had different understandings of terminology and regulations.[106]

7. Advising and Training of Trustees

Trustees received minimal orientation and training.[107] However, UCF and the BOG did little to train them in the essentials of their financial responsibilities. Trustees did not understand the budget process.[108] Although the General Counsel received meeting agendas and materials before BOT meetings, [109] there was no evidence attorneys advised as to legal sufficiency of BOT matters unless specifically asked. The BOT relied on CFO Merck only to know the legitimacy of spending decisions.

E. Recommendations from Other Reports and Investigations

Other reports and investigations raise issues not addressed in this report. Appendix C summarizes those issues and related recommendations.

V. House Investigation Activities and Discoveries

A. Oversight Authority

Legislative oversight is a fundamental check and balance. Oversight of appropriations and their possible misuse constitutes a core legislative responsibility. Committees of the Florida House have constitutional and statutory warrant to investigate any matter under their purview when the Legislature is not in session.[110] The Public Integrity & Ethics Committee was re-established at the 2018 Organization Session and Speaker Oliva directed Chair Tom Leek to continue the investigation Oliva initiated in September.

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[105] Clark transcript at 87, 120; Tant transcript at 25; Merck transcript at 115, 148; Maier transcript at 14.
[106] For instance, some employed in Finance and Accounting and University Audit defined carryforward as E&G carryforward, while others, such as the General Counsel and Chief Audit Executive defined it more broadly. See Tant transcript at 33, 58; Clark transcript at 53-54; Mitchell transcript at 27; Maier transcript at 38-39; Cole transcript at 57; Taft transcript at 23.
[107] Marchena transcript at 10-13; Merck transcript at 10-12; Clark transcript at 55-56.
[108] Marchena transcript at 12; Cole transcript at 41. However, Trustee Martins told Bryan Cave investigators that he had an orientation with CFO Merck and his staff when he first joined the Board to bring him up to speed on all funds and allowable uses for each. He understood that E&G funds could not be used for capital projects. (Bryan Cave Interview Notes 1.)
[109] Kernek transcript at 168-69.
[110] Fla. Const., Art. III, s. 5; s. 11.143, F.S. Such powers include authority to examine the records of any public agency and subpoena powers.

B. Overview of Committee Investigation

UCF was at all times responsive to Committee questions and records requests. UCF cooperated with the Committee investigation. Committee staff maintained regular communication with BOG staff who were extremely cooperative and helpful.

Because multiple records requests were being submitted by the PIE Committee, the BOG and Bryan Cave, UCF made all records requested from any of the three entities available to all. UCF also provided copies of all related public records sought by other interested parties. Additionally, Bryan Cave attorneys provided documents and notes collected during witness interviews.

Committee staff reviewed thousands of documents and several audio recordings of Committee and BOT meetings.

Counsel representing former UCF employees provided copies of letters, texts, contemporaneous notes of UCF meetings and other pertinent information. The Committee also received letters delivered from the former CFO and former President, and an unsolicited call from the former CFO about the TCH matter.

Committee staff refrained from interviewing witnesses until the Bryan Cave report was published to avoid interfering with that investigation. Thereafter, the Committee deposes thirteen witnesses – former and current UCF employees and one former Trustee.[111] Since their depositions, some witnesses have provided supplemental information requested by the Committee.

C. Public Hearings and Interim Reports on the Investigation

On January 22, 2019, the Committee had its first hearing on the matter under investigation. The Auditor General's Office presented the relevant audit findings and answered committee questions. The Committee Staff Director provided an initial update on the investigation.

On February 6, 2019, a second hearing included a presentation by Chancellor Criser on the BOG's response to the UCF matter.[112] Committee staff summarized and commented on the Bryan Cave

[111] Witnesses deposed include: Former President Dale Whittaker, recently resigned BOT Chairman Marcos Marchena, General Counsel Scott Cole, Associate Dean Ronnie Korosec, Director of Budget Initiatives Lynn Gonzalez, Construction Specialist Gina Seabrook, Associate Director (University Audit) Tina Maier, Interim CFO Kathy Mitchell, Chief Audit Executive Robert Taft, former CFO William Merck, former Associate Vice President for Facilities and Safety Lee Kernek, former Associate Provost for Budget Planning and Associate Vice President for Finance Tracy Clark, and former Senior Controller Christy Tant. Transcripts of all depositions are available through the House Office of Public Records or the Committee office.

[112] The BOG heard a report on the Bryan Cave investigation at its meeting on January 31, 2019.

report and findings. Thereafter, the Committee approved the issuance of subpoenas to 10 witnesses for depositions and to 4 key witnesses for both depositions and Committee meeting appearances.[113]

VI. Committee Findings

A. UCF Improperly Transferred as much as $85 Million of E&G Carryforward Funds to University Construction Accounts for Unauthorized Uses

UCF authorized $38 million in E&G carryforward funds to be used for construction of TCH in violation of state law.[114] Another $13.8 million was misspent on other projects. More than $32.7 million of E&G carryforward funds were also transferred to construction accounts for unlawful use on other projects but remained unspent when the BOT learned of the audit findings. UCF has reported refunds of this misspending from non-E&G accounts that include investment gains earned on non-E&G funds.

B. UCF Administrators Failed to Disclose Promptly the Unspent E&G Transfers

President Whittaker and UCF finance staff learned, on September 18, 2018, of the above-described $32.7 million improperly transferred for other projects. They did not disclose those transfers to the BOT or the BOG until after audit findings, published November 27, 2018.[115] The Committee finds that such non-disclosure undermined transparency during the investigation.

C. Continuing Questions about Other Projects

Uncertainty remains about the legitimacy of portions of the $13.8 million spent on non-TCH projects. Assessment of these expenditures is confounded by the actions of UCF administrators in the immediate aftermath of the audit. Some refunds may have been unnecessary. Obtaining clarification prior to spending those funds would have avoided uncertainty afterward.

D. Unaccountable Budgeting and Spending of E&G Funds

1. BOG Reg. 9.007 Invited Unaccountable Spending of E&G Carryforward Funds.

The BOG expressly excludes E&G carryforward funds from BOT budgetary oversight.[116] Without oversight, carryforward funds can become an *ad hoc* source for spending. CFO Merck and President Hitt were able to dismiss legal restrictions on E&G funds and Dr. Whittaker failed to

[113] Videos of the meetings are available on the PIE Committee page at the House website.
[114] S. 216.292(5), F.S. 2018, BOG Reg. 9.007, s. 1013.78(1), F.S., s. 10, ch. 2017-70 LOF (p. 424-26 authorizing TCH construction with non-appropriated funds.).
[115] The BOT did not receive a full accounting until January 24, 2019. See January 24 Meeting Minutes beginning at p. 13. The Minutes were found on the UCF BOT website at: https://bot.ucf.edu/files/2018/06/FinalDraft24Jan19-minutes.v5-1.pdf.
[116] Reg. 9.007(4)(b).

learn about legal constraints on spending, despite responsibility to do so.[117] There was no routine audit or legal review, nor any legal consultation beyond the administrators involved.

2. Operating Budgets Do Not Comply with State Law.

Operating budgets approved by the BOT only list expected revenues for the coming fiscal year. The Committee finds this does not comply with law requiring the BOT to adopt an operating budget including expenditures that do not exceed revenues.[118] The UCF BOT delegated its authority over expenditure budgets to administrators.[119]

E. Capital Budgeting and Planning Deficiencies

Florida law and BOG regulations provide a framework of complementary capital planning and accountability components. UCF poorly implemented these components. UCF staff received inadequate training and did not understand the purpose of each planning component. As a result:

- Staff responsibilities are unclear;
- Master Plan amendments in 2014 were not incorporated into the 2015-25 Master Plan;
- The 2015 Plant Survey failed to find old Colbourn Hall deficient for academic purposes;
- The TCH Building Program did not reflect capital funding direction in the Master Plan;
- The TCH Building Program was not authorized by any UCF Capital Outlay Budget;
- The Capital Outlay Budget was not amended to authorize construction of TCH; and
- Capital Outlay Budgets did not conform to the requirements of law.[120]

F. Compliance Responsibilities

Although UCF has compliance resources, those resources were disconnected from the budget practices leading to the misuse of E&G funds at UCF. The Committee finds:

- The UCF Office of General Counsel has not provided needed training and legal advice to Trustees on the application of BOG regulations and state law;
- UCF Audit staff has not been properly trained in pertinent laws and BOG regulations;
- UCF employees are not adequately trained to report misspending or other mismanagement to compliance offices; and
- Under President Hitt, UCF failed to foster a culture where employees with concerns about the misuse of funds could report their concerns without fear of reprisal.

G. BOT Members were Ill-Advised and Untrained

In general, Trustees were unaware of their budgetary responsibility. They lacked comprehension that E&G funds were legally restricted. They relied on CFO Merck to advise them, leaving them

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[117] Dr. Whittaker had access to all the information available to the BOT described in Section G. of this Report.
[118] S. 1011.40(2), F.S. See also BOG Reg. 1.001(6)(a).
[119] In 2017, the UCF BOT adopted a limitation on delegation to the President requiring BOT approval of any contract or project in excess of $2 million. But approval of specific expenditures is no substitute for institutional budgeting.
[120] SS. 1011.012, 1013.61, F.S.

unable to exercise oversight of multiple decisions to commit E&G funds to construction projects. Meeting agendas created by the President's office and reviewed by the General Counsel's office were not reviewed for compliance with pertinent laws.

BOT members each year received budget information that might have triggered interest in the restrictions on or actual uses of E&G funds:

- Operating budgets set out revenues by funding type but no expenditures;
- Finance and Facilities Committee members received quarterly budget information describing the authorized uses of various fund types including E&G;
- The full BOT received third quarter actual expenditure reports that specifically noted the expenditures of carryforward funds in E&G expenditures;
- The BOT received and could have reviewed BOB 2 reports and amendments to the Master Plan, Capital Improvements List, indicating E&G funds were programmed for use on multiple projects;
- The BOT approved a Capital Outlay Budget each year that cited the statute with which, on its face, the Capital Outlay Budget did not comply; and
- BOT members received facilities construction updates and other reports showing ambiguous funding sources, but did not diligently seek to understand what funds were actually being expended.

The Committee finds that BOT members were unaware that UCF was violating state laws, but they could have and should have known more than they did. The BOT may have been misled by the Administration, but they also neglected to review information closely and failed to ask detailed questions. In combination, the dereliction of duty by UCF administrators and the laxity of oversight by BOT members created significant risks for UCF.

H. Internal Allocation of University Investment Earnings was Inappropriate

UCF had $600 million in investments as of September 2018. The unrealized gains assigned to E&G in September were in equity investments.[121] The Committee finds that a principal purpose of the 5% reserve requirement is to protect against economic downturns that could suppress revenues. Equity prices often fall in advance of recessions. Accordingly, the Committee finds that proper investment of E&G funds would exclude equity investments.[122] The purpose of public university funds, particularly operating funds, is operation of a university, not long-term investment in financial markets.

The Committee finds that allocating unrealized gains or other shares in the investment program is not a proper means of paying an internal operating obligation. The Committee further finds it questionable that a public education institution might use such a large investment fund as a source of internal financing, through transactions executed only on spreadsheets.

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[121] Equity investments are ownership shares such as corporate stocks or funds invested in stocks. They differ in income and risk from fixed-income investments such as corporate or government bonds.

[122] UCF reports it withdrew E&G funds from equity investments after auditors and Committee staff raised questions.

I. BOG Oversight and Support Contributed to the UCF Misspending

The BOG has demanded accountability from UCF for its errors. However, the Committee finds the BOG does not provide sufficient guidance to university staff in matters under the BOG's jurisdiction, with the exception of those matters affecting Legislative Budget Requests. On other matters:

- Written guidance and training material are not available online;
- Written guidance solicited by university personnel is not routinely provided; and
- Reliance on oral communications can lead to inconsistent direction and misunderstanding.

The Committee acknowledges university staff may be reluctant to put sensitive inquiries in writing. Nonetheless, written inquiries and answers provide accountability and consistency.

BOG reports are not fully reviewed. Thorough review would have allowed the BOG to intervene before E&G funds were misspent. Specifically:

- BOB 2 forms showing appropriations or ambiguous funding sources should have been questioned by BOG staff;
- Fund Composition Reports with unusually large commitments like UCF's "deferred maintenance" commitments, should have been questioned by BOG staff; and
- Actual expenditure reports with anomalies such as UCF's large "Distribution and Transfers" reports should have raised questions.

The BOG failed to derive significant oversight benefit from these UCF submissions.

J. BOG Inspector General's Office Lacks Adequate Investigative Tools

The BOG Inspector General's office lacks resources to exercise the robust investigative role intended by the inspector general statutes. Such resources are essential to holding universities accountable to the BOG.

VII. Committee Recommendations

Based on the foregoing findings, the Public Integrity & Ethics Committee makes the following recommendations.

A. <u>UCF and other Universities Should Strictly Adhere to Planning and Budget Laws</u>

- Capital Outlay Budgets must comply with statutory requirements showing all capital projects and the actual source of funds committed to each project.
- Capital projects in excess of $1 million in cost should not be undertaken before the President and General Counsel certify the actual source of all funds to be expended and that planning and funding conform to the Capital Outlay Budget, Capital Improvement Plan, Master Plan, applicable laws and regulations. Such certifications should be submitted to the BOT for information at the next scheduled meeting.

- Boards of Trustees should approve Operating Budgets conforming to Florida law with some delineation of authorized expenditures, subject to revision by the BOG.
- Boards of Trustees should approve E&G carryforward commitments reported to the BOG each August and approve university changes to the approved commitments on a quarterly basis.
- E&G funds should not be transferred or encumbered except as authorized in budgets and carryforward commitment lists approved by the BOT.

B. Checks and Balances Should Hold Administrators Accountable

- Checks and balances must be instituted to ensure that no high-ranking administrator becomes a single point of both information and authority with respect to decisions involving significant sums of public funds. BOTs and the BOG should require universities to notify General Counsel, audit and compliance, and BOG staff of the substance of such decisions. Compliance staff must have authority and opportunity to question the legitimacy of such decisions.
- Capital Outlay Budgets, Fund Composition Reports and E&G carryforward expenditures should be routinely audited.
- The General Counsel, audit, and other compliance offices should help train budget, finance and accounting staff, and their administrative superiors, in applicable laws and regulations.
- Internal auditors should prioritize audits of E&G carryforward distributions and capital project funding.

C. Training of Trustees and University Staff

- Trustees should be trained in their constitutional and fiduciary responsibilities.
- General Counsels should train Trustees in their budgetary and financial responsibilities.
- General Counsel, internal audit, and compliance offices should help train all responsible university administrators in applicable laws and regulations.
- Budget and finance decision makers should receive regular notifications of changes in applicable laws and regulations including new BOG guidance.

D. BOG Regulatory, Guidance and Enforcement Reform

- The BOG should provide standards for operating budgets and capital outlay budgets consistent with the above recommendations to verify that the laws are faithfully executed.
- The BOG should provide clear guidance for Capital Improvement Plans including BOB 1 and BOB 2 lists to verify the legitimate and appropriate use of each form.
- The BOG should provide or identify standards for project planning that require proper project budgeting and authorizations, particularly funding authorization in budgets approved by the BOT.

- The BOG should require BOTs regularly to review and approve E&G carryforward spending plans.
- The BOG should provide clear written guidance or opinions upon request of university staff and BOTs on all matters of regulatory significance. FAQs and training modules covering all statutory and regulatory budget and finance matters should be available to all universities. Such information should be kept current with respect to laws and regulations.
- BOG reports should accurately reflect plans or expenditures reported. Funds not legally encumbered should never be characterized as encumbered or expended. Funds committed from E&G carryforward accounts and not encumbered or expended should be reported as E&G carryforward available for any lawful use. Funds transferred to other university accounts but not expended should not be reported as expenditures.
- To remove legal uncertainty about the use of E&G for maintenance, renovation and capital renewal:
  - The BOG should abandon its $2 million limitation on maintenance projects or clarify its statutory or regulatory basis with a legal opinion of its General Counsel or the Attorney General; and
  - The BOG should consistently define "fixed capital outlay," "maintenance," "capital renewal," "deferred maintenance," "infrastructure," and related terms consistent with current law.

E. <u>BOT Policy Development</u>

- All SUS leadership should jointly search for best practices in budgeting and accountability. Each BOT should adopt policies to ensure adherence to budget and planning laws and regulations. Such policies should require:
- Adherence to the recommendations above;
- Engagement of legal counsel to certify that each budget document submitted to a BOT for approval is compliant with applicable laws and regulations;
- Regular internal operational audits to monitor compliance with such policies;
- University investment policies and accounting of investment shares of various university accounts should disclose the source and possible use of all funds commingled in investment programs. Care should be taken to avoid risking university reserves or endowments through internal allocation practices that are not fully accountable to the BOT; and
- Internal loans should be fully disclosed and audited to ensure the safety and security of all funds, particularly E&G funds.

F. Audit/Legal Allegation Responses

- The BOG I.G. should investigate significant complaints or reports of possible waste, fraud and mismanagement and submit investigative findings to the BOG, the Speaker of the House and Senate President.[123]
- BOTs should review each state audit finding, be fully advised by legal counsel, audit staff and trained administrators of the seriousness of findings of unlawful operations or activities, and maintain regular review of institutional responses until compliance is achieved and certified by the university's chief audit executive, BOG Inspector General, or the Auditor General.
- Each SUS institution should foster a culture that respects and responds to Auditor General Audit Findings.
- The BOG should ensure that multiple whistleblower paths are available and widely publicized to maximize opportunities for Trustees, employees, students, contractors, and taxpayers to report waste, fraud, mismanagement or other violations of governing laws.
- University Audit and Compliance staff should make annual reports to the BOG I.G. summarizing their investigative activities, findings and results.
- Public universities should employ sufficient Audit and Compliance staff to protect the interests of taxpayers and students.
- The BOG should monitor compliance activities in all institutions.
- The BOG should consider adopting a policy on crisis management, providing intervention and support to institutions affected by financial mismanagement.

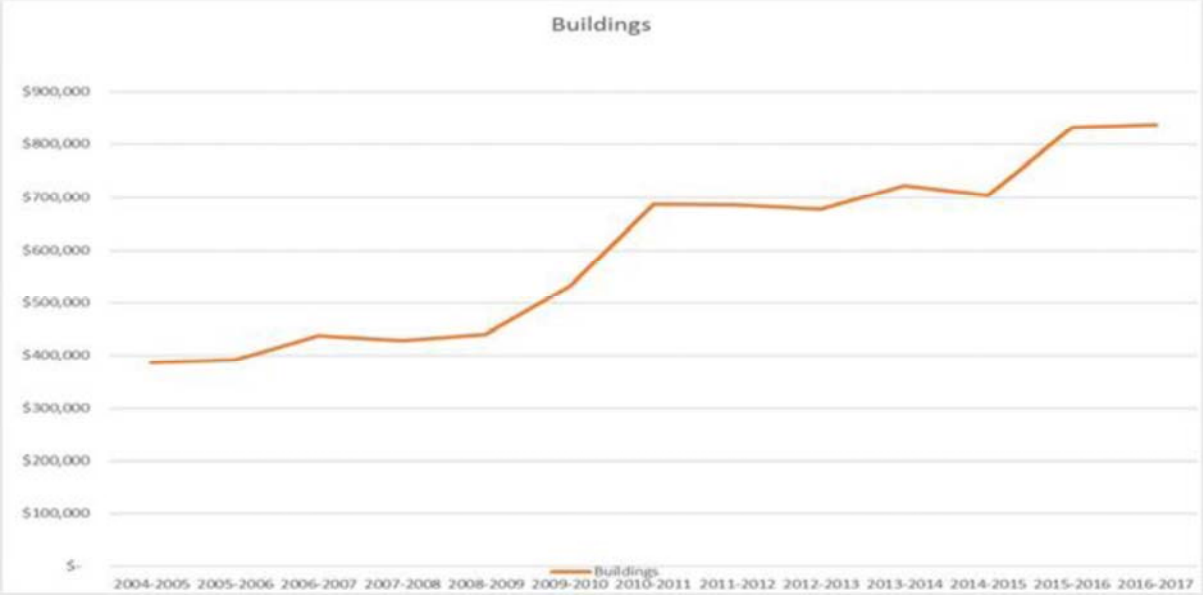
[123] S. 20.155(5), F.S., does not provide the BOG's Inspector General with subpoena powers. If requested by the BOG, consideration should be given to amend that section to mirror s. 14.32(5)(b), F.S.

Appendix A – UCF Plant Growth

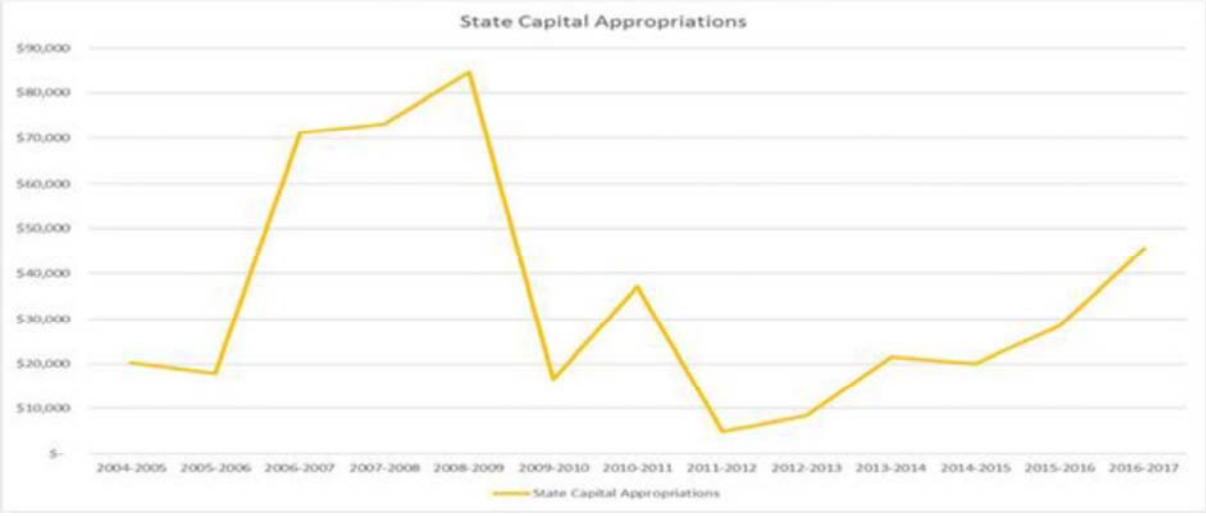
The table below lists UCF land, facilities less accumulated depreciation, construction in progress at year's end and state capital appropriations from FY 2004-05 to FY 2016-17:

Capital Assets, Net (In Thousands)	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Land	$ 9,580	$ 9,543	$9,685	$9,685	$9,685	$ 9,685	$ 9,685	$ 24,822	$ 24,822	$ 24,822	$ 24,822	$ 28,133	$ 36,159
Buildings	$ 385,303	$ 391,511	437,317	$ 428,022	439,841	$ 531,881	$ 687,609	$ 685,125	$ 677,064	$ 722,711	$ 704,446	$ 832,494	$ 838,249
Construction in Progress	$ 31,582	$ 40,400	$ 8,123	67,394	131,448	$ 119,777	$ 11,460	$ 8,243	$ 55,945	$ 9,296	$ 16,805	$ 37,684	$ 81,061
State Capital Appropriations	$ 20,279	$ 17,904	71,127	73,145	84,530	$ 16,557	$ 37,169	$ 5,000	$ 8,410	$ 21,514	$ 19,967	$ 28,442	$ 45,552

Growth of facilities value less accumulated depreciation is in this graph:



Annual state capital appropriations are shown here:



SOURCE: Financial audit reports published by the Auditor General.

Appendix B - UCF Internal Budget Practices

UCF Budget Groups

The following groups, made up of UCF staff and administrators, discussed the funding needs of the various UCF departments and colleges.

Budget Chat Meetings

Budget chat meetings, also known as Budget Operations Group (BOG, Jr.) meetings began at UCF some time before Provost Whittaker's arrival, but continued into his tenure as Provost. The Provost hosted these meetings, which involved his or her support staff, along with the CFO and his or her support staff.[1] Provost Whittaker began attending those meetings in the first weeks of his tenure as Provost.

The budget chat group met weekly and discussed all requests for funding from uncommitted E&G recurring funds as well as E&G carryforward funds, including capital funding requests. Most final decisions appear to have been officially made by the Provost or recommended by the group to the President. The E&G Commitment List was a staple in budget chats – it tracked all of the decisions made by the provost, including allocation decisions from the central reserve.[2]

At the budget chat meetings, new budget processes developed under Provost Whittaker's leadership were discussed, including the resurrection of the University Budget Committee.[3]

University Budget Committee

The University Budget Committee (UBC) was a university-wide Vice President level committee that established university-wide budget priorities and funding recommendations.[4] Such committee had existed some years prior to Provost Whittaker joining the university, but had stopped functioning when state funding dropped dramatically after the 2008-09 recession. Provost Whittaker resurrected the UBC in September 2014 and the Committee had its first meeting in November 2014. Provost Whittaker and VP of Administration and Finance, Bill Merck, co-chaired it. The UBC met monthly. General Counsel Scott Cole was a member,[5] having been added to the Committee approximately one year after its reestablishment.[6]

[1] Clark transcript at 15.
[2] Clark transcript at 16.
[3] Clark transcript at 25.
[4] Clark transcript at 26.
[5] Cole transcript at 56.
[6] Clark transcript at 126.

Appendix B - UCF Internal Budget Practices-Page 2

The UBC prioritized and budgeted uncommitted E&G funds.[7] This established a Vice Presidential collaborative to make decisions and recommendations formerly made by the budget chat group.[8]

The UBC was actively involved in an allocation of $4 million of E&G funds for the CREOL construction project.[9] The UBC also regularly reviewed a version of the Capital Projects List[10] that reflected prior commitments of E&G and other specified funds to numerous fixed capital projects months and years prior to the encumbrance and expenditure of such funds.

Facilities Budget Committee

The Facilities Budget Committee (FBC) was formed in December 2016 with its first meeting occurring in February 2017. Tracy Clark, Associate Provost for Budget Planning and Administration and Associate Vice President for Finance, presented the idea to Provost Whittaker because the university lacked a process under which prioritization of facilities needs could be discussed university-wide. Provost Whittaker had become familiar with a similar committee while employed at Purdue and thought this could be an effective process.[11]

In their appointment letters, new members were told that the FBC "will ensure the proper planning for major construction, renovation, and deferred maintenance projects and is central to the successful operation of our university." New members were also told that the FBC "is an advisory committee for the VP of Administration and Finance and Provost to provide recommendations concerning investments in capital projects that advance the goals and mission of the university. The Committee shall review the University's proposed capital budget and develop recommendations regarding the priority use of funding for major additions, repairs and renovations." Accordingly, the FBC reviewed and made recommendations regarding the 5-year Capital Improvement Plan submitted to the BOT for approval each budget cycle.

The Executive Sponsors or co-chairs of the FBC were Provost Dale Whittaker and VP of Administration and Finance Bill Merck. The FBC met on a monthly basis. In August 2017, General Counsel Scott Cole became a member.

The FBC's project priorities appear to have been subject to UBC decisions regarding actual funding commitments. The FBC reviewed versions of the Capital Projects List that identified funding sources only as "external" and "internal" sources. These broad categories hid the varieties of internal funding sources, which included E&G funds, verifying that the FBC did not commit particular funds to projects but left such decisions to the UBC.

[7] Clark transcript at 75.
[8] Clark transcript at 27.
[9] Clark transcript at 74.
[10] See Exhibit S - Capital Projects Current Funding Plan, updated 03/22/16.
[11] Clark transcript at 27.

Appendix B - UCF Internal Budget Practices-Page 3

Carryforward Budget Documents

The following documents are found to be relevant to the planning and budgeting relevant to this investigation.

Capital Projects List

The Capital Projects list is an internal list of capital projects, along with estimated project costs and funding sources. The document is divided into two sections: unfunded and funded projects.[12]

E&G Commitment List

The E&G Commitment list was a staple in budget chat meetings. This internal document tracks all of the decisions the provost made and all of the allocation decisions the provost approved in budget chat meetings.[13] The provost's approval is necessary to add a commitment to the E&G commitment list.[14] It projects out five years and reflects the anticipated balance in the central reserve so that one can readily see what E&G funds are available.[15,16] Because the E&G commitment list was continually updated, it was more current than the E&G allocation document, which was current only on the date it was signed, ordinarily in August.[17]

E&G Allocation Document

The E&G Budget, Summary of Allocations and Reserve allocates E&G funds to specified needs across the divisions of the university. This document identifies beginning of the year permanent allocations of recurring funds as well as temporary or one-time allocations, and non-recurring allocations of E&G carryforward funds and one time appropriations. It also documents the composition of the central reserve.[18] The Provost signs it, recommending it for approval of the President, who also signs it.[19]

Because the BOT does not budget specified E&G expenditures, the E&G Allocation document appears to constitute UCF's formal annual budget of E&G funds.[20] Each year this document sets

[12] See Exhibit S - Capital Projects Current Funding Plan, updated 03/22/16.
[13] Clark transcript at 16.
[14] Tant transcript at 23.
[15] Clark transcript at 16-17.
[16] It appears that safety, flexibility and cash flow all affect the timing of actual transfers from central E&G reserves to the various committed uses during the year. Transfers are authorized either by the Allocation document signed in August or by direct communications that the President, Provost or other budget authority has approved a commitment.
[17] Tant transcript at 72.
[18] Central reserves include restricted funds and unrestricted funds that are available for subsequent commitment. Restricted funds include a mandatory 5% cash reserve, specific appropriations restricted by the legislature, and other legal encumbrances.
[19] See Exhibit E - 2014-15 E&G Budget, Summary of Allocations and Reserve; Tant transcript at 16.
[20] Reg. 9.007(4)(b) requires operating budget information containing estimated E&G revenues and expenditures. The Allocation document should conform to expenditure budget information reported to the BOG.

out additions or reductions from prior year spending. The recurring expenditures of the various departments and offices in the university approved for the previous year implicitly constitute the starting point for allocations.

Fund Composition Report

The Fund Composition Report[21] is a document submitted to the BOG every August.[22]

It provides the BOG with the university E&G carryforward beginning fund balance and reflects any expenditures to date. The report reflects a university-wide balance, combining E&G carryforward in central reserve with all E&G carryforward funds held in all departments' accounts.[23] It reports "commitments" to expend E&G carryforward funds at unspecified times in the future, but not necessarily during the current fiscal year. In addition to reasonable BOG oversight of such plans (which actually supplement operating budgets), its main utility appears to be assuring the Legislature that universities do not have large sums of idle cash.

[21] See Exhibit W – 2013-2015 Beginning Carryforward Fund Balance Composition Reports. The Fund Composition Report is an informal report on carryforward plans used by the BOG to oversee management of university reserves. The E&G carryforward commitments in the Fund Composition Report should reflect non-recurring allocations in the Allocation document.
[22] Tant transcript at 72.
[23] Tant transcript at 90. See also Exhibit W – 2013-2015 Beginning Carryforward Fund Balance Composition Reports. For purposes of this report and all budget documents, UCF College of Medicine balances and commitments are segregated from the rest of the university.

Appendix C – Recommendations from Other Reports and Investigations

The Bryan Cave Report recommended improvements in financial policies and procedures, staff, board and administrator training, independent oversight (particularly by the BOT), improved monitoring by the BOG, as well as more robust internal auditing. The recommendations emphasized the need to change the institutional culture in which employees aware of misspending failed to raise the issue with audit or compliance officers, the general counsel, or the BOG.[1]

The University has commissioned two reports to review operations in the areas of administration and finance and board/staff governance. Based on the recommendation of both Bryan Cave and one of the other reports, President Whittaker permanently separated the position of CFO from COO.

After receiving the Bryan Cave Report, UCF's BOT unanimously approved a number of changes including:

- adopting as board policy the permanent separation of the position of CFO and COO;
- directing the Office of General Counsel, Compliance Ethics and Risk Office, and Internal Audit to develop updated policies and procedures for the Board's consideration to further ensure proper use of state appropriated E&G funds;
- directing the Audit and Compliance Committee to review the existing whistleblower program and recommend how to update it and educate the university community on its availability for the Board's consideration;
- adopting, as Board policy, real time audits for all capital projects in excess of $2 million; and
- adopting a standard agenda memorandum format.

In addition to policy changes, after receipt of the Bryan Cave Report, UCF announced the termination of four subordinates of former-CFO Merck who were believed to have failed to notify the BOT of the misspending on TCH. The BOT also stripped former CFO Merck of his remaining unpaid performance bonuses and suspended Whittaker's participation in the performance bonus program for two years. On February 19, 2019, Dr. Whittaker tendered his resignation as President. The BOT accepted in a special meeting on February 21, pending a settlement agreement under negotiation as of this writing.

BOG members have publically recognized that Trustee training is necessary. At its January 31, 2019 BOG meeting, the Board directed that the Bryan Cave investigation into other UCF capital projects continue, at the direction of Inspector General Julie Leftheris, but at the expense of UCF. That investigation remains ongoing.

[1] BC Report at 50-51.

EXHIBIT LIST

A	Planned E&G Allocations, updated November 15, 2013
B	2013-14 E&G Budget Summary of Allocation and Reserve, signed by President Hitt on August 13, 2013
C	Christy Tant's August 22, 2013, 11:37 a.m. email to Budget Office
D	Email chain between Christy Tant, Budget Office and Wilson Rosario on April 30, 2014 through May 1, 2014
E	2014-15 E&G Budget Summary of Allocation and Reserve, signed by President Hitt on August 11, 2014
F	Christy Tant's June 19, 2015, 10:07 a.m. email to Budget Office
G	Email chain between Merck, Clark, Tant, and Richards on January 20, 2015 and July 6, 2016
H	Scott Cole's July 24, 2014, 5:04 p.m. email to Kaseema Rhue
I	William Merck's December 2, 2014, 4:15 p.m. email to Tracy Clark, copying Dale Whittaker
J	Journal Entry Summary – E&G Funding Transferred to 8 Additional Construction Projects (Prior to Funding Corrections
K	2015-16 E&G Budget Summary of Allocation and Reserve, signed by President Hitt on August 19, 2015
L	UCF's Central Reserve – Planned E&G Budget Allocations Fiscal 2016-17, updated August 1, 2016
M	2016-17 E&G Budget Summary of Allocation and Reserve, signed by President Hitt on August 31, 2016
N	Kathy Mitchell's September 18, 2018, 5:07 p.m. email to Whittaker
O	Summary of Projects with E&G Cash Funding Corrections
P	UCF's November 2, 2018 cover letter and certification to BOG
Q	Kathy Mitchell's February 8, 2019 email explaining why certain capital projects were not disclosed to the BOG
R	2016-17 through 2018-19 Capital Outlay Budgets
S	Capital Projects Current Funding Plan, updated March 22, 2016
T	UCF's Structured Portfolio Realized/Unrealized Gain & Losses
U	UCF's Operating Budget Report Ended March 31, 2015
V	2018-19 University Operating Budget
W	2013-2015 Beginning Carryforward Fund Balance Composition Reports

EXHIBIT A

Planned E&G Budget Allocations

Updated as of 11/15/13

Note: The Morgridge International Reading Center, ~~Mitsubishi CHP Plant~~ and Quadrangle building are currently being funded through auxiliary loans

		11/10/13	5-Year Plan			
		To Date 2013-14	2013-14	2014-15	2015-16	2016-17
A.	**Recurring allocations from recurring funds**					
	Planned Off-the-top					
	1% Merit increases (effective 10/1/13)		2,000,000	?	?	?
	Faculty promotional increases		500,000	500,000	500,000	500,000
	Instructor promotional increases		220,771	?	?	?
	TIP, RIA, SoTL		500,000	500,000	500,000	500,000
	Graduate health insurance		(300,000)	?	?	?
	Market adjustment for under $30k		200,000	-	-	-
	Financial Aid (funded by CPI tuition increase)		450,000	-	-	-
	Phased-in from non-recurring to recurring funds					
1	2012-13 Faculty promotional increase	5,000	5,000	-	-	-
1	Matching funds for C&G proposals	1,000,000	1,000,000	-	-	-
	Total recurring allocations from recurring funds	***1,005,000***	***4,575,771***	***1,000,000***	***1,000,000***	***1,000,000***
B.	**Recurring allocations from recurring 10% institutional investment funds**					
	Recurring on a Non-recurring basis					
	National Merit & Provost Scholars Program	871,116	1,500,000	1,500,000	1,500,000	1,500,000
	Total recurring allocations from recurring funds	***871,116***	***1,500,000***	***1,500,000***	***1,500,000***	***1,500,000***
C.	**Recurring allocations from nonrecurring funds (some items could be funded from institutional investments held in reserve)**					
	Undergraduate education pilot projects		1,000,000	1,000,000	1,000,000	1,000,000
1	Convocation Center rent	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	Additional increases in utility costs		-	?	?	?
	PO&M - FSEC	340,961	373,000	373,000	373,000	373,000
	Health Sciences Campus chilled water expenses		2,500,000	2,500,000	2,500,000	2,500,000
	Health Sciences Campus Boggy Creek assessment	44,930	40,000	40,000	40,000	40,000
	Health Sciences Campus property taxes		3,000	3,000	3,000	3,000
	Health Sciences Campus PO&M		252,836	252,836	252,836	252,836
	E-Verify		12,375	12,375	12,375	12,375
1	Environmental Health & Safety/ Emergency Management	1,486,200	1,486,200	1,486,200	1,486,200	1,486,200
2	Library Materials/ Electronic Journal Subscription		335,276	335,276	335,276	335,276
	Police - 6 new officers	178,000	480,000	480,000	480,000	480,000
	Police - New key/camera/alert positions		245,000	245,000	245,000	245,000
	Police - market adjustment		200,000	200,000	200,000	200,000
	HR position for Affordable Health Care Act	95,550	100,000	100,000	100,000	100,000
2	Salary Market Adjustment for SMCA	32,500	32,500	32,500	32,500	32,500
1	Development - Enhancement Plan	1,200,000	1,200,000	1,600,000	2,000,000	2,000,000
1	Foundation Support	300,000	300,000	300,000	300,000	300,000
	Performance plan payments		264,000	300,000	300,000	300,000
	Financial Aid to replace Bright Futures		-	2,700,000	2,700,000	2,700,000
	OPS Healthcare Costs (in excess of state funding)		?	?	?	?
	Sci Quest Purchasing Catalog (a portion may be state funded)		-	600,000	300,000	300,000
	Academic advising costs		150,000	?	?	?
1	SMCA support	267,500	267,500	267,500	267,500	267,500
1	New Chief Audit Executive	78,000	78,000	78,000	78,000	78,000
1	Legal Scholars/ BRAC	75,000	75,000	75,000	75,000	75,000
2	CS&T - Information Security Risk Audit		100,000	100,000	100,000	100,000
2	Pegasus Magazine	347,000	375,000	375,000	375,000	375,000
	Total recurring allocations from nonrecurring funds	***5,445,641***	***10,869,687***	***14,455,687***	***14,555,687***	***14,555,687***
E.	**Planned nonrecurring allocations**					
	CHP Plant		-	-	-	-
	Research support		7,500,000	-	-	-
	Gift fees - Health Sciences Buildings		200,000	?	?	?
	Academic advising costs (DARS PeopleSoft Conversion)	500,000	500,000	1,500,000	1,000,000	?
	Organizational structure review (RFP)	95,000	350,000	?	?	?
1	Conference Entrance fees (5 years through 2016-17)	600,000	600,000	600,000	600,000	600,000

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Planned E&G Budget Allocations

Updated as of 11/15/13

Note: The Morgridge International Reading Center, ~~Mitsubishi CHP Plant~~ and Quadrangle building are currently being funded through auxiliary loans

		11/10/13	5-Year Plan			
		To Date 2013-14	2013-14	2014-15	2015-16	2016-17
1	Resurface track	375,000	375,000	?	?	?
	Regional campuses		1,500,000	-	-	-
1	SEMATECH	500,000	500,000	500,000	500,000	500,000
1	Development - Enhancement Plan	1,800,000	1,800,000	1,400,000	-	-
1	PBS Partnership (excluding purchase price)	2,581,994	2,581,994	1,981,215	2,012,186	2,149,654
	Police - one time equipment costs for 6 new officers	93,000	120,000	-	-	-
	Colburn Hall renovation	700,000	8,000,000	-	-	-
	College of Education support		?	-	-	-
1	Legal - contract review software	50,000	50,000	-	-	-
	Boggy Creek Bond Assessment (once development begins)		-	?	?	?
2	UCF Knights Success Grant		50,000	?	?	?
2	Electronic Data Warehouse	34,680	34,680	-	-	-
	Health Sciences Campus support (pending but not approved)		-	?	?	?
	Total nonrecurring allocations	***7,329,674***	***24,161,674***	***5,981,215***	***4,112,186***	***3,249,654***
F.	Total Recurring and Non-recurirng Allocations:					
	Recurring allocations	1,005,000	4,575,771	1,000,000	1,000,000	1,000,000
	Non-recurring allocations from Intituitonal investment funds	871,116	1,500,000	1,500,000	1,500,000	1,500,000
	Non-recurirng allocations	12,775,315	35,031,361	20,436,902	18,667,873	17,805,341
	Total allocations	14,651,431	41,107,132	22,936,902	21,167,873	20,305,341

FOOTNOTE LEGEND:

[1] These allocations will be reflected in the start up budget on the allocation document. All others will be transferred during the year based on support provided.

[2] All or a portion of this allocation was not on the planned list when the 2013-14 allocation document was signed. These are considered "unplanned" allocations in t rollforward.

NOTE: Does not include use of $3.1 million held back from divisions in 2013-14. Provost Waldrop will evaluate requests received from divisions. Also does not inc remaining $2.2m earmarked for faculty positions.

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Planned E&G Budget Allocations

Note: The Morgridge International Reading Center, ~~Mitsubishi CHP Plant~~ and Quadrangle building are currently being funded through auxiliary loans

		Planned 2012-13	5/22/13 To Date 2012-13	5-Year Plan 2013-14	2014-15	2015-16	2015-16
A.	**Recurring allocations from recurring funds**						
	Planned Off-the-top						
	Merit increases	-	-	?	?	?	?
	Faculty promotional increases	500,000	423,111	500,000	500,000	500,000	500,000
	TIP, RIA, SoTL	500,000	-	500,000	500,000	500,000	500,000
	Increase in lease costs	-	-	-	-	-	-
2	Graduate health insurance	-	-	(300,000)	?	?	?
	New & Phased-in from non-recurring to recurring funds						
	2011-12 Market adjustment for lower paid employees	143,691	143,691	-	-	-	-
	Soldiers to Scholars	20,000	20,000	-	-	-	-
	Writing and Rhetoric	534,000	534,000	-	-	-	-
	University Compliance and Ethics Office	108,300	108,300	-	-	-	-
	National Merit (Provost's Scholars Program)	500,000	500,000	-	-	-	-
	Graduate tuition waiver return to Research	1,000,000	1,000,000	-	-	-	-
2	2012-13 Faculty promotional increase	-	-	5,000	-	-	-
2	Convocation Center rent	-	-	1,000,000	-	-	-
2	Environmental Health & Safety/ Emergency Management	-	-	1,486,200	-	-	-
2	Electronic Journal Subscription	-	-	105,000			
	Police - 3 new positions	-	-	240,000			
	HR position for Affordable Health Care Act	-	-	100,000	-	-	-
2	Salary Market Adjustment for SMCA	-	-	25,000			
	Total recurring allocations from recurring funds	***3,305,991***	***2,729,102***	***3,661,200***	***1,000,000***	***1,000,000***	***1,000,000***
B.	**Recurring allocations from recurring 10% institutional investment funds**						
	Recurring on a Non-recurring basis						
	National Merit (Provost's Scholars Program)	1,280,000	809,721	1,500,000	1,500,000	1,500,000	1,500,000
	National Merit (tuition held constant)	60,000	61,395	-	-	-	-
	Financial Aid to replace Bright Futures			?	?	?	?
	Total recurring allocations from recurring funds	***1,340,000***	***871,116***	***1,500,000***	***1,500,000***	***1,500,000***	***1,500,000***
C.	**Recurring allocations from nonrecurring funds (some items could be funded from institutional investments held in reserve)**						
	Undergraduate education pilot projects	189,000	-	1,000,000	1,000,000	1,000,000	1,000,000
	Matching funds for C&G proposals	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	PO&M - FSEC, NTSC	596,800	-	596,800	596,800	596,800	596,800
	Additional increases in utility costs	-	-	?	?	?	?
	Health Sciences Campus chilled water expenses	-	-	2,500,000	2,500,000	2,500,000	2,500,000
	Health Sciences Campus Boggy Creek assessment	37,380	18,031	40,000	40,000	40,000	40,000
	Health Sciences Campus property taxes	3,000	-	3,000	3,000	3,000	3,000
	Health Sciences Campus PO&M	252,836	-	252,836	252,836	252,836	252,836
	Convocation Center rent	1,000,000	1,000,000	-	-	-	-
1	Conference fees	300,000	322,166	325,000	325,000	325,000	325,000
1	Development - Enhancement Plan	800,000	800,000	1,200,000	1,600,000	2,000,000	?
1	Development - Legal Fees	200,000	127,095	200,000	200,000	200,000	200,000
1	Performance plan payments	458,000	93,406	264,000	300,000	300,000	300,000
	Financial Aid to replace Bright Futures			?	?	?	?
	Sci Quest Purchasing Catalog	-	-	500,000	250,000	250,000	250,000
	Academic Advising Project	-	-	?	?	?	?
	Environmental Health & Safety/ Emergency Management	-	839,800	-	-	-	-
2	F&A Salaries (previously funded by auxiliary resources)	-	1,500,000	?	?	?	?
	Total recurring allocations from nonrecurring funds	***4,837,016***	***5,700,498***	***7,881,636***	***8,067,636***	***8,467,636***	***6,467,636***
D.	**Proposed budget plan to move recurring allocations from nonrecurring to recurring funds**						
	Non-recurirng Funds:	4,837,016	5,700,498	7,881,636	8,067,636	8,467,636	6,467,636
	Recurrng Funds:						
	Total	4,837,016	5,700,498	7,881,636	8,067,636	8,467,636	6,467,636
	Incremental recurring funds needed per fiscal year:	-	-	-	-	-	-
E.	**Planned nonrecurring allocations**						
	Unemployment claims due to layoffs	?	?	?	?	?	?
	CHP Plant	-	10,853,000	-	-	-	-
	Research support		7,500,000	7,500,000	-	-	-
	Boggy Creek Bond Assessment		1,020,655	?	-	-	-
	COM scholarships	199,000	-	-	-	-	-
	Gift fees - Health Sciences buildings, scholarships	200,000	-	200,000	?	?	?
	PY Gift fees - Health Sciences buildings, scholarships		154,340	-	-	-	-
	2010-11 graduate education support	?	?	?	?	?	?
	Supplemental course incentive	?	?	?	?	?	?
	Regional campuses	1,500,000	1,500,000	1,500,000	1,500,000	-	-
2	SEMATECH	500,000	500,000	500,000	500,000	500,000	500,000
	Development - Enhancement Plan	2,200,000	2,200,000	1,800,000	1,400,000	-	-
2	PBS Partnership (excluding purchase price)	2,626,680	2,626,680	2,581,994	1,981,215	2,012,186	2,149,654
	Anniversary events (50th)	200,000	200,000	-	-	-	-
	Pegasus Magazine	375,000	291,439	-	-	-	-

S:\2018 Interim\UCF Construction\Records produced by UCF\Sharepoint - record prov after 10.11.18\Bryan Cave requests 1 Oct 1 2018\1 16 E&G Commitment Lists\Planned E&G Budget Allocations 2010-11 forward 061013.xlsx

Planned E&G Budget Allocations

Note: The Morgridge International Reading Center, ~~Mitsubishi CHP Plant~~ and Quadrangle building are currently being funded through auxiliary loans

			5/22/13	5-Year Plan			
		Planned 2012-13	To Date 2012-13	2013-14	2014-15	2015-16	2015-16
	2011-12 Market adjustment for lower paid employees	14,279	14,279	-	-	-	-
	E-Verify	-	12,375	-	-	-	-
	Police - 3 new positions	-	-	60,000			
	Colburn Hall renovation	-	-	8,000,000	-	-	-
	Health Sciences Campus support (pending but not approved)	-	-	-	8,700,000	5,900,000	9,000,000
	Total nonrecurring allocations	***7,814,959***	***26,872,768***	***22,141,994***	***14,081,215***	***8,412,186***	***11,649,654***
F.	Total Recurring and Non-recurirng Allocations:						
	Recurring allocations	3,305,991	2,729,102	3,661,200	1,000,000	1,000,000	1,000,000
	Non-recurring allocations from Intituitonal investment funds	1,340,000	871,116	1,500,000	1,500,000	1,500,000	1,500,000
	Non-recurirng allocations	12,651,975	32,573,266	30,023,630	22,148,851	16,879,822	18,117,290
	Total allocations	17,297,966	36,173,484	35,184,830	24,648,851	19,379,822	20,617,290

FOOTNOTE LEGEND:

[1] Although recurring in nature, these allocations will always be managed as non-recurring allocations to the divisions.

[2] These allocations will be reflected in the start up budget on the allocation document. All others will be transferred during the year based on support provided.

Use of Auxiliary Resources

Excess Salary for administrators subject to E&G salary cap	500,000
OPS Healthcare costs - probably won't be funded centrally	?
Any of the items above?	?

EXHIBIT B

University of Central Florida

2013-14 E&G Budget, Summary of Allocations and Reserve

	Recurring	Institutional Investments	Non-Recurring	Total	Allocation Across Divisions and Medical School: Academic Affairs	Admin & Finance	President's Division	SMCA	University Relations	Medical School	Total
Proposed Allocations											
Allocation of state funding, effective July 1, 2013											
Retirement - unfunded actuarial liability	$ 5,144,198	$ -	$ -	$ 5,144,198	$ 3,687,640	$ 653,569	$ 264,061	$ 147,211	$ 36,601	$ 355,116	$ 5,144,198
Health insurance premium increase (12 months)	2,993,961	-	-	2,993,961	2,167,107	480,397	84,481	120,654	8,887	132,435	2,993,961
Health insurance premium increase (May-June 2013)	-	-	476,921	476,921	361,185	80,066	14,080	20,109	1,481	-	476,921
Plant operation and maintence for new space	65,503	-	-	65,503	-	65,503	-	-	-	-	65,503
Medical School - Year 6 phase in funds	774,417	-	-	774,417	-	-	-	-	-	774,417	774,417
Anti-hazing online education initiative	-	-	1,250,000	1,250,000	1,250,000	-	-	-	-	-	1,250,000
Urban teacher training initiative	-	-	200,000	200,000	200,000	-	-	-	-	-	200,000
	8,978,079	-	1,926,921	10,905,000	7,665,932	1,279,535	362,622	267,974	46,969	1,261,968	10,905,000
University designated allocations, effective July 1, 2013											
Recurring hold back from units to fund strategic initiatives	$ (3,123,881)	$ -	$ -	$ (3,123,881)	$ (2,180,294)	$ (570,226)	$ (100,747)	$ (255,900)	$ (16,714)	$ -	$ (3,123,881)
Projected increase in FIEA tuition	1,248,088	-	-	1,248,088	1,248,088	-	-	-	-	-	1,248,088
Projected increase in DPT tuition	189,755	-	-	189,755	189,755	-	-	-	-	-	189,755
Medical school increase in tuition	3,145,099	-	-	3,145,099	-	-	-	-	-	3,145,099	3,145,099
Annualized cost of 2012-13 faculty promotions	4,999	-	-	4,999	4,999	-	-	-	-	-	4,999
Matching funds for C&G proposals	1,000,000	-	-	1,000,000	1,000,000	-	-	-	-	-	1,000,000
Convocation Center rent	-	-	1,000,000	1,000,000	-	1,000,000	-	-	-	-	1,000,000
Environmental Health & Safety/Emergency Management	-	-	1,486,200	1,486,200	-	1,486,200	-	-	-	-	1,486,200
Development - Enhancement Plan (recurring)	-	-	1,200,000	1,200,000	-	-	1,200,000	-	-	-	1,200,000
Foundation support	-	-	300,000	300,000	-	-	300,000	-	-	-	300,000
New Chief Audit Executive	-	-	78,000	78,000	-	-	78,000	-	-	-	78,000
SMCA support	-	-	227,500	227,500	-	-	-	227,500	-	-	227,500
Legal - Contract Review Software	-	-	50,000	50,000	-	-	50,000	-	-	-	50,000
Legal Scholars/ BRAC	-	-	75,000	75,000	-	-	-	-	75,000	-	75,000
Development - Enhancement Plan	-	-	1,800,000	1,800,000	-	-	1,800,000	-	-	-	1,800,000
Sematech (Year 2 of 5)	-	-	500,000	500,000	500,000	-	-	-	-	-	500,000
Conference entrance fees	-	-	600,000	600,000	-	600,000	-	-	-	-	600,000
Resurface track	-	-	375,000	375,000	-	375,000	-	-	-	-	375,000
PBS Partnership	-	-	2,581,994	2,581,994	-	-	-	2,581,994	-	-	2,581,994
Reverse 2010-11 transfer	-	-	-	-	25,991	-	-	-	-	(25,991)	-
Total allocations, effective July 1, 2013	$ 5,587,941	$ -	$ 10,273,694	$ 15,861,635	$ 2,968,833	$ 3,461,200	$ 3,428,000	$ 2,809,494	$ 75,000	$ 3,119,108	$ 15,861,635
Permanent allocations to be recorded during the year											
1% Merit increase	$ 2,000,000	$ -	$ -	$ 2,000,000	$ 2,000,000	$ -	$ -	$ -	$ -	$ -	$ 2,000,000
Market adjustment for lower-paid employees (all divisions)	200,000	-	-	200,000	200,000	-	-	-	-	-	200,000
Faculty promotional increases	500,000	-	-	500,000	500,000	-	-	-	-	-	500,000
Instructor promotional increases	220,771	-	-	220,771	220,771	-	-	-	-	-	220,771
TIP, RIA, SoTL	500,000	-	-	500,000	500,000	-	-	-	-	-	500,000
Graduate health insurance	(300,000)	-	-	(300,000)	(300,000)	-	-	-	-	-	(300,000)
Financial Aid (funded by CPI tuition increase)	450,000	-	-	450,000	-	-	-	450,000	-	-	450,000
National Merit & Provost Scholars Program	-	1,500,000	-	1,500,000	-	-	-	1,500,000	-	-	1,500,000
Estimated E&G interest allocation	4,000,000	-	-	4,000,000	-	4,000,000	-	-	-	-	4,000,000
Total to be allocated from recurring funds	$ 7,570,771	$ 1,500,000	$ -	$ 9,070,771	$ 3,120,771	$ 4,000,000	$ -	$ 1,950,000	$ -	$ -	$ 9,070,771
Planned mid-year allocations from non-recurring funds											
Recurring allocations from non-recurring funds:											
Undergraduate education pilot projects	$ -	$ -	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ -	$ -	$ -	$ -	$ -	$ 1,000,000
Electronic journal subscription	-	-	105,000	105,000	105,000	-	-	-	-	-	105,000
Academic advising costs	-	-	150,000	150,000	150,000	-	-	-	-	-	150,000
PO&M - FSEC	-	-	373,000	373,000	-	373,000	-	-	-	-	373,000

University of Central Florida

2013-14 E&G Budget, Summary of Allocations and Reserve

	Recurring	Institutional Investments	Non-Recurring	Total	Allocation Across Divisions and Medical School: Academic Affairs	Admin & Finance	President's Division	SMCA	University Relations	Medical School	Total
Police - 6 new officers	-	-	480,000	480,000	-	480,000	-	-	-	-	480,000
Police - key/camera/ alert positions	-	-	245,000	245,000	-	245,000	-	-	-	-	245,000
Police - market adjustment	-	-	200,000	200,000	-	200,000	-	-	-	-	200,000
HR position for Affordable Health Care Act	-	-	100,000	100,000	-	100,000	-	-	-	-	100,000
Salary market adjustment	-	-	25,000	25,000	-	-	-	25,000	-	-	25,000
Affordable Healthcare Act - TO BE DETERMINED	-	-	-	-	-	-	-	-	-	-	-
Performance plan payments - estimate	-	-	264,000	264,000	223,500	-	40,500	-	-	-	264,000
Subtotal - recurring items	-	-	5,750,211	5,750,211	1,478,500	4,206,211	40,500	25,000	-	-	5,750,211
Non-recurring allocations from non-recurring funds:											
Research support	-	-	7,500,000	7,500,000	7,500,000	-	-	-	-	-	7,500,000
Regional campuses	-	-	1,500,000	1,500,000	1,500,000	-	-	-	-	-	1,500,000
Academic advising costs	-	-	500,000	500,000	500,000	-	-	-	-	-	500,000
Organizational structure review	-	-	350,000	350,000	-	350,000	-	-	-	-	350,000
Police - non-recurring equipment costs for new officers	-	-	120,000	120,000	-	120,000	-	-	-	-	120,000
Colburn Hall renovation	-	-	8,000,000	8,000,000	-	8,000,000	-	-	-	-	8,000,000
Gift Fees - Health Sciences Buildings	-	-	200,000	200,000	-	-	200,000	-	-	-	200,000
Subtotal - non-recurring items	-	-	18,170,000	18,170,000	9,500,000	8,470,000	200,000	-	-	-	18,170,000
Total to be allocated from non-recurring funds	$ -	$ -	$ 23,920,211	$ 23,920,211	$ 10,978,500	$ 12,676,211	$ 240,500	$ 25,000	$ -	$ -	$ 23,920,211

Composition of Central Reserve	Recurring: 2013-14 Reserve	Recurring: 2013-14 Institutional Investments	Non-recurring: 2013-14 Central Carryforward
3% Hold back	$ 7,100,000	$ -	$ -
2012-13 Tuition rate increase (excluding 30% differential)	12,654,792	-	-
2013-14 Projected tuition increase held in reserve	3,488,027	-	-
Recurring hold back from units to fund strategic initiatives	3,123,880	-	-
Earmarked to address student to faculty ratio	2,210,033	-	2,948,313
Permanent allocations to be recorded during the year	7,570,771	1,500,000	-
Available recurring reserve	15,978,888	719,764	-
2013-14 Carry forward funds (Estimate)	-	-	11,109,841
Subtotal	52,126,391	2,219,764	14,058,154
Permanent allocations to be recorded during the year	(7,570,771)	(1,500,000)	-
Recurring reserves as of July 1, 2013[1]	44,555,620	719,764	
Non-recurring allocations to be recorded during the year	(15,976,921)	-	(7,943,290)
Total reserves as of July 1, 2013[1]	$ 28,578,699	$ 719,764	$ 6,114,864

[1] The university's 2013-14 statutory reserve requirement is approximately $23.8 million. University central reserves shown above and divisional/ unit reserves comfortably satisfy this requirement.

Recommended for Approval:

8-13-13

Tony Waldrop, Provost and Executive Vice President — Date

Approval:

8/13/13

EXHIBIT C

Donna DuBuc

From: Christina Tant
Sent: Thursday, August 22, 2013 11:37 AM
To: Budget office
Cc: Donna DuBuc; Tony Waldrop; Lynn Gonzalez; Tracy Clark
Subject: Budget Transfer - Colburn Hall

Budget Office,

Please transfer $700,000 from the university's central reserve (00010101) to Administration & Finance (departr 02800018). This amount will be used for testing, planning, and design work related to Colburn Hall renovation a repairs. This is a portion of the total estimated project cost of $8,000,000 included in the "Future Allocations fr reserve" section of the 2013-14 allocation document.

This will be recorded as a temporary increase to the division's base budget.

Please notify John Pittman, LaShanda Neal and Wilson Rosario once the transfer has posted.

Thank you,

Christy Tant, CPA
Senior Associate Controller, Finance & Accounting

UCF
University of Central Florida
Finance and Accounting
12424 Research Pkwy, Suite 300
Orlando, FL 32826-3249
christy.tant@ucf.edu
Phone 407.882.1029
Fax 407.882.1102

This form is updated frequently and should not be saved for future use. Please obtain the latest version of the form each time a transfer is proces
The completed form should only be saved in XLS format.

University of Central Florida

Budget Transfer Request

Budget Transfer #	RV-RSV	14008

Requestor: John Pittman

Date: 08/22/13

Requesting Department: A&F

Transfer From *(this will be a credit amount ex: -1,000.00)*

Dept. Number	Dept. Name	Fund	Amount
00010101	E&G UNALLOCATED RESERVE	10001	-700,000.00
	Total		-700,000.00

Transfer To *(this will be a debit amount ex: 1,000.00)*

Dept. Number	Dept. Name	Fund	An
02800018	FO-SPECIAL PROJECTS	10001	

Note: Send the budget transfer request by e-mail to the appropriate app
for processing. Identify the budget transfer number in the subject line. K
for your records.

Purpose of Transfer (254 character limit)

Related to Colburn Hall renovation and repairs as a portion of the total est proj cost of $8,000,000 included in the Future Allocations from reserve section of the 13-14 alloc doc

Recommended: Christy Tant

Approved

Dean / Director

EXHIBIT D

92010501 01

Tammy Hintermeister

From:	Wilson Rosario
Sent:	Thursday, May 01, 2014 9:33 AM
To:	Lashanda Brown-Neal; Tammy Hintermeister
Subject:	FW: RV-RSV 14075 Jrnl Nbr 144818 dated 04/30/14 for Colburn Hall Renovatic
Attachments:	RV RSV 14075 Jrnl Nbr 144818.xlsx

Lashanda/Tammy,
Please process a journal to transfer the funds for the Colburn Hall Renovations as shown below.

781139 02800703 9,300,000
615001 92010018 -9,300,000

Once the funds are transferred, I'll increase the budget in 92010018 for the same amount.

Let me know if you have any questions.

Thanks,
Wilson

From: Budget office
Sent: Wednesday, April 30, 2014 3:07 PM
To: Wilson Rosario; John Pittman
Subject: FW: RV-RSV 14075 Jrnl Nbr 144818 dated 04/30/14 for Colburn Hall Renovations

The budget transfer for Colburn Hall renovations was posted today.
Joyce
2-1028

From: Budget office
Sent: Wednesday, April 30, 2014 2:07 PM
To: Budget office
Subject: RV-RSV 14075 Jrnl Nbr 144818 dated 04/30/14 for Colburn Hall Renovations

From: Christina Tant
Sent: Wednesday, April 30, 2014 1:40 PM
To: Budget office
Cc: Donna DuBuc; Tracy Clark; Lynn Gonzalez; Diane Chase
Subject: Budget Transfer - Colburn Hall

Budget Office,

Please transfer $9,300,000 from the university's E&G carry forward reserve (00010107) to A&F's reserve depar (and then to department 02800703). This amount plus the $700,000 transferred earlier this fiscal year ($10,00(exceeds the $8,000,000 estimated in the "Future Allocations from reserve" section of the 2013-14 allocation dc The increase was approved in a recent meeting with the Provost and Mr. Merck.

This will be recorded as a temporary increase to the division's base budget.

1

Please notify John Pittman and Wilson Rosario once the transfer has been posted. Wilson is going to work with department to transfer the funds to the construction project (92010018).

Let me know if you have any questions.

Thank you,

Christy Tant, CPA
Senior Associate Controller, Finance & Accounting

UCF
University of Central Florida
Finance and Accounting
12424 Research Pkwy, Suite 300
Orlando, FL 32826-3249
christy.tant@ucf.edu
Phone 407.882.1029
Fax 407.882.1102

This form is updated frequently and should not be saved for future use. Please obtain the latest version of the form each time a transfer is proce
The completed form should only be saved in XLS format.

University of Central Florida

Budget Transfer Request

Budget Transfer #	RV-RSV	14075

Requestor: John Pitmman

Date: 04/30/14

Requesting Department: A&F

Transfer From *(this will be a credit amount ex: -1,000.00)*

Dept. Number	Dept. Name	Fund	Amount
00010107	BUD-CARRY FORWARD	10001	-9,300,000.00
02010710	AF VP-CARRY FORWARD	10001	-9,300,000.00
Total			-18,600,000.00

Transfer To *(this will be a debit amount ex: 1,000.00)*

Dept. Number	Dept. Name	Fund	A
02010710	AF VP-CARRY FORWARD	10001	
02800703	FO-CARRY FORWARD	10001	
			18

Note: Send the budget transfer request by e-mail to the appropriate app
for processing. Identify the budget transfer number in the subject line. K
for your records.

Purpose of Transfer (254 character limit)

Temp Incr - Colburn Hall renovation

Recommended: Christy Tant

Approved: _____
Dean / Director

Tammy Hintermeister

From: Cathy Hill
Sent: Thursday, May 01, 2014 9:23 AM
To: Tammy Hintermeister
Cc: Lashanda Brown-Neal
Subject: Colburn Hall

Tammy,

FYI.

$9,300,000 was transferred into the FO carry forward dept. 02800703 for Colburn renovation.

Cathy M Hill
University of Central Florida
Facilities and Safety Resource Management
P.O.Box 163640
Orlando, Fl 32816-3640

EXHIBIT E

University of Central Florida

2014-15 E&G Budget, Summary of Allocations and Reserve

	University Divisions							University Reserves				
	Academic Affairs	Admin & Finance	President's Division	SMCA	Marketing and Communications	University Relations	Total Divisions	Recurring	Institutional Investments	Non-Recurring	Total Central Reserve	Medical School
2013-14 End of year total budget, including all allocations	$ 432,320,401	$ 95,833,155	$ 19,831,181	$ 2,056,541	$ 6,006,714	$ 2,353,224	$ 558,401,216	$ 41,110,860	$ 738,648	$ 11,183,570	$ 53,033,078	$ 48,249,923
PERMANENT Beginning of Year Allocations												
State funding												
Performance based funding	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,880,156	$ -	$ -	$ 21,880,156	$ -
Competitive pay adjustment (annualization)	719,919	197,546	29,629	47,078	-	2,902	997,174	264,193	-	-	264,193	63,876
Graduate assistant competitive pay adjustment (annualization)	116,422	377	-	188	-	-	116,987	21,963	-	-	21,963	-
OPS state group health insurance (annualization)	244,731	49,106	2,967	2,967	-	-	299,771	39,391	-	-	39,391	-
Health insurance premium increase (annualization)	2,042,187	442,731	81,872	46,016	-	8,000	2,620,806	-	-	-	-	137,462
FRS retiree health insurance subsidy	-	-	-	-	-	-	-	81,612	-	-	81,612	2,468
Retirement system normal costs	-	-	-	-	-	-	-	834,752	-	-	834,752	63,640
Downtown Presence	2,000,000	-	-	-	-	-	2,000,000	-	-	-	-	-
Center for Reading - iStation	2,500,000	-	-	-	-	-	2,500,000	-	-	-	-	-
Plant operation and maintenance for new space	-	737,541	-	-	-	-	737,541	-	-	-	-	475,584
Medical School - Year 7 phase in funds	-	-	-	-	-	-	-	-	-	-	-	
University designated												
2013-14 Salary increase- initial 1% (non-unit A&P and all USPS)	294,892	83,523	32,420	32,023	-	3,872	446,730	(446,730)	-	-	(446,730)	-
2013-14 Salary increase- additional 1% (non-unit A&P and all USPS)	488,547	127,191	50,001	26,176	-	6,422	698,327	(698,327)	-	-	(698,327)	-
2013-14 Salary increase- 2% (in-unit faculty)	1,132,564	-	1,415	-	-	-	1,133,979	(1,133,979)	-	-	(1,133,979)	-
Market adjustment for lower paid employees	89,519	110,217	463	-	494	-	200,693	(200,693)	-	-	(200,693)	-
New faculty lines, previously committed (15 to 20 lines)	2,210,033	-	-	-	-	-	2,210,033	(2,210,033)	-	-	(2,210,033)	-
New faculty lines (50 to 70 lines)	7,170,000	-	-	-	-	-	7,170,000	(5,184,757)	(1,985,243)	-	(7,170,000)	-
Faculty promotional increases (annualization)	7,185	-	-	-	-	-	7,185	(7,185)	-	-	(7,185)	-
Instructor promotional increases (annualization)	883	-	-	-	-	-	883	(883)	-	-	(883)	-
National Merit and Provost Scholars Program	1,500,000	-	-	-	-	-	1,500,000	-	(1,500,000)	-	(1,500,000)	-
Permanent reduction for rent savings	(400,000)	-	-	-	-	-	(400,000)	400,000	-	-	400,000	-
Library materials/electronic journal subscription	335,276	-	-	-	-	-	335,276	(335,276)	-	-	(335,276)	-
University fine arts insurance policy	-	2,045	-	-	-	-	2,045	(2,045)	-	-	(2,045)	-
New chief audit executive	-	-	78,000	-	-	-	78,000	(78,000)	-	-	(78,000)	-
Legal Scholars/ BRAC	-	-	-	-	-	75,000	75,000	(75,000)	-	-	(75,000)	-
Environmental Health & Safety/Emergency Management	-	1,486,200	-	-	-	-	1,486,200	(1,486,200)	-	-	(1,486,200)	-
Police payroll/operating shortfall	-	326,456	-	-	-	-	326,456	(326,456)	-	-	(326,456)	-
Police- 3 new officers	-	178,000	-	-	-	-	178,000	(178,000)	-	-	(178,000)	-
Police- 2013-14 special pay increase	-	134,065	-	-	-	-	134,065	(134,065)	-	-	(134,065)	-
HR position for Affordable Health Care Act	-	95,550	-	-	-	-	95,550	(95,550)	-	-	(95,550)	-
E-Verify	-	12,375	-	-	-	-	12,375	(12,375)	-	-	(12,375)	-
IKM salary market adjustment	32,500	-	-	-	-	-	32,500	(32,500)	-	-	(32,500)	-
Pegasus Magazine	-	-	-	-	350,000	-	350,000	(350,000)	-	-	(350,000)	-
SMCA support	-	-	-	267,500	-	-	267,500	(267,500)	-	-	(267,500)	-
University relations promotion	-	-	-	-	-	21,135	21,135	(21,135)	-	-	(21,135)	-
Reverse 2010-11 transfer	25,991	-	-	-	-	-	25,991	-	-	-	-	(25,991)
Technical transfer- OPS state group health insurance (annualization)	-	-	-	-	-	-	-	(39,391)	-	-	(39,391)	39,391
Tuition and fees:												
Reverse tuition budget held in reserve	-	-	-	-	-	-	-	(1,416,476)	-	-	(1,416,476)	-
Restore unallocated 2013-14 tuition budget held in reserve	-	-	-	-	-	-	-	1,416,476	-	-	1,416,476	-
2014-15 tuition budget increase held in reserve	-	-	-	-	-	-	-	3,124,043	-	-	3,124,043	-
Reverse projected differential for need-based aid held in reserve	-	-	-	-	-	-	-	(768,411)	-	-	(768,411)	-
2014-15 projected differential for need-based aid held in reserve	-	-	-	-	-	-	-	1,016,546	-	-	1,016,546	-
Decrease in projected interest	-	-	-	-	-	-	-	(1,000,000)	-	-	(1,000,000)	-
Distribution of 2012-13 tuition rate increase	10,104,674	959,895	167,345	111,791	-	25,608	11,389,313	(12,654,792)	1,265,479	-	(11,389,313)	-
Differential tuition adjustment	(76,073)	-	-	-	-	-	(76,073)	76,073	-	-	76,073	-
Medical school increase in tuition								-	-	-	-	2,105,620
Total permanent allocations	$ 30,537,250	$ 4,942,908	$ 464,112	$ 533,739	$ 350,494	$ 142,939	$ 36,971,442	$ 1,446	$ (2,219,764)	$ -	$ (2,218,318)	$ 2,862,070

6/11/2014 11:23 AM

University of Central Florida
2014-15 E&G Budget, Summary of Allocations and Reserve

	University Divisions							University Reserves				
	Academic Affairs	Admin & Finance	President's Division	SMCA	Marketing and Communications	University Relations	Total Divisions	Recurring	Institutional Investments	Non-Recurring	Total Central Reserve	Medical School
TEMPORARY Beginning of Year Allocations												
Reverse 2013-14 temporary allocations and carryforward	$ (63,696,012)	$ (27,147,206)	$ (9,441,163)	$ (376,421)	$ (3,157,131)	$ (523,551)	$ (124,343,484)	$ 6,156,151	$ 1,481,116	$ (11,183,570)	$ (3,546,303)	$ (12,407,736)
PO rollovers- *ESTIMATE*	3,855,993	4,254,257	673,075	18,153	385,132	142,044	9,528,654	-	-	-	-	689,662
Carryforward- *ESTIMATE*	66,559,878	7,480,091	5,304,354	1,425,888	18,296	386,020	81,174,527	-	-	55,047,240	55,047,240	17,776,123
State funding												
2013-14 BOG Amendment $600 Bonus	552,890	113,033	21,961	1,938	5,167	2,584	697,573	-	-	(697,573)	(697,573)	-
Center for Reading - iStation	1,500,000	-	-	-	-	-	1,500,000	-	-	-	-	-
Dual Enrollment	-	-	-	-	-	-	-	-	-	15,724	15,724	-
Anti-hazing online education initiative	1,000,000	-	-	-	-	-	1,000,000	-	-	-	-	-
STEM Instructional Enhancement	1,000,000	-	-	-	-	-	1,000,000	-	-	-	-	-
Evans Community School	685,000	-	-	-	-	-	685,000	-	-	-	-	-
Lou Frey Institute	250,000	-	-	-	-	-	250,000	-	-	-	-	-
Crohn's and Colitis Research	-	-	-	-	-	-	-	-	-	-	-	500,000
University designated												
Recurring allocations from non-recurring funds:												
Development - Enhancement Plan	-	-	1,600,000	-	-	-	1,600,000	-	-	(1,600,000)	(1,600,000)	-
Foundation support	-	-	300,000	-	-	-	300,000	-	-	(300,000)	(300,000)	-
Convocation Center rent	-	1,000,000	-	-	-	-	1,000,000	-	-	(1,000,000)	(1,000,000)	-
Non-recurring allocations:												
Creative Village project liason and coordinator	-	61,500	-	-	-	-	61,500	-	-	(61,500)	(61,500)	-
OEM- new key/camera/alert positions	-	20,038	-	-	-	-	20,038	-	-	(20,038)	(20,038)	-
Academic advising (DARS/PS conversion)	1,650,000	-	-	-	-	-	1,650,000	-	-	(1,650,000)	(1,650,000)	-
Research support	7,500,000	-	-	-	-	-	7,500,000	-	-	(7,500,000)	(7,500,000)	-
Sematech (Year 3 of 5)	500,000	-	-	-	-	-	500,000	-	-	(500,000)	(500,000)	-
PBS partnership	-	-	-	-	1,981,215	-	1,981,215	-	-	(1,981,215)	(1,981,215)	-
Development - Enhancement Plan	-	-	1,400,000	-	-	-	1,400,000	-	-	(1,400,000)	(1,400,000)	-
Conference entrance fees	-	600,000	-	-	-	-	600,000	-	-	(600,000)	(600,000)	-
Total temporary allocations (including change in carry forward)	$ 1,355,749	$ (13,618,287)	$ 58,227	$ 1,069,558	$ (767,321)	$ 7,097	$ (11,894,977)	$ 6,156,151	$ 1,481,116	$ 26,569,068	$ 34,206,335	$ 6,558,049
2014-15 Beginning of year total budget	$ 464,213,400	$ 87,157,776	$ 20,353,520	$ 3,659,838	$ 5,589,887	$ 2,503,260	$ 583,477,681	$ 47,268,457	$ -	$ 37,752,638	$ 85,021,095	$ 57,670,042

PLANNED MID-YEAR ALLOCATIONS

Note: Amounts below are estimates. Budget will be allocated based on actual cost. Allocations are subject to availability of funds.

PERMANENT allocations to be recorded during the year											
FRS retiree health insurance subsidy- *ESTIMATE*	$ 62,841	$ 11,138	$ 4,500	$ 2,509	$ -	$ 624	$ 81,612	$ (81,612)	$ -	$ -	$ (81,612)
Retirement system normal costs- *ESTIMATE*	574,014	193,027	36,189	29,631	-	1,891	834,752	(834,752)	-	-	(834,752)
E&G interest allocation	-	3,000,000	-	-	-	-	3,000,000	(3,000,000)	-	-	(3,000,000)
2014-15 Salary increase (to be allocated among divisions)	7,500,000	-	-	-	-	-	7,500,000	(7,500,000)	-	-	(7,500,000)
Faculty promotional increases	500,000	-	-	-	-	-	500,000	(500,000)	-	-	(500,000)
Instructor promotional increases	250,000	-	-	-	-	-	250,000	(250,000)	-	-	(250,000)
TIP, RIA, SoTL	500,000	-	-	-	-	-	500,000	(500,000)	-	-	(500,000)
Pegasus Magazine	-	-	-	-	60,000	-	60,000	(60,000)	-	-	(60,000)
CS&T Information Security Risk Audit	100,000	-	-	-	-	-	100,000	(100,000)	-	-	(100,000)
OEM- new key/camera/alert positions	-	245,000	-	-	-	-	245,000	(245,000)	-	-	(245,000)
Police payroll/operating shortfall	-	1,301,429	-	-	-	-	1,301,429	(1,301,429)	-	-	(1,301,429)
Total to be allocated from recurring funds	$ 9,486,855	$ 4,750,594	$ 40,689	$ 32,140	$ 60,000	$ 2,515	$ 14,372,793	$ (14,372,793)	$ -	$ -	$ (14,372,793)

University of Central Florida
2014-15 E&G Budget, Summary of Allocations and Reserve

	University Divisions							University Reserves				
	Academic Affairs	Admin & Finance	President's Division	SMCA	Marketing and Communications	University Relations	Total Divisions	Recurring	Institutional Investments	Non-Recurring	Total Central Reserve	Medical School
TEMPORARY allocations to be recorded during the year												
Recurring allocations from non-recurring funds:												
UCF Knight Success Gram	$ 100,000	$ -	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ -	$ (100,000)	$ (100,000)	
Undergraduate education pilot projects	1,000,000	-	-	-	-	-	1,000,000	-	-	(1,000,000)	(1,000,000)	
Academic advising costs	150,000	-	-	-	-	-	150,000	-	-	(150,000)	(150,000)	
President's Office support	-	-	500,000	-	-	-	500,000	-	-	(500,000)	(500,000)	
EOAA position	-	-	90,000	-	-	-	90,000	-	-	(90,000)	(90,000)	
Health Sciences Campus chilled water expenses	-	2,500,000	-	-	-	-	2,500,000	-	-	(2,500,000)	(2,500,000)	
Health Sciences Campus Boggy Creek assessment	-	45,000	-	-	-	-	45,000	-	-	(45,000)	(45,000)	
Health Sciences Campus property taxes	-	3,000	-	-	-	-	3,000	-	-	(3,000)	(3,000)	
Health Sciences Campus PO&M	-	252,836	-	-	-	-	252,836	-	-	(252,836)	(252,836)	
PO&M - FSEC	-	373,000	-	-	-	-	373,000	-	-	(373,000)	(373,000)	
OEM camera annual maintenance	-	150,000	-	-	-	-	150,000	-	-	(150,000)	(150,000)	
Foundation support	-	-	1,200,000	-	-	-	1,200,000	-	-	(1,200,000)	(1,200,000)	
Subtotal- recurring items	$ 1,250,000	$ 3,323,836	$ 1,790,000	$ -	$ -	$ -	$ 6,363,836	$ -	$ -	$ (6,363,836)	$ (6,363,836)	
Non-recurring allocations:												
Colburn Hall renovations	-	18,000,000	-	-	-	-	18,000,000	-	-	(18,000,000)	(18,000,000)	
Investment in research (seed)	-	15,000,000	-	-	-	-	15,000,000	-	-	(15,000,000)	(15,000,000)	
Financial aid audit	2,000,000	-	-	-	-	-	2,000,000	-	-	(2,000,000)	(2,000,000)	
Load testing performance tuning (DARS/PS conversion)	52,250	-	-	-	-	-	52,250	-	-	(52,250)	(52,250)	
Project Surface	3,500,000	-	-	-	-	-	3,500,000	-	-	(3,500,000)	(3,500,000)	
Graduate fellowships	695,000	-	-	-	-	-	695,000	-	-	(695,000)	(695,000)	
Organizational structure review	270,000	190,000	-	-	-	-	460,000	-	-	(460,000)	(460,000)	
Re-key building	-	320,000	-	-	-	-	320,000	-	-	(320,000)	(320,000)	
IQ project- Florida Hospital & Tavistock	250,000	-	-	-	-	-	250,000	-	-	(250,000)	(250,000)	
Creative Village project liason and coordinator	188,500	-	-	-	-	-	188,500	-	-	(188,500)	(188,500)	
Performance plan payments	136,500	-	40,500	45,000	-	-	222,000	-	-	(222,000)	(222,000)	
Subtotal- non-recurring items	$ 7,292,250	$ 33,510,000	$ 40,500	$ 45,000	$ -	$ -	$ 40,687,750	$ -	$ -	$ (40,687,750)	$ (40,687,750)	
Total to be allocated from non-recurring funds	$ 8,342,250	$ 36,833,836	$ 1,830,500	$ 45,000	$ -	$ -	$ 47,051,586	$ -	$ -	$ (47,051,586)	$ (47,051,586)	

COMPOSITION OF CENTRAL RESERVE

	Recurring		Non-recurring
	Reserve	Institutional Investments	Central Carryforward
2014-15 projected tuition held in reserve	$ 5,787,724	$ -	$ -
Permanent allocations to be recorded during the year	14,372,793	-	-
Available recurring reserve	27,107,940	-	
2013-14 carryforward funds (estimate)	-	-	37,752,638
Subtotal	47,268,457	-	37,752,638
Permanent allocations to be recorded during the year	(14,372,793)	-	
Recurring reserves as of July 1, 2014	32,895,664	-	
Non-recurring allocations to be recorded during the year	-	-	(47,051,586)
Total available reserves as of July 1, 2014	$ 32,895,664	$ -	$ (9,298,948)

Recommended for approval: A. Dale Whittaker — 8-8-14
A. Dale Whittaker, Provost & Vice President for Academic Affairs — Date

Approval: John C. Hitt — 8/11/14
John C. Hitt, President — Date

Board of Governors Committees and Meeting - March 27-28, 2019 - Audit and Compliance Committee

EXHIBIT F

Donna DuBuc

From:	Christina Tant
Sent:	Friday, June 19, 2015 10:07 AM
To:	Budget office
Cc:	Donna DuBuc; Tracy Clark; Dale Whittaker; Rebeca Richards; Wilson Rosario
Subject:	Budget Transfer - Colburn Hall
Attachments:	FW: Trevor Colburn Hall/Colburn Renovation
Importance:	High

Budget Office - Please transfer $18,000,000 from the university's E&G carry forward reserve (00010107) to A&I reserve department (and then to department 02800703). This amount was included in the "Future Allocations t reserve" section of the 2014-15 allocation document and brings the total funding transferred to date up to $28 (an additional $10,000,000 remains committed for 2015-16).

This will be recorded as a temporary increase to the division's base budget.

Please notify John Pittman and Wilson Rosario once the transfer has been posted.

Wilson - Please work with the department to encumber the funds prior to June 30, 2015. The cash should be tr to the construction project in FY16 to coincide with the timing of expected spending.

Let me know if you have any questions.

Thank you,

Christy Tant, CPA
Senior Associate Controller, Finance & Accounting
UCF
University of Central Florida
Finance and Accounting
12424 Research Pkwy, Suite 300
Orlando, FL 32826-3249
christy.tant@ucf.edu
Phone 407.882.1029
Fax 407.882.1102

From: Christina Tant
Sent: Wednesday, April 30, 2014 1:40 PM
To: Budget office
Cc: Donna DuBuc; Tracy Clark; Lynn Gonzalez; Diane Chase
Subject: Budget Transfer - Colburn Hall

Budget Office,

Please transfer $9,300,000 from the university's E&G carry forward reserve (00010107) to A&F's reserve depart (and then to department 02800703). This amount plus the $700,000 transferred earlier this fiscal year ($10,000 exceeds the $8,000,000 estimated in the "Future Allocations from reserve" section of the 2013-14 allocation dc The increase was approved in a recent meeting with the Provost and Mr. Merck.

This will be recorded as a temporary increase to the division's base budget.

Please notify John Pittman and Wilson Rosario once the transfer has been posted. Wilson is going to work with department to transfer the funds to the construction project (92010018).

Let me know if you have any questions.

Thank you,

Christy Tant, CPA
Senior Associate Controller, Finance & Accounting

UCF
University of Central Florida
Finance and Accounting
12424 Research Pkwy, Suite 300
Orlando, FL 32826-3249
christy.tant@ucf.edu
Phone 407.882.1029
Fax 407.882.1102

This form is updated frequently and should not be saved for future use. Please obtain the latest version of the form each time a transfer is proces
The completed form should only be saved in XLS format.

University of Central Florida

Budget Transfer Request

Budget Transfer #	RV-RSV	15084

Requestor: Christy Tant

Date: 06/19/15

Requesting Department: F&A

Transfer From *(this will be a credit amount ex: -1,000.00)*

Dept. Number	Dept. Name	Fund	Amount
00010107	BUD-CARRY FORWARD	10001	-18,000,000.00
02010710	AF VP-CARRY FORWARD	10001	-18,000,000.00
	Total		(36,000,000)

Transfer To *(this will be a debit amount ex: 1,000.00)*

Dept. Number	Dept. Name	Fund	Am
02010710	AF VP-CARRY FORWARD	10001	18
02800703	FO-CARRY FORWARD	10001	18
			3

Note: Send the budget transfer request by e-mail to the appropriate appr
for processing. Identify the budget transfer number in the subject line. Kc
for your records.

Purpose of Transfer (254 character limit)

Transfer reserve funds for Colburn Hall renovation. Temporary increase to division's base budget.

Recommended: Stacy Vu D

Approved: Christy Tant
Dean / Director D

EXHIBIT G

Donna DuBuc

From:	Christina Tant
Sent:	Wednesday, July 06, 2016 3:55 PM
To:	Rebeca Richards
Cc:	Donna DuBuc
Subject:	E&G Budget Transfer - Colburn Hall

Rebeca – please distribute the remaining amount of the central E&G commitment ($10,000,000) for the Colbur Trevor Colburn project. Please transfer this to the E&G department that received the previous transfers and th transfer the funds to the project (92010022), effective June 2016.

Let me know if you have any Qs.

Thank you,

Christy Tant, CPA
Director University Budgets, Office of Budget, Planning, and Administration

UCF
University of Central Florida
Finance and Accounting
12424 Research Pkwy, Suite 300
Orlando, FL 32826-3249
christy.tant@ucf.edu
Phone 407.882.1029
Fax 407.882.1102

Donna DuBuc

From: Tracy Clark
Sent: Tuesday, January 20, 2015 6:07 PM
To: Christina Tant
Subject: RE: Colbourn Hall

Yes.

Tracy Clark, CPA
Associate 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: Christina Tant
Sent: Tuesday, January 20, 2015 3:29 PM
To: Tracy Clark
Subject: RE: Colbourn Hall

Would it be appropriate to put that in next year's column, 2015-16?

From: Tracy Clark
Sent: Tuesday, January 20, 2015 3:16 PM
To: Christina Tant
Subject: FW: Colbourn Hall

Add $10 million to the planned items list for renovation of Colburn.

Tracy Clark, CPA
Associate 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: William Merck
Sent: Tuesday, January 20, 2015 3:15 PM
To: Lee Kernek
Cc: Dale Whittaker; Tracy Clark; Angie Carloss
Subject: Colbourn Hall

Lee: In a meeting today with the president, Dale Whittaker said the president approved moving forward with renovation of Colbourn Hall in conjunction with the construction of Trevor Colbourn Hall. He told the presider combining the projects would add about $10 million to the $28 million we had originally set aside in budget fo construction. This additional amount to the budget is a combination of the savings identified in the original bu

1

the new building plus the renovation cost for the old, helped by combining of the two projects. Original estima
$28 million for Trevor Colbourn, and $20 million for Colbourn renovation. The new budget is $23 million for Tre
Colbourn and $15 million for Colbourn, for a total of $38 million for both. Bill

EXHIBIT H

Mitz, Carine

From: Margaret Jarrell-Cole
Sent: Monday, July 28, 2014 9:24 AM
To: Jennifer Cerasa; Patrice Morgan; Lisa Ginn; Tonya Tolson
Cc: Anne Botteri
Subject: Fwd: BOG Regulations

Let's discuss how to use and file.

Anne, we have some laws and regs for the new provost list.

Margaret Jarrell-Cole
AVP and Legal Counsel
University of Central Florida Foundation

Begin forwarded message:

> **From:** Scott Cole <Scott.Cole@ucf.edu>
> **Date:** July 28, 2014 at 9:08:27 AM EDT
> **To:** Margaret Jarrell-Cole <Margaret.Cole@ucf.edu>
> **Subject: FW: BOG Regulations**
>
> W. Scott Cole
> Vice President and General Counsel
> University of Central Florida
> 4365 Andromeda Loop N.
> Orlando Fl 32816-0015
> Ph: (407)823-2482
> Fax: (407) 823-6155
>
> ---
>
> **From:** UCF <Scott.Cole@ucf.edu>
> **Date:** Thursday, July 24, 2014 at 5:04 PM
> **To:** Kaseema Rhue <Kaseema.Rhue@ucf.edu>
> **Subject:** BOG Regulations
>
> Kaseema: I'm putting together a notebook for the Provost of governing laws and regulation regarding Academic Affairs. Please print the following, double sided, an put in a tabbed notebook:
>
> Tab 1: Article IX, Section of the Florida Constitution:
> http://www.leg.state.fl.us/Statutes/Index.cfm?Mode=Constitution&Submenu=3&T
> =statutes#A9
>
> Tab2. The following BOG regulations from the BOG website:

http://www.flbog.edu/about/regulations/regulations.php

1.001
2.002
2.003
3.004
3.006
3.0076
8.001 to 8.016
9.007

Tab 3. The following UCF Regulations from the UCF Website:
http://regulations.ucf.edu/

1.014

All Chapter 2 regulations

All Chapter 10 regulations.

Tab 4. The following State Statutes

http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&URL=0-1099/1001/1001PartIVContentsIndex.html&StatuteYear=2013&Title=-%3E201%3EChapter%201001-%3EPart%20IV

1001.70 – 1001.73

1004.22

1004.28

1011.40 – 1011.48

Tab 5. University policies

http://policies.ucf.edu/

2-902
2-903
4-202.1
4-500
4-504-2
4-505

Tab 6. UCF Bylaws

https://bot.ucf.edu/files/2011/12/BOT-bylaws-Fourth-Amended-and-RestatedDec10.pdf

Tab 7 UCF Collective Bargaining Agreement
http://www.collectivebargaining.ucf.edu/CBA/2012-2015CBA_reopener.pdf

Print the first page and type in the link above on that page.

Tab 8 UCF Faculty Consitution

http://www.facultysenate.ucf.edu/constitution/FacultyConstitution2010.pdf

Print the first page only then type in the link above on that page.

Thanks.

Scott.

W. Scott Cole
Vice President and General Counsel
University of Central Florida
4365 Andromeda Loop N.
Orlando Fl 32816-0015
Ph: (407)823-2482
Fax: (407) 823-6155

EXHIBIT I

709663

From: William Merck
Sent: Tue 12/02/2014 4:15 PM (GMT-05:00)
To: Tracy Clark
Cc: Dale Whittaker
Bcc:
Subject: RE: Use of Carry-Forward Funds

Good detailed response. Bill

From: Tracy Clark
Sent: Tuesday, December 02, 2014 3:33 PM
To: David Noel; Lynn Gonzalez
Cc: Deborah German; Steven Omli; William Merck
Subject: RE: Use of Carry-Forward Funds

David,

I apologize. I did not realize you were waiting on an answer to this question. Lynn and I spoke to Steve few weeks ago when he was on campus and gave him our opinion at that time, so I thought that was tl end of it.

If I understand correctly you are looking to transfer $ 3 million of E&G funds to the UCF Foundation to establish endowments whereby the earnings from the funds will be made available to key faculty members for their use in various COM endeavors.

Two "rules", if you will, make this not possible. The first is that BOG regulation 9.007(3)(a) limits the us of E&G funds for E&G operating activities only – namely instruction, research, public service, plant operations and maintenance, student services etc. I would not describe the establishment of an endowment as an operating activity, and thus not a proper use of E&G funds. Second the Auditor General has taken the position that there is no legal authority that allows the universities to transfer cash to a DSO, whether it's transferred as a loan or as a straight transfer of cash. This position was reiterated in a presentation by Jim Stultz, AG Audit Manager, to the SUS controllers in June 2014. This scenario seems like too big of a stretch from these rules for me to be comfortable with this plan.

Both the BOG regulation and selected page from the AG's presentation are attached for your reference. If you would like to discuss it further, please give me a call.

Tracy Clark, CPA
Associate 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: David Noel
Sent: Tuesday, December 02, 2014 11:25 AM

709663

To: Lynn Gonzalez; Tracy Clark
Cc: Deborah German; Steven Omli
Subject: Use of Carry-Forward Funds

Dear Lynn and Tracy:

Can you please let me know when I can expect to receive your definitive response to our request to move $3M in carry-forward funds to quasi-endowed funds. This movement will greatly assist our effor to recruit and maintain key clinical faculty for the College of Medicine. If you are leaning toward denying this request, can you please also provide the rationale and the laws and or rules prohibiting th movement? We would like the opportunity to try to overcome whatever objections may exist.

Being able to quickly provide some endowments will be extremely beneficial to the College of Medicin now and into the future. This movement will also reduce our carry-forward fund total.

Many thanks for your attention to this detail and to helping the College of Medicine grow.

Best Regards, David

EXHIBIT J

University of Central Florida

Journal Entry Summary - E&G Funding Transferred to 8 Additional Construction Projects (Prior to Funding Corrections)

Date	Journal ID	Source Fund #	Source Fund Description	Department/ Project ID		615001 TSFR FM E&G
6/17/2013	0240061704	51039	UNIVERSITY CONSTRUCTION	91010124	The Venue	(75,000)
6/25/2013	0240062503	51039	UNIVERSITY CONSTRUCTION	91010143	Facilities Surplus Showroom	(2,000,000)
12/10/2014	0240121001	51039	UNIVERSITY CONSTRUCTION	91010124	The Venue	(1,000,000)
4/20/2015	9201042001	51039	UNIVERSITY CONSTRUCTION	92010020	Global UCF	(6,588)
2/18/2016	9201021830	51039	UNIVERSITY CONSTRUCTION	92010031	CREOL	(4,000,000)
5/11/2016	9201051101	51039	UNIVERSITY CONSTRUCTION	92010028	Main Campus District Energy Plant	(1,000,000)
6/16/2016	9201061601	51039	UNIVERSITY CONSTRUCTION	92010028	Main Campus District Energy Plant	(200,000)
6/30/2016	MAS0630002	51039	UNIVERSITY CONSTRUCTION	92010020	Global UCF	(1,620,000)
10/14/2016	0240101450	51039	UNIVERSITY CONSTRUCTION	91010284	Band Building	(300,000)
10/26/2016	0240102670	51039	UNIVERSITY CONSTRUCTION	91010284	Band Building	(262,704)
11/28/2016	0000185276	51039	UNIVERSITY CONSTRUCTION	92010041	Center for Emerging Media	(5,000,000)
5/25/2017	9201052530	51039	UNIVERSITY CONSTRUCTION	92010026	Research I	(3,000,000)
5/25/2017	SPV0525001	51039	UNIVERSITY CONSTRUCTION	92010048	Research I	(6,000,000)
6/29/2017	0240062904	51039	UNIVERSITY CONSTRUCTION	91010284	Band Building	(300,000)
10/31/2017	MAN1031004	51039	UNIVERSITY CONSTRUCTION	92010040	Downtown Campus Infrastructure	(4,800,000)
10/31/2017	MAN1031003	51039	UNIVERSITY CONSTRUCTION	92010049	Downtown Central Energy Plant	(11,500,000)
10/31/2017	MAN1031005	51039	UNIVERSITY CONSTRUCTION	92010051	Downtown Student Center	(5,400,000)
5/21/2018	0240052175	51039	UNIVERSITY CONSTRUCTION	92010031	CREOL	(17,000)
						(46,481,293)

EXHIBIT K

University of Central Florida

	University							University Reserves			
	Academic Affairs	Admin & Finance	President's Division	SMCA	Communications and Marketing	University Relations	All Divisions	Recurring	Non-Recurring	Medical School	Grand Total
2015-16 Operating Budget											
2014-15 End of year total budget, including all allocations	$ 495,607,658	$ 117,415,054	$ 22,335,459	$ 1,445,979	$ 7,140,693	$ 2,534,517	$ 646,478,760	$ 26,876,619	$ -	$ 57,083,904	$ 730,439,283
PERMANENT Beginning of Year Allocations											
State funding											
Performance funding	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 14,717,871	$ -	$ -	$ 14,717,871
Center for Reading- Istation	500,000	-	-	-	-	-	500,000	-	-	-	500,000
Florida Center for Nursing	450,000	-	-	-	-	-	450,000	-	-	-	450,000
Institute for Human and Machine Cognition	(440,000)	-	-	-	-	-	(440,000)	-	-	-	(440,000)
Plant, operations, and maintenance for new space	-	297,472	-	-	-	-	297,472	-	-	-	297,472
Risk management insurance	-	(465,636)	-	-	-	-	(465,636)	-	-	-	(465,636)
Pension and health adjustments	-	-	-	-	-	-	-	55,451	-	(8,805)	46,646
Chron's and Colitis Research	-	-	-	-	-	-	-	-	-	337,000	
Technical transfer	-	-	-	-	-	-	-	73,878	-	(73,878)	-
University designated											
2014-15 Salary increases (annualized)	518,147	151,451	47,794	-	17,797	5,554	740,743	(740,743)	-	-	-
CS&T Information security risk audit (annualized)	53,257	-	-	-	-	-	53,257	(53,257)	-	-	-
2014-15 Faculty/instructor promotional increases (annualized)	15,053	-	-	-	-	-	15,053	(15,053)	-	-	-
OEM camera and access control systems	-	208,810	-	-	-	-	208,810	(206,810)	-	-	-
OEM new key/camera/alert positions (annualized)	-	54,742	-	-	-	-	54,742	(54,742)	-	-	-
President's Office support	-	-	500,000	-	-	-	500,000	(500,000)	-	-	-
EOAA position	-	-	90,000	-	-	-	90,000	(90,000)	-	-	-
Provost's budget office salary	(373,198)	373,198	-	-	-	-	-	-	-	-	
New 100 faculty funding (2 lines) - COM	(270,600)	-	-	-	-	-	(270,600)	-	-	270,600	
Permanent division to division transfers	20,000	-	(20,000)	-	-	-	-	-	-	-	-
Tuition and fees:											
Allocate 2014-15 differential for need-based aid held in reserve	1,016,546	-	-	-	-	-	1,016,546	(1,016,546)	-	-	-
National Merit (waivers replacement)	1,001,500	-	-	-	-	-	1,001,500	(1,001,500)	-	-	-
2015-16 tuition budget increase held in reserve	-	-	-	-	-	-	-	5,311,068	-	-	5,311,068
2015-16 projected differential for need-based aid held in reserve	-	-	-	-	-	-	-	396,512	-	-	396,512
Projected increase in interest	-	-	-	-	-	-	-	1,000,000	-	-	1,000,000
Projected decrease in DPT tuition	(100,000)	-	-	-	-	-	(100,000)	-	-	-	(100,000)
Projected increase in FIEA tuition	88,454	-	-	-	-	-	88,454	-	-	-	88,454
Medical school increase in enrollment	-	-	-	-	-	-	-	-	-	1,432,186	1,432,186
Total permanent allocations	$ 2,479,159	$ 616,037	$ 617,794	$ -	$ 17,797	$ 5,554	$ 3,738,341	$ 17,876,129	$ -	$ 1,957,103	$ 23,234,573

University of Central Florida

	University						University Reserves				
	Academic Affairs	Admin & Finance	President's Division	SMCA	Communications and Marketing	University Relations	All Divisions	Recurring	Non-Recurring	Medical School	Grand Total
TEMPORARY Beginning of Year Allocations											
Reverse 2014-15 temporary allocations and carryforward	$ (102,399,479)	$ (41,092,374)	$ (11,002,053)	$ (1,445,979)	$ (3,082,813)	$ (505,615)	$ (159,528,313)	$ 4,430,753	$ -	$ (18,379,847)	$ (173,477,207)
Encumbrances (PO rollovers)	13,508,650	21,316,662	350,452	-	278,318	142,473	35,591,553	-	-	1,724,760	37,316,313
6/30/15 carryforward (including reallocation collection)	75,786,737	7,297,868	3,982,800	-	1,841,323	351,617	89,340,345	-	43,957,001	18,604,342	151,901,688
State funding											
Evans Community School	900,000	-	-	-	-	-	900,000	-	-	-	900,000
Lou Frey Institute	250,000	-	-	-	-	-	250,000	-	-	-	250,000
Chiron's and Collis Research	-	-	-	-	-	-	-	-	-	500,000	
University designated											
Recurring allocations from non-recurring funds:											
Development - Enhancement Plan	-	-	2,000,000	-	-	-	2,000,000	-	(2,000,000)	-	-
Foundation support	-	-	1,500,000	-	-	-	1,500,000	-	(1,500,000)	-	-
Athletics compliance positions	-	-	350,000	-	-	-	350,000	-	(350,000)	-	-
Finance & Accounting operations	-	2,500,000	-	-	-	-	2,500,000	-	(2,500,000)	-	-
Convocation Center rent	-	1,000,000	-	-	-	-	1,000,000	-	(1,000,000)	-	-
Conference fees	-	600,000	-	-	-	-	600,000	-	(600,000)	-	-
Health Sciences Campus Boggy Creek assessment	-	47,000	-	-	-	-	47,000	-	(47,000)	-	-
Communications and Marketing support	-	-	-	-	1,056,500	-	1,056,500	-	(1,056,500)	-	-
Non-recurring allocations:											
PBS partnership	-	-	-	-	2,012,186	-	2,012,186	-	(2,012,186)	-	-
Communications and Marketing support	-	-	-	-	1,000,000	-	1,000,000	-	(1,000,000)	-	-
Development salary	-	-	238,000	-	-	-	238,000	-	(238,000)	-	
University Innovation Alliance salary support	-	-	48,090	-	-	-	48,090	-	(48,090)	-	
Contract management software (legal)	-	-	46,976	-	-	-	46,976	-	(46,976)	-	-
Sematech (Year 4 of 5)	500,000	-	-	-	-	-	500,000	-	(500,000)	-	-
Creative Village coordinator	61,500	-	-	-	-	-	61,500	-	(61,500)	-	-
Oracle/Cisco contract payback (Year 1 of 5)	(2,329,154)	-	-	-	-	-	(2,329,154)	-	2,329,154	-	-
Predictive analytics software agreement with EAB payback	(166,200)	-	-	-	-	-	(166,200)	-	166,200	-	-
University Budget Committee allocations:											
COP - Phase II of CREOL addition/expansion	4,000,000	-	-	-	-	-	4,000,000	-	(4,000,000)	-	
SDES - Low Income SCH Enhancement Scholarships	2,025,000	-	-	-	-	-	2,025,000	-	(2,025,000)	-	
Regional - Web course support	775,000	-	-	-	-	-	775,000	-	(775,000)	-	
BHC - Additional honors courses & science labs	540,000	-	-	-	-	-	540,000	-	(540,000)	-	
SDES - Predictive analytics software agreement with EAB (Years 1 - 3)	456,700	-	-	-	-	-	456,700	-	(456,700)	-	
ITR - Data center hardware/maintenance	308,000	-	-	-	-	-	308,000	-	(308,000)	-	
COS - GTA stipends	282,150	-	-	-	-	-	282,150	-	(282,150)	-	
ORC - STOKES upgrade	282,150	-	-	-	-	-	282,150	-	(282,150)	-	
ITR - Recurring library resource cost inflation	270,000	-	-	-	-	-	270,000	-	(270,000)	-	
ORC - New Faculty Hires - IST	225,000	-	-	-	-	-	225,000	-	(225,000)	-	
CGS - Master of Interdisciplinary Studies	110,700	-	-	-	-	-	110,700	-	(110,700)	-	
Rosen annual maintenance and capital improvements	-	270,000	-	-	-	-	270,000	-	(270,000)	-	
Mini vans (2) for Soldiers to Scholars/Legislative Internships	-	-	-	-	-	94,500	94,500	-	(94,500)	-	
Total temporary allocations (including change in carry forward)	$ (4,775,246)	$ (8,060,844)	$ (2,527,735)	$ (1,445,979)	$ 3,480,512	$ 82,975	$ (13,346,317)	$ 4,430,753	$ 23,856,903	$ 2,449,455	$ 188,792,482
2015-16 Beginning of year total budget	**$ 493,311,571**	**$ 109,972,247**	**$ 20,325,518**	**$ -**	**$ 10,638,402**	**$ 2,623,048**	**$ 636,870,784**	**$ 49,183,501**	**$ 23,856,903**	**$ 61,490,462**	**$ 771,401,650**

University of Central Florida

	University							University Reserves			
	Academic Affairs	Admin & Finance	President's Division	SMCA	Communications and Marketing	University Relations	All Divisions	Recurring	Non-Recurring	Medical School	Grand Total
PLANNED MID-YEAR ALLOCATIONS											
Note: Amounts below are estimates. Budget will be allocated based on actual cost. Allocations are subject to availability of funds.											
PERMANENT allocations to be recorded during the year											
2015-16 salary increase (to be allocated among divisions)	$ 7,400,000	$ 1,000,000	$ -	$ -	$ -	$ -	$ 8,400,000	$ (8,400,000)	$ -		
Faculty ADI pool	700,000	-	-	-	-	-	700,000	(700,000)	-		
Faculty/instructor promotional increase	750,000	-	-	-	-	-	750,000	(750,000)	-		
TIP, RIA, SoTL	500,000	-	-	-	-	-	500,000	(500,000)	-		
Financial aid to replace Bright Futures (+$1m funded by fin aid fee)	2,100,000	-	-	-	-	-	2,100,000	(2,100,000)	-		
Continuation of CECS team grant initiatives	1,879,462	-	-	-	-	-	1,879,462	(1,879,462)	-		
Support staff for first 100 new faculty	1,700,000	-	-	-	-	-	1,700,000	(1,700,000)	-		
E&G interest allocation	-	4,000,000	-	-	-	-	4,000,000	(4,000,000)	-		
Estimated professional fee and need-based aid allocations	549,100	-	-	-	-	-	549,100	(549,100)	-		
Title IX coordinator	-	-	120,000	-	-	-	120,000	(120,000)	-		
Total to be allocated from recurring funds	$ 15,578,562	$ 5,000,000	$ 120,000	$ -	$ -	$ -	$ 20,698,562	$ (20,698,562)	$ -		
TEMPORARY allocations to be recorded during the year											
Recurring allocations from non-recurring funds:											
Undergraduate education pilot projects/ Quality Enhancement Plan	$ 1,000,000	$ -	$ -	$ -	$ -	$ -	$ 1,000,000	$ -	$ (1,000,000)		
Academic advising costs (EAB Agreement)	150,000	-	-	-	-	-	150,000	-	(150,000)		
UCF Knights Success Grant	100,000	-	-	-	-	-	100,000	-	(100,000)		
Title IX investigator	70,000	-	-	-	-	-	70,000	-	(70,000)		
Enrollment management position for IKM	55,000	-	-	-	-	-	55,000	-	(55,000)		
PO&M - FSEC	-	373,000	-	-	-	-	373,000	-	(373,000)		
Health Sciences Campus PO&M	-	252,836	-	-	-	-	252,836	-	(252,836)		
Pegasus Magazine	-	-	-	-	77,000	-	77,000	-	(77,000)		
Soldiers to Scholars positions	-	-	-	-	-	132,160	132,160	-	(132,160)		
Subtotal- recurring items	$ 1,375,000	$ 625,836	$ -	$ -	$ 77,000	$ 132,160	$ 2,209,996	$ -	$ (2,209,996)		
Non-recurring allocations:											
Investment in research (Osceola)	$ 7,000,000	$ -	$ -	$ -	$ -	$ -	$ 7,000,000	$ -	$ (7,000,000)		
2015-16 Merit based scholarships	700,000	-	-	-	-	-	700,000	-	(700,000)		
Graduate fellowships to enhance retention	243,000	-	-	-	-	-	243,000	-	(243,000)		
Graduate health insurance	100,000	-	-	-	-	-	100,000	-	(100,000)		
Creative Village project liaison	188,500	-	-	-	-	-	188,500	-	(188,500)		
CECS graduate SCH growth	150,000	-	-	-	-	-	150,000	-	(150,000)		
Furniture for Global Achievement Academy building	-	1,500,000	-	-	-	-	1,500,000	-	(1,500,000)		
Re-key building	-	200,000	-	-	-	-	200,000	-	(200,000)		
Project Surface	-	-	3,500,000	-	-	-	3,500,000	-	(3,500,000)		
Foundation salary support	-	-	667,000	-	-	-	667,000	-	(667,000)		
Performance plan payments	100,000	-	100,000	-	50,000	-	250,000	-	(250,000)		
Subtotal- non-recurring items	$ 8,481,500	$ 1,700,000	$ 4,267,000	$ -	$ 50,000	$ -	$ 14,498,500	$ -	$ (14,498,500)		
Total to be allocated from non-recurring funds	$ 9,856,500	$ 2,325,836	$ 4,267,000	$ -	$ 127,000	$ 132,160	$ 16,708,496	$ -	$ (16,708,496)		
2015-16 Total budget after mid-year allocations	**$ 518,746,633**	**$ 117,298,083**	**$ 24,712,518**	**$ -**	**$ 10,765,402**	**$ 2,755,206**	**$ 674,277,842**	**$ 28,484,939**	**$ 7,148,407**	**$ 61,490,462**	**$ 771,401,650**

University of Central Florida

	Academic Affairs	Admin & Finance	President's Division	University SMCA	Communications and Marketing	University Relations	All Divisions	University Reserves Recurring	Non-Recurring	Medical School	Grand Total

Recommended for approval: A. Dale Whittaker 8-19-15
A. Dale Whittaker, Provost & Vice President for Academic Affairs Date

Approval: John C. Hitt 8/19/15
John C. Hitt, President Date

COMPOSITION OF CENTRAL RESERVE

	Recurring	Non-recurring	Total
2015-16 Beginning Reserve	$ 49,183,501	$ 23,856,903	
Allocations to be recorded during the year	(20,698,562)	(16,708,496)	
Second 100 Faculty and support staff	(14,717,871)		
Total available reserves as of July 1, 2016	$ 13,767,068	$ 7,148,407	$ 20,915,475
Prior Year estimated reserve comparables after planned allocations:			
2014-15 Estimate per allocation Document	32,895,864	(9,296,948)	23,598,716
2013-14 Estimate per allocation Document	29,298,433	6,114,864	35,413,297
2012-13 Estimate per allocation Document	11,266,268	34,377,698	45,643,966

EXHIBIT L

University of Central Florida
Central Reserve - Planned E&G Budget Allocations
Fiscal 2016-17

UPDATED - 8/1/16

		XREF	UBC?	Original 2016-17	To-Date 2016-17	Revised 2016-17	5-Year Plan 2017-18	2018-19	201
A.	**Recurring allocations from recurring funds**								
	FY17 State retirement adjustments	Q		597,117	-	597,117	-	-	
1	2015-16 Salary increase	B1		4,225,430	4,225,430	4,225,430	-	-	
	2016-17 Salary increase	B2		7,450,000	-	7,450,000	-	-	
1	ADI Pool	A2		(700,000)	(700,000)	(700,000)	750,000	750,000	7
1*	Faculty/ instructor promotional increases (annualized)	A		763,861	13,861	763,861	750,000	750,000	7
	TIP, RIA, SoTL	A		500,000	-	500,000	500,000	500,000	5
	Pool for lower-paid faculty	A		250,000	-	250,000	-	-	
	Graduate health insurance	G		675,000	-	675,000	?	?	
	DOL Rule on Overtime Pay			-	-	?	?	?	
1*	2014-15 support staff for first 100 faculty	D		1,243,249	439,050	1,243,249	-	-	
1*	2015-16 support staff for second 100 faculty	D		1,686,594	163,373	1,686,594			
1	Title IX Coordinator (President) - annualized	O		48,527	-	48,527	-	-	
1	Title IX Investigator (SDES) - full year	O		66,495	-	66,495	-	-	
1	Enrollment Management Position for IKM	O		55,000	-	55,000	-	-	
	Soldier to Scholars - Program Manager	O		82,160	-	82,160	-	-	
	Soldier to Scholars - Veteran's Housing	O		50,000	-	50,000	-	-	
1	Communications and Marketing	L		1,311,500	-	1,311,500	-	-	
1	Pegasus Magazine	L		100,000	-	100,000	-	-	
1	2016-17 New faculty lines (45)	E	UBC	5,600,000	-	5,600,000	-	-	
5, 1	National Academy Members	E	UBC	1,187,000	-	1,187,000	-	-	
5, 1	Trustee Chairs (5)	E	UBC	250,000	-	250,000	-	-	
5, 1	Research Admin Process & Technology Implementation	F	UBC	585,600	-	585,600	-	-	
5, 1	Post-doctoral fellowship opportunities (to be held in reserve)	G	UBC	1,900,000	-	1,900,000	-	-	
5, 1	Preeminence supporting initiatives - AA	P	UBC	1,077,400	-	1,077,400	-	-	
1	College of Engineering Graduate SCH Growth	P		513,824	-	513,824	-	-	
1	Contribution toward ORC Doctoral fellowhips	G	UBC	510,000	-	510,000	-	-	
1	Increase graduate waivers & health insurance ($869,520 to be issued as waiv	G	UBC	265,680	-	265,680	-	-	
1	Increase graduate stipends	G	UBC	669,600	-	669,600	-	-	
1	Merit-based scholarships (LEAD, Acad Enrich, Brain Bowl)	H	UBC	575,000	-	575,000	-	-	
1	SARC Learning support services	H	UBC	264,000	-	264,000	-	-	
1	Library inflation (FY16 and FY17)	H	UBC	679,000	-	679,000	-	-	
1	Office of Security Management	I	UBC	500,000	-	500,000	-	-	
1	IT Security Incident Response	I	UBC	745,700	-	745,700	-	-	
1	Undesignated divisional reserve allocations	J	UBC	3,300,000	-	3,300,000	-	-	
1	Differential tuition for need based aid	H		396,512	396,512	396,512	-	-	
	Total recurring allocations from recurring funds			***37,424,249***	***4,538,226***	***37,424,249***	***2,000,000***	***2,000,000***	***2,0***
B.	**Recurring allocations from nonrecurring funds**								
1	Development - Enhancement Plan	M		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,0
1	Foundation Support	M		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,5
	Development - Enhancement Plan - NEW	M		2,547,000	-	2,547,000	2,547,000	2,547,000	2,5
1	Convocation Center rent	R		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,0
1	Conference entrance fees (5 years through 2016-17)	S		600,000	600,000	600,000	600,000	600,000	6
1	Athletic Compliance Positions	O		350,000	350,000	350,000	350,000	350,000	3
	Director of Governmental Relations	O		138,600	-	138,600	138,600	138,600	1
1	Quality Enhancement Plan (QEP)	P		700,000	700,000	700,000	700,000	700,000	7
1	Undergraduate studies hiring plan	P		300,000	300,000	300,000	300,000	300,000	3
1	Athletic scholarships for women (Title IX)	H	UBC	330,000	330,000	330,000	330,000	330,000	3
	UCF Knights Success Grant (to enhance graduation rate)	H		150,000	-	150,000	150,000	150,000	1
1	Finance & Accounting Operations	Y		2,500,000	2,500,000	2,500,000	2,500,000	-	
	Health Sciences Campus chilled water expenses	Q		-	-	-	-	2,500,000	2,5
	PO&M - Osceola	Q		-	-	-	-	?	?
	PO&M - FSEC	Q		373,000	-	373,000	373,000	373,000	3
	Health Sciences Campus PO&M	Q		252,836	-	252,836	252,836	252,836	2
1	Health Sciences Campus Boggy Creek assessment	Q		45,000	45,000	45,000	45,000	45,000	
1	Health Sciences Campus property taxes	Q		2,000	2,000	2,000	2,000	2,000	
1	Rosen maintenance costs	Q		250,000	250,000	250,000	250,000	250,000	2
1	International and cyber insurance	Q		160,000	160,000	160,000	160,000	160,000	1
	Total recurring allocations from nonrecurring funds			***13,198,436***	***9,737,000***	***13,198,436***	***13,198,436***	***13,198,436***	***13,1***
C.	**Planned nonrecurring allocations**								
1	ORC operating budget shortfall	F1	UBC	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	
1	SEMATECH ($2.5 million over 5 years)	F1		500,000	500,000	500,000	-	-	
1	Investment in Research (Osceola)	F2		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,0
	Furniture for Interdisciplinary Research building (June 2017)	F3		3,000,000	-	3,000,000	-	-	
4	COS - Pipe repair at Biology Animal Center	F3		1,500,000	-	1,500,000	-	-	
1	CECS - Renovation of 3 CECE labs	F3		575,000	575,000	575,000	-	-	
1*	BSBS Lab Decontamination	F3		200,000	84,400	200,000	-	-	
1	Research Admin Process & Technology Implementation	F4	UBC	1,973,500	1,973,500	1,973,500	-	-	
1	PBS Partnership (excluding purchase price)	N		2,149,654	2,149,654	2,149,654	?	?	
1	US Tennis Association Complex (due end of 2016) (Project Surface)	M		1,155,000	1,155,000	1,155,000	1,190,000	-	
	Development Enhancement Plan - NEW	M		900,000	-	900,000	-	-	
	New chiller plant	K		5,000,000	-	5,000,000	-	-	
	Generator for Biology Building	K		929,000	-	929,000	-	-	
	Band building	K		300,000	-	300,000	-	-	
1	National Academy Members	E	UBC	1,719,500	1,719,500	1,719,500	-	-	
	HR Consulting Projects	O		300,000	-	300,000	-	-	
1	Creative Village Project Laison and Coordinator	O		250,000	250,000	250,000	-	-	

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E&G Commitments

UPDATED - 8/1/16

		XREF	UBC?	Original 2016-17	To-Date 2016-17	Revised 2016-17	5-Year Plan 2017-18	2018-19	201
	Strategic planning initiatives (consulting)	O		200,000	-	200,000	-	-	
1	Contract management software (Legal)	O		53,934	53,934	53,934	61,449	69,565	
1	University Innovativion Alliance liaison	O		48,090	48,090	48,090	-	-	
	Re-key building	I		300,000	-	300,000	200,000	?	
1	IT Security Incident Response	I	UBC	565,680	565,680	565,680	-	-	
1	IT database/ application licenses	I	UBC	300,480	300,480	300,480	-	-	
1	Academic advising costs (EAB 5-year contract through 2019-20)	H		150,000	150,000	150,000	-	-	
1	Oracle/ Cisco Contract (5-year payback through 2019-20)	Z		(2,329,154)	(2,329,154)	(2,329,154)	(1,529,401)	(1,529,401)	(1,5
	Daytona State College - HVAC replacement project			-	-	?	-	-	
	Creative Village start up costs			-	-	?	?	?	
	Boggy Creek Bond Assessment (once development begins)			-	-	?	?	?	
	Health Sciences Campus support (pending but not approved)			-	-	?	?	?	
	Total nonrecurring allocations			***26,740,684***	***14,196,084***	***26,740,684***	***6,922,048***	***5,540,164***	***3,***
D.	Total Recurring and Non-recurring Allocations:								
	Recurring allocations (A)			37,424,249	4,538,226	37,424,249	2,000,000	2,000,000	2,(
	Non-recurirng allocations (B + C)			39,939,120	23,933,084	39,939,120	20,120,484	18,738,600	16,(
	Total allocations			77,363,369	28,471,310	77,363,369	22,120,484	20,738,600	18,(

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EXHIBIT M

University of Central Florida

2016-17 E&G Budget, Summary of Allocations and Reserve

	University Divisions						University Reserves					
	Academic Affairs	Admin & Finance	President's Division	Communications and Marketing	University Relations	Total Divisions	Recurring	Recurring for Facility Needs	Non-Recurring	Total Central Reserve	Medical School	Grand Total
2016-17 Operating Budget												
2015-16 End of year total budget, including all allocations	$ 524,067,980	$ 127,382,522	$ 22,293,194	$ 10,828,945	$ 2,623,679	$ 687,196,320	$ 26,150,546	$ -	$ (2,777,032)	$ 23,373,514	$ 61,564,340	$ 772,134,174
Less: Temporary allocations and carry forward	(106,178,754)	(49,929,765)	(10,156,124)	(6,707,488)	(576,326)	(173,548,455)	-	-	2,777,032	2,777,032	(20,829,102)	(191,600,525)
2016-17 Beginning of year base budget (excluding carry forward)	$ 417,889,226	$ 77,452,757	$ 12,137,070	$ 4,121,459	$ 2,047,353	$ 513,647,865	$ 26,150,546	$ -	$ -	$ 26,150,546	$ 40,735,238	$ 580,533,649
PERMANENT Beginning of Year Allocations												
State funding												
Performance funding	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,204,414	$ -	$ -	$ 16,204,414	$ -	$ 16,204,414
Retirement adjustments	-	-	-	-	-	-	597,117	-	-	597,117	45,226	642,343
Plant, operations, and maintenance for new space-annualization	-	85,373	-	-	-	85,373	-	-	-	-	-	85,373
Dr. Phillips Center for Performing Arts	3,900,299	-	-	-	-	3,900,299	-	-	-	-	-	3,900,299
Advanced Manufacturing Sensor Project	5,000,000	-	-	-	-	5,000,000	-	-	-	-	-	5,000,000
Center for Reading- Istation	2,000,000	-	-	-	-	2,000,000	-	-	-	-	-	2,000,000
Urban Teacher Institute	250,000	-	-	-	-	250,000	-	-	-	-	-	250,000
Florida Center for Nursing	(450,000)	-	-	-	-	(450,000)	-	-	-	-	-	(450,000)
Emerging Preeminence Funding	-	-	-	-	-	-	5,000,000	-	-	5,000,000	-	5,000,000
Florida Center for Unique Abilities	8,000,000	-	-	-	-	8,000,000	-	-	-	-	-	8,000,000
University designated												
2015-16 salary increases (annualized)	3,557,470	457,867	136,333	58,605	15,155	4,225,430	(4,225,430)	-	-	(4,225,430)	-	-
2015-16 faculty/instructor promotional increases (annualized)	13,861	-	-	-	-	13,861	(13,861)	-	-	(13,861)	-	-
2015-16 Faculty ADI pool	(700,000)	-	-	-	-	(700,000)	700,000	-	-	700,000	-	-
2014-15 support staff for first 100 new faculty (annualized)	406,750	32,300	-	-	-	439,050	(439,050)	-	-	(439,050)	-	-
2015-16 support staff for second 100 new faculty (annualized)	163,373	-	-	-	-	163,373	(163,373)	-	-	(163,373)	-	-
Title IX coordinator (annualized)	-	-	48,527	-	-	48,527	(48,527)	-	-	(48,527)	-	-
Title IX investigator (full year)	86,495	-	-	-	-	86,495	(86,495)	-	-	(86,495)	-	-
Enrollment management position for IKM	55,000	-	-	-	-	55,000	(55,000)	-	-	(55,000)	-	-
Communications & marketing	-	-	-	1,311,500	-	1,311,500	(1,311,500)	-	-	(1,311,500)	-	-
Pegasus Magazine	-	-	-	100,000	-	100,000	(100,000)	-	-	(100,000)	-	-
University Budget Committee allocations:												
2016-17 new faculty lines (45)	5,600,000	-	-	-	-	5,600,000	(5,600,000)	-	-	(5,600,000)	-	-
ITR - Library materials inflationary costs	679,000	-	-	-	-	679,000	(679,000)	-	-	(679,000)	-	-
ITR - Security incident response	745,700	-	-	-	-	745,700	(745,700)	-	-	(745,700)	-	-
ITR - Divisional discretionary funds	300,000	-	-	-	-	300,000	(300,000)	-	-	(300,000)	-	-
ORC - Divisional discretionary funds	85,500	-	-	-	-	85,500	(85,500)	-	-	(85,500)	-	-
SDES - Merit-based scholarships (LEAD, Academic Enrich, Brain Bowl)	575,000	-	-	-	-	575,000	(575,000)	-	-	(575,000)	-	-
SDES - SARC Learning support services	264,000	-	-	-	-	264,000	(264,000)	-	-	(264,000)	-	-
SDES - Divisional discretionary funds	400,000	-	-	-	-	400,000	(400,000)	-	-	(400,000)	-	-
CGS - Contribution to doctoral fellowships	510,000	-	-	-	-	510,000	(510,000)	-	-	(510,000)	-	-
CGS - Graduate health insurance (in addition to $869k in waiver authority)	265,680	-	-	-	-	265,680	(265,680)	-	-	(265,680)	-	-
CGS - Graduate stipends	669,600	-	-	-	-	669,600	(669,600)	-	-	(669,600)	-	-
A&F - Office of Security Management	-	500,000	-	-	-	500,000	(500,000)	-	-	(500,000)	-	-
A&F - Athletic scholarships for women (Title IX)	-	330,000	-	-	-	330,000	(330,000)	-	-	(330,000)	-	-
AA - Divisional discretionary funds	1,500,000	-	-	-	-	1,500,000	(1,500,000)	-	-	(1,500,000)	-	-
A&F - Divisional discretionary funds	-	800,000	-	-	-	800,000	(800,000)	-	-	(800,000)	-	-
PRES - Divisional discretionary funds	-	-	185,000	-	-	185,000	(185,000)	-	-	(185,000)	-	-
C&M - Divisional discretionary funds	-	-	-	33,000	-	33,000	(33,000)	-	-	(33,000)	-	-

University of Central Florida

2016-17 E&G Budget, Summary of Allocations and Reserve

	University Divisions						University Reserves					
	Academic Affairs	Admin & Finance	President's Division	Communications and Marketing	University Relations	Total Divisions	Recurring	Recurring for Facility Needs	Non-Recurring	Total Central Reserve	Medical School	Grand Total
C&M - UCF Branding Campaign	-	-	-	510,000	-	510,000	(510,000)	-	-	(510,000)	-	-
UR - Divisional discretionary funds	-	-	-	-	16,500	16,500	(16,500)	-	-	(16,500)	-	-
Reserve for facility needs	-	-	-	-	-	-	(1,500,000)	1,500,000	-	-	-	-
UBC allocations funded from Emerging Preeminence Funds:								-				
Faculty Excellence- National Academy Members	1,187,000	-	-	-	-	1,187,000	(1,187,000)	-	-	(1,187,000)	-	-
AA - Trustee chairs (5)	250,000	-	-	-	-	250,000	(250,000)	-	-	(250,000)	-	-
ORC - Research administration process & technology implementation	585,600	-	-	-	-	585,600	(585,600)	-	-	(585,600)	-	-
CGS - Doctoral & post-doctoral fellowships	1,900,000	-	-	-	-	1,900,000	(1,900,000)	-	-	(1,900,000)	-	-
Preeminence supporting initiatives	1,077,400	-	-	-	-	1,077,400	(1,077,400)	-	-	(1,077,400)	-	-
Tuition and fees:												
Allocate 2015-16 increase in differential for need-based aid	396,512	-	-	-	-	396,512	(396,512)	-	-	(396,512)	-	-
2015-16 tuition excess collections available to UBC	-	-	-	-	-	-	12,000,000	-	-	12,000,000	-	12,000,000
2016-17 projected tuition growth held in reserve	-	-	-	-	-	-	5,023,195	-	-	5,023,195	-	5,023,195
2016-17 projected increase in differential for need-based aid	182,253	-	-	-	-	182,253	660,756	-	-	660,756	-	823,009
Projected decrease in FIEA tuition	(126,733)	-	-	-	-	(126,733)	-	-	-	-	-	(126,733)
College of Engineering Graduate SCH Growth	513,824	-	-	-	-	513,824	(513,824)	-	-	(513,824)	-	-
Medical school increase in enrollment	-	-	-	-	-	-	-	-	-	-	791,144	791,144
Total permanent allocations	$ 39,803,584	$ 2,205,540	$ 349,860	$ 2,013,105	$ 31,855	$ 44,403,744	$ 12,402,930	$ 1,500,000	$ -	$ 13,902,930	$ 836,370	$ 59,143,044
TEMPORARY Beginning of Year Allocations												
Reverse 2015-16 temporary allocations and carryforward	$ (106,178,754)	$ (46,926,765)	$ (10,156,124)	$ (6,707,486)	$ (576,326)	$ (173,548,455)	$ -	$ -	$ 2,777,032	$ 2,777,032	$ (20,829,102)	$ (191,600,525)
Encumbrances (PO rollovers)	11,753,507	2,827,967	903,475	595,281	82,571	16,142,781	-	-	-	-	1,784,396	17,927,177
6/30/16 carryforward	89,493,937	7,050,239	2,037,729	2,183,543	396,562	101,162,030	-	-	36,326,012	36,326,012	15,323,181	152,811,223
State funding												
Dr. Phillips Center for Performing Arts	1,147,744	-	-	-	-	1,147,744	-	-	-	-	-	1,147,744
Evans Community School	1,500,000	-	-	-	-	1,500,000	-	-	-	-	-	1,500,000
Incubator	1,000,000	-	-	-	-	1,000,000	-	-	-	-	-	1,000,000
Lou Frey Institute	500,000	-	-	-	-	500,000	-	-	-	-	-	500,000
University security management technology	-	300,000	-	-	-	300,000	-	-	-	-	-	300,000
Florida FIRST Robotics Team Grant	100,000	-	-	-	-	100,000	-	-	-	-	-	100,000
Chron's and Colitis research	-	-	-	-	-	-	-	-	-	-	100,000	100,000
University designated												
Recurring allocations from non-recurring funds:												
Salary Support for Undergraduate Studies/Teaching & Learning Hiring Plan	300,000	-	-	-	-	300,000	-	-	(300,000)	(300,000)	-	-
Undergraduate education pilot projects/ Quality Enhancement Plan	700,000	-	-	-	-	700,000	-	-	(700,000)	(700,000)	-	-
Development - Enhancement Plan	-	-	2,000,000	-	-	2,000,000	-	-	(2,000,000)	(2,000,000)	-	-
Foundation support	-	-	1,500,000	-	-	1,500,000	-	-	(1,500,000)	(1,500,000)	-	-
Athletics compliance positions	-	-	350,000	-	-	350,000	-	-	(350,000)	(350,000)	-	-
Convocation Center rent	-	1,000,000	-	-	-	1,000,000	-	-	(1,000,000)	(1,000,000)	-	-
Conference entrance fees	-	600,000	-	-	-	600,000	-	-	(600,000)	(600,000)	-	-
Finance & Accounting operations	-	2,500,000	-	-	-	2,500,000	-	-	(2,500,000)	(2,500,000)	-	-
Health Sciences Campus Boggy Creek assessment	-	45,000	-	-	-	45,000	-	-	(45,000)	(45,000)	-	-
Health Sciences Campus property taxes	-	2,000	-	-	-	2,000	-	-	(2,000)	(2,000)	-	-
International and cyber insurance	-	160,000	-	-	-	160,000	-	-	(160,000)	(160,000)	-	-
Rosen maintenance costs	-	250,000	-	-	-	250,000	-	-	(250,000)	(250,000)	-	-
Non-recurring allocations:												
Project Surface (Tennis complex)	-	-	1,155,000	-	-	1,155,000	-	-	(1,155,000)	(1,155,000)	-	-
Investment in research (Osceola)	4,500,000	-	-	-	-	4,500,000	-	-	(4,500,000)	(4,500,000)	-	-

University of Central Florida

2016-17 E&G Budget, Summary of Allocations and Reserve

	University Divisions						University Reserves					
	Academic Affairs	Admin & Finance	President's Division	Communications and Marketing	University Relations	Total Divisions	Recurring	Recurring for Facility Needs	Non-Recurring	Total Central Reserve	Medical School	Grand Total
Sematech (Year 5 of 5)	500,000	-	-	-	-	500,000	-	-	(500,000)	(500,000)	-	-
Creative Village coordinator (final year of commitment)	250,000	-	-	-	-	250,000	-	-	(250,000)	(250,000)	-	-
PBS partnership	-	-	-	2,149,654	-	2,149,654	-	-	(2,149,654)	(2,149,654)	-	-
University Innovation Alliance liaison	-	-	48,090	-	-	48,090	-	-	(48,090)	(48,090)	-	-
Contract management software (legal)	-	-	53,934	-	-	53,934	-	-	(53,934)	(53,934)	-	-
Oracle/Cisco contract payback (Year 2 of 5)	(2,329,154)	-	-	-	-	(2,329,154)	-	-	2,329,154	2,329,154	-	-
Lab renovations (CECS)	575,000	-	-	-	-	575,000	-	-	(575,000)	(575,000)	-	-
Academic advising costs- EAB agreement (final year of commitment)	150,000	-	-	-	-	150,000	-	-	(150,000)	(150,000)	-	-
Marketing for faculty hires from AA	(55,000)	-	-	55,000	-	-	-	-	-	-	-	-
Lab decontamination (BSBS)	-	84,400	-	-	-	84,400	-	-	(84,400)	(84,400)	-	-
University Budget Committee allocations:												
ORC - Research administration process & technology implementation	1,973,500	-	-	-	-	1,973,500	-	-	(1,973,500)	(1,973,500)	-	-
ORC - Operating budget shortfall	2,000,000	-	-	-	-	2,000,000	-	-	(2,000,000)	(2,000,000)	-	-
ITR - Security incident response	585,680	-	-	-	-	585,680	-	-	(585,680)	(585,680)	-	-
ITR - IT database/application licenses	300,480	-	-	-	-	300,480	-	-	(300,480)	(300,480)	-	-
AA - National Academy Members (1 Full + 1 Transition)	1,719,500	-	-	-	-	1,719,500	-	-	(1,719,500)	(1,719,500)	-	-
C&M - UCF Branding Campaign	-	-	-	380,000	-	380,000	-	-	(380,000)	(380,000)	-	-
Total temporary allocations (Including change in carry forward)	$ 10,468,440	$ (35,110,159)	$ (2,107,895)	$ (1,354,028)	$ (127,173)	$ (28,232,815)	$ -	$ -	$ 15,839,960	$ 15,839,960	$ (3,621,525)	136,596,842
2016-17 Beginning of year total budget	$ 574,336,004	$ 94,477,903	$ 20,535,158	$ 11,488,022	$ 2,528,161	$ 703,367,248	$ 38,553,478	$ 1,500,000	$ 12,862,928	$ 52,916,404	$ 58,779,185	$ 815,062,837

PLANNED MID-YEAR ALLOCATIONS

Note: Amounts below are estimates. Budget will be allocated based on actual cost. Allocations are subject to availability of funds.

PERMANENT allocations to be recorded during the year										
2016-17 salary increase (estimated allocation)	$ 6,273,000	$ 807,000	$ 240,000	$ 103,000	$ 27,000	$ 7,450,000	$ (7,450,000)	$ -	$ -	$ (7,450,000)
Faculty/instructor promotional increase	750,000	-	-	-	-	750,000	(750,000)	-	-	(750,000)
TIP, RIA, SoTL	500,000	-	-	-	-	500,000	(500,000)	-	-	(500,000)
Graduate health insurance	875,000	-	-	-	-	875,000	(875,000)	-	-	(875,000)
Pool for lower paid faculty	250,000	-	-	-	-	250,000	(250,000)	-	-	(250,000)
FY17 State retirement adjustments (to be allocated among divisions)	597,117	-	-	-	-	597,117	(597,117)	-	-	(597,117)
2014-15 support staff for first 100 new faculty	670,599	133,600	-	-	-	804,199	(804,199)	-	-	(804,199)
2015-16 support staff for second 100 new faculty	1,523,221	-	-	-	-	1,523,221	(1,523,221)	-	-	(1,523,221)
E&G interest allocation	-	4,000,000	-	-	-	4,000,000	(4,000,000)	-	-	(4,000,000)
Estimated professional/ misc fee collections	152,588	-	-	-	-	152,588	(152,588)	-	-	(152,588)
Estimated differential tuition for need based aid allocations	660,756	-	-	-	-	660,756	(660,756)	-	-	(660,756)
Soldiers to Scholars - Program Manager	-	-	-	-	82,160	82,160	(82,160)	-	-	(82,160)
Soldiers to Scholars - Veteran's Housing	-	-	-	-	50,000	50,000	(50,000)	-	-	(50,000)
Total to be allocated from recurring funds	$ 12,052,281	$ 4,940,600	$ 240,000	$ 103,000	$ 159,160	$ 17,495,041	$ (17,495,041)	$ -	$ -	$ (17,495,041)
TEMPORARY allocations to be recorded during the year										
Recurring allocations from non-recurring funds:										
UCF Knights Success Grant	$ 150,000	$ -	$ -	$ -	$ -	$ 150,000	$ -	$ -	$ (150,000)	$ (150,000)
Development Enhancement Plan	-	-	2,547,000	-	-	2,547,000	-	-	(2,547,000)	(2,547,000)
PO&M - FSEC	-	373,000	-	-	-	373,000	-	-	(373,000)	(373,000)
Health Sciences Campus PO&M	-	252,836	-	-	-	252,836	-	-	(252,836)	(252,836)
Director of Governmental Relations	-	-	-	-	138,600	138,600	-	-	(138,600)	(138,600)
Subtotal- recurring items	$ 150,000	$ 625,836	$ 2,547,000	$ -	$ 138,600	$ 3,461,436	$ -	$ -	$ (3,461,436)	$ (3,461,436)

University of Central Florida

2016-17 E&G Budget, Summary of Allocations and Reserve

	University Divisions						University Reserves					
	Academic Affairs	Admin & Finance	President's Division	Communications and Marketing	University Relations	Total Divisions	Recurring	Recurring for Facility Needs	Non-Recurring	Total Central Reserve	Medical School	Grand Total
Non-recurring allocations:												
Furniture for Interdisciplinary Research Building	$ -	$ 3,000,000	$ -	$ -	$ -	$ 3,000,000	$ -	$ -	$ (3,000,000)	$ (3,000,000)		
Pipe repair at Biology Animal Center	1,500,000	-	-	-	-	1,500,000	-	-	(1,500,000)	(1,500,000)		
Development Enhancement Plan	-	-	900,000	-	-	900,000	-	-	(900,000)	(900,000)		
Re-key building	-	300,000	-	-	-	300,000	-	-	(300,000)	(300,000)		
Generator for Biology Building	-	929,000	-	-	-	929,000	-	-	(929,000)	(929,000)		
Band Building	300,000	-	-	-	-	300,000	-	-	(300,000)	(300,000)		
Strategic planning initiatives	200,000	-	-	-	-	200,000	-	-	(200,000)	(200,000)		
Chiller Plant	-	5,000,000	-	-	-	5,000,000	-	-	(5,000,000)	(5,000,000)		
HR Consulting	-	300,000	-	-	-	300,000	-	-	(300,000)	(300,000)		
Lab decontamination (BSBS)	115,600	-	-	-	-	115,600	-	-	(115,600)	(115,600)		
Subtotal- non-recurring items	2,115,600	9,529,000	900,000	-	-	12,544,600	-	-	(12,544,600)	(12,544,600)		
Total to be allocated from non-recurring funds	$ 2,265,800	$ 10,154,836	$ 3,447,000	$ -	$ 138,600	$ 16,006,036	$ -	$ -	$ (16,006,036)	$ (16,006,036)		
2016-17 Total budget after mid-year allocations	**$ 586,655,885**	**$ 109,573,339**	**$ 24,222,158**	**$ 11,591,022**	**$ 2,825,921**	**$ 736,868,325**	**$ 21,058,435**	**$ 1,500,000**	**$ (3,143,108)**	**$ 19,415,327**	**$ 58,779,185**	**$ 815,062,837**

COMPOSITION OF CENTRAL RESERVE

	Recurring	Non-recurring	Total
Central reserve after beginning of year allocations	$ 38,553,476	$ 12,862,928	$ 51,416,404
Facility reserve after beginning of year allocations	1,500,000	(1,500,000)	-
Allocations to be recorded during the year	(17,495,041)	(14,506,936)	(32,001,977)
	22,558,435	(3,143,108)	19,415,327
Projected tuition growth to be allocated to colleges through College Budget Model	(5,023,195)	5,023,195	-
Total available reserves as of July 1, 2016	$ 17,535,240	$ 1,880,087	$ 19,415,327

Recommended for approval:

A. Dale Whittaker, Provost & Vice President for Academic Affairs — Date: 8/31/16

Approval:

John C. Hitt, President — Date: 8/31/16

EXHIBIT N

From: Tracy Clark
Sent: Wed 9/19/2018 11:50 AM (GMT-04:00)
To: Christina Tant
Cc:
Bcc:
Subject: Fwd: additional corrections to state funding decisions
Attachments: Summary of Projects with E&G Funding Corrections.xlsx; ATT00001.htm

Sent from IPhone

Begin forwarded message:

From: Kathy Mitchell <Kathryn.Mitchell@ucf.edu>
Date: September 18, 2018 at 5:07:49 PM EDT
To: Dale Whittaker <Dale.Whittaker@ucf.edu>
Cc: Tracy Clark <Tracy.Clark@ucf.edu>, Grant Heston <Grant.Heston@ucf.edu>, Scott Cole <Scott.Cole@ucf.edu>
Subject: additional corrections to state funding decisions

Dr. Whittaker,

In addition to the $38M of misspent E&G funds for TCH that have been repaid, UCF will also reverse funding for $46.5M of E&G funds inappropriately used for 12 additional projects (see attached list).

Of this $46.5M in funded projects, $14.3M cash has already been spent and will need to be repaid fr non-E&G sources.

We are currently finalizing the source of funds to replace the $14.4M cash that has been spent and expect to have this completed by tomorrow. I'll let you know as soon as the corrections have been completed, but wanted to give you an update this evening.

Please give me a call if you have any questions.

Kathy

Kathy Mitchell, CPA, CCEP
Associate Director
University Audit

University of Central Florida
4365 Andromeda Loop N, MH 341
Orlando, FL 32816-0080

Office: (407) 823-3711
kathryn.mitchell@ucf.edu
http://www.universityaudit.ucf.edu/
UCF Integrity Line (toll free) 1-855-877-6049

EXHIBIT O

Summary of Projects with E&G Cash Funding Corrections

Use of E&G Funds for these three projects is clearly prohibited because they paid for portions of the construction costs for new buildings:

Project #	Project Name	Project Description	Cash replacement needed	Departments that will be repaying the cash (and receiving E&G cash in exchange)			Expenditure Period
91010284	Band Building	New building	727,906	23010303 College of Arts & Humanities Auxiliary Account	08900304 CM - WUCF TV Auxiliary Operations	08900304 CM - WUCF TV Auxiliary Tower Account	FY17
91010143	Facilities Surplus Showroom & Postal Hub	New building	1,724,490	2870310 Postal Services Retail Auxiliary Account	02830323 Utilities - Chilled Water		FY14 - 18
92010026	Research I Building	Furniture, Fixtures, & Equipment	3,000,000	several Research Overhead departments			FY17 - 18
92010048		Lab Buildout for Individual Faculty	4,573,456				
			$ 10,025,852				

Use of E&G Funds for these projects is awaiting further clarification from the Board of Governors (in an abundance of caution, UCF will replace this cash now):

Project #	Project Name	Project Description	Cash replacement needed	Departments that will be repaying the cash (and receiving E&G cash in exchange)			Expenditure Period
92010041	Center for Emerging Media	Repair & Renovations	115,802	08900304 CM - WUCF TV Auxiliary Operations			FY17 - 18
92010040	Downtown Campus Infrastructure	Utilities/Infrastructure	158,380	02830323 Utilities - Chilled Water			FY18
91010124	The Venue	HVAC replacement	788,263	02830323 Utilities - Chilled Water			FY15 - 18
92010028	Main Campus District Energy Plant	Utilities/Infrastructure	1,101,931	02830323 Utilities - Chilled Water			FY16 - 18
92010020	Global UCF Building	Furniture, Fixtures, & Equipment	1,626,588	10370301 English Language Institute Auxiliary Account	10370305 English Language Institute Auxiliary Account	10310303 UCF Global Student Services Auxiliary Account	FY16
			$ 3,790,964				

EXHIBIT P

UNIVERSITY OF CENTRAL FLORIDA

Office of the General Counsel
P.O. Box 160015
Orlando, FL 32816-0015

November 2, 2018

Vikki Shirley
General Counsel
Florida Board of Governors
325 West Gaines Street, Suite 1614
Tallahassee FL 32399

Re: Certification of Funding Sources for Capital Projects

Dear Vikki:

Pursuant to Chairman Lautenbach's letter dated September 19, 2018, I have attached the Board of Governors-approved form certifying that since July 1, 2008, each UCF capital project was constructed with funds from legally available and authorized sources, except as otherwise identified on the form.

In determining whether a capital project was funded from legally available and authorized sources, I consulted applicable Florida Statutes, as well as guidance provided by the Board of Governors to this and other state universities as to the appropriate use of E&G carryforward funds.

Let me know if you have any questions.

Sincerely,

W. Scott Cole
Vice President and General Counsel

cc: Marcos Marchena
Dale Whittaker
Kathy Mitchell
Marshall Criser
Tim Jones
Chris Kinsley

Phone: 407.823.2482 • Fax: 407.823.6155 I President's Division

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Office of the Chancell
325 West Gaines Street, Suite 16
Tallahassee, FL 323
Phone 850.245.04
Fax 850.245.96
www.flbog.e

CERTIFICATION OF FUNDING SOURCES FOR CAPITAL PROJECTS WITH EXCEPTIONS

Since July 1, 2008 to the present, the university has constructed 29 new capital projects, including new projects adding more than 10,000 gross square feet of space or exceeding $2 million in cost. For each capital project, we have reviewed university records, such as project budgets and expenditures, educational plant surveys, project programs, and project funding sources, necessary to determine that each project was constructed with funding from legally available and authorized sources.

Based upon our review, we hereby certify to the University of Central Florida Board of Trustees and the Board of Governors, that each project was constructed with funds from legally available and authorized sources, except for the following project:

Facility	Source of Funds	Time Period of Construction	Year Added to Inventory
Trevor Colbourn Hall	Education and General Carryforward Funds $38,539,737.	Fiscal Years 2013-19	Fiscal Year 2018-19

University of Central Florida

A. Dale Whittaker, President

Kathryn Mitchell, Interim CFO

W. Scott Cole, VP and General Counsel

EXHIBIT Q

Mitz, Carine

From: Kathy Mitchell
Sent: Friday, February 8, 2019 2:10 PM
To: Tanya Perry
Cc: Misty Shepherd; Beverly Seay; Robert Caslen
Subject: House request 5, question #28
Attachments: BOG Capital Projects Certif and Cover Ltr.pdf; Funding Source Review; addit corrections to state funding decisions; Summary of Projects with EG Fundin Corrections 9-20-18 - Copy.xlsx

Hi Tanya,

For question #28: An explanation as to why the 11 other construction projects identified in the September 2 meeting were not disclosed to the BOG in the 10-year Look Back Certification.

The information provided to the BOT on September 20, 2018, and the information provided to the BOG on N 2018, was provided in response to two different questions.

On September 20, 2018, I updated the BOT about **any E&G cash** used for capital projects (regardless of total or gross square footage) that, at the time, I believed was possibly unallowable from E&G sources. This was d very conservative reading of the applicable statutes and regulations.

Later, the BOG asked a different question. The attached *BOG Capital Projects Certification* form was provide staff to clarify the intent of the BOG's *Funding Source Review* email request. The BOG asked universities to c appropriateness of funding sources for capital projects "adding more than 10,000 gross square feet of space exceeding $2M in cost." The projects identified as having misspent E&G cash at our BOT on September 20, 2 meet these criteria.

The table below summarizes the attached *Summary of Projects with E&G Funding Corrections* presented to t September 20, 2018, and I've included an extra column that states specifically why each project was exclude BOG certification.

Project Name	Project Description	Cash Replacement Needed	Reason Not Included Certification
Band Building	New building	727,906	Building was less than 1 gross square feet
Facilities Surplus Showroom	New building	1,724,490	Building was less than 1 gross square feet
Research I Building	Furniture, Fixtures, & Equipment (FF&E)	3,000,000	E&G funds were not use construction of a new b only for FF&E
	Lab Buildout/Renovation for Individual Faculty	4,573,456	E&G funds were not use construction of a new b only for buildout and re of 54 individual labs for later hired in the facility
Center for Emerging Media	Repair & Renovations	115,802	E&G funds were not use construction of a new b

1

			only for repair and renc existing facility.
Downtown Campus Infrastructure	Utilities/Infrastructure	158,380	E&G funds were not use construction of a new b only for FF&E.
The Venue	HVAC Replacement	788,263	E&G funds were not use construction of a new b only for repair and renc existing facility.
Main Campus District Energy Plant	Utilities/Infrastructure	1,101,931	Building was less than 1 gross square feet
Global UCF Building	Furniture, Fixtures, & Equipment (FF&E)	1,626,588	E&G funds were not use construction of a new b only for FF&E.

Kathy

Kathy Mitchell, CPA, CCEP
Interim CFO

Associate Director
University Audit

University of Central Florida
4365 Andromeda Loop N, MH 341
Orlando, FL 32816-0080

Office: (407) 823-3711
kathryn.mitchell@ucf.edu
http://www.universityaudit.ucf.edu/
UCF Integrity Line (toll free) 1-855-877-6049

Please note: Florida has a very broad open records law (F.S. 119). Emails may be subject to public disclosure.

From: Tanya Perry
Sent: Friday, February 1, 2019 8:59 AM
To: Kathy Mitchell <Kathryn.Mitchell@ucf.edu>
Cc: Misty Shepherd <Misty.Shepherd@ucf.edu>
Subject: House request 5

Hi Kathy, I'm wrapping up this request and have a few outstanding items. I've listed them below. Please le when you can get these so I can let Bev know.

21. A full and complete list of all capital projects funded with E&G carryforward monies.
22. All communications, documents, memos, evincing the BOG's approval of the use of E&G carryforwa capital projects.
27. A complete explanation as to the other purposes for which $46.5 million was transferred to replen funds ($13.8 million spent on 11 projects and another $32.7 million previously transferred but not yet spent of the final audit)

28 An explanation as to why the 11 other construction projects identified in the September 20, 2018 B were not disclosed to the BOG in the 10-year Look Back Certification.

Please forward to whomever you think might have responsive records, esp. 22. I'll have Carly search Lee's er one too. I'm going to send Theresa another request so she can search Tracy's emails now that she has acces her! Copying Misty so she doesn't feel left out :-)

Hope you're hanging there!

Thanks,
Tanya

EXHIBIT R

ITEM: FF-4

University of Central Florida
Board of Trustees

SUBJECT: 2016-17 Capital Outlay Budget

DATE: May 31, 2016

PROPOSED BOARD ACTION

Approve the university's 2016-17 capital outlay budget and authorize the president to make necessary adjustments as necessary to the 2016-17 capital outlay budget.

BACKGROUND INFORMATION

Pursuant to Florida Statute 1013.61, each university's Board of Trustees must adopt an annual capital outlay budget that designates proposed expenditures by project. The attached University of Central Florida 2016-17 capital outlay budget lists the projects approved during the legislative session and by the governor. Approval is sought for the attached budget along with authorization for the president to make changes to this budget as necessary during the year.

Supporting documentation: Attachment A: 2016-17 Capital Outlay Budget

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

2016-17 Capital Outlay Budget
Projects By Funding Source

Projects funded by Public Education Capital Outlay (PECO)	2016-17	
Utilities, Infrastructure, and Capital Renewal	11,994,197	
Interdisciplinary Research and Incubator Facility	6,042,667	
Colbourn Hall Renovation	1,952,455	
Engineering Building I Renovation	14,802,697	
Math and Physics Building (Mathematical Sciences) Remodeling and Renovation	9,994,969	
Trevor Colbourn Hall	26,175,387	
John C. Hitt Library Renovation Phase II	3,712,800	
UCF Downtown Campus Academic Building	20,000,000	
Arts Complex Phase II (Performance)	5,993,328	
Partnership IV	14,000,000	
TOTAL	$ 114,668,500	$

Projects funded by Department of Economic Opportunity	2016-17	
ICAMR - International Consortium for Advanced Manufacturing Research	-	$

Projects funded by State Economic Enhancement and Development Trust Fund	2016-17	
ICAMR - International Consortium for Advanced Manufacturing Research	-	$

Project funded by Recurring for Operations	2016-17	
ICAMR - International Consortium for Advanced Manufacturing Research		$
		$

Projects funded by donations and the Courtelis Facility Matching Grant Program	Cumulative 2016-17	
	Donations	
Laboratory Instructional Building	$ 15,372,777	
Morgridge International Reading Center	2,297,170	
Burnett Bio-Medical Science Center	2,528,605	
Career Services and Experiential Learning	196,950	
College of Optics and Photonics	69,735	
Engineering III	2,384,463	
Psychology Building	86,540	
Arts Complex II Enhancement	500,000	
Physical Sciences Building	1,162	
Alumni Center, John and Martha Hitt Library	8,249	
TOTAL	$ 23,445,651	

Maintenance, repair, renovation, and remodeling projects	2016-17	
		$
TOTAL		$

Capital Improvement Trust Fund	2016-17	
John C. Hitt Library Phase I	$ 13,688,709	$
TOTAL	$ 13,688,709	$

Projects constructed or acquired with proceeds from non-state sources, including debt	2016-17	
Rosen Storage Shed	225,000	
Rosen Educational Facility	17,000,000	
District Energy IV Plant	13,000,000	
UCF Downtown Campus Academic Building	40,000,000	
UCF Downtown Campus Combined Heat and Power Plant	15,118,758	
Interdisciplinary Research and Incubator Facility	27,000,000	
Institute For Hospitality In Healthcare at Lake Nona	15,300,000	
UCF Downtown Campus Garage I	15,300,000	
UCF Downtown Campus Garage II	15,300,000	
USTA American Tennis at Lake Nona - Collegiate Tennis	5,100,000	
Hotel and Conference Center	76,500,000	
Special Purpose Housing and Parking Garage	25,500,000	
Special Purpose Housing II	8,160,000	
Parking Decks	17,340,000	
Graduate Housing	51,000,000	
Refinance UCF Foundation Properties	37,410,000	
Student Housing	51,000,000	
Garage Expansion	11,000,000	

Attachment A Page

2016-17 Capital Outlay Budget
Projects By Funding Source

Regional Campuses Multi-Purpose Buildings	28,560,000	
Partnership Garage	7,140,000	
Parking Deck (Athletic Complex)	5,100,000	
Baseball Stadium Expansion Phase II	2,550,000	
Baseball Clubhouse Expansion and Renovation	1,020,000	
Bright House Networks Stadium Expansion Roth Tower Phase I	11,220,000	
Tennis Center (P,C,E)	1,530,000	
Multi-Purpose Medical Research and Incubator Facility	115,121,201	
Health Sciences Campus Parking Garage I	15,300,000	
Bio-Medical Annex Renovation and Expansion	13,056,000	1
Outpatient Center	76,500,000	
Campus Entryways	4,590,000	
TOTAL	$ 722,940,959	$ 5

ITEM: FF-4

University of Central Florida
Board of Trustees

SUBJECT: 2017-18 Capital Outlay Budget

DATE: May 18, 2017

PROPOSED BOARD ACTION

Approve the university's 2017-18 capital outlay budget and authorize the president to make adjustments as necessary to the 2017-18 capital outlay budget.

BACKGROUND INFORMATION

Pursuant to Florida Statute 1013.61, each university's Board of Trustees must adopt an annual capital outlay budget that designates proposed expenditures by project. The attached University of Central Florida 2017-18 capital outlay budget lists the projects anticipated to be approved during the legislative session and by the governor, or for which university funds will be spent. Approval is sought for the attached budget along with authorization for the president to make changes to this budget as necessary during the year.

Supporting documentation: Attachment A: 2017-18 Capital Outlay Budget

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

Attachment A

2017-18 Capital Outlay Budget
Projects By Funding Source

Projects funded by Public Education Capital Outlay (PECO)	2017-18	Funded
Utilities, Infrastructure, Capital Renewal, and Roofs	$ 14,000,000	$ -
Interdisciplinary Research and Incubator Facility	6,042,667	-
Engineering Building I Renovation	15,986,913	-
College of Nursing and Allied Health	-	-
Mathematical Sciences Building Remodeling and Renovation	10,784,652	-
Trevor Colbourn Hall and Colbourn Demolition	38,000,000	-
John C. Hitt Library Renovation Phase II	3,712,800	-
Arts Complex Phase II (Performance)	6,472,794	-
TOTAL	$ 94,999,826	$ -

Projects funded by donations and the Courtelis Facility Matching Grant Program	Cumulative 2017-18	
	Donations	Courtelis
Laboratory Instruction Building (P,C,E)	$ 15,372,777	$ -
Performing Arts Fund (E)	144,652	-
Career Services and Experiential Center (E)	196,950	-
Caracol in Belize (P,C,E)	350,000	-
Burnett Bio-Medical Science Center (C,E)	2,528,605	-
Arts Complex II Enhancement (P,C)	500,000	-
Medical School Library (P,C,E)	4,000,000	-
Morgridge National Reading Center (P,C)	2,297,170	-
Psychology (E)	86,540	-
Engineering III Enhancement (E)	2,394,463	-
Alumni Center and John and Martha Hitt Library (E)	7,349	-
Optics and Photonics Enhancement (E)	69,085	-
Physical Science Building (E)	1,162	-
TOTAL	$ 27,948,753	$ -

Maintenance, repair, renovation, and remodeling projects	2017-18	
		$ 3,854,367
TOTAL		$ 3,854,367

Capital Improvement Trust Fund	2017-18	Funded
John C. Hitt Library Phase I	$ 6,854,569	$ 6,854,569
John C. Hitt Library Phase II	-	1,710,066
TOTAL	$ 6,854,569	$ 8,564,635

Projects constructed or acquired with proceeds from other state sources	2017-18	Funded
Interdisciplinary Research and Incubator Facility Phase II	$ 16,614,853	$ 16,614,853
CREOL Expansion Phase II	6,784,228	6,784,228
Stadium Video and Sound	5,000,000	5,000,000
UCF Downtown Campus Combined Heat and Power Plant (Tri-gen)	15,118,753	15,118,753
TOTAL	$ 43,517,834	$ 43,517,834

Projects constructed or acquired with proceeds from non-state sources, including debt	2017-18	Funded
Student Union Expansion	$ 14,000,000	$ 14,000,000
Teaching Hospital at Lake Nona	175,000,000	175,000,000
Institute For Hospitality In Healthcare at Lake Nona	15,300,000	-
UCF Downtown Campus Garage II	15,300,000	-
Special Purpose Housing and Parking Garage	27,540,000	-
Special Purpose Housing II	8,812,800	-
Parking Decks	18,727,200	-
Graduate Housing	55,080,000	-
Refinance UCF Foundation Properties	37,410,000	-
Student Housing	55,080,000	-
Garage Expansion	12,117,600	-
Regional Campuses Multi-Purpose Buildings	30,844,800	-
Partnership Garage	7,711,200	-
Wayne Densch Sports Center Expansion	5,100,000	5,100,000
Baseball Stadium Expansion Phase II	3,060,000	3,060,000
Softball Stadium Expansion and Enhancements	1,020,000	-
Bright House Networks Stadium Expansion and Improvements Phase I	14,790,000	-
Baseball Clubhouse Expansion and Renovation	1,020,000	1,020,000
Bright House Networks Stadium Expansion and Improvements Phase II	39,662,000	-
Football Building	14,737,500	-
Parking Deck	5,100,000	-
Multi-Purpose Medical Research and Incubator Facility	126,817,515	-
Health Sciences Campus Parking Garage I	15,300,000	-
Bio-Medical Annex Renovation and Expansion	13,056,000	-
Outpatient Center	82,620,000	-
Campus Entryways	6,642,054	-
TOTAL	$ 801,848,669	$ 198,180,000

2017-18 Capital Outlay Budget
Projects By Funding Source

Plant Operations and Maintenance	2017-18	Funded
Florida Advanced Manufacturing Research Facility	$ 1,339,850	$ -
Optics Materials Lab Addition	90,634	$ -
John C. Hitt Library Expansion Phase I Connector	144,228	$ -
BPW Building	66,182	$ -
District Energy Plant	94,231	$ -
CREOL	45,170	$ -
John C. Hitt Library Expansion Phase I	116,777	$ -
Arts Complex II Performance	31,353	$ -
Trevor Colbourn Hall and Colbourn Demolition	2,228,986	$ -
Coastal Biology	49,169	$ -
Arboretum Green House	13,112	$ -
Band Building	98,338	$ -
CREOL Expansion Phase II	227,815	$ -
Partnership IV A and B	1,516,513	$ -
Florida Solar Energy Center	704,523	$ -
Interdisciplinary Research and Incubator Facility	1,597,691	$ -
TOTAL	$ 8,364,572	$ -

ITEM: FF-2

University of Central Florida
Board of Trustees

SUBJECT: 2018-19 Capital Outlay Budget

DATE: May 24, 2018

PROPOSED BOARD ACTION

Approve the university's 2018-19 capital outlay budget and authorize the president to make necessary adjustments to the 2018-19 capital outlay budget based on the final bill from the state.

BACKGROUND INFORMATION

Pursuant to Florida Statute 1013.61, each university's Board of Trustees must adopt an annual capital outlay budget that designates proposed expenditures by project. The attached University of Central Florida 2018-19 capital outlay budget reflects $0 for all but the Capital Improvement Trust Fund; maintenance, repair, renovation, and remodeling projects; and projects constructed or acquired with proceeds from non-state sources, including debt, categories.

As per the Finance and Facilities Committee charter, all new construction and renovation projects exceeding $2 million in construction costs, and all changes to projects that exceed $2 million in construction costs or that increase project costs by more than 10 percent of the original estimate presented to the committee will be brought before the committee for review.

Approval is sought for the attached budget along with authorization for the president to make changes to this budget when final numbers are received from the state.

Supporting documentation: Attachment A: 2018-19 Capital Outlay Budget

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

Attachment A

2018-19 Capital Outlay Budget
Projects By Funding Source

Projects funded by Public Education Capital Outlay (PECO)	2018-19	
Utilities, Infrastructure, Capital Renewal, and Roofs (P,C)	$ 14,000,000	$
Research Building I (P,C,E)	23,639,773	
Engineering Building I Renovation (C,E)	17,745,473	
College Of Nursing And Allied Health, Health Sciences Campus (P,C,E)	8,321,670	
Mathematical Sciences Remodeling and Renovation (C,E)	11,970,963	
Trevor Colbourn Hall and Colbourn Demolition (P,C,E)	38,000,000	
John C. Hitt Library Phase II	2,411,142	
Arts Complex Phase I (Performance) (P,C,E)	3,060,000	
TOTAL	$ 119,149,021	$

Projects funded by donations and the Courtelis Facility Matching Grant Program	Cumulative 2018-	
	Donations	C
Laboratory Instruction Building (P,C,E)	$ 15,372,777	$
Performing Arts Fund (E)	144,652	
Career Services and Experiential Center (E)	196,950	
Caracol in Belize (P,C,E)	350,000	
Burnett Bio-Medical Science Center (C,E)	2,528,605	
Arts Complex II Enhancement (P,C)	500,000	
Medical School Library (P,C,E)	4,000,000	
Morgridge National Reading Center (P,C)	2,297,170	
Psychology (E)	86,540	
Engineering III Enhancement (E)	2,394,463	
Alumni Center and John and Martha Hitt Library (E)	7,349	
Optics and Photonics Enhancement (E)	69,085	
Physical Science Building (E)	1,162	
TOTAL	$ 27,948,753	$

Maintenance, repair, renovation, and remodeling projects	2018-19	
		$
TOTAL		$ -

Capital Improvement Trust Fund	2018-19	
John C. Hitt Library Phase II	$ 41,268,246	$
TOTAL	$ 41,268,246	$

Projects constructed or acquired with proceeds from non-state sources, including debt	2018-19	
Baseball Stadium Expansion Phase II	$ 3,396,600	$
Garvy Center For Student-Athlete Nutrition	2,500,000	
Baseball Clubhouse Expansion and Renovation	1,132,200	
Football Building	16,685,798	
Golf Training Facility	2,000,000	
Spectrum Stadium Rust Remediation	8,823,000	
Venue HVAC (P,C)	2,800,000	
Venue Expansion and Renovation	8,000,000	
TOTAL	$ 45,337,598	TBD

Plant Operations and Maintenance	2016-18	
Florida Advanced Manufacturing Research Facility	$ 1,339,850	$
Optics Materials Lab Addition	90,634	$
John C. Hitt Library Expansion Phase I Connector	144,228	$
BPW Building	66,182	$
District Energy Plant	94,231	$
CREOL	45,170	$
John C. Hitt Library Expansion Phase I	122,007	$
Arts Complex II Performance	31,353	$
Trevor Colbourn Hall and Colbourn Demolition	1,312,093	$
Coastal Biology	29,029	$
Arboretum Green House	3,727	$
Band Building	35,754	$
CREOL Expansion Phase II	214,474	$
Partnership IV A and B	1,516,513	$
Florida Solar Energy Center	704,523	$
Research I (Interdisciplinary Research and Incubator Facility)	1,597,691	$
Dr. Phillips Academic Commons	382,155	
TOTAL	$ 7,729,614	$

2018-19 Capital Outlay Budget
Projects By Funding Source

Plant Operations and Maintenance	2018-19	
Visual Arts Building Addition	$ 11,456.00	$
Arecibo National Astronomy Ionosphere Center	1,031,201	$
Medically Directed Wellness and Sports Center	32,779	$
UCF Downtown Central Energy Plant	245,844	$
College of Nursing and Allied Health, Health Sciences Campus	2,376,492	$
UCF Downtown Garage (E and G Spaces)	524,467	$
Energy Lab	327,792	$
Laboratory and Environmental Support Expansion	25,158	$
TOTAL	$ 4,575,189	$

EXHIBIT S

From: Tracy Clark <Tracy.Clark@ucf.edu>
Sent: Tuesday, March 22, 2016 4:58 PM
To: Dale Whittaker; William Merck
Cc: Debra Copertino; Dania Suarez; Angie Carloss; Christina Tant
Subject: Fwd: Capital Projects
Attachments: Capital Projects_032216.pdf; ATT00001.htm

Dale and Bill

We have put together a list of unfunded and funded capital projects for your meeting tomorrow with Dr. Hitt. We compiled it from information we had, information from John Pittman, and information we requested from Lee Ke you have any questions or changes you'd like me to the schedule, please let me know.

Sent from my iPad

Begin forwarded message:

> **From:** Christina Tant <Christy.Tant@ucf.edu>
> **Date:** March 22, 2016 at 4:54:21 PM EDT
> **To:** Tracy Clark <Tracy.Clark@ucf.edu>
> **Subject: Capital Projects**
>
> Tracy – Attached is the list of funded and unfunded capital projects, as of today.

Capital Projects
Current Funding Plan
Updated 3/22/16

	Estimated Project Cost	Funding to be Identified	Division/ Unit Resources	Central Funding Source: Interest & Other	Central Funding Source: Auxiliary	Central Funding Source: E&G
Academic/ Research Space						
ARA Small Research Building	$ 13,000,000	$ 13,000,000	$ -	$ -	$ -	$ -
Creol Building Phase II Build-Out	2,000,000	1,500,000	500,000	-	-	-
Archie Carr Turtle Research	5,000,000	5,000,000	-	-	-	-
Lab Renovation/ Repair - COS, BSBS	1,400,000	1,400,000	-	-	-	-
Lab Renovation/ Repair - CECS	1,500,000	575,000	925,000	-	-	-
TAF Research (polluted drains)	1,500,000	1,500,000	-	-	-	-
Osceola ICAMR	?	?	-	-	-	-
Millican Hall Renovation	?	?	-	-	-	-
Swing Space/ Modulars	?	?	-	-	-	-
UCF Downtown						
Academic Building Overrun	10,000,000	10,000,000	-	-	-	-
Tri-Gen Building	20,000,000	20,000,000	-	-	-	-
Fountain	200,000	200,000	-	-	-	-
Infrastructure	?	?	-	-	-	-
Moving Costs	?	?	-	-	-	-
Other Facilities						
Performing Arts Center	60,000,000	60,000,000	-	-	-	-
UCF Gateway (campus entryway)	6,500,000	6,500,000	-	-	-	-
Band Building Road & Utilities	1,500,000	1,500,000	-	-	-	-
Band Building Lighting	1,000,000	1,000,000	-	-	-	-
Classroom I Shelter	2,200,000	2,200,000	-	-	-	-
Twin Rivers Golf Course	2,000,000	2,000,000	-	-	-	-
Building Demolitions	?	?	-	-	-	-
Infrastructure, HVAC and Other						
OUC Buy-out for Lake Nona	15,000,000	15,000,000	-	-	-	-
Alafaya Pedestrian Safety Maintenance	4,000,000	4,000,000	-	-	-	-
Unfunded Projects	$ 146,800,000	$ 145,375,000	$ 1,425,000	$ -	$ -	$ -
Academic/ Research Space						
Trevor Colburn Building	$ 23,000,000	$ -	$ -	$ -	$ -	$ 23,000,000
Colburn Hall Renovation	15,000,000	-	-	-	-	15,000,000
Global UCF Building	17,200,000	-	600,000	10,000,000	4,800,000	1,800,000
Interdisciplinary Research Bldg - Phase I	32,000,000	-	3,000,000	26,000,000	-	3,000,000
Interdisciplinary Research Bldg - Phase II	17,000,000	-	-	17,000,000	-	-
Creol Lab - Phase I and II	6,000,000	-	4,000,000	-	-	2,000,000
Generator for Biology Building	1,000,000	-	-	-	-	1,000,000
UCF Downtown						
Academic Building	20,000,000	-	9,000,000	-	11,000,000	-
Garage	15,000,000	-	15,000,000	-	-	-
Center for Emerging Media Renovation	5,000,000	-	-	-	-	5,000,000
Other Facilities						
UCFAA Stadium/ Arena Video and Sound	7,500,000	-	7,500,000	-	-	-
UCFAA Indoor Fieldhouse	3,000,000	-	3,000,000	-	-	-
Band Building	2,500,000	-	2,200,000	-	-	300,000
US Tennis Association Complex	3,500,000	-	-	-	-	3,500,000
Infrastructure, HVAC and Other						
New Chiller	13,000,000	-	-	-	13,000,000	-
Venue HVAC Repair	2,800,000	-	800,000	-	1,000,000	1,000,000
Daytona HVAC Repair	776,250	-	-	-	-	776,250
Road Improvements - North Orion	340,000	-	340,000	-	-	-
Funded Projects	$ 184,616,250	$ -	$ 45,440,000	$ 53,000,000	$ 29,800,000	$ 56,376,250

EXHIBIT T

University of Central Florida
Structured Portfolio Realized/Unrealized Gain & Losses

	OLD ALLOCATION METHODOLOGY				CURRENT ALLOCATION METHODOLOGY					
	BNY + SPIA As of 6/30/2014	BNY + SPIA As of 6/30/2015	BNY + SPIA As of 6/30/2016	BNY + SPIA As of 6/30/2017	BNY Only As of 5/31/2018	BNY Only Month Ended 6/30/2018	BNY Only Month Ended 7/31/2018	BNY Only Month Ended 8/31/2018	BNY Only Month Ended 9/30/2018	BNY Only Cumulative
Beginning Balance					$ -	$ -	$ -	$ -	$ 1,220,794	$ -
Unrealized Gain/(Losses)	$ 13,531,565	$ 12,857,075	$ 18,210,262	$ 19,618,081	$ 28,607,551	$ (940,493)	$ 3,078,312	$ 2,758,899	$ (671,386)	$ 32,832,884
Realized Gain/(Losses)						(88,022)	(61,468)	(81,930)	(18,998)	(250,419)
Total Amount to be Distributed	$ 13,531,565	$ 12,857,075	$ 18,210,262	$ 19,618,081	$ 28,607,551	$ (1,028,515)	$ 3,016,844	$ 2,676,969	$ (690,384)	$ 32,582,465
Less: Allocations of Gains & Losses										
E&G Main (funds 10001, 10003)	$ (5,503,070)	$ (4,986,345)	$ (6,222,050)	$ (8,116,823)	$ (11,351,428)	$ 410,121	$ (1,064,165)	$ (1,341,836)	$ 373,711	$ (12,973,597)
E&G COM (funds 10008, 10009)	(551,267)	(526,806)	(610,696)	(571,392)	(555,604)	19,185	(46,964)	(60,299)	14,176	(629,506)
Student Activities (fund 10005)	(242,191)	(223,044)	(301,039)	(375,591)	(649,187)	12,153	(40,102)	(47,738)	10,890	(713,983)
Fed Loans - Perkins & NFLP (funds 31037, 30038)	(101,166)	(39,844)	(32,729)	(21,093)	(52,763)	1,968	(6,555)	(6,303)	1,615	(62,039)
Total Allocated	$ (6,397,694)	$ (5,776,038)	$ (7,166,514)	$ (9,084,899)	$ (12,608,983)	$ 443,427	$ (1,157,786)	$ (1,456,175)	$ 400,391	$ (14,379,125)
Less: Transfers to Projects										
Unrealated Transfers Out	$ -	$ -	$ -	$ -	$ (361,653)	$ -	$ -	$ -	$ -	$ (361,653)
COLBOURN HALL Funding	-	-	-	-	(15,636,915)	585,088	(1,859,059)	-	-	(16,910,886)
Total Transfers to Projects	$ -	$ -	$ -	$ -	$ (15,998,568)	$ 585,088	$ (1,859,059)	$ -	$ -	$ (17,272,539)
Available Ending Balance	$ 7,133,871	$ 7,081,037	$ 11,043,749	$ 10,533,182	$ -	$ -	$ -	$ 1,220,794	$ 930,800	$ 930,800
Cash & Investment Balances:										
E&G (funds 10001, 10003)	$ 195,357,614	$ 211,956,175	$ 200,690,202	$ 218,605,341	$ 227,323,887	$ 234,870,992	$ 196,897,815	$ 319,942,661	$ 360,672,240	
E&G COM (funds 10008, 10009)	19,563,020	22,385,440	19,690,419	15,707,097	11,126,528	10,978,407	8,689,576	14,377,497	13,681,319	
Student Activities (fund 10005)	8,596,515	9,477,750	9,706,207	10,112,292	13,000,637	6,954,724	7,419,812	11,382,378	10,509,813	
Fed Loans - Perkins & NFLP (funds 31037, 30038)	3,590,204	1,693,076	1,075,047	569,319	1,056,641	1,126,255	1,212,891	1,502,814	1,558,241	
Other funds	295,010,443	306,081,500	336,826,885	321,342,634	320,387,594	334,630,398	343,973,639	291,081,816	279,875,640	
Total	$ 522,117,797	$ 551,593,941	$ 567,988,760	$ 566,336,682	$ 572,895,288	$ 588,560,787	$ 558,193,733	$ 638,287,166	$ 666,297,253	
Cash & Investment Balance %'s:										
E&G Main (funds 10001, 10003)	37.4%	38.4%	35.3%	38.6%	39.7%	39.9%	35.3%	50.1% [1]	54.1% [1]	
E&G COM (funds 10008, 10009)	3.7%	4.1%	3.5%	2.8%	1.9%	1.9%	1.6%	2.3%	2.1%	
Student Activities (fund 10005)	1.6%	1.7%	1.7%	1.8%	2.3%	1.2%	1.3%	1.8%	1.6%	
Fed Loans - Perkins & NFLP (funds 31037, 30038)	0.7%	0.3%	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	
Other funds	56.5%	55.5%	59.3%	56.7%	55.9%	56.9%	61.6%	45.6%	42.0%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

[1] Increase in E&G Main cash and investment Balances and %'s for August and September 2018 primarily related to funding corrections for Colbourn Hall and Other Construction Projects.

EXHIBIT U

ITEM: INFO

University of Central Florida
Board of Trustees
Finance and Facilities Committee

SUBJECT: University Operating Budget Report Ended March 31, 2015

DATE: May 21, 2015

For information only.

ITEM: INFO-1

University of Central Florida
Operating Budget Status

March 31, 2015

Year-to-Date Activity and Variances

The attached reports include revenues and expenditures for the nine months ended March 31, 2015, compared to the operating budget. Student credit hours are consistent with the enrollment plan and are slightly higher than the prior year by 1 percent. Revenues as a percentage of budget are consistent with prior year. Expenditures as a percentage of budget are approximately 3 percent higher than prior year. Overall, revenues and expenditures as a percent of the operating budget are 72 percent and 66 percent, respectively. Specific activities and variances in certain budget categories are described below.

Educational & General

E&G revenues increased $20.5 million. State appropriations increased $17.4 million, which is primarily due to new performance-based funding and adjustments for compensation and benefits.

E&G expenditures increased by $39.3 million. Salaries and benefits increased $20.4 million, which includes pay rate, headcount, and legislative increases in employer contributions for benefits. Other operating expenses increased by $20.1 million including $6 million in license, maintenance, and other software related costs, $3.9 million in financial aid expenditures, $1.9 million in facility improvements, $1.8 million for consulting and contracted services, and a $3 million credit in July 2013 associated with a lower than expected Conference USA payment.

Medical School

Medical school revenues increased by $3.3 million due to increased student fees and state appropriations.

Total medical school expenditures increased by $5.3 million. Compensation and benefits increased $2.7 million, which includes pay rate, headcount, and legislative increases in employer contributions for benefits. Other operating expenses increased $2.7 million of which $1.2 million is related to increases in financial aid, rental of facilities, and library and software subscriptions expenditures.

Auxiliary Enterprises

Auxiliary revenues increased by $7.7 million. Student fee revenues increased by $4.5 million primarily related to transportation and health fees. $1.9 million in external funding was received for the College of Medicine auxiliary activities.

Expenditures increased by $16.7 million. Accumulated investment gains of $12.6 million were transferred to fund construction for the new Global Achievement Academy building and Interdisciplinary Research building. Salaries and benefits increased $7.4 million, which reflects employment cost increases and new positions. These increases were offset by a decrease in expense of $3.4 million relating to prior year athletic conference obligations.

ITEM: INFO-1

University of Central Florida
Operating Budget Status

March 31, 2015

Sponsored Research

Sponsored research revenues in the prior year were higher than normal in conjunction with the implementation of a new financial-systems accounts-receivable module. Effective November 2013, revenues are recorded on an accrual basis. The current year's decrease reflects the impact of the conversion to full accrual accounting in the first nine months of the prior year.

Overall expenditures increased $17.5 million. Grant related subcontractor expenses increased $6.9 million. Current year expenditures also include funding $9 million to support the construction of the Florida Advanced Manufacturing Research Center in partnership with Osceola County and Florida High Tech Corridor Council and $1.6 million for Bennett Building renovations.

Student Financial Aid

Revenues increased $10.4 million. Federal funding increased $3 million for grants and $4.9 million for loans. State funding for scholarships decreased $4.1 million primarily due to a decrease in the Bright Futures program. Private funding for loans and scholarships increased $2 million, and institutional funding for merit-based scholarships increased $4.3 million.

Expenditures increased $12.9 million. Federal funded awards increased $9 million. State funded awards decreased $4.2 million. Private awards increased $2 million. Institutional grants increased $6.1 million. Differences between revenues and expenditures by category are primarily related to timing differences between receipt and disbursement of funds.

Student Activities

Revenues increased $1.8 million primarily related to activity and service fees. Expenses are consistent with the prior year.

Concessions

Revenues and expenses were consistent with the prior year.

Technology Fee

Technology fee revenues were consistent with the prior year. Technology fee expense variances are due to timing differences in the progress of the various projects. Approximately 18 percent of 2014-15 and 93 percent of the prior years' awarded funds have been spent or transferred to Computer Services and Telecommunications for projects completed or in progress.

University of Central Florida
Operating Budget Report

as of March 31, 2015 (75% of year)

2014-15	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	$ 447,466,167	$ 367,352,181	$ 673,355,376	54.6%	66.5%	$ 80,113,985	$ 153,440,388
Medical School	30,221,264	26,447,291	57,083,903	46.3%	52.9%	3,773,972	20,535,923
Auxiliary Enterprises	142,235,572	131,567,194	206,596,893	63.7%	68.8%	10,668,377	168,016,144
Sponsored Research	103,435,569	104,814,754	152,584,000	68.7%	67.8%	(1,379,186)	34,148,458
Student Financial Aid	418,997,516	423,259,926	503,923,681	84.0%	83.1%	(4,262,410)	28,901,462
Student Activities	17,126,080	13,977,993	20,000,000	69.9%	85.6%	3,148,088	8,312,809
Concessions	480,415	222,943	460,000	48.5%	104.4%	257,472	1,103,762
Technology Fee	7,582,992	3,702,702	9,100,000	40.7%	83.3%	3,880,291	4,518,932
	$ 1,167,545,575	$ 1,071,344,985	$ 1,623,103,853	66.0%	71.9%	$ 96,200,590	$ 418,977,877

2013-14	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	$ 426,971,944	$ 328,084,578	$ 611,434,294	53.7%	69.8%	$ 98,887,365	$ 121,024,562
Medical School	26,875,329	21,139,083	48,249,923	43.8%	55.7%	5,736,246	14,496,365
Auxiliary Enterprises	134,560,696	114,854,643	188,545,104	60.9%	71.4%	19,706,053	159,498,886
Sponsored Research	107,047,538	87,284,258	150,912,000	57.8%	70.9%	19,763,279	23,797,770
Student Financial Aid	408,623,831	410,356,738	521,544,307	78.7%	78.3%	(1,732,907)	28,560,028
Student Activities	15,292,716	13,195,029	21,945,080	60.1%	69.7%	2,097,687	8,954,497
Concessions	468,151	170,103	420,000	40.5%	111.5%	298,048	884,687
Technology Fee	7,492,554	5,940,167	9,945,000	59.7%	75.3%	1,552,387	4,711,636
	$ 1,127,332,758	$ 981,024,599	$ 1,552,995,708	63.2%	72.6%	$ 146,308,159	$ 361,928,431

University of Central Florida
Operating Expenditure Report

as of March 31, 2015 (75% of year)

2014-15

Expenditures - Amount

	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	$254,167,049	$ 109,369,992	$ 3,815,140	$ -	$ 367,352,181
Medical School	17,437,195	8,551,190	458,906	-	26,447,291
Auxiliary Enterprises	41,147,913	79,732,268	900,132	9,786,881	131,567,194
Sponsored Research	41,394,389	58,829,106	4,591,260	-	104,814,754
Student Financial Aid	2,607,262	420,652,664	-	-	423,259,926
Student Activities	6,932,974	7,041,468	3,551	-	13,977,993
Concessions	1,646	221,297	-	-	222,943
Technology Fee	987	1,936,598	1,765,116	-	3,702,702
	$363,689,415	$ 686,334,583	$ 11,534,105	$ 9,786,881	$ 1,071,344,985

Expenditures - Percent of Total

	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	69.2%	29.8%	1.0%	-	100.0%
Medical School	65.9%	32.3%	1.7%	-	100.0%
Auxiliary Enterprises	31.3%	60.6%	0.7%	7.4%	100.0%
Sponsored Research	39.5%	56.1%	4.4%	-	100.0%
Student Financial Aid	0.6%	99.4%	-	-	100.0%
Student Activities	49.6%	50.4%	0.0%	-	100.0%
Concessions	0.7%	99.3%	-	-	100.0%
Technology Fee	0.0%	52.3%	47.7%	-	100.0%
	33.9%	64.1%	1.1%	0.9%	100.0%

2013-14

Expenditures - Amount

	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	$233,711,688	$ 89,317,772	$ 5,055,119	$ -	$ 328,084,578
Medical School	14,770,405	5,858,030	510,647	-	21,139,083
Auxiliary Enterprises	33,765,325	70,957,160	1,081,625	9,050,533	114,854,643
Sponsored Research	41,837,247	41,961,019	3,485,992	-	87,284,258
Student Financial Aid	2,899,735	407,457,002	-	-	410,356,738
Student Activities	6,786,837	6,370,689	37,503	-	13,195,029
Concessions	645	169,458	-	-	170,103
Technology Fee	46,427	3,048,229	2,845,511	-	5,940,167
	$333,818,309	$ 625,139,359	$ 13,016,398	$ 9,050,533	$ 981,024,599

Expenditures - Percent of Total

	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	71.2%	27.2%	1.5%	-	100.0%
Medical School	69.9%	27.7%	2.4%	-	100.0%
Auxiliary Enterprises	29.4%	61.8%	0.9%	7.9%	100.0%
Sponsored Research	47.9%	48.1%	4.0%	-	100.0%
Student Financial Aid	0.7%	99.3%	-	-	100.0%
Student Activities	51.4%	48.3%	0.3%	-	100.0%
Concessions	0.4%	99.6%	-	-	100.0%
Technology Fee	0.8%	51.3%	47.9%	-	100.0%
	34.0%	63.7%	1.3%	0.9%	100.0%

University of Central Florida
Operating Budget Report

as of March 31, 2015 (75% of year)

Statistical Information

Student Credit Hours[1]

Actual Compared to UCF Plan	2014-15 Actual	2014-15 Plan	2014-15 Difference	2014-15 % Variance	2013-14 Actual	2013-14 Plan	2013-14 Difference	2013-14 % Variance
Summer[2]	225,671	238,120	(12,449)	-5.2%	228,164	228,060	104	0.0%
Fall	651,023	644,740	6,283	1.0%	644,246	643,743	503	0.1%
Spring[3]	629,415	621,811	7,604	1.2%	619,437	616,987	2,450	0.4%
	1,506,109	1,504,671	1,438	0.1%	1,491,847	1,488,790	3,057	0.2%

Current Year Compared to Prior Year	2014-15	2013-14	Difference	% Variance	2013-14	2012-13	Difference	% Variance
Summer[2]	225,671	228,164	(2,493)	-1.1%	228,164	235,805	(7,641)	-3.2%
Fall	651,023	644,246	6,778	1.1%	644,246	649,923	(5,678)	-0.9%
Spring[3]	629,415	619,437	9,978	1.6%	619,437	622,636	(3,199)	-0.5%
	1,506,109	1,491,847	14,263	1.0%	1,491,847	1,508,364	(16,518)	-1.1%

Additional Statistical Information

	2014-15	2013-14	Difference	% Variance
Student headcount - Fall 2014 and 2013	60,821	59,770	1,051	1.8%
Percent in-state students - Fall 2014 and 2013	94.1%	94.7%	-0.6%	
Foundation endowment - June 30, 2014, and 2013	$152,717,147	$133,827,336	$ 18,889,811	14.1%
Foundation assets - June 30, 2014, and 2013	$287,546,289	$263,770,330	$ 23,775,959	9.0%
On-campus Housing, including Greek Housing[4]	6,896			
Rosen Campus housing[4]	380			
Affiliated housing[4]	3,723			
Managed housing[4]	594			
Gross square footage - Orlando Campus[4]	7,862,933			
Acreage - Orlando Campus[4]	1,415			

[1] Medical students are not included in student credit hours.

University of Central Florida
Operating Budget Status

Explanation of Terms

Budgets

Educational & General. The Educational & General budget includes expenditures for instructional activities and related administrative support. This budget is funded by general revenue, Educational Enhancement funds, and student fees. E&G student fees include tuition and out-of-state fees.

Auxiliary Enterprises. Auxiliary enterprises include those activities that are not instructional in nature but support the operation of the university. The primary auxiliary areas include Housing, Student Health Services, Parking Services, Computer Store, Telecommunications, Continuing Education, Dining Services, and the Bookstore. The auxiliaries must generate adequate revenue to cover expenditures and allow for future renovations and building or equipment replacement, if applicable. Several of the auxiliaries are partially or wholly funded by student fees, including Student Health Services, Parking Services and Material and Supply Fees.

Sponsored Research. Sponsored research includes research activities that are funded by federal, state, local, and private funds.

Student Financial Aid. The student financial aid budget largely represents scholarship and loan funds that are received by the university and subsequently disbursed to students. Large disbursements of these funds occur at the beginning of the fall and spring semesters. The expenditures in this budget will, therefore, not coincide with the months remaining in the year.

Student Activities. The student activities budget is funded by the Activity and Service Fee paid by the students and includes expenditures for student government and student clubs and organizations. This budget also includes all expenditures for the Student Union and the Recreation and Wellness Center. Expenditures for these entities are funded by the Activity and Service Fee and by revenue generated through functions in the facilities.

Concessions. The concessions budget is funded from vending machine revenue. These funds are used for events and other expenditures that support the university.

Technology Fee. The technology fee was established in January 2009 as allowed by Florida Statute 1009.24. The university began charging 5 percent of the tuition per credit hour beginning in the fall term of the 2009-10 academic years. A committee and guidelines for the allocation and use of the technology resources were established. The revenue from this fee will be used to enhance instructional technology resources for students and faculty.

University of Central Florida
Operating Budget Status

Explanation of Terms

Expenditure Categories

Salaries and Benefits. Salaries and benefits include salary payments, along with employer benefit costs, including FICA, health insurance, life insurance, disability insurance, and pre-tax benefits. Benefits are approximately 30 percent of salaries for permanent employees.

Expenses. Expenses include office supplies, repairs, maintenance costs, contract services, and all other items not included as salaries, capital purchases, or debt service.

Capital Purchases. Capital purchases include personal property with a value of $5,000 or more and library resources with a value of $250 or more, and an expected life of one year or more.

Debt Service. Debt service includes principal and interest payments on bonds and other loans within the university.

EXHIBIT V

ITEM: FFC-1

University of Central Florida
Board of Trustees
Finance and Facilities Committee

SUBJECT: 2018-19 University Operating Budget

DATE: May 24, 2018

PROPOSED COMMITTEE ACTION

Approve the university's 2018-19 operating budget.

BACKGROUND INFORMATION

Approve the operating budgets for the Educational & General, Medical School, Auxiliary Enterprises, Sponsored Research, Student Financial Aid, Student Activities, Technology Fee, and Concessions areas as indicated in Attachment A.

The Educational & General and Medical School budgets reflect the amounts proposed by the legislature and approved by the governor. All other budgets were compiled using requests from individual departments and a review of expected revenue, expenditures, and fund balances for each area. Performance-based funding is subject to final approval by the Board of Governors in June.

Supporting Documentation: Attachment A: 2018-19 Proposed Operating Budget
Attachment B: Changes in E&G Funding
Attachment C: Auxiliary Enterprises Proposed Operating Budget
Attachment D: 2017-18 Expenditures vs. Budget

Prepared by: Christina Tant, Assistant Vice President and University Controller

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

Attachment A

University of Central Florida
2018-19 Proposed Operating Budget

	2018-19 Proposed Budget	2017-18 Operating Budget	% Increase (Decrease)	$ Increase (Decrease)
Educational & General (E&G) [1]				
General Revenue [2]	$ 350,793,697	$ 348,955,320	1%	$ 1,838,377
Student Tuition and Fees	296,811,834	288,814,929	3%	7,996,905
Total Educational and General	647,605,531	637,770,249	2%	9,835,282
Medical School (E&G) [1]				
General Revenue	29,886,512	26,502,271	13%	3,384,241
Student Tuition and Fees	15,628,646	15,718,052	-1%	(89,406)
Total Educational and General	45,515,158	42,220,323	8%	3,294,835
Auxiliary Enterprises [3]	293,773,689	275,887,508	6%	17,886,181
Sponsored Research [4]	171,988,000	163,703,000	5%	8,285,000
Student Financial Aid [5]	620,465,788	515,975,644	20%	104,490,144
Student Activities [6]	23,729,718	28,217,277	-16%	(4,487,559)
Technology Fee	9,100,000	9,100,000	0%	-
Concessions	750,000	750,000	0%	-
Total Operating Budget	$ 1,812,927,884	$ 1,673,624,001	8%	$ 139,303,883

[1] See Attachment B for detail of the change in budget.

[2] The allocation of new Performance-based Funding will be approved by the Board of Governors in June. The 2018-19 proposed budget includes the amount expected to be approved.

[3] See Attachment C for detail of the change in budget.

[4] Increase in Sponsored Research is primarily due to the Arecibo Observatory award.

[5] Increase is primarily due to an increase in funding for a change in legislation that makes Bright Futures and Pell Grants available for Summer courses. The Bright Futures Medallion program was also amended to cover 75 percent of tuition and fees, which is a 40 percent increase over prior year.

[6] Decrease is primarily due to a non-recurring $4.5 million investment in the Student Union expansion in 2017-18.

Attachment B

University of Central Florida
Changes in E&G Funding

Changes in University E&G Funding	State Appropriations	Tuition and Fees	Total
2017-18 adjusted operating budget	**$ 348,955,320**	**$ 288,814,929**	**$ 637,770,249**
Reversal of non-recurring items:			
Advanced Manufacturing Sensor Project	(2,500,000)		(2,500,000)
PTSD Clinic for Florida Veterans and First Responders	(1,500,000)		(1,500,000)
World Class Faculty and Scholar Program	3,335,656		3,335,656
Professional and Graduate Degree Excellence Program	875,350		875,350
Performance-based Funding	1,830,469		1,830,469
Emerging Preeminent University	1,538,462		1,538,462
Florida Retirement System	916,204		916,204
Permanent transfer to UCF Medical [1]	(3,307,764)		(3,307,764)
2018-19 projected credit hour growth		7,996,905	7,996,905
Subtotal	1,188,377	7,996,905	9,185,282
Unique University issues:			
Non-recurring allocations:			
PTSD Clinic for Florida Veterans and First Responders	500,000		500,000
Florida FIRST Robotics Team Grant	150,000		150,000
Subtotal	650,000	-	650,000
Net increase	1,838,377	7,996,905	9,835,282
2018-19 beginning budget	**$ 350,793,697**	**$ 296,811,834**	**$ 647,605,531**

[1] Primarily due to 2017-18 state funding to support excellence in medicine.

Attachment B (Continued)

University of Central Florida

Changes in E&G Funding

Changes in Medical School E&G Funding	State Appropriations	Tuition and Fees	Total
2017-18 adjusted operating budget	**$ 26,502,271**	**$ 15,718,052**	**$ 42,220,323**
Out of state enrollment decrease		(89,406)	(89,406)
Permanent transfer from University [1]	3,307,764		3,307,764
Florida retirement system adjustments	76,477		76,477
Net increase	3,384,241	(89,406)	3,294,835
2018-19 beginning budget	**$ 29,886,512**	**$ 15,628,646**	**$ 45,515,158**

[1] Primarily due to 2017-18 state funding to support excellence in medicine.

Attachment C

University of Central Florida
Auxiliary Enterprises Proposed Operating Budget

	2018-19 Proposed Budget	2017-18 Operating Budget	% Increase (Decrease)	$ Increase (Decrease)
Housing [1]	$ 33,805,278	$ 34,267,850	-1%	$ (462,572)
Parking Services [1,2]	23,062,903	27,131,654	-15%	(4,068,751)
Student Health Services [1]	22,045,222	22,207,331	-1%	(162,109)
Business Services [2]	15,929,645	20,794,122	-23%	(4,864,477)
UCF IT / Shared Services	31,520,000	31,520,000	0%	-
Academic Support - Colleges	8,529,929	8,826,376	-3%	(296,447)
Academic Support - Medical School [3]	23,691,079	20,378,556	16%	3,312,523
Academic Support - Other	13,252,443	14,163,638	-6%	(911,195)
Student Development and Enrollment Services	12,537,542	12,537,542	0%	-
Distance Learning [4]	16,229,888	8,879,945	83%	7,349,943
Continuing Education, EMBA	9,512,745	9,106,963	4%	405,782
Material and Supply, Equipment Fees	6,389,806	6,621,977	-4%	(232,171)
Energy Management and Sustainability	20,900,000	20,915,000	0%	(15,000)
Other Auxiliaries [5]	19,105,609	21,576,001	-11%	(2,470,392)
Central Reserves [6]	37,261,600	16,960,553	120%	20,301,047
Total Auxiliary Enterprises	$ 293,773,689	$ 275,887,508	6%	$ 17,886,181

[1] The operating budgets for the university's Auxiliary facilities with outstanding revenue bonds were approved by this committee on January 18, 2018, pursuant to amended BOG regulation 9.008.

[2] Decrease in Parking and Business Services is primarily due to a decrease in anticipated construction transfers related to the UCF Downtown parking garage and Student Union expansion.

[3] The increase in Academic Support - Medical School is due to the continuous growth in the medical residency program. Funding is provided through partnerships with hospitals.

[4] Increase in Distance Learning is due to the planned use of reserves to fund a five-year lease for the L3 building on Research Parkway, expenditures related to the move and furnishing of the building, and additional investment in course redesign and faculty support.

[5] Other Auxiliaries includes the university's administrative units. Decrease is due to a non-recurring construction expense to bring chiller lines to the north end of campus.

[6] The Central Reserves budget includes an increase for UCF's contribution for the UCF Downtown academic building.

Attachment D

University of Central Florida

2017-18 Expenditures vs. Budget

(as of March 31, 2018 - 75% of year)

	Expenditures as of March 31, 2018	2017-18 Operating Budget	Percent Spent	2016-17 Full Year Percent Spent
Educational & General[1]	$ 461,272,557	$ 803,711,405	57.4%	79.0%
Medical School[1]	32,556,826	55,816,257	58.3%	78.2%
Auxiliary Enterprises	155,734,913	275,887,508	56.4%	86.8%
Sponsored Research	99,229,322	163,703,000	60.6%	93.3%
Student Financial Aid	481,139,380	515,975,644	93.2%	92.4%
Student Activities	13,406,750	28,217,277	47.5%	88.7%
Technology Fee	5,975,404	9,100,000	65.7%	93.0%
Concessions	514,333	750,000	68.6%	87.5%
Total Operating Budget	$ 1,249,829,485	$ 1,853,161,091	67.4%	85.5%

[1] The 2017-18 Operating Budget includes carryforward funds for which spending authority was approved in a previous year.

EXHIBIT W

UNIVERSITY OF CENTRAL FLORIDA
Education and General
2013-14 Operating Budget - Beginning Carryforward Fund Balance Composition
August 2013

		University E&G	Medical E&G
A.	**Beginning E&G Carryforward Fund Balance - July 1, 2013 :**		
	Cash	$ 134,029,145	$ 12,915,508
	Investments	$ -	
	Accounts Receivable	$ 57,636	
	Less: Accounts Payable	$ 15,847,559	$ 514,727
	Less: Deferred Fees	$ -	
	Beginning E&G Fund Balance Before Encumbrances :	$ 118,239,222	$ 12,400,781
B.	**Expenditures to Date :**	$ 2,426,748	$ 74,839
C.	**Encumbrances to Date :**	$ 12,261,597	$ 1,620,371
D.	**E&G Carryforward Fund Balance - as of August 19, 2013 :**	$ 103,550,877	$ 10,705,571
E.	**Restricted / Contractual Obligations**		
	5% Statutory Reserve Requirement	$ 23,948,949	$ 1,778,856
	Board Reserve Requirement	$ -	$ -
	Prior Period Issues (provide detail list)	$ -	$ -
	Pass-Through Funds (provide detail list)	$ -	$ -
	Legislatively Earmarked Funds*	$ -	$ -
	Enterprise Resource Planning Systems	$ -	$ -
	Campus Security - Safety Issues	$ 400,000	$ -
	Information Technology Issues	$ -	$ -
	Building Maintenance and Repairs	$ -	$ -
	Deferred Maintenance Projects	$ -	$ -
	Utilities Cost Increase Reserve	$ 1,668,836	$ -
	Other Facilities Requirements (provide detail list)	$ -	$ -
	I&R Centers (provide detail list)	$ -	$ -
	Faculty / Instructional Cost Requirements	$ 13,197,358	$ -
	Leave Payout Reserve	$ -	$ -
	Vacant Faculty Lines	$ -	$ -
	Tuition Differential	$ -	$ -
	Research Support	$ 1,000,000	$ -
	Equipment Replacements	$ -	$ -
	Scholarships and Other Student Support	$ 4,500,000	$ -
	Public/ Community Support	$ -	$ -
	Organizational Structure and Efficiencies Review	$ 350,000	$ -
	Total Restricted Funds :	$ 45,065,143	$ 1,778,856
F.	**Commitments**		
	Board Reserve Requirement	$ -	$ -
	Prior Period Issues (provide detail list)	$ -	$ -
	Pass-Through Funds (provide detail list)	$ -	$ -
	Legislatively Earmarked Funds*	$ -	$ -
	Enterprise Resource Planning Systems	$ 1,000,000	$ -
	Campus Security - Safety Issues	$ 2,520,000	$ -
	Information Technology Issues	$ 2,072,000	$ 367,970
	Building Maintenance and Repairs	$ 1,350,120	$ 137,500
	Deferred Maintenance Projects	$ 15,147,799	$ -
	Utilities Cost Increase Reserve	$ 3,337,672	$ -
	Other Facilities Requirements (provide detail list)	$ 3,053,426	$ -
	I&R Centers (provide detail list)	$ -	$ -
	Faculty / Instructional Cost Requirements	$ 3,200,000	$ 2,500,000
	Faculty start up	$ 1,722,638	$ -
	Leave Payout Reserve	$ 1,215,887	$ -
	Vacant Faculty Lines	$ -	$ -
	Tuition Differential	$ -	$ -
	Financial Aid	$ 11,250,000	$ -
	Enrollment and Retention Efforts (Predictive Analytics)	$ 3,450,000	$ -
	Research Support	$ 2,962,471	$ 1,066,910
	Equipment Replacements	$ 702,800	$ -
	Scholarships and Other Student Support	$ 600,000	$ -
	Public/ Community Support	$ 442,321	$ -
	Environmental Health & Safety/ Emergency Management	$ 4,458,600	$ -
	LCME Required Reserves	$ -	$ 4,454,335
	Health Services Counseling	$ -	$ 400,000
	Total Commitments :	$ 58,485,734	$ 8,926,715
G.	**Available E&G Carryforward Balance as of August 19, 2013 :**	$ 0	$ -

* Please provide details of earmark reserve balances (specific issue name, appropriation year, amount).

Disclosure Notes:

University of Central Flroida

Education and General

2014-15 Operating Budget - Beginning Carryforward Fund Balance Composition

August 2014

		University E&G	Medical E&G
A.	**Beginning E&G Carryforward Fund Balance - July 1, 2014 :**		
	Cash	$ 161,203,123	$ 18,404,078
	Investments	$ -	$ -
	Accounts Receivable	$ 18,154	$ -
	Less: Accounts Payable	$ 10,574,366	$ 524,431
	Less: Deferred Fees	$ -	$ -
	Beginning E&G Fund Balance Before Encumbrances :	$ 150,646,911	$ 17,879,647
B.	**Expenditures to Date :**	$ 3,424,845	$ 209,906
C.	**Encumbrances to Date :**	$ 9,688,697	$ 1,072,931
D.	**E&G Carryforward Fund Balance - as of August 19, 2014 :**	$ 137,533,369	$ 16,596,810
E.	**Restricted / Contractual Obligations**		
	5% Statutory Reserve Requirement	$ 26,141,900	$ 1,955,730
	Board Reserve Requirement	$ -	$ -
	Prior Period Issues (provide detail list)	$ -	$ -
	Pass-Through Funds (provide detail list)	$ -	$ -
	Legislatively Earmarked Funds*	$ 6,193,882	$ -
	Enterprise Resource Planning Systems	$ 250,000	$ -
	Campus Security - Safety Issues	$ 570,038	$ -
	Information Technology Issues	$ -	$ 200,000
	Building Maintenance and Repairs	$ -	$ -
	Deferred Maintenance Projects	$ -	$ -
	Utilities Cost Increase Reserve	$ 673,836	$ -
	Other Facilities Requirements (provide detail list)	$ -	$ -
	I&R Centers (provide detail list)	$ -	$ -
	Faculty / Instructional Cost Requirements	$ 9,900,000	$ 100,000
	Leave Payout Reserve	$ -	$ -
	Vacant Faculty Lines	$ -	$ -
	Tuition Differential	$ 146,968	$ -
	Financial Aid	$ 2,000,000	$ -
	Enrollment and Retention Efforts (Predictive Analytics)	$ 1,702,250	$ -
	Research Support	$ 1,500,000	$ 450,000
	Organizational Structure and Efficiencies Review	$ 460,000	$ -
	Other Issues (add lines and titles as needed)	$ -	$ -
	Total Restricted Funds :	$ 49,538,874	$ 2,705,730
F.	**Commitments**		
	Board Reserve Requirement	$ -	$ -
	Prior Period Issues (provide detail list)	$ -	$ -
	Pass-Through Funds (provide detail list)	$ -	$ -
	Legislatively Earmarked Funds*	$ -	$ -
	Enterprise Resource Planning Systems	$ 750,000	$ -
	Campus Security - Safety Issues	$ 1,020,000	$ -
	Information Technology Issues	$ 2,250,000	$ 550,000
	Building Maintenance and Repairs	$ 3,650,000	$ 450,000
	Deferred Maintenance Projects	$ 20,155,861	$ -
	Utilities Cost Increase Reserve	$ 1,347,672	$ -
	Other Facilities Requirements (provide detail list)	$ 3,053,426	$ 1,000,000
	I&R Centers (provide detail list)	$ -	$ -
	Faculty / Instructional Cost Requirements	$ 4,300,000	$ 2,500,000
	Leave Payout Reserve	$ 2,217,095	$ 100,000
	Vacant Faculty Lines	$ -	$ -
	Tuition Differential	$ -	$ -
	Financial Aid	$ 13,800,000	$ -
	Enrollment and Retention Efforts (Predictive Analytics)	$ 2,474,000	$ -
	Research Support	$ 15,000,000	$ 2,050,000
	Equipment Replacements	$ 2,500,000	$ 300,000
	Scholarships and Other Student Support	$ 695,000	$ -
	Public/ Community Support	$ 6,143,055	$ -
	Quality Enhancement Plan	$ 3,000,000	$ -
	University funded TEAM Grant Initiatives (years 3 - 5)	$ 5,638,386	$ -
	LCME Required Reserves	$ -	$ 5,941,080
	Health Services Counseling	$ -	$ 1,000,000
	Other Issues (add lines and titles as needed)	$ -	$ -
	Total Commitments :	$ 87,994,495	$ 13,891,080
G.	**Available E&G Carryforward Balance as of August 19, 2014 :**	$ -	$ -

Disclosure Notes:

University of Central Florida
Education and General
2015-16 Operating Budget - Beginning Carryforward Fund Balance Composition
August 2015

		University E&G	Special Unit or Campus (Title)
A.	**Beginning E&G Carryforward Fund Balance - July 1, 2015 :**		
	Cash	$ 179,120,466	$ 21,179,982
	Investments	$ -	$ -
	Accounts Receivable	$ 8,326	$ -
	Less: Accounts Payable	$ 10,239,893	$ 850,880
	Less: Deferred Fees	$ -	$ -
	Beginning E&G Fund Balance Before Encumbrances :	$ 168,888,899	$ 20,329,102
B.	**Expenditures to Date :**	$ 20,217,105	$ 720,320
C.	**Encumbrances to Date :**	$ 17,559,870	$ 2,130,628
D.	**E&G Carryforward Fund Balance - as of August 18, 2015 :**	$ 131,111,924	$ 17,478,154
E.	**Restricted / Contractual Obligations**		
	5% Statutory Reserve Requirement	$ 27,087,926	$ 2,044,538
	Board Reserve Requirement	$ -	$ -
	Prior Period Issues (provide detail list)	$ -	$ -
	Pass-Through Funds (provide detail list)	$ -	$ -
	Legislatively Earmarked Funds*	$ 4,525,303	$ -
	Enterprise Resource Planning Systems	$ 200,000	$ -
	Campus Security - Safety Issues	$ 421,000	$ -
	Information Technology Issues	$ -	$ -
	Building Maintenance and Repairs	$ 270,000	$ -
	Deferred Maintenance Projects	$ -	$ -
	Utilities Cost Increase Reserve	$ 672,836	$ -
	Other Facilities Requirements (provide detail list)	$ -	$ -
	I&R Centers (provide detail list)	$ -	$ -
	Faculty / Instructional Cost Requirements	$ 21,689,443	$ 450,000
	Leave Payout Reserve	$ -	$ -
	Vacant Faculty Lines	$ -	$ -
	Tuition Differential	$ 226,652	$ -
	Enrollment and Retention Efforts	$ 1,928,805	$ -
	Research Support	$ 3,740,000	$ -
	Total Restricted Funds :	$ 60,761,965	$ 2,494,538
F.	**Commitments**		
	Board Reserve Requirement	$ -	$ -
	Prior Period Issues (provide detail list)	$ -	$ -
	Pass-Through Funds (provide detail list)	$ -	$ -
	Legislatively Earmarked Funds*	$ -	$ -
	Enterprise Resource Planning Systems	$ 400,000	$ -
	Campus Security - Safety Issues	$ 1,450,000	$ -
	Information Technology Issues	$ 3,058,150	$ -
	Building Maintenance and Repairs	$ 450,000	$ -
	Deferred Maintenance Projects	$ 12,748,600	$ -
	Utilities Cost Increase Reserve	$ 1,345,672	$ -
	Other Facilities Requirements (provide detail list)	$ -	$ 1,000,000
	I&R Centers (provide detail list)	$ -	$ -
	Faculty / Instructional Cost Requirements	$ 17,324,157	$ 2,520,696
	Leave Payout Reserve	$ 2,843,555	$ 100,000
	Vacant Faculty Lines	$ -	$ -
	Tuition Differential	$ -	$ -
	Financial Aid	$ 3,475,000	$ -
	Enrollment and Retention Efforts	$ 1,674,025	$ -
	Research Support	$ 13,099,800	$ 3,590,000
	Equipment Replacements	$ 4,554,000	$ 200,000
	Scholarships & Student Support	$ 765,160	$ -
	Public/Community Support	$ 4,161,840	$ -
	Quality Enhancement Plan	$ 3,000,000	$ -
	Health Services Support	$ -	$ 1,550,000
	LCME Required Reserves	$ -	$ 6,022,920
	Total Commitments :	$ 70,349,959	$ 14,983,616
G.	**Available E&G Carryforward Balance as of August 18, 2015 :**	$ -	$ -

* Please provide details of earmark reserve balances (specific issue name, appropriation year, amount).

Disclosure Notes:

2013-14 TEAM Grant Funds	$ 774,795
IT Performance Funds	3,750,000
	$ 4,524,795

House Report of Investigation Into Unauthorized Use of Appropriated Funds for Fixed Capital Outlay Projects at the University of Central Florida Recommended Actions
Board of Governors
Checks and balances must be instituted to ensure that no high-ranking administrator becomes a single point of both information and authority with respect to decisions involving significant sums of public funds. Boards of Trustees and the Board of Governors should require universities to notify General Counsel, audit and compliance, and Board of Governors staff of the substance of such decisions. Compliance staff must have authority and opportunity to question the legitimacy of such decisions.
Trustees should be trained in their constitutional and fiduciary responsibilities.
Budget and finance decision makers should receive regular notifications of changes in applicable laws and regulations including new Board of Governors guidance.
The Board of Governors should provide standards for operating budgets and capital outlay budgets consistent with the above recommendations to verify that the laws are faithfully executed.
The Board of Governors should provide clear guidance for Capital Improvement Plans including BOB 1 and BOB 2 lists to verify the legitimate and appropriate use of each form.
The Board of Governors should provide or identify standards for project planning that require proper project budgeting and authorizations, particularly funding authorization in budgets approved by a university Board of Trustees.
The Board of Governors should require Boards of Trustees regularly to review and approve E&G carryforward spending plans.
The Board of Governors should provide clear written guidance or opinions upon request of university staff and Boards of Trustees on all matters of regulatory significance. FAQs and training modules covering all statutory and regulatory budget and finance matters should be available to all universities. Such information should be kept current with respect to laws and regulations.
Board of Governors reports should accurately reflect plans or expenditures reported. Funds not legally encumbered should never be characterized as encumbered or expended. Funds committed from E&G carryforward accounts and not encumbered or expended should be reported as E&G carryforward available for any lawful use. Funds transferred to other university accounts but not expended should not be reported as expenditures.
To remove legal uncertainty about the use of E&G for maintenance, renovation and capital renewal: (I) The Board of Governors should abandon its $2 million limitation on maintenance projects or clarify its statutory or regulatory basis with a legal opinion of its General Counsel or the Attorney General; and (II) The Board of Governors should consistently define “fixed capital outlay,” “maintenance,” “capital renewal,” “deferred maintenance,” “infrastructure,” and related terms consistent with current law.
The Board of Governors should consider adopting a policy on crisis management, providing intervention and support to institutions affected by financial mismanagement.

House Report of Investigation Into Unauthorized Use of Appropriated Funds for Fixed Capital Outlay Projects at the University of Central Florida Recommended Actions
Board of Governors Office of Inspector General and Director of Compliance
The Board of Governors Inspector General should investigate significant complaints or reports of possible waste, fraud and mismanagement and submit investigative findings to the Board of Governors, the Speaker of the House and Senate President.
The Board of Governors should ensure that multiple whistleblower paths are available and widely publicized to maximize opportunities for Trustees, employees, students, contractors, and taxpayers to report waste, fraud, mismanagement or other violations of governing laws.
University Audit and Compliance staff should make annual reports to the Board of Governors Inspector General summarizing their investigative activities, findings and results.
The Board of Governors should monitor compliance activities in all institutions.

House Report of Investigation Into Unauthorized Use of Appropriated Funds for Fixed Capital Outlay Projects at the University of Central Florida Recommended Actions
SUS Boards of Trustees
Boards of Trustees should approve Operating Budgets conforming to Florida law with some delineation of authorized expenditures, subject to revision by the Board of Governors.
Boards of Trustees should approve E&G carryforward commitments reported to the Board of Governors each August and approve university changes to the approved commitments on a quarterly basis.
Boards of Trustees should review each state audit finding, be fully advised by legal counsel, audit staff and trained administrators of the seriousness of findings of unlawful operations or activities, and maintain regular review of institutional responses until compliance is achieved and certified by the university's chief audit executive, Board of Governors Inspector General, or the Auditor General.

House Report of Investigation Into Unauthorized Use of Appropriated Funds for Fixed Capital Outlay Projects at the University of Central Florida Recommended Actions
SUS Leadership
Capital Outlay Budgets must comply with statutory requirements showing all capital projects and the actual source of funds committed to each project.
Capital projects in excess of $1 million in cost should not be undertaken before the President and General Counsel certify the actual source of all funds to be expended and that planning and funding conform to the Capital Outlay Budget, Capital Improvement Plan, Master Plan, applicable laws and regulations. Such certifications should be submitted to the Board of Trustees for information at the next scheduled meeting.
E&G funds should not be transferred or encumbered except as authorized in budgets and carryforward commitment lists approved by the Board of Trustees.
All SUS leadership should jointly search for best practices in budgeting and accountability. Each Board of Trustees should adopt policies to ensure adherence to budget and planning laws and regulations.
University investment policies and accounting of investment shares of various university accounts should disclose the source and possible use of all funds commingled in investment programs. Care should be taken to avoid risking university reserves or endowments through internal allocation practices that are not fully accountable to the Board of Trustees.
Internal loans should be fully disclosed and audited to ensure the safety and security of all funds, particularly E&G funds.
Each SUS institution should foster a culture that respects and responds to Auditor General Audit Findings.

House Report of Investigation Into Unauthorized Use of Appropriated Funds for Fixed Capital Outlay Projects at the University of Central Florida Recommended Actions
SUS General Counsels
The General Counsel, audit, and other compliance offices should help train budget, finance and accounting staff, and their administrative superiors, in applicable laws and regulations.
General Counsels should train Trustees in their budgetary and financial responsibilities.
General Counsel, internal audit, and compliance offices should help train all responsible university administrators in applicable laws and regulations.
Engagement of legal counsel to certify that each budget document submitted to a Board of Trustees for approval is compliant with applicable laws and regulations.

House Report of Investigation Into Unauthorized Use of Appropriated Funds for Fixed Capital Outlay Projects at the University of Central Florida Recommended Actions
SUS Audit and Compliance Offices
Capital Outlay Budgets, Fund Composition Reports and E&G carryforward expenditures should be routinely audited.
Internal auditors should prioritize audits of E&G carryforward distributions and capital project funding.
Regular internal operational audits to monitor compliance with such policies [Policies developed to ensure adherence to budget and planning laws and regulations].
Public universities should employ sufficient Audit and Compliance staff to protect the interests of taxpayers and students.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
March 28, 2019

SUBJECT: USF Report of Findings, Review Into Use of Carryforward Funds in the Construction of the Dr. Kiran C. Patel Center for Global Solutions (Patel Center)

PROPOSED COMMITTEE ACTION

Information Only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Inspector General and Director of Compliance, Julie Leftheris, will provide Committee members with background information that led to the identification of the University of South Florida's use of Education and General (E&G) carryforward funds for the construction of the Patel Center for Global Solutions. A representative from the University of South Florida will provide Committee members with a status of the University's review into the use of these funds for the construction of the Patel Center for Global Solutions and the current compliance structure in place regarding the use of E&G funds in construction projects.

Supporting Documentation Included: None

Facilitators/Presenters: Ms. Julie Leftheris

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
March 28, 2019

SUBJECT: OIGC Updates

PROPOSED COMMITTEE ACTION

Information only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Inspector General Leftheris will provide Committee members with an update of her office's recent and upcoming activities.

Supporting Documentation Included: None

Facilitators/Presenters: Ms. Julie Leftheris

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

AGENDA
Budget and Finance Committee
Grand Ballroom
H. Manning Efferson Student Union Building
Florida A&M University
1780 S. Martin Luther King, Jr. Boulevard
Tallahassee, Florida 32307
March 28, 2019
1:00 p.m. – 1:45 p.m.
or
Upon Adjournment of Previous Meetings

Chair: Mr. Syd Kitson; Vice Chair: Mr. H. Wayne Huizenga, Jr.
Members: Cerio, Lautenbach, Salerno, Valverde, White

1.	**Call to Order and Opening Remarks**	**Governor Syd Kitson**
2.	**Minutes of Committee Meeting** Minutes: January 31, 2019	**Governor Kitson**
3.	**FAMU & UCF Carryforward Plan Update**	**University Representatives**
4.	**Auxiliary Facilities that have Bond Covenants Requiring Approval of Estimated 2019-2020 Operating Budgets**	**Mr. Tim Jones** *Vice Chancellor for Finance and Administration*
5.	**Legislative Budget Update**	**Mr. Jones**
6.	**2020-2021 Legislative Budget Request Guidelines**	**Mr. Jones**
7.	**Board of Governors Regulations** • Public Notice of Intent to Amend Regulation 9.014 Collegiate License Plates Revenues • Discussion of Regulation 9.007 State University Operating Budgets	**Mr. Jones**

8.	**Financial Training Update**	**Mr. Jones**
9.	**Concluding Remarks and Adjournment**	**Governor Kitson**

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
March 28, 2019

SUBJECT: Minutes of Committee Meetings held January 31, 2019

PROPOSED COMMITTEE ACTION

Approve the minutes from the meetings held on January 31, 2019.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review and approve the minutes of the meeting held on January 31, 2019, at Florida International University.

Supporting Documentation Included: Minutes: January 31, 2019

Facilitators/Presenters: Governor Syd Kitson

MINUTES

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA
JANUARY 31, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at http://www.flbog.edu/.

Mr. Syd Kitson, Chair, convened the meeting of the Budget and Finance Committee at 1:05 p.m. Members present for roll call were Tim Cerio, Wayne Huizenga, Ned Lautenbach, Fernando Valverde, and Jalisa White. Other Board members present included Shawn Felton, Pat Frost, Darlene Jordan, Ed Morton, Jay Patel, Norman Tripp (by phone), and Zach Zachariah.

1. Call to Order

Mr. Kitson called the meeting to order.

2. Minutes of Committee Meeting

Mr. Lautenbach moved that the Committee approve minutes from the November 8, 2018, meeting. Mr. Huizenga seconded the motion, and members of the Committee concurred.

3. University Carryforward Expenditure Plans

Mr. Kitson recapped discussion from the November meeting including the Board-approved requirement that Trustees review and approve university carryforward commitments and submit those plans to the Budget & Finance Committee for approval. He also reviewed Board Regulation 1.001 that delegates financial responsibility to the Trustees.

Mr. Kitson then introduced University of Florida Chair Mori Hosseini to present the carryforward plan.

Mr. Hosseini provided an overview on the need for university carryforward. After review and discussion, Mr. Huizenga moved that the Committee approve the plan as

presented. Mr. Lautenbach seconded the motion, and members of the Committee concurred.

University of South Florida Chair Brian Lamb presented their carryforward plan. After review and discussion, Mr. Lautenbach moved that the Committee approve the plan as presented. Mr. Valverde seconded the motion, and members of the Committee concurred.

Florida State University Trustee Billy Buzzett presented their carryforward plan by phone. After review and discussion, Mr. Huizenga moved that the Committee approve the plan as presented. Mr. Valverde seconded the motion, and members of the Committee concurred.

Florida A&M University Vice Chair Kimberly Moore presented their carryforward plan. After review and discussion, Mr. Valverde moved that the Committee approve the plan except for the $8.9 million identified as a Board of Trustee reserve and asked the university to work with Board of Governors staff. Mr. Huizenga seconded the motion, and members of the Committee concurred.

Florida Atlantic University Chair Anthony Barber presented their carryforward plan After review and discussion, Mr. Valverde moved that the Committee approve the plan as presented. Mr. Huizenga seconded the motion, and members of the Committee concurred.

Florida Gulf Coast University Chair Blake Gable presented their carryforward plan. After review and discussion, Mr. Lautenbach moved that the Committee approve the plan as presented. Ms. White seconded the motion, and members of the Committee concurred.

New College of Florida Chair Felice Schulaner presented their carryforward plan by phone. After review and discussion, Mr. Lautenbach moved that the Committee approve the plan as presented. Mr. Huizenga seconded the motion, and members of the Committee concurred.

Florida Polytechnic University Chair Don Wilson presented their carryforward plan. After review and discussion, Mr. Lautenbach moved that the Committee approve the plan as presented. Mr. Valverde seconded the motion, and members of the Committee concurred.

University of Central Florida Chair Marcos Marchena presented their carryforward plan. After review and discussion, Mr. Huizenga moved that the Committee approve the plan to expend $20 million for deferred maintenance and require the university to work with Board of Governors staff on the $60.5 million identified as financial aid ($40 million) and university commitments ($20.5 million). Mr. Lautenbach seconded the motion, and members of the Committee concurred.

University of West Florida Chair Mort O'Sullivan presented their carryforward plan. After review and discussion, Mr. Valverde moved that the Committee approve the plan as presented. Mr. Huizenga seconded the motion, and members of the Committee concurred.
University of North Florida Chair Kevin Hyde presented their carryforward plan. After review and discussion, Mr. Lautenbach moved that the Committee approve the plan as presented. Mr. Valverde seconded the motion, and members of the Committee concurred.

Florida International University Chair Claudia Puig presented their carryforward plan. After review and discussion, Mr. Valverde moved that the Committee approve the plan as presented. Mr. Huizenga seconded the motion, and members of the Committee concurred.

4. 2019-2020 Legislative Budget Request Update

The Strategic Planning Committee recommended and forwarded the $10.8 million University of North Florida (UNF) Legislative Budget Request (LBR) issue to the Committee for consideration. If approved, the total system LBR will increase from 3.9% to 4.1%. The dollar increase goes from $194 million to $205 million. There is an executive summary of the LBR in the packet of materials. Mr. Kitson noted that this coordinated approach on the development and presentation of university LBRs is a positive step and is consistent with previous LBRs developed by NCF, FGCU, and FAU.

Mr. Cerio moved that the Committee approve the UNF LBR issue as recommended by the Strategic Planning Committee. Mr. Lautenbach seconded the motion, and members of the Committee concurred.

5. Concluding Remarks and Adjournment

Mr. Kitson asked Mr. Tim Jones to give an update on the systemwide business process review requested by the Committee last fall. Mr. Jones stated that two firms responded to the request for quote. Evaluators will meet with the two firms and hope to select a firm by March 1.

Having no further business, the meeting was adjourned at 3:13 p.m.

_____ _____

Tim Jones, Vice Chancellor
Finance and Administration

Syd Kitson, Chair

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
March 28, 2019

SUBJECT: FAMU & UCF Carryforward Plan Update

PROPOSED COMMITTEE ACTION

Consider FAMU and UCF university carryforward plan update.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 216.023, Florida Statute

BACKGROUND INFORMATION

In January the Committee received presentations from each university Board of Trustee representative on the use of carryforward funds identified as 'commitments'. Two universities were asked to come back with additional information.

Florida A&M University had identified a five percent University Board of Trustee reserve that totaled $8.9 million. This reserve was in addition to the statutorily required five percent. The Committee approved a motion to accept FAMU's plan except for the five percent reserve and asked Trustee Moore and staff to work with Board staff on the appropriate use of the $8.9 million.

The University of Central Florida presented $20.5 million in commitments, plus $40 million for a new financial aid program, and $20 million for deferred maintenance projects. The Committee approved the $20 million for deferred maintenance and requested that UCF work with Board staff on the appropriate use of the $60.5 million.

Supporting Documentation Included: 1. FAMU Carryforward Information
2. UCF Carryforward Information

Facilitators/Presenters: University Representatives

FLORIDA A&M UNIVERSITY

5% BOT RESERVE PROPOSED DISTRIBUTION

Proposed Facilities/Infrastructure Projects	
Campus Wide Water and Sewer Improvements	1,300,000
Campus Wide Electrical Distribution Upgrade	1,000,000
Roofing (Lee Hall, Pool Locker Room)	1,200,000
Lee Hall Improvements and Upgrade (A/V, Lighting, and Draperies)	100,000
Research Equipment Replacement (Research Buildings)	275,000
Steam Building Connections	175,000
Second Return Well (Chilled Water)	850,000
Building Boiler Replacements	350,000
Campus Wide Smart Classroom Upgrades	700,000
Fire Alarm System Upgrades	500,000
Steam Distribution Repairs	75,000
Total:	**6,525,000**
Research Infrastructure Enhancements	
Establish cutting edge research laboratories	1,000,000
Total	**1,000,000**
Student Services Support	
*Oracle Student Financial Planning Cloud Service Software	500,000
**Sales Force Customer Relation Management System	500,000
***Kognito Annual Licensing Cost	20,000
Update Telephones in Admissions and Financial Aid	20,000
Enrollment Management Software	95,000
Software and technology upgrades to enhance tracking of student progression	200,000
Total	**1,335,000**
Total	**8,860,000**

Oracle Student Financial Planning Cloud Service: $435,791 estimated

- Increase responsible borrowing awareness
- Reduce Compliance and Audit risk
- Eliminate Reg and Leg update burden
- Impact retention goals
- Increase student success parameters impacting Florida performance metrics
- Automate 50-80% of current manually executed processes, saving time and increasing employee satisfaction while reducing errors, and improving services.

Sales Force Customer Relation Management System: $422,583

This software application will allow increased interactions and communications with customer base to include Students, parents, alumni, and FAMU stakeholders. It can be used to automate and manage communications with customer base therefore reducing many manual process'. This will improve customer service and allow FAMU to recruit on a whole different level by leveraging technology.
https://www.studyportals.com/blog/the-importance-of-customer-relationship-management-crm-systems-in-higher-education/

KOGNITO Annual Licensing Cost: $16,820

Kognito offers the only commercially available solution that provides interactive, practice-based and evidence-based tools to rapidly and cost-effectively educate and mobilize the student community.

UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees Special Teleconference Meeting
March 13, 2019
10 a.m.
(or at the conclusion of the Finance and Facilities Committee meeting)

President's Boardroom, Millican Hall, 3rd floor
800-442-5794, passcode 463796

AGENDA

1.	Welcome and call to order	Robert Garvy, Chairman
2.	Roll Call	Grant J. Heston, Associate Corporate Secretary
3.	Public Comment	Grant J. Heston
4.	New Business	Chairman Garvy
	FF - 1 Approval	Carryforward Spending Plan
5.	Adjournment	Chairman Garvy

ITEM: FF-1

UCF BOARD OF TRUSTEES
March 13, 2019

Title: E&G Carryforward Spending Plan

Background:
At its November 8, 2018, meeting, the Board of Governors (BOG) requested university boards of trustees approve expenditure plans for their remaining 2017-18 "Committed" E&G carryforward funds and submit those BOT-approved plans to the BOG for consideration and approval at its January 31, 2019, meeting.

At the December 12, 2018, meeting (Attachment A), the Board of Trustees approved a plan for spending the $20.6 million in "Committed" E&G carryforward funds, including:

Faculty research support	$ 9,311,210
Faculty recruitment and start-up	$ 5,687,830
UCF Downtown	$ 3,414,000
Digital Learning Course Redesign Initiative	$ 1,119,659
Undergraduate Student Support	$ 476,695
Graduate Student Support	$ 583,996
Total	$ 20,593,390

Also at this meeting, the BOT was given information about two new funding initiatives directed by then-President Whittaker with agreement from the vice presidents and then-Chairman Marchena:

1. $40 million was transferred from E&G carryforward funds to Student Financial Assistance to establish the Constellation Fund for student scholarships
2. $20 million was transferred from E&G carryforward funds to Facilities Operations to address critical deferred maintenance across the university (Attachment B)

On January 31, 2019, the Board of Governors approved the university's planned use of $20 million carryforward funds for deferred maintenance.

It also directed UCF to go back to the Board of Trustees for a more robust discussion of the recommended uses of the $20.6 million in E&G carryforward fund commitments and the $40 million that was transferred for scholarships (total of $60.6 to be discussed).

Issues to be Considered:
Attachment C includes details of the university's proposed uses of the total $60,593,390 E&G Carryforward funds ($40 million that was previously directed toward scholarships plus $20.6 million that was previously approved by the BOT in the "green box" on December 12, 2018).

- The first page of Attachment C shows a summary of the proposed uses of the Carryforward funds by BOG Strategic Category and University Initiative.

Academic & Student Affairs	$ 30,987,812
Student Financial Aid	$ 16,871,118
Student Welfare	$ 6,726,292
Information Technology	$ 3,695,282
Deferred Maintenance	$ 1,352,145
Campus Safety & Security	$ 960,741
Total	$ 60,593,390

- The next two pages of Attachment C provide details of the proposed uses by BOG Strategic Category, University Initiative, and Detailed Plan.
- The final three pages of Attachment C sorts the same information by College/Unit.

Alternatives to Decision:
Attachment D includes details of a proposed alternative for spending these funds: increasing the amount spent on deferred maintenance.

Fiscal Impact and Source of Funding:
Approximately $80.6 million remaining 2017-18 E&G carryforward funds will be used for these initiatives.

Recommended Action:
1. Recommend to the BOT approval of use $20 million E&G carryforward funds for deferred maintenance as listed in Attachment B.
2. Recommend to the BOT approval of the use of $60.6 million E&G carryforward funds as outlined in Attachment C.

Authority for Board of Trustees Action:
BOG Regulation 9.007 (Attachment E) requires that E&G funds be used for operating activities, such as instruction, research, support, public service, plant operations and maintenance, student services, libraries, administrative support, and other enrollment-related and stand-alone operations of the university.

The BOT's Delegation of Authority to the President requires specific approval of the board for the annual institutional budget request and changes thereto in an amount greater than the lower of $5 million of .5% of the budget (approximately $8 million for 2017-18), whichever amount is smaller.

Committee Chair or Chairman of the Board approval:
Finance and Facilities Chair Alex Martins approved this agenda item and supporting documentation.

Submitted by:
Elizabeth Dooley, Provost and Vice President

Supporting Documentation:
Attachment A – December 12, 2018, FFC-1 Carryforward Spending Plan
Attachment B – November 2018 Deferred Maintenance Projects to be Paid from Carryforward
Attachment C – Recommended Uses of E&G Carryforward Funds
Attachment D – Alternate Uses of E&G Carryforward Funds for Consideration

Attachment E – BOG Regulation 9.007, *State University Operating Budgets*
Attachment F – BOT Delegation of Authority

Facilitators/Presenters:
Elizabeth Dooley, Provost and Vice President

Attachment A

ITEM: FFC-1

University of Central Florida
Board of Trustees
Finance and Facilities Committee

SUBJECT: E&G Carryforward Spending Plan

DATE: December 12, 2018

PROPOSED COMMITTEE ACTION

Recommend to the University of Central Florida Board of Trustees approval of the plan for spending the "Committed" portion of the University's remaining 2017-18 E&G Carryforward funds.

BACKGROUND INFORMATION

As required by the Board of Governors, all Florida universities must provide updated plans for spending the "Committed" portion of their remaining 2017-18 E&G Carryforward funds. The updated plans must be approved by the University Board of Trustees prior to submission to the Board of Governors by January 4, 2019, for its January 30-31 board meeting.

UCF has updated its August 2018 E&G Carryforward plan as of November 30, 2018 as shown in Attachment A.

Supporting documentation: Attachment A: E&G Committed Carryforward Spending Plan

Prepared by: Kathy Mitchell, Interim Chief Financial Officer

Submitted by: Kathy Mitchell, Interim Chief Financial Officer

Attachment A

University of Central Florida
Education and General (E&G)
2018-19 Operating Budget – Beginning E&G Carryforward Fund Balance Composition
Excluding College of Medicine and Florida Center for Students with Unique Abilities
November 30, 2018

	University
A. Beginning E&G Carryforward Fund Balance Before Encumbrances	174,204,733
B. Expenditures as of August 21, 2018	6,913,323
C. Encumbrances as of August 21, 2018	48,636,048
D. E&G Carryforward Balance as of August 21, 2018	118,655,453
Additional Expenditures, Encumbrances, and Reimbursements as of November 30, 2018:	
Student Financial Assistance	-40,000,000
Critical Deferred Maintenance Projects	-20,000,000
Other Expenditures, Encumbrances, and Reimbursements *	+52,522,542
D. E&G Carryforward Balance as of November 30, 2018	111,177,995
E. Restricted/Contractual Obligations	
5% Statutory Reserve Requirement	31,931,049
Other Restricted/Contractual Obligations	58,653,556
Total Restricted/Contractual Obligations	90,584,605
F. Commitments	
Academic and Student Affairs	
Faculty Research Support	9,311,210
Faculty Recruitment and Start-up	5,687,830
UCF Downtown	3,414,000
Student Welfare	
Digital Learning Course Redesign Initiative	1,119,659
Undergraduate Student Support	476,695
Graduate Student Support	583,996
Total Commitments	20,593,390
G. Available E&G Carryforward as of November 30, 2018	0

* This includes reimbursement for E&G funds incorrectly used for capital projects, recording unrealized gains, less other expenditures and encumbrances from August 21st – November 30th.

Finance and Facilities Committee Meeting
December 12, 2018

Details for the $52,522,542 in Other Expenditures, Encumbrances, and Reimbursements to arrive at the 2017-18 E&G Carryforward balance as of November 30, 2018:

+ $38.2 M	cash paid for construction of Trevor Colbourn Hall
+ $13.8 M	cash paid for 8 additional repair, renovation or construction projects
+ $32.4 M	funds that had been transferred to – but not spent for – those additional projects
+ $12.9 M	unrealized gains on E&G investments that we recorded and budgeted
- $ 5 M	research (at the BRIDG facility in Osceola County)
- $ 5 M	deferred maintenance allocated by the University Budget Committee in July 2018
- $11 M	scholarships
- $24.6 M	normal purchasing cycle transactions
_____	
$52.5 M	Net Increase in Other Expenditures, Encumbrances, and Reimbursements

Attachment B

November 2018 Deferred Maintenance Projects to be Paid from Carryforward

B0006	Boiler replacement/ HVAC	$500,000
B0012	Fire sprinkler upgrade/ panel replacement	$1,500,000
B0012	Carpet replacement	$300,000
B0013	2nd floor VAV box controls	$50,000
B0013	Roof replacement	$75,000
B0014	Building envelop repairs	$100,000
B0014	Exterior door upgrade	$60,000
B0016	Roof replacement	$150,000
B0019	Roof replacement	$100,000
B0019	Carpet replacement	$75,000
B0020	Building envelop repairs	$100,000
B0020	Additional chilled water assembly	$100,000
B0020	Vacuum pump replacement	$150,000
B0020	Air compressor replacement	$75,000
B0020	Exhaust system replacement	$300,000
B0020	ADA exterior doors	$50,000
B0029	2nd floor VAV box controls	$50,000
B0029	Roof replacement	$100,000
B0045	VAV box replacement and controls	$500,000
B0045	Redundant chilled water pump and controls	$50,000
B0045	Fall protection	$75,000
B0045	Smoke control fan replacement	$60,000
B0053	Building envelop repairs	$75,000
B0053	Lab exhaust fan replacement	$150,000
B0079	Fire alarm replacement	$600,000
B0079	BAS replacement	$500,000
B0079	Carpet replacement	$500,000
B0080	Lighting replacement/ EXIT/ Main	$750,000
B0090	BAS replacement	$750,000
B0091	Atrium Repair	$150,000
B0094	Fall protection	$75,000
B0094	Smoke control fan replacement	$50,000
B0095	Outside air damper replacement	$35,000
B0116	Replace all interior lighting	$650,000
B0121	Roof coating	$250,000
B0122	Floor and carpet replacement	$200,000
B0139	Chilled beam repairs	$100,000
B0140	BAS replacement	$200,000
B0150	Data Air unit replacement	$800,000
B0152	DX unit replacement and BAS controls	$800,000
B0154	MMAE controls consolidation and mechanical	$800,000
B0903	Library/ auditorium carpet	$125,000
B0903	Fall protection	$150,000
B0903	Fire alarm panel replacement	$50,000

Attachment B

B1001	Vacuum pump replacement	$150,000
B1001	Exterior door upgrade	$80,000
B1001	Fire alarm panel replacement	$50,000
B8111	Lab exhaust fan replacement	$500,000
B8119	Fall protection	$75,000
B8126	BAS replacement	$300,000
MULTIPLE	Multiple electrical panel obsolescence replacements	$1,000,000
MULTIPLE	Exterior sidewalk light replacement/ additions for campus safety	$750,000
MULTIPLE	VFD replacement multiple buildings	$600,000
MULTIPLE	Rust remediation	$1,500,000
MULTIPLE	Other projects to be determined	$2,715,000
	TOTAL	**$20,000,000**

Attachment C

E&G Carryforward Fund Balance Plan, 2018-19
Summary by BOG Strategic Category & University Initiative

BOG Strategic Categories	University Initiatives	University Commitment
Academic and Student Affairs	University Administration Support	2,468,977
	Faculty Research Support	11,395,826
	Faculty recruitment and startup	9,746,775
	UCF Downtown	3,414,000
	Faculty/Staff Instructional Support	2,675,359
	Program Enhancements	1,286,875
	Academic and Student Affairs Total	30,987,812
Campus Safety and Security	Campus Safety and Security	960,741
	Campus Safety and Security Total	960,741
Deferred Maintenance of Existing Facilities	Other general facility renovations/repairs	1,303,409
	Utilities	48,736
	Deferred Maintenance of Existing Facilities Total	1,352,145
Information Technology	Information Technology	3,695,282
	Information Technology Total	3,695,282
Student Financial Aid	Student Financial Aid	16,871,118
	Student Financial Aid Total	16,871,118
Student Welfare	Student Services, Enrollment, and Retention Efforts	3,621,046
	Graduate Student Support	1,382,892
	Digital Learning Course Redesign Initiative	1,119,659
	Undergraduate Student Support	602,695
	Student Welfare Total	6,726,292
Grand Total		**60,593,390**

Attachment C (continued)

E&G Carryforward Fund Balance Plan, 2018-19
Summary by BOG Strategic Category & University Initiative

BOG Strategic Categories	University Initiatives	University Commitment
Academic and Student Affairs	Faculty Research Support	11,395,826
	UCF Downtown - Instruction support	3,414,000
	Faculty recruitment and startup for vacant positions	3,346,500
	Faculty recruitment and startup - faculty retention	3,000,000
	Faculty recruitment and startup - college funds	2,900,275
	Faculty/Staff Instructional Support	2,675,359
	Operating Support	2,468,977
	Support costs for wait listed courses	500,000
	Program Enhancements	500,000
	Academic and Student Affairs Total	**30,200,937**
Campus Safety and Security	Campus Safety and Security	960,741
	Campus Safety and Security Total	**960,741**
Deferred Maintenance of Existing Facilities	Renovations, Infrastructure (Cyber lab/Shock Tube lab)	617,714
	Other general facility renovations/repairs	285,695
	Lab renovation for current staff search	250,000
	Carpet and furniture for atrium	150,000
	Utilities	48,736
	Deferred Maintenance of Existing Facilities Total	**1,352,145**
Information Technology	Increase network capacity, replace end-of-life devices, and security enhancements	2,500,000
	Academic analytic software	786,875
	Information Technology	616,585
	Salesforce licensing, installation, and integration with PS	340,910
	General computer, phone and other upgrades	118,941
	Information Technology (ERP, Equipment, Etc.)	75,096
	Software to enhance student learning experience	43,750
	Data Management Software	37,000
	Information Technology Total	**4,519,157**

Student Financial Aid	Upper division scholarship	7,500,000
	Top Ten Knights	3,750,000
	Charge on 15 (Level 1) - Pell	2,400,000
	Doctoral student support	1,570,493
	Charge on 15 (Level 2)	1,350,000
	Undergraduate Student Support	180,000
	Graduate Student Support	80,625
	Student Financial Aid	40,000
	Student Financial Aid Total	**16,871,118**
Student Welfare	Advising Enhancement - Student Services	2,000,000
	Student Services, Enrollment, and Retention Efforts	1,621,046
	Graduate Student Support	1,382,892
	Instructional/advising support, general - BOT Adaptive Learning/Online Course	1,119,659
	Undergraduate Student Support	565,695
	Student Welfare Total	**6,689,292**
Grand Total		**60,593,390**

Attachment C (continued)

E&G Carryforward Fund Balance Plan, 2018-19
Summary by BOG Strategic Category & University Initiative

University Academic/Business Unit	BOG Strategic Categories	University Initiatives	University Commitment
Administration & Finance	Academic and Student Affairs	Operating Support	1,018,750
	Campus Safety and Security	Campus Safety and Security	600,000
	Administration & Finance Total		**1,618,750**
Burnett Honors College	Student Financial Aid	Graduate Student Support	80,625
		Undergraduate Student Support	30,000
	Burnett Honors College Total		**110,625**
College of Arts & Humanities	Academic and Student Affairs	Faculty recruitment and startup - college funds	504,320
		Faculty Research Support	301,834
	Information Technology	Information Technology (ERP, Equipment, Etc.)	75,096
	College of Arts & Humanities Total		**881,250**
College of Business Administration	Academic and Student Affairs	Faculty Research Support	595,834
		Faculty/Staff Instructional Support	550,000
	Information Technology	Software to enhance student learning experience	43,750
	Student Welfare	Graduate Student Support	500,000
	College of Business Administration Total		**1,689,584**
College of Community Innovation and Education	Academic and Student Affairs	Faculty recruitment and startup - college funds	9,375
	Student Welfare	Graduate Student Support	40,000
	College of Community Innovation and Education Total		**49,375**
College of Engineering and Computer Science	Academic and Student Affairs	Faculty Research Support	3,553,600
		Faculty/Staff Instructional Support	1,327,300
		Faculty recruitment and startup - college funds	1,077,830
		UCF Downtown - Instruction support	114,000
	Deferred Maintenance of Existing Facilities	Renovations, Infrastructure (Cyber lab/Shock Tube lab)	617,714
		Utilities	48,736
	College of Engineering and Computer Science Total		**6,739,180**
College of Health Professions and Sciences	Academic and Student Affairs	Faculty recruitment and startup - college funds	600,000
		Faculty/Staff Instructional Support	356,059
	Information Technology	General computer, phone and other upgrades	118,941
	Deferred Maintenance of Existing Facilities	Carpet and furniture for atrium	150,000
	College of Health Professions and Sciences Total		**1,225,000**
College of Hospitality Management	Academic and Student Affairs	Faculty Research Support	48,125
		Faculty recruitment and startup - college funds	13,500
	College of Hospitality Management Total		**61,625**
College of Medicine	Academic and Student Affairs	Faculty Research Support	1,547,389
	College of Medicine Total		**1,547,389**
College of Medicine - SBS	Academic and Student Affairs	Faculty Research Support	122,500
		Faculty recruitment and startup - college funds	20,000
	Student Financial Aid	Doctoral student support	20,000
	College of Medicine - SBS Total		**162,500**

University Academic/Business Unit	BOG Strategic Categories	University Initiatives	University Commitment
College of Nursing	Academic and Student Affairs	Faculty recruitment and startup - college funds	150,000
		Faculty/Staff Instructional Support	112,000
	Information Technology	Information Technology	11,257
	Student Financial Aid	Doctoral student support	50,493
	College of Nursing Total		**323,750**
College of Optics and Photonics	Academic and Student Affairs	Faculty recruitment and startup - college funds	250,000
	Student Welfare	Graduate Student Support	17,500
	College of Optics and Photonics Total		**267,500**
College of Science	Academic and Student Affairs	Faculty Research Support	528,239
		Faculty recruitment and startup - college funds	261,250
	Deferred Maintenance of Existing Facilities	Lab renovation for current staff search	250,000
	College of Science Total		**1,039,489**
College of Undergraduate Studies	Academic and Student Affairs	Faculty/Staff Instructional Support	330,000
		Faculty Research Support	150,000
		Faculty recruitment and startup - college funds	14,000
	Information Technology	Information Technology	10,000
	Student Welfare	Student Services, Enrollment, and Retention Efforts	245,000
		Undergraduate Student Support	101,000
	College of Undergraduate Studies Total		**850,000**
Communications & Marketing	Academic and Student Affairs	Operating Support	668,977
	Campus Safety and Security	Campus Safety and Security	21,422
	Information Technology	Information Technology	17,726
	Student Financial Aid	Student Financial Aid	40,000
	Student Welfare	Undergraduate Student Support	25,000
	Communications & Marketing Total		**773,125**
Information Technologies & Resources	Information Technology	Information Technology	41,875
	Information Technologies & Resources Total		**41,875**
Office of the President	Academic and Student Affairs	Operating Support	781,250
	Office of the President Total		**781,250**
Provost Operations	Academic and Student Affairs	Faculty Research Support	60,000
	Information Technology	Academic analytic software	786,875
		Data Management Software	37,000
	Provost Operations Total		**883,875**
Provost Reserve	Academic and Student Affairs	UCF Downtown - Instruction support	3,300,000
		Faculty recruitment and startup - faculty retention	3,000,000
		Faculty Research Support	2,000,000
		Faculty recruitment and startup for vacant positions - FCI 2 additional funds	1,940,000
		Faculty recruitment and startup for vacant positions - COM hire	900,000
		Program Enhancements	500,000
		Support costs for wait listed courses	500,000
		Faculty recruitment and startup for vacant positions - Round III startup	406,500
		Faculty recruitment and startup for vacant positions - Dean searches	100,000
	Information Technology	Increase network capacity, replace end-of-life devices, and security enhancements	2,500,000
	Student Financial Aid	Doctoral student support	1,500,000
		Undergraduate Student Support	150,000
	Student Welfare	Advising Enhancement - Student Services	2,000,000
		Instructional/advising support, general - BOT Adaptive Learning/Online Course	1,119,659
	Provost Reserve Total		**19,916,159**

University Academic/Business Unit	BOG Strategic Categories	University Initiatives	University Commitment
Research and College of Graduate Studies	Academic and Student Affairs	Faculty Research Support	2,488,304
	Information Technology	Information Technology	502,148
	Student Welfare	Graduate Student Support	160,000
	Deferred Maintenance of Existing Facilities	Other general facility renovations/repairs	285,695
	Research and College of Graduate Studies Total		**3,436,147**
Student Development and Enrollment Services	Campus Safety and Security	Campus Safety and Security	339,319
	Information Technology	Information Technology	33,579
	Student Welfare	Student Services, Enrollment, and Retention Efforts	1,160,706
		Graduate Student Support	665,392
		Undergraduate Student Support	439,695
	Student Development and Enrollment Services Total		**2,638,691**
UCF Connect	Information Technology	Salesforce licensing, installation, and integration with PS	340,910
	Student Welfare	Student Services, Enrollment, and Retention Efforts	215,340
	UCF Connect Total		**556,250**
University Financial Aid	Student Financial Aid	Upper division scholarship	7,500,000
		Top Ten Knights	3,750,000
		Charge on 15 (Level 1) - Pell	2,400,000
		Charge on 15 (Level 2)	1,350,000
	University Financial Aid Total		**15,000,000**
Grand Total			**60,593,390**

Attachment D

Facilities and Deferred Maintenance

1. **Annual Maintenance Costs for Unfunded Buildings** – Per BOG Regulation 9.007 State University Operating Budgets, *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 operation and maintenance**, student services, libraries, administrative support, and other enrollment-related and stand-alone operations of the universities.* As a process when new academic buildings are added to the campus the university requests an increase in its base budget from the state in the form of Plant Operations & Maintenance (PO&M) funding. The limited availability of state PECO funds has resulted in the university not receiving an increase in PO&M funding since fiscal year 2016, meaning any new facility brought online since that time has created a need to seek alternative university funds to operate. A schedule of these unfunded facilities and their annual operating costs is attached.
    - E&G carryforward funds could be used to provide funding for these buildings for one year at an annual cost of **$9,765,040**
    - Or provide funding for the next three years at **$29,295,121**

Project Name	Year Added	GSF	Utilities	Operation & Maintenance	Total
Partnership IV	2016 - 2017	42,529	$466,688	$230,345.57	$697,033
Florida Advanced Manufacturing Research Facility	2016 - 2017	81,750	897,075	442,774.35	1,339,850
Library Phase I Arc	2016 - 2017	8,800	96,566	47,662.56	144,228
MMAE Laboratory (Optical Materials Lab Addition)	2016 - 2017	5,530	60,683	29,951.59	90,634
BPW Building	2017 - 2018	4,038	44,311	21,870.62	66,181
District Energy IV Plant	2017 - 2018	13,000	26,917	67,314.00	94,231
CREOL	2017 - 2018	2,756	30,243	14,927.05	45,170
Library Phase I Connector	2017 - 2018	12,069	49,977	66,805.54	116,782
Arts Complex II Performance	2017 - 2018	2,728	15,250	16,103.11	31,353
Trevor Colbourn Hall	2018 - 2019	135,600	561,506	750,586.68	1,312,093
Coastal Biology	2018 - 2019	3,000	12,423	16,605.90	29,029
Band Building	2018 - 2019	3,695	15,301	20,452.93	35,754
UCF Downtown Dr. Phillips Academic	2018 - 2019	148,000	674,140	854,478.00	1,528,618
CREOL Expansion Phase II	2018 - 2019	13,086	143,598	70,876.39	214,474
Research I (formerly Interdisciplinary Research and Incubator Faculty)	2018 - 2019	97,482	1,069,709	527,982.01	1,597,691
Arboretum Green House	2018 - 2019	800	1,656	2,071.20	3,728
Partnership V	2018 - 2019	123,658	563,262	713,939.46	1,277,202
Visual Arts Building Addition	2019 - 2020	699	1,501	3,844.71	5,346
UCF Downtown Central Energy Plant	2019 - 2020	9,221	53,469	57,818.44	111,287
UCF Downtown Garage (E and G Spaces)	2019 - 2020	32,000	137,446	188,153.60	325,600
Laboratory and Environmental Support Expansion	2019 - 2020	1,535	6,593	9,025.49	15,619
Arecibo National Astronomy Ionosphere Center	2019 - 2020	62,918	297,275	385,863.51	683,138
Unfunded Buildings Annual Operating Costs					**$9,765,040**

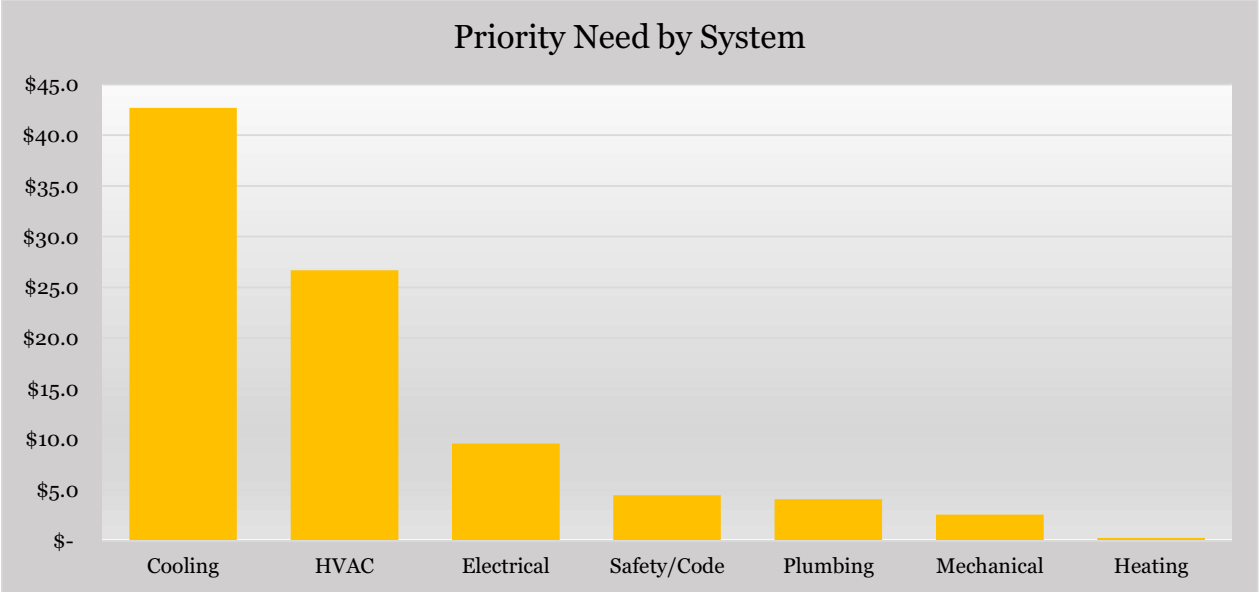
Per Submission to Board of Governors for BOB-2, PO&M funding requested **3-Year Funding** **$29,295,121**

Attachment D

Facilities and Deferred Maintenance

2. **Address funding needs for additional deferred maintenance** – In March of 2018, UCF contracted with ISES Corporation to perform comprehensive Facility Condition Assessment (FCA) service for its academic buildings. This effort included 75 buildings encompassing 4.2 million square feet of general education, administrative, research, infrastructure, housing, and support space. Facility renewal needs are divided into two main categories – recurring and nonrecurring. Recurring needs are cyclical and associated with replacement (or renewal) of building components and systems. Examples include roofs, chillers, windows, finishes and air handling units. Nonrecurring needs pertain to one-time facility repairs and improvements. They typically consist of improvements to accommodate accessibility, address fire life/safety issues, or alter a building for a new use. They also include deficiencies that could negatively affect the structure or systems and components within. Examples of such needs are repair of building façade damage or a roof section or installing an ADA entrance ramp.

   The FCA effort identified $265 million in recurring and nonrecurring needs that should be addressed over the next ten years. Of the total, $80.7 million in need was identified as deferred renewal/critical, meaning these aspects have been put off due to lack of funds and should be addressed as a priority. The previously approved $20 million for deferred maintenance will help address about 25% of this need but approximately **$60.7 million** in need remains unmet.



Attachment E

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 State University System 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
   FAMU/FSU College of Engineering

(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:

   1. 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 (including E&G carryforward amounts expended), and positions, as well as current-year 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 allowed 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, Amended 11-21-13, 9-22-16.

Attachment F

UNIVERSITY OF CENTRAL FLORIDA
BOARD OF TRUSTEES
POLICY

Delegation of Authority to the President

POLICY STATEMENT

Article IX, Section 7 of the Florida Constitution provides that the Board of Governors shall establish the powers and duties of the university boards of trustees. Board of Governors Regulation 1.001, copy attached as Exhibit A, delegates those powers and duties to the boards of trustees.

The Board of Trustees desires to further delegate certain of its powers and duties to the President as more particularly described below. Any power or duty delegated by the Board to the President may be rescinded at any time by majority vote of the Board. Except as otherwise provided herein, the President may further delegate his or her powers and duties to employees of the University in accordance with the University's Policy on Delegation of Authority.

DEFINITIONS

Affiliated Entities: Direct support organizations, practice plan corporations, or self-insurance trust funds of the University of Central Florida.

Board: UCF Board of Trustees

BOG: Florida Board of Governors

President: President of UCF

UCF or University: University of Central Florida

PROCEDURES:

Except as provided herein, the Board delegates to the President all usual and customary powers of a President to administer the day to day operations of the University. This includes the powers and duties described in Board of Governors Regulation 1.001 and those reasonably implied therefrom, which are not required to be directly performed by the Board.

The President's authority also includes the following:

1. Propose regulations for approval by the Board.
2. Govern Traffic on the grounds of the University.
3. Close and/or suspend operations of the campus as deemed necessary.
4. Set the agenda for Board meetings in consultation with the Chair of the Board.
5. Establish the University calendar.
6. Administer the personnel program subject to Board and BOG policies and regulations.
7. Administer University travel in accordance with Section 112.061, Florida Statutes.
8. Administer the collective bargaining process.
9. Administer the financial activities of the university including proposing university budgets and managing university revenues and expenditures.
10. Administer the purchasing and construction programs and act as custodian for university property.
11. Execute contracts on behalf of the Board.
12. Oversee the research activities of the University, including managing the intellectual property of the university.
13. Oversee the philanthropic activities of the University.
14. Perform such other duties related to the above not specifically retained by the Board.

Items requiring specific approval of the Board:

1. All duties required to be undertaken directly by the Board pursuant to BOG Regulation 1.001.
2. Financial commitment, obligation, or contingent risk of five million dollars or .5% percent of the University budget, whichever amount is smaller.
3. Contractual obligation of either more than five (5) years' duration or an aggregate net value of five million or more dollars.

4. Changes requiring SACS substantive-change approval.
5. Acquisition (including gifts), sale, or encumbrance of real property.
6. Matters with potential for significant damage to the reputation of the University.
7. Any material change to the University's investment program.
8. Approval of capital projects valued at two million dollars or more and any material changes to such projects.
9. Borrowing of funds by the University or Affiliated Entities and any changes to the term of existing indebtedness.
10. Public Private Partnerships.
11. Use of University funds for capital improvement projects exceeding two million dollars in construction costs and all changes to such projects that increase project costs by more than 10 percent of the original estimate.
12. Creation, dissolution or amendment of governing documents of Affiliated Entities.
13. Review and confirmation of all appointments by the President to affiliated entities other than President or designee as provided in Section 1004.28 F.S.
14. Adoption of or amendment to the University strategic plan.

15. Annual operating and capital budgets for the University and Affiliated Entities and amendments to any line item of two million dollars or greater that exceeds 10% of the value of such line item.
16. University works plans, accountability plans and all other significant reports required to be submitted to the BOG.
17. Creation or termination of degree programs.
18. Naming of Buildings.
19. Establishment or closure of educational sites.
20. Amendment to University governing documents.
21. Establishment or elimination of Board Committees.
22. Hiring, supervision, termination and annual evaluation of the President.
23. University regulations and Board policies.
24. Annual institutional budget request and changes thereto in an amount greater than the lower of five million dollars or .5% of the budget
25. Adoption of new or changes in existing tuition and fees.
26. Internal and external audits of the University and Affiliated Entities.
27. Campus master plan, capital improvement plans, and amendments thereto.
28. Adoption or amendments to Committee charters.
29. Awarding of Tenure.
30. Collective bargaining agreements and impasse.
31. Conferral of degrees.
32. Transfer of university funds to, from, or among Affiliated Entities.
33. Performance unit plan adoption, amendment and cancellation as well as participation, goals and payments under the performance unit plan.
34. Hiring and firing or reduction of compensation of the Vice President and General Counsel, Chief Compliance Officer, and Chief Audit Executive, who shall report to the Board as well as the President.
35. Selection of Chair and Vice Chair of the Board.
36. All items required by the BOG or Florida Legislature to be approved by the Board.
37. Any additional items required by the Board to be approved by it.

Items requiring President to consult with the Board Chair before implementation:

1. Hiring, dismissal (except for Vice President and General Counsel, Chief Compliance officer and Chief Audit Executive) and any annual increase of more than 5% in the compensation of any Vice President or other direct report to the President, the head football coach or the head men's basketball coach. The President and Chair shall review and agree annually on the individuals that are governed by this provision.

2. Initiation, appeal or settlement of lawsuits involving the University or Affiliated Entities other than tort claims handled by the State Division of Risk Management.

3. Any matter which has the potential to create significant political or reputational issues for the University.

4. Employment contract with an employee of the University or an Affiliated Entity with a term greater than one year

INITIATING AUTHORITY

UCF Board of Trustees

History: New ____-2017.
Authority: Section 7(c), Art. IX, Fla. Const.; FL BOG Regulation 1.001; FL BOG Delegation Best Practices and Principles.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
March 28, 2019

SUBJECT: Auxiliary Facilities that have Bond Covenants Requiring Approval of Estimated 2019-2020 Operating Budgets

PROPOSED COMMITTEE ACTION

Approve estimated 2019-2020 operating budgets for auxiliary facilities that have bond covenants requiring Board approval.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

An auxiliary enterprise, as defined by the National Association of College and University Business Officers (NACUBO) in the College and University Business Administration Manual, is "an entity that exists to furnish a service to students, faculty, or staff, and that charges a rate directly related, but not necessarily equal, to the cost of the service". One of the distinguishing characteristics of auxiliary enterprises is that they are managed as self-supporting activities. Some examples of auxiliary enterprises are housing operations, university bookstores, food services, student health centers, parking services, and continuing education. Many auxiliary enterprises have debt service commitments for the construction of facilities that must be repaid from pledged revenues from operations.

Section 1010.60, Florida Statutes, authorizes the issuance of bonds or other forms of indebtedness pursuant to the State Bond Act to finance or refinance capital projects authorized by the Legislature. Specific covenants, as set forth in the authorizing resolutions of certain bond issues, require approval of estimated operating budgets for the upcoming fiscal year at least ninety (90) days preceding the beginning of the fiscal year. The state universities historically submit annual operating budgets for their auxiliary operations approximately forty-five (45) days after the beginning of the fiscal year; therefore, it is necessary for each affected institution to develop and submit, in advance, an estimated operating budget for all facilities with outstanding bond issues containing the operating budget approval covenant language.

The following universities have outstanding bond issues that require Board of Governors approval: the University of Florida, Florida State University, Florida A&M University, the University of South Florida, Florida Atlantic University, the University of Central Florida, and Florida International University.

A review of each university's information for auxiliary facilities affected by the specific bond covenants indicates that there will be sufficient revenues to meet the estimated level of operational expenditures and debt service payments for fiscal year 2019-2020.

Supporting Documentation Included: Auxiliary Facility 2019-2020 Operating Budgets

Facilitators/Presenters: Mr. Tim Jones

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: University of Florida

BOND TITLE: Parking Revenue Bonds Series 2018A

AUXILIARY FACILITY (IES): University of Florida Transportation and Parking

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	**REVENUE CARRIED FORWARD**			
	A. Operating Cash Carried Forward:			
	Liquid	2,108,508	5,216,930	6,030,930
	Investments	0	0	0
	Sub-Total:	2,108,508	5,216,930	6,030,930
	B. Replacement Reserve Forward:			
	Debt Service Reserve	2,118,426	2,984,165	2,803,165
	Maintenance and Equipment Reserve	4,676,385	3,932,401	4,182,401
	General Reserve	0	0	0
	Sub-Total:	6,794,811	6,916,566	6,985,566
	TOTAL CARRIED FORWARD (A +B):	8,903,319	12,133,496	13,016,496
2.	**CURRENT YEAR REVENUE:**			
	*** Revenue**	14,706,681	15,249,000	15,535,000
	Interest Income	0	0	0
	Other Income	246,590	197,000	197,000
	TOTAL CURRENT YEAR REVENUE:	14,953,271	15,446,000	15,732,000
3.	**SUMMARY OF AVAILABLE REVENUES (1 +2):**	23,856,590	27,579,496	28,748,496
4.	**EXPENDITURES**			
	Salaries and Matching	2,766,520	2,905,000	3,050,000
	Other Personal Services	470,668	495,000	520,000
	Operating Expense	1,753,565	1,592,000	1,748,000
	Repairs and Maintenance	269,621	1,110,000	905,000
	Debt Service	0	0	0
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	59,475	0	0
	Other Expense & Transfers Out	2,150,000	2,480,000	2,480,000
	TOTAL EXPENDITURES:	7,469,849	8,582,000	8,703,000
5.	**TRANSFERS TO REPLACEMENT RESERVES**			
	Debt Service Reserve	2,700,000	4,300,000	4,300,000
	Maintenance & Equipment Reserve	1,675,000	1,750,000	1,750,000
	General Reserve		0	0
	Sub-Total:	4,375,000	6,050,000	6,050,000
6.	**TRANSFERS FROM REPLACEMENT RESERVES**			
	Debt Service Reserve	1,834,261	4,481,000	4,373,000
	Maintenance & Equipment Reserve	2,418,984	1,500,000	1,500,000
	General Reserve		0	0
	Sub-Total:	4,253,245	5,981,000	5,873,000
7.	**ENDING REPLACEMENT RESERVES (1B +5 -6)**			
	Debt Service Reserve	2,984,165	2,803,165	2,730,165
	Maintenance & Equipment Reserve	3,932,401	4,182,401	4,432,401
	General Reserve	0	0	0
	Sub-Total:	6,916,566	6,985,566	7,162,566
8.	**ENDING OPERATING CASH (1A +2 -4 -5)**	5,216,930	6,030,930	7,009,930
9.	**SUMMARY OF ENDING REVENUES (7 +8)**	12,133,496	13,016,496	14,172,496

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

UNIVERSITY AUXILIARY FACILITIES
OUTSTANDING REVENUE BONDS
SUPPLEMENTAL NARRATIVE INFORMATION
FEBRUARY 2019 DATA REQUEST SUBMISSION

University of Florida – Parking Revenue Bonds Series 2018A

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

Yes, overhead is charged by the university to Transportation and Parking Services.
For 2017-18, the actual overhead charge was $507,382.
For 2018-19 and 2019-20, the estimated overhead charges are $537,000 and $550,000, respectively.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.
Current Year Expenditures: Repairs and Maintenance - this expense line item increased by $840,379 (or 312%) from 2017-18 to 2018-19 because of an accounting method change. As of 2018-19, only extraordinary repair and maintenance items will be paid from the repair and maintenance reserve fund and ordinary repair and maintenance items will be reflected as an operating expense.

Current Year Expenditures: Other Outflows and Transfers Out - from 2017-18 to 2018-19, the transfers were increased by $330,000 (or 15%) because of enhanced bus services and the additional cost associated with maintaining 5 temporary parking lots.

Transfers to Replacement Reserves: Debt Service Reserve - from 2017-18 to 2018-19, this transfer line item increased $1.6 million (or 59%) due to the higher annual debt service associated with the new bond.

3. Please explain amounts categorized as “other”.
Other Income – Expected vending revenue and transfer from the Transportation Fee Fund for GatorLift (disabled student shuttle).

Other Expense & Transfers Out – Includes expense incurred for the operation of shuttle buses to and from parking facilities ($1.7 million) as well as transfers to a reserve for future parking facilities ($780,000).

4. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: Florida State University

BOND TITLE: Housing System Bond Series 2010A, 2011A, 2013A, 2014A, 2015A

AUXILIARY FACILITY (IES): University Housing System

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	34,899,066	26,441,560	27,177,133
	Investments	0	0	0
	Sub-Total:	34,899,066	26,441,560	27,177,133
	B. Replacement Reserve Forward:			
	Debt Service Reserve	0	0	0
	Maintenance and Equipment Reserve	6,357,560	6,165,248	6,169,661
	General Reserve	18,785,557	30,181,497	31,197,614
	Sub-Total:	25,143,117	36,346,745	37,367,275
	TOTAL CARRIED FORWARD (A +B):	60,042,183	62,788,305	64,544,408
2.	CURRENT YEAR REVENUE:			
	* Revenue	47,742,715	47,297,262	47,686,312
	Interest Income	627,074	274,476	267,000
	Other Income	497,042	495,917	476,500
	TOTAL CURRENT YEAR REVENUE:	48,866,831	48,067,655	48,429,812
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	108,909,014	110,855,960	112,974,220
4.	EXPENDITURES			
	Salaries and Matching	9,212,309	10,151,887	10,392,675
	Other Personal Services	2,573,424	2,771,220	2,840,282
	Operating Expense	7,738,627	8,333,720	8,171,318
	Repairs and Maintenance	1,893,090	2,000,000	2,000,000
	Debt Service	15,295,840	15,340,000	15,305,000
	Repair and Replacement Expense	6,173,190	4,150,000	4,350,000
	Operating Capital Outlay	84,323	110,000	110,000
	Other Expense & Transfers Out	877,970	999,927	1,157,282
	TOTAL EXPENDITURES:	43,848,773	43,856,754	44,326,557
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	13,475,564	3,475,328	4,332,328
	Sub-Total:	13,475,564	3,475,328	4,332,328
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	2,716,675	3,000,000	1,500,000
	Sub-Total:	2,716,675	3,000,000	1,500,000
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	6,357,560	6,165,248	6,169,661
	General Reserve	29,544,446	30,656,825	34,029,942
	Interest Earned on Reserve Balances	444,739	545,202	560,509
	Sub-Total:	36,346,745	37,367,275	40,760,112
8.	ENDING OPERATING CASH (1A +2 -4 -5)	26,441,560	27,177,133	26,948,060
9.	SUMMARY OF ENDING REVENUES (7 +8)	62,788,305	64,544,408	67,708,172

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

UNIVERSITY AUXILIARY FACILITIES
OUTSTANDING REVENUE BONDS
SUPPLEMENTAL NARRATIVE INFORMATION
FEBRUARY 2019 DATA REQUEST SUBMISSION

Florida State University – Housing System Revenue Bonds 2010A, 2011A, 2013A, 2014A, 2015A

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

University overhead is included in "other expense".

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.
N/A

3. Please explain amounts categorized as "other".

"Other Expenses and Transfers Out" and income reflects University overhead.

The University assesses a 5% overhead fee to Auxiliary departments to cover the costs borne by central administrative units in support of auxiliary functions. This includes operating cost for the General Counsel's Office, Office of Audit Services, IT Services, Environmental Health and Safety Services, Human Resources, Payroll Services, Procurement Services, Disbursement Services, Accounting Services, Facilities Services, Budget Office, Institutional Research, University Relations, and University Communications. This is a common practice for Universities nationally.

The NACUBO Financial Account & Reporting Manual (FARM) provides the following guidance, *"Appropriate allocations of institutional support should be made to auxiliary enterprises, hospitals, and any other activities not directly related to the primary programs – instruction, research, and public service –or their related support classifications."* In addition, the NACUBO College and University Business Administration (CUBA) manual states, *"Most institutions charge administrative overhead or levy a charge for centrally provided services. Cost accounting practices form the basis of these charges, and a commonly accepted rate of charge that the institution may require is in the range of 11 percent of the expenditures of the auxiliary service, although there are many variations, depending on the service and depending on the institution."*

4. Add lines as needed for additional comments.

We have not included the reserve account held with SBA (reserve agent) securing certain outstanding bonds funded with surety bonds totaling approximately $8 million for reporting debt service reserves in the replacement reserves category.

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: Florida State University

BOND TITLE: Parking Facilities Bond Series 2011A, 2014A, 2017A

AUXILIARY FACILITY (IES): Parking and Transportation Services

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	3,520,568	4,124,320	4,124,320
	Investments	0	0	0
	Sub-Total:	3,520,568	4,124,320	4,124,320
	B. Replacement Reserve Forward:			
	Debt Service Reserve	0	0	0
	Maintenance and Equipment Reserve	2,732,255	2,667,466	2,919,845
	General Reserve	427,408	693,366	642,987
	Sub-Total:	3,159,663	3,360,832	3,562,832
	TOTAL CARRIED FORWARD (A +B):	6,680,231	7,485,152	7,687,152
2.	CURRENT YEAR REVENUE:			
	* Revenue	12,174,377	12,586,200	14,367,588
	Interest Income	98,691	85,000	100,000
	Other Income	125,000	0	0
	TOTAL CURRENT YEAR REVENUE:	12,398,068	12,671,200	14,467,588
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	19,078,299	20,156,352	22,154,740
4.	EXPENDITURES			
	Salaries and Matching	1,363,992	1,433,000	1,519,660
	Other Personal Services	239,621	258,050	283,855
	Operating Expense	4,774,814	5,605,097	6,370,268
	Repairs and Maintenance	238,444	169,000	824,070
	Debt Service	4,726,403	4,735,680	4,742,030
	Repair and Replacement Expense	55,718	0	0
	Operating Capital Outlay	0	0	130,000
	Other Expense & Transfers Out	228,324	303,373	330,557
	TOTAL EXPENDITURES:	11,627,316	12,504,200	14,200,440
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	167,000	167,000	150,000
	Sub-Total:	167,000	167,000	150,000
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	0	0	0
	Sub-Total:	0	0	0
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	2,732,255	2,667,466	2,919,845
	General Reserve	594,408	860,366	792,987
	Interest Earned on Reserve Balances	34,169	35,000	35,000
	Sub-Total:	3,360,832	3,562,832	3,747,832
8.	ENDING OPERATING CASH (1A +2 -4 -5)	4,124,320	4,124,320	4,241,468
9.	SUMMARY OF ENDING REVENUES (7 +8)	7,485,152	7,687,152	7,989,300

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

UNIVERSITY AUXILIARY FACILITIES
OUTSTANDING REVENUE BONDS
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FEBRUARY 2019 DATA REQUEST SUBMISSION

Florida State University – Parking Facility Revenue Bonds 2011A, 2014A, 2017A

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

University overhead is included in "other expense" and Office of Business Services overhead is included in "operating expenses".

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

Yes, pledged revenues increase over 10% year over year from FY 2018-19 to FY 2019-20 due to a software implementation which will increase citation revenues; and, due to the implementation of student parking decal fees.

3. Please explain amounts categorized as "other".

"Other Expenses and Transfers Out" and income reflects University overhead.

University management makes an annual Overhead Assessment (OHA) for University indirect costs. The assessment represents the costs borne by central administrative units (such as Human Resources or Controller) in support of auxiliary and designated activities.

The University assesses a 5% overhead fee to Auxiliary departments to cover the costs borne by central administrative units in support of auxiliary functions. This includes operating cost for the General Counsel's Office, Office of Audit Services, IT Services, Environmental Health and Safety Services, Human Resources, Payroll Services, Procurement Services, Disbursement Services, Accounting Services, Facilities Services, Budget Office, Institutional Research, University Relations, and University Communications. This is a common practice for Universities nationally.

The NACUBO Financial Account & Reporting Manual (FARM) provides the following guidance, *"Appropriate allocations of institutional support should be made to auxiliary enterprises, hospitals, and any other activities not directly related to the primary programs – instruction, research, and public service –or their related support classifications."* In addition, the NACUBO College and University Business Administration (CUBA) manual states, *"Most institutions charge administrative overhead or levy a charge for centrally provided services. Cost accounting practices form the basis of these charges, and a commonly accepted rate of charge that the institution may require is in the range of 11 percent of the expenditures of the auxiliary service, although there are many variations, depending on the service and depending on the institution."*

4. Add lines as needed for additional comments.

We have not included the reserve account held with SBA (reserve agent) securing certain outstanding bonds funded with surety bonds totaling approximately $3 million for reporting debt service reserves in the replacement reserves category.

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: Florida A&M University

BOND TITLE: Student Dormatory Revenue and Revenue Refunding, Series 2010A, 2010B

AUXILIARY FACILITY (IES): Housing Operation

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	11,101,665	12,091,440	
	Investments	0	0	
	Sub-Total:	11,101,665	12,091,440	0
	B. Replacement Reserve Forward:			
	Debt Service Reserve	0	0	
	Maintenance and Equipment Reserve	1,386,857	1,335,709	
	General Reserve	0	0	
	Sub-Total:	1,386,857	1,335,709	0
	TOTAL CARRIED FORWARD (A +B):	12,488,522	13,427,149	0
2.	CURRENT YEAR REVENUE:			
	* Revenue	17,450,911	17,681,068	
	Interest Income	0	0	
	Other Income	0	0	
	TOTAL CURRENT YEAR REVENUE:	17,450,911	17,681,068	0
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	29,939,433	31,108,217	0
4.	EXPENDITURES			
	Salaries and Matching	2,674,430	2,837,306	
	Other Personal Services	432,804	500,000	
	Operating Expense	4,777,621	5,925,903	
	Repairs and Maintenance	1,677,419	1,913,008	
	Debt Service	5,878,870	5,924,057	
	Repair and Replacement Expense	522,987	1,271,224	
	Operating Capital Outlay	25,166	29,750	
	Other Expense & Transfers Out	0	0	
	TOTAL EXPENDITURES:	15,989,297	18,401,248	0
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	
	Maintenance & Equipment Reserve	471,839	530,432	
	General Reserve	0		
	Sub-Total:	471,839	530,432	0
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	
	Maintenance & Equipment Reserve	522,987	1,271,224	
	General Reserve	0		
	Sub-Total:	522,987	1,271,224	0
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	1,335,709	594,917	0
	General Reserve	0	0	0
	Sub-Total:	1,335,709	594,917	0
8.	ENDING OPERATING CASH (1A +2 -4 -5)	12,091,440	10,840,828	0
9.	SUMMARY OF ENDING REVENUES (7 +8)	13,427,149	11,435,745	0

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

UNIVERSITY AUXILIARY FACILITIES
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Florida A&M University – Student Dormitory Revenue & Refunding Bonds Series 2010A, 2010B

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

Yes, the expenditures were over 10%, because several dormitories required various repairs. There were several roofs that had to be replaced and other dorms needed repairs so students could be accommodated.

3. Please explain amounts categorized as “other”.

N/A.

4. Add lines as needed for additional comments.

The Projected 2019-20 information was not provided, because these bonds will be paid off. The University will close on the HBCU Finance Loan March 6, 2019.

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: University of South Florida

BOND TITLE: Parking Revenue Bonds: Series 2016A

AUXILIARY FACILITY (IES): Parking Garages 1, 2, 3, & 4

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	14,614,282	16,216,359	15,014,192
	Investments	0	0	0
	Sub-Total:	14,614,282	16,216,359	15,014,192
	B. Replacement Reserve Forward:			
	Debt Service Reserve	0	0	0
	Maintenance and Equipment Reserve	2,862,501	3,031,907	3,191,257
	General Reserve	7,226,478	7,870,680	7,888,038
	Sub-Total:	10,088,979	10,902,587	11,079,295
	TOTAL CARRIED FORWARD (A +B):	24,703,261	27,118,946	26,093,487
2.	CURRENT YEAR REVENUE:			
	* Revenue	14,311,727	13,833,397	14,000,000
	Interest Income	5,824	6,462	5,983
	Other Income	3,240	0	0
	TOTAL CURRENT YEAR REVENUE:	14,320,791	13,839,859	14,005,983
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	39,024,052	40,958,805	40,099,470
4.	EXPENDITURES			
	Salaries and Matching	3,756,988	4,513,839	4,649,254
	Other Personal Services	401,745	600,000	700,000
	Operating Expense	4,110,107	4,589,046	4,726,717
	Repairs and Maintenance	0	0	0
	Debt Service	2,936,320	2,936,430	2,940,330
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	182,611	1,304,000	600,000
	Other Expense & Transfers Out	861,537	939,361	1,000,000
	TOTAL EXPENDITURES:	12,249,308	14,882,676	14,616,301
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	169,406	159,350	160,000
	General Reserve	300,000	0	0
	Sub-Total:	469,406	159,350	160,000
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	39,367	350,000	350,000
	Sub-Total:	39,367	350,000	350,000
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	3,031,907	3,191,257	3,351,257
	General Reserve	7,487,111	7,520,680	7,538,038
	General Reserve	383,569	367,358	351,110
	Sub-Total:	10,902,587	11,079,295	11,240,405
8.	ENDING OPERATING CASH (1A +2 -4 -5)	16,216,359	15,014,192	14,243,874
9.	SUMMARY OF ENDING REVENUES (7 +8)	27,118,946	26,093,487	25,484,279

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

UNIVERSITY AUXILIARY FACILITIES
OUTSTANDING REVENUE BONDS
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University of South Florida – Parking Revenue Bonds Series 2016A

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No. The pledged revenues reported do not contain overhead assessments.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

Yes, Total Expenditures changed by more than 10% due to filling several open positions in FY 2019, anticipated repair and maintenance projects, and bus purchases.

3. Please explain amounts categorized as "other".

Other Expense & Transfers Out – Reimbursement of university cost of services.
University administrative overhead (9%), interest expense, and capital appropriations. The University Costs of Services referenced is the 9% overhead on expenses:

FY 17-18 = $871,859 (OH Expense)-$10,322=$861,537

All expenses are assessed the 9% OH. For example, if materials in the amount of $1,000 are expensed there would be a $90 OH assessment.

4. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: Florida Atlantic University

BOND TITLE: Florida Atlantic University Housing Revenue Bonds, Series 2016A

AUXILIARY FACILITY (IES): Student Apartments Complex - University Villiage Apartments

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	**REVENUE CARRIED FORWARD**			
	A. Operating Cash Carried Forward:			
	Liquid	8,550,952	9,790,914	11,862,090
	Investments	0	0	0
	Sub-Total:	8,550,952	9,790,914	11,862,090
	B. Replacement Reserve Forward:			
	Bond Covenants (Facilities Maintenance and Equipment)	528,871	597,583	563,423
	Maintenance and Equipment Reserve	0	0	0
	Other	0	0	0
	General Reserve	0	0	0
	Sub-Total:	528,871	597,583	563,423
	TOTAL CARRIED FORWARD (A +B):	9,079,823	10,388,497	12,425,513
2.	**CURRENT YEAR REVENUE:**			
	* Revenue	3,744,915	5,245,660	5,230,786
	Interest Income	0	0	0
	Other Income	3,000	0	0
	TOTAL CURRENT YEAR REVENUE:	3,747,915	5,245,660	5,230,786
3.	**SUMMARY OF AVAILABLE REVENUES (1 +2):**	12,827,738	15,634,157	17,656,299
4.	**EXPENDITURES**			
	Salaries and Matching	321,806	323,315	358,488
	Other Personal Services	120,347	140,000	174,668
	Operating Expense	395,867	742,221	532,498
	Repairs and Maintenance	445,682	801,671	463,103
	Debt Service	1,004,994	924,195	927,946
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	0	0	0
	Other Expense & Transfers Out	150,545	170,002	199,774
	TOTAL EXPENDITURES:	2,439,241	3,101,404	2,656,477
5.	**TRANSFERS TO REPLACEMENT RESERVES**			
	Bond Covenants (Facilities Maintenance and Equipment)	68,712	73,080	71,484
	Maintenance & Equipment Reserve	0	0	0
	Other	0	0	0
	General Reserve	0	0	0
	Sub-Total:	68,712	73,080	71,484
6.	**TRANSFERS FROM REPLACEMENT RESERVES**			
	Bond Covenants (Facilities Maintenance and Equipment)	0	0	
	Maintenance & Equipment Reserve	0	0	
	Other	0	107,240	
	General Reserve	0	0	
	Sub-Total:	0	107,240	0
7.	**ENDING REPLACEMENT RESERVES (1B +5 -6)**			
	Bond Covenants (Facilities Maintenance and Equipment)	597,583	670,663	634,907
	Maintenance & Equipment Reserve	0	0	0
	Other	0	(107,240)	0
	General Reserve	0	0	0
	Sub-Total:	597,583	563,423	634,907
8.	**ENDING OPERATING CASH (1A +2 -4 -5)**	9,790,914	11,862,090	14,364,915
9.	**SUMMARY OF ENDING REVENUES (7 +8)**	10,388,497	12,425,513	14,999,822

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

UNIVERSITY AUXILIARY FACILITIES
OUTSTANDING REVENUE BONDS
SUPPLEMENTAL NARRATIVE INFORMATION
FEBRUARY 2019 DATA REQUEST SUBMISSION

Florida Atlantic University – Housing Revenue Bonds 2016A – University Village Apartments

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

Not at this time.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

Transfers from replacement reserves begin in FY18 due to pending (Energy Savings Contract) ESCO contract for Heating Ventilation Air Conditioning (HVAC) repair and replacement for University Village Apartments (UVA).

3. Please provide details for amounts categorized as "other".

University overhead and revenue sharing. Overhead are administrative charges by the University Controller's office and Revenue Sharing are expenses related to support services to Housing such as Student Conduct officers, Dean of Students Office, and Shared Services.

Other Expense & Transfer out	Revenue Sharing	Overhead (admin)
150,545	68,712	81,833

The amounts are based on budgeted salaries and expenses. Overhead is calculated based on a rate set by the university, which is applied to certain budgeted expenses for each year. As it relates to Revenue Sharing, salaries and expenses of these various sections (Student Conduct officers, Dean of Students Office and Shared Services) are allocated by Student Affairs. The total cost is allocated among all the buildings that are directly receiving the benefits.

4. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: Florida Atlantic University

BOND TITLE: Florida Atlantic University Housing Revenue Bonds, Series 2016A

AUXILIARY FACILITY (IES): Student Apartments Complex - Heritage Park Towers

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	2,748,138	3,791,861	4,512,730
	Investments	0	0	0
	Sub-Total:	2,748,138	3,791,861	4,512,730
	B. Replacement Reserve Forward:			
	Bond Covenants (Facilities Maintenance and Equipment)	507,034	575,638	272,236
	Other	0	0	0
	General Reserve	0	0	
	Sub-Total:	507,034	575,638	272,236
	TOTAL CARRIED FORWARD (A +B):	3,255,172	4,367,499	4,784,966
2.	CURRENT YEAR REVENUE:			
	* Revenue	3,825,860	3,642,000	3,845,349
	Interest Income	0	0	0
	Other Income	90,000	0	0
	TOTAL CURRENT YEAR REVENUE:	3,915,860	3,642,000	3,845,349
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	7,171,032	8,009,499	8,630,315
4.	EXPENDITURES			
	Salaries and Matching	341,367	267,829	282,266
	Other Personal Services	331,699	225,000	280,717
	Operating Expense	271,870	578,217	591,513
	Repairs and Maintenance	196,787	202,254	584,863
	Debt Service	1,473,413	1,354,955	1,360,454
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	0	0	0
	Other Expense & Transfers Out	188,397	221,653	270,216
	TOTAL EXPENDITURES:	2,803,533	2,849,908	3,370,029
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Bond Covenants (Facilities Maintenance and Equipment)	68,604	71,223	75,228
	Other	0	0	0
	General Reserve	0	0	0
	Sub-Total:	68,604	71,223	75,228
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Bond Covenants (Facilities Maintenance and Equipment)	0	0	0
	Other	0	374,625	0
	General Reserve	0	0	0
	Sub-Total:	0	374,625	0
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Bond Covenants & Other (Facilities Maintenance and Equipment)	575,638	646,861	347,464
	Other	0	(374,625)	0
	General Reserve	0	0	0
	Sub-Total:	575,638	272,236	347,464
8.	ENDING OPERATING CASH (1A +2 -4 -5)	3,791,861	4,512,730	4,912,822
9.	SUMMARY OF ENDING REVENUES (7 +8)	4,367,499	4,784,966	5,260,286

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

UNIVERSITY AUXILIARY FACILITIES
OUTSTANDING REVENUE BONDS
SUPPLEMENTAL NARRATIVE INFORMATION
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Florida Atlantic University – Housing Revenue Bonds 2016A – Heritage Park Towers

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

Not at this time.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

Transfers from replacement reserves begin in FY18 due to pending (Energy Savings Contract) ESCO contract for Heating Ventilation Air Conditioning (HVAC) repair and replacement for Heritage Park Towers.

3. Please provide details for amounts categorized as "other".

University overhead and revenue sharing. Overhead are administrative charges by the University Controller's office and Revenue Sharing are expenses related to support services to Housing such as Student Conduct officers, Dean of Students Office, and Shared Services.

Other Expense & Transfer out	Revenue Sharing	Overhead (admin)
188,397	68,604	119,793

The amounts are based on budgeted salaries and expenses. Overhead is calculated based on a rate set by the university, which is applied to certain budgeted expenses for each year. As it relates to Revenue Sharing, salaries and expenses of these various sections (Student Conduct officers, Dean of Students Office and Shared Services) are allocated by Student Affairs. The total cost is allocated among all the buildings that are directly receiving the benefits.

4. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: Florida Atlantic University

BOND TITLE: Florida Atlantic University Housing Revenue Bonds, Series 2016A

AUXILIARY FACILITY (IES): Glades Park Towers

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	4,433,716	5,590,472	6,522,094
	Investments	0	0	0
	Sub-Total:	4,433,716	5,590,472	6,522,094
	B. Replacement Reserve Forward:			
	Bond Covenants (Facilities Maintenance and Equipment)	546,700	645,440	358,328
	Other	0	0	0
	General Reserve	0	0	0
	Sub-Total:	546,700	645,440	358,328
	TOTAL CARRIED FORWARD (A +B):	4,980,416	6,235,912	6,880,422
2.	CURRENT YEAR REVENUE:			
	* Revenue	4,405,008	4,391,504	4,545,247
	Interest Income	0	0	0
	Other Income	0	0	0
	TOTAL CURRENT YEAR REVENUE:	4,405,008	4,391,504	4,545,247
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	9,385,424	10,627,416	11,425,669
4.	EXPENDITURES			
	Salaries and Matching	305,000	284,042	360,932
	Other Personal Services	130,000	235,000	293,193
	Operating Expense	410,000	584,522	583,480
	Repairs and Maintenance	370,000	435,813	717,492
	Debt Service	1,717,173	1,610,400	1,615,400
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	0	0	0
	Other Expense & Transfers Out	217,339	222,592	270,230
	TOTAL EXPENDITURES:	3,149,512	3,372,369	3,840,727
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Bond Covenants (Facilities Maintenance and Equipment)	98,740	87,513	90,721
	Other	0	0	0
	General Reserve	0	0	0
	Sub-Total:	98,740	87,513	90,721
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Bond Covenants (Facilities Maintenance and Equipment)	0	0	0
	Other	0	374,625	0
	General Reserve	0	0	0
	Sub-Total:	0	374,625	0
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Bond Covenants & Other (Facilities Maintenance and Equipment)	645,440	732,953	449,049
	Interest Income Earned on Reserve Balance	0	(374,625)	0
	Other	0	0	0
	General Reserve	0	0	0
	Sub-Total:	645,440	358,328	449,049
8.	ENDING OPERATING CASH (1A +2 -4 -5)	5,590,472	6,522,094	7,135,893
9.	SUMMARY OF ENDING REVENUES (7 +8)	6,235,912	6,880,422	7,584,942

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

UNIVERSITY AUXILIARY FACILITIES
OUTSTANDING REVENUE BONDS
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Florida Atlantic University – Housing Revenue Bonds 2016A – Glades Park Towers

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

Not at this time.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

Transfers from replacement reserves begin in FY18 due to pending (Energy Services Company) ESCO contract for Heating Ventilation Air Conditioning (HVAC) repair and replacement for Glades Park Towers.

3. Please provide details for amounts categorized as "other".

University overhead and revenue sharing. Overhead are administrative charges by the University Controller's office and Revenue Sharing are expenses related to support services to Housing such as Student Conduct officers, Dean of Students Office, and Shared Services.

Other Expense & Transfer out	Revenue Sharing	Overhead (admin)
217,339	96,740	118,599

The amounts are based on budgeted salaries and expenses. Overhead is calculated based on a rate set by the university, which is applied to certain budgeted expenses for each year. As it relates to Revenue Sharing, salaries and expenses of these various sections (Student Conduct officers, Dean of Students Office and Shared Services) are allocated by Student Affairs. The total cost is allocated among all the buildings that are directly receiving the benefits.

4. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: Florida Atlantic University

BOND TITLE: Florida Atlantic University Housing Revenue Bonds, Series 2016A

AUXILIARY FACILITY (IES): Indian River Towers

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	**REVENUE CARRIED FORWARD**			
	A. Operating Cash Carried Forward:			
	Liquid	8,815,636	10,449,567	11,929,259
	Investments	0	0	0
	Sub-Total:	8,815,636	10,449,567	11,929,259
	B. Replacement Reserve Forward:			
	Bond Covenants (Facilities Maintenance and Equipment)	581,303	669,047	470,120
	Other	0	0	0
	General Reserve	0	0	0
	Sub-Total:	581,303	669,047	470,120
	TOTAL CARRIED FORWARD (A +B):	9,396,939	11,118,614	12,399,379
2.	**CURRENT YEAR REVENUE:**			
	* Revenue	4,833,785	4,750,000	4,875,050
	Interest Income	0	0	0
	Other Income	0	0	0
	TOTAL CURRENT YEAR REVENUE:	4,833,785	4,750,000	4,875,050
3.	**SUMMARY OF AVAILABLE REVENUES (1 +2):**	14,230,724	15,868,614	17,274,429
4.	**EXPENDITURES**			
	Salaries and Matching	256,313	296,909	324,744
	Other Personal Services	206,321	200,000	249,526
	Operating Expense	775,745	775,649	607,457
	Repairs and Maintenance	191,132	199,492	445,762
	Debt Service	1,576,938	1,490,000	1,488,500
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	0	0	0
	Other Expense & Transfers Out	105,661	220,745	270,561
	TOTAL EXPENDITURES:	3,112,110	3,182,795	3,386,550
5.	**TRANSFERS TO REPLACEMENT RESERVES**			
	Bond Covenants (Facilities Maintenance and Equipment)	87,744	87,513	95,397
	Other	0	0	0
	General Reserve	0	0	0
	Sub-Total:	87,744	87,513	95,397
6.	**TRANSFERS FROM REPLACEMENT RESERVES**			
	Bond Covenants (Facilities Maintenance and Equipment)	0	0	0
	Other	0	286,440	0
	General Reserve	0	0	0
	Sub-Total:	0	286,440	0
7.	**ENDING REPLACEMENT RESERVES (1B +5 -6)**			
	Bond Covenants & Other (Facilities Maintenance and Equipment)	669,047	756,560	565,517
	Interest Income Earned on Reserve Balance	0	(286,440)	0
	General Reserve	0	0	0
	Sub-Total:	669,047	470,120	565,517
8.	**ENDING OPERATING CASH (1A +2 -4 -5)**	10,449,567	11,929,259	13,322,362
9.	**SUMMARY OF ENDING REVENUES (7 +8)**	11,118,614	12,399,379	13,887,879

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

UNIVERSITY AUXILIARY FACILITIES
OUTSTANDING REVENUE BONDS
SUPPLEMENTAL NARRATIVE INFORMATION
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Florida Atlantic University – Housing Revenue Bonds 2003 – Indian River Towers

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

Not at this time.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

Transfers from replacement reserves begin in FY18 due to pending (Energy Savings Contract) ESCO contract for Heating Ventilation Air Conditioning (HVAC) repair and replacement for Indian River Towers.

3. Please provide details for amounts categorized as "other".

University overhead and revenue sharing. Overhead are administrative charges by the University Controller's office and Revenue Sharing are expenses related to support services to Housing such as Student Conduct officers, Dean of Students Office, and Shared Services.

Other Expense & Transfer out	Revenue Sharing	Overhead (admin)
105,661	66,927	38,734

The amounts are based on budgeted salaries and expenses. Overhead is calculated based on a rate set by the university, which is applied to certain budgeted expenses for each year. As it relates to Revenue Sharing, salaries and expenses of these various sections (Student Conduct officers, Dean of Students Office and Shared Services) are allocated by Student Affairs. The total cost is allocated among all the buildings that are directly receiving the benefits.

4. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: University of Central Florida

BOND TITLE: Student Health Services 2004A

AUXILIARY FACILITY (IES): Health Services Facility

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	8,280,541	8,583,804	8,633,622
	Investments	0	0	0
	Sub-Total:	8,280,541	8,583,804	8,633,622
	B. Replacement Reserve Forward:			
	Debt Service Reserve	0	0	0
	Maintenance and Equipment Reserve	5,563,713	6,228,691	6,721,317
	General Reserve	0	0	0
	Sub-Total:	5,563,713	6,228,691	6,721,317
	TOTAL CARRIED FORWARD (A +B):	13,844,254	14,812,495	15,354,939
2.	CURRENT YEAR REVENUE:			
	* Revenue	22,184,174	22,404,389	22,405,000
	Interest Income	224,053	137,099	137,099
	Other Income / Inflows	0	0	0
	TOTAL CURRENT YEAR REVENUE:	22,408,227	22,541,488	22,542,099
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	36,252,481	37,353,983	37,897,038
4.	EXPENDITURES			
	Salaries and Matching	11,720,939	12,709,258	13,364,991
	Other Personal Services	2,188,731	2,008,088	2,273,339
	Operating Expense	6,490,231	6,178,824	6,095,994
	Repairs and Maintenance	151,915	303,972	61,689
	Debt Service	616,574	616,803	620,413
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	49,648	45,000	73,028
	Other Expense & Transfers Out	224,053	137,099	137,099
	TOTAL EXPENDITURES:	21,442,091	21,999,044	22,626,553
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	662,873	492,626	183
	General Reserve	0	0	0
	Sub-Total:	662,873	492,626	183
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	(2,105)	0	0
	General Reserve	0	0	0
	Sub-Total:	(2,105)	0	0
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	6,228,691	6,721,317	6,721,500
	General Reserve	0	0	0
	Sub-Total:	6,228,691	6,721,317	6,721,500
8.	ENDING OPERATING CASH (1A +2 -4 -5)	8,583,804	8,633,622	8,548,985
9.	SUMMARY OF ENDING REVENUES (7 +8)	14,812,495	15,354,939	15,270,485

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

UNIVERSITY AUXILIARY HEALTH SERVICE FACILITY
OUTSTANDING REVENUE BONDS
SUPPLEMENTAL NARRATIVE INFORMATION
FEBRUARY 2019 DATA REQUEST SUBMISSION

University of Central Florida – Student Health Services Facility Bond Series 2004A

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

No.

3. Please provide details for amounts categorized as "other".

The interest is transferred to a central auxiliary department which also receives additional funds (such as overhead). These funds are pooled and then used to fund non-E&G university initiatives. There is no E&G funding received by this central department. The funds are used for various purposes including construction of new facilities, improvements on existing facilities, and administrator salaries in excess of statutory limits.

	FY17-18	FY18-19	FY19-20
Interest revenue transferred out to assist in funding University initiatives	224,053	137,099	137,099
(Agrees to Schedule)	0	0	0

4. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: University of Central Florida

BOND TITLE: Parking Facilities Series 2004A, 2010B, 2011A, 2012A

AUXILIARY FACILITY (IES): Parking Facilities

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	15,769,978	10,243,725	6,138,473
	Investments	0	0	0
	Sub-Total:	15,769,978	10,243,725	6,138,473
	B. Replacement Reserve Forward:			
	Debt Service Reserve	0	0	0
	Maintenance and Equipment Reserve	6,477,077	6,609,693	6,609,693
	General Reserve	0	0	0
	Sub-Total:	6,477,077	6,609,693	6,609,693
	TOTAL CARRIED FORWARD (A +B):	22,247,055	16,853,418	12,748,166
2.	CURRENT YEAR REVENUE:			
	* Revenue	21,885,253	21,909,392	21,909,392
	Interest Income	444,413	240,000	240,000
	Other Income / Inflows	155,838	152,937	205,000
	TOTAL CURRENT YEAR REVENUE:	22,485,504	22,302,329	22,354,392
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	44,732,559	39,155,747	35,102,558
4.	EXPENDITURES			
	Salaries and Matching	1,667,979	1,668,315	1,673,133
	Other Personal Services	558,319	559,715	561,111
	Operating Expense	10,788,635	12,383,912	13,777,245
	Repairs and Maintenance	785,330	1,015,761	1,095,763
	Debt Service	4,334,818	3,917,546	3,898,378
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	66,725	62,700	68,970
	Other Expense & Transfers Out	9,677,335	6,799,632	2,218,681
	TOTAL EXPENDITURES:	27,879,141	26,407,581	23,293,281
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	132,616	0	0
	General Reserve	0	0	0
	Sub-Total:	132,616	0	0
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	0	0	0
	Sub-Total:	0	0	0
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	6,609,693	6,609,693	6,609,693
	General Reserve	0	0	0
	Sub-Total:	6,609,693	6,609,693	6,609,693
8.	ENDING OPERATING CASH (1A +2 -4 -5)	10,243,725	6,138,473	5,199,584
9.	SUMMARY OF ENDING REVENUES (7 +8)	16,853,418	12,748,166	11,809,277

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

UNIVERSITY PARKING AUXILIARY FACILITY
OUTSTANDING REVENUE BONDS
SUPPLEMENTAL NARRATIVE INFORMATION
FEBRUARY 2019 DATA REQUEST SUBMISSION

University of Central Florida – Parking Facilities Series 2004A, 2010B, 2011A, 2012A

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

Expenditures are projected to decrease by 12% from FY19 to FY20 due to funding the downtown campus parking garage and payoff of the loan from Business Services for the Garage C expansion in 2018-19. These decreases are reflected in Other Expenses & Transfers Out and are partially offset by design fees for two new parking garages at the Rosen and Health Sciences campuses in 2019-20. The increase in operating expenses is resulting from a new shuttle contract with increased fees and additional shuttle routes for two new complexes and the downtown campus in 2019-20.

3. Please provide details for amounts categorized as "other".

Other Expense & Transfers Out primarily consist of transfers to the university facilities department for building improvements, the downtown campus garage, payoff of the internal loan for the Garage C expansion, and design fees for two new garages at the Rosen and Health Sciences campuses.

	FY17-18	FY18-19	FY19-20
Interest revenue transferred out to assist in funding University initiatives	444,413	240,000	240,000
Funding of the Creative Village Garage	9,000,000	3,600,000	0
Downtown Parking Office Buildout	0	250,000	312,000
Rosen Garage Design Fees	0	0	750,000
Lake Nona Garage Design Fees	0	0	834,401
Garage C Expansion - Estimated Debt Service	233,476	233,477	0
Garage C Expansion - Internal Loan Payback	0	2,401,355	0
Other	(554)	74,800	82,280
Total Other Expenses & Transfers Out	9,677,335	6,799,632	2,218,681
(Agrees to Schedule)	0	0	0

4. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: University of Central Florida

BOND TITLE: Housing Revenue Certificates Series, 2002, 2007A, 2012A

AUXILIARY FACILITY (IES): Housing Facilities

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	15,410,193	12,206,351	8,839,923
	Investments	0	0	0
	Sub-Total:	15,410,193	12,206,351	8,839,923
	B. Replacement Reserve Forward:			
	Debt Service Reserve	0	0	0
	Maintenance and Equipment Reserve	8,588,176	8,588,176	8,588,176
	General Reserve	0	0	0
	Sub-Total:	8,588,176	8,588,176	8,588,176
	TOTAL CARRIED FORWARD (A +B):	23,998,369	20,794,527	17,428,099
2.	CURRENT YEAR REVENUE:			
	* Revenue	28,004,345	27,919,345	27,920,000
	Interest Income	496,319	400,000	400,000
	Other Income / Inflows	2,343,426	2,200,000	2,200,000
	TOTAL CURRENT YEAR REVENUE:	30,844,090	30,519,345	30,520,000
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	54,842,459	51,313,872	47,948,099
4.	EXPENDITURES			
	Salaries and Matching	7,551,406	7,535,620	8,156,151
	Other Personal Services	1,548,718	1,686,113	1,537,176
	Operating Expense	8,132,243	8,561,195	8,699,549
	Repairs and Maintenance	4,692,727	3,128,000	3,132,360
	Debt Service	8,780,273	8,560,845	8,337,250
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	80,960	90,000	90,000
	Other Expense & Transfers Out	3,261,605	4,324,000	1,624,000
	TOTAL EXPENDITURES:	34,047,932	33,885,773	31,576,486
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	0	0	0
	Sub-Total:	0	0	0
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	0	0	0
	Sub-Total:	0	0	0
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	8,588,176	8,588,176	8,588,176
	General Reserve	0	0	0
	Sub-Total:	8,588,176	8,588,176	8,588,176
8.	ENDING OPERATING CASH (1A +2 -4 -5)	12,206,351	8,839,923	7,783,437
9.	SUMMARY OF ENDING REVENUES (7 +8)	20,794,527	17,428,099	16,371,613

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

UNIVERSITY AUXILIARY HOUSING FACILITY
OUTSTANDING REVENUE BONDS
SUPPLEMENTAL NARRATIVE INFORMATION
FEBRUARY 2019 DATA REQUEST SUBMISSION

University of Central Florida – Housing Revenue Certificates Series 2002, 2007A, 2012A

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

No.

3. Please provide details for amounts categorized as "other".

Other Income primarily consists of all event related revenues, housing cancellation fees, late payment fees, earned commissions, and any administrative revenues.

Other Expenses & Transfers Out primarily consists of transfers to university facilities department for building improvements, network infrastructure and equipment upgrade, and contributions towards the buildout of academic support space in the privately developed student housing building on the downtown campus in 2018-19.

	FY17-18	FY18-19	FY19-20
Interest revenue transferred out to assist in funding University initiatives	496,319	400,000	400,000
ResNet Infrastructure Upgrade (Student Housing Internet Services)	2,250,000	1,000,000	1,000,000
Network Equipment - ResNet Upgrade (Student Housing Internet Services)	515,000	224,000	224,000
Contribution to Downtown Campus Student Services Space Buildout	0	2,700,000	0
Other	286	0	0
Total Other Expenses & Transfers Out	3,261,605	4,324,000	1,624,000
(Agrees to Schedule)	0	0	0

4. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: Florida International University

BOND TITLE: Parking Facility Revenue Bonds, Series 2009B, 2013A

AUXILIARY FACILITY (IES): Parking Revenue Trust Fund

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	5,729,018	7,133,566	6,956,127
	Investments	0	0	0
	Sub-Total:	5,729,018	7,133,566	6,956,127
	B. Replacement Reserve Forward:			
	Debt Service Reserve	0	0	0
	Maintenance and Equipment Reserve	3,000,000	1,610,110	1,610,110
	General Reserve	0	0	0
	Sub-Total:	3,000,000	1,610,110	1,610,110
	TOTAL CARRIED FORWARD (A +B):	8,729,018	8,743,676	8,566,237
2.	CURRENT YEAR REVENUE:			
	* Revenue	16,392,482	15,996,602	16,910,065
	Interest Income	81,185	156,462	103,208
	Other Income	0		0
	TOTAL CURRENT YEAR REVENUE:	16,473,667	16,153,064	17,013,273
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	25,202,685	24,896,740	25,579,510
4.	EXPENDITURES			
	Salaries and Matching	2,449,339	2,747,749	2,775,226
	Other Personal Services	468,584	575,141	556,945
	Operating Expense	4,265,980	5,009,802	5,188,229
	Repairs and Maintenance	518,057	844,061	605,195
	Debt Service	6,894,422	6,329,642	5,729,902
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	73,595	130,000	167,963
	Other Expense & Transfers Out	399,141	694,108	0
	TOTAL EXPENDITURES:	15,069,118	16,330,503	15,023,460
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	1,000,000
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	0	0	389,890
	Sub-Total:	0	0	1,389,890
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	1,389,890	0	0
	General Reserve	0	0	0
	Sub-Total:	1,389,890	0	0
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Debt Service Reserve	0	0	1,000,000
	Maintenance & Equipment Reserve	1,610,110	1,610,110	1,610,110
	General Reserve	0	0	389,890
	Sub-Total:	1,610,110	1,610,110	3,000,000
8.	ENDING OPERATING CASH (1A +2 -4 -5)	7,133,567	6,956,127	7,556,050
9.	SUMMARY OF ENDING REVENUES (7 +8)	8,743,677	8,566,237	10,556,050

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

FLORIDA INTERNATIONAL UNIVERSITY AUXILIARY FACILITIES
OUTSTANDING PARKING FACILITIES REVENUE BONDS
SUPPLEMENTAL NARRATIVE INFORMATION
FEBRUARY 2019 DATA REQUEST SUBMISSION

Florida International University – Parking Facility Revenue Bonds Series 2009B, 2013A

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No. Parking does not have revenue overhead assessments.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

There are no changes of 10% or more in total pledged revenues or expenditures.

3. Please provide details for amounts categorized as "other".

FY 2018-19 budgeted transfers out of $694,108, is entirely set aside for proposed garage maintenance. FIU has engaged Timothy Haahs & Associates, Inc., to perform a condition appraisal and subsequent restoration services for the various parking garages and lots across the Modesto Maidique and Biscayne Bay campuses. This is part of a phased project.

The preliminary FY 2019-20 budget did not include any transfers out.

4. Add lines as needed for additional comments.

On this form the Estimated budget for 2018-19 and the preliminary Projected budget for 2019-20 were approved by the Board of Trustees on June 6, 2018. Nevertheless, the Projected budget for 2019-20 will be updated and presented for final approval by the Board of Trustees on June 19, 2019.

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: Florida International University

BOND TITLE: Housing Facility Revenue Bonds, Series 2011 , 2012, 2015A

AUXILIARY FACILITY (IES): Housing Revenue Trust Fund

		2017-18 Actual	2018-19 Estimated	2019-20 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	25,554,647	24,412,410	12,575,136
	Investments	0	0	0
	Sub-Total:	25,554,647	24,412,410	12,575,136
	B. Replacement Reserve Forward:			
	Debt Service Reserve	0	0	0
	Maintenance and Equipment Reserve	549,786	893,590	893,590
	General Reserve		0	0
	Sub-Total:	549,786	893,590	893,590
	TOTAL CARRIED FORWARD (A +B):	26,104,433	25,306,000	13,468,726
2.	CURRENT YEAR REVENUE:			
	* Revenue	30,918,443	30,880,407	31,448,248
	Interest Income	225,544	434,492	200,000
	Other Income	0	0	0
	TOTAL CURRENT YEAR REVENUE:	31,143,987	31,314,899	31,648,248
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	57,248,420	56,620,899	45,116,974
4.	EXPENDITURES			
	Salaries and Matching	4,219,593	4,860,099	4,947,428
	Other Personal Services	1,246,422	1,301,689	1,319,083
	Operating Expense	12,910,380	11,987,667	12,032,303
	Repairs and Maintenance	661,296	844,448	622,247
	Debt Service	7,418,976	7,418,963	7,412,963
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	58,505	42,000	42,840
	Other Expense & Transfers Out	5,427,248	16,697,307	3,500,000
	TOTAL EXPENDITURES:	31,942,420	43,152,173	29,876,864
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	1,500,000
	Maintenance & Equipment Reserve	343,804	0	0
	General Reserve	0	0	1,500,000
	Sub-Total:	343,804	0	3,000,000
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	0	0	0
	Sub-Total:	0	0	0
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Debt Service Reserve	0	0	1,500,000
	Maintenance & Equipment Reserve	893,590	893,590	893,590
	General Reserve	0	0	1,500,000
	Sub-Total:	893,590	893,590	3,893,590
8.	ENDING OPERATING CASH (1A +2 -4 -5)	24,412,410	12,575,136	11,346,520
9.	SUMMARY OF ENDING REVENUES (7 +8)	25,306,000	13,468,726	15,240,110

*** Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.**

FLORIDA INTERNATIONAL UNIVERSITY AUXILIARY FACILITIES
OUTSTANDING HOUSING FACILITY REVENUE BONDS
SUPPLEMENTAL NARRATIVE INFORMATION
FEBRUARY 2019 DATA REQUEST SUBMISSION

Florida International University – Housing Revenue Bonds Series 2011, 2012, 2015A

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No. Housing does not have revenue overhead assessments.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

2018-19 Estimated Expenditures are expected to increase by more than 10% than 2017-18 Actual Expenditures primarily due to the new Parkview II construction project.

3. Please provide details for amounts categorized as "other".

FY 2018-19 budgeted transfers out of $16,697,307, was set aside for various construction projects including the approved cash contribution for the construction of the Parkview II dormitory. Projects include interior renovations of the University Apartments, exterior work on Parkview I, renovations to certain kitchens in Parkview I, replacement of showers in Lakeview Hall, and finally $11,000,000 in transfers out for the contribution towards Parkview II construction (as approved by BOT and BOG).

The preliminary FY 2019-20 budget includes transfers out of $3,500,000 for the continued contribution towards Parkview II construction. The approved transfers for Parkview II total $16.4M.

4. Add lines as needed for additional comments.

On this form the Estimated budget for 2018-19 and the preliminary Projected budget for 2019-20 were approved by the Board of Trustees on June 6, 2018. Nevertheless, the Projected budget for 2019-20 will be updated and presented for final approval by the Board of Trustees on June 19, 2019.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
March 28, 2019

SUBJECT: Legislative Budget Update

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

An update will be provided on legislative budgets for the system and Board Office.

Supporting Documentation Included: 1. SUS Executive Summary
2. Board Office Summary

Facilitators/Presenters: Mr. Tim Jones

State University System of Florida
Education and General
2019-2020 Executive Summary, Universities and Special Units
March 20, 2019

		Board Request	Governor's Budget	House Higher Ed Committee Chair Rec (3/19/19)	Senate Education Committee Chair Rec (3/20/19)
1	**2018-2019 Total Appropriation**				
2	State Support	$2,546,984,740	$2,546,984,740	$2,546,984,740	$2,546,984,740
3	Performance Based Funding - State Investment	$265,000,000	$265,000,000	$265,000,000	$265,000,000
4	Performance Based Funding - Institutional Investment	$295,000,000	$295,000,000	$295,000,000	$295,000,000
5	Tuition Support	$1,957,486,926	$1,957,486,926	$1,957,486,926	$1,957,486,926
6	**2018-2019 Total Base Budget**	**$5,064,471,666**	**$5,064,471,666**	**$5,064,471,666**	**$5,064,471,666**
7	**2019-2020 Start-up Budget**				
8	2018-2019 Non-Recurring Issues	($27,102,461)	($27,102,461)	($27,102,461)	($27,102,461)
9	Performance Based Funding - Non-Recurring State Investment	($12,670,000)	($12,670,000)	($12,670,000)	($12,670,000)
10	2018-2019 Health Insurance Premiums Adjustment	$16,325,993	$16,325,993	$16,325,993	$16,325,993
11	2018-2019 Casualty Insurance Premium Adjustment	$447,216	$447,216	$447,216	$447,216
12	2018-19 Reduction Due to Basic Life Insurance Contract Savings	($414,575)	($414,575)	($414,575)	($414,575)
13	2018-2019 Health Insurance Premiums - Annualization	$11,661,424	$11,661,424	$11,661,424	$11,661,424
14	**2019-2020 Start-Up Budget**	**$5,052,719,263**	**$5,052,719,263**	**$5,052,719,263**	**$5,052,719,263**
15					
16	**2019-2020 Budget Issues:**				
17	**Technical Adjustments**				
18	Florida Retirement System Contribution Adjustment	$0	$0	$0	$4,064,013
19	**Performance and Preeminent Funding Initiatives**				
20	Performance Based Funding - State Investment	$75,000,000	$30,000,000	$0	($22,330,000)
21	Performance Based Funding - Restoration of Nonrecurring State Investment		$12,670,000	$12,666,667	$0
22	Preeminent University Funding	$0	$0	($20,000,000)	$0
23	Preeminence and Emerging Preeminence	$0	$0	$0	$80,000,000
24	**System Initiatives**				
25	Plant Operations, and Maintenance for New Facilities	$26,461,630	$0	$0	$0
26	State Fire Marshal Inspections	$2,276,318	$0	$0	$0
27	Programs of Excellence (Year 1 of 2)	$30,000,000	$0	$0	$0
28	Professional/Graduate Degree Excellence Program	$0	$0	($5,000,002)	$0
29	World Class Scholars	$20,000,000	$0	($10,000,008)	$0
30	Reduction in University Base Operational Funding	$0	$0	($100,000,000)	$0
31	**University Initiatives**				
32	UF-IFAS Workload Initiative	$3,874,528	$0	$0	$3,874,528
33	NCF - Third Year Plan for Growth	$1,640,000	$0	$0	$1,640,000
34	FAMU-FSU College of Engineering	$6,394,000	$0	$0	$0
35	FAU100	$16,300,000	$0	$0	$0
36	UNF - Support Our Students	$10,794,840	$0	$0	$0
37	Florida Gulf Coast University	$12,385,000	$0	$0	$0
38	FAU - Max Planck Scientific Fellowship Program (HB 2885)	$0	$0	$750,000	$0
39	FGCU - Red Tide Initiative (HB 3191)	$0	$0	$100,000	$0
40	FIU - Targeted STEM Initiatives (SF 1449)	$0	$0	$0	$200,000
41	FIU - Washington Center Scholarships (SF 1032)	$0	$0	$0	$50,000
42	FPU - Graduate Program Growth (SF 1172)	$0	$0	$0	$650,000
43	FPU - Enhanced Graduation Pathways (SF 1170)	$0	$0	$0	$500,000
44	FPU - Advanced Mobility Research (SF 1168)	$0	$0	$0	$500,000
45	FSU - Florida Campus Compact (SF 1540)	$0	$0	$0	$514,926
46	FSU - Tallahassee Veterans Legal Collaborative (HB 4981)	$0	$0	$200,000	$0
47	UF - Center for Artificial Intelligence (HB 9047/SF 1899)	$0	$0	$50,000	$200,000
48	UF- Lastinger Center for Learning Algebra Nation (HB 2881/SF 1426)	$0	$0	$50,000	$400,000
49	UF- Lastinger Center Developmentally Appropriate Emergency Response Training (SF 2184)	$0	$0	$0	$100,000
50	UF-IFAS - STEM, Workforce and Student 4H Programs (SF 1156)	$0	$0	$0	$100,000

State University System of Florida
Education and General
2019-2020 Executive Summary, Universities and Special Units
March 20, 2019

51	UF-IFAS - Tropical Aquaculture Laboratory (House Bill 9109)	$0	$0	$50,000	$0
52	UF-HSC - Center for Translational Research in Neurodegenerative Disease (HB 4253/SF 1542)	$0	$0	$50,000	$200,000
53	UF-HSC - Program to Cure Dystonia and Other Involuntary Muscle Disorders (SF 1880)	$0	$0	$0	$500,000
54	UF-HSC - Advanced Training of Pediatric Child Abuse Specialists (SF 1472)	$0	$0	$0	$30,000
55	UNF - Jax Bridges Competitive Small Business Initiative (HB 3973/SF 2453)	$0	$0	$350,000	$350,000
56	USF St. Petersburg - Citizen Scholar Partnership (HB 9137)	$0	$0	$100,000	$0
57	USF St. Petersburg - STEM-Based Workforce Development (SF 2037)	$0	$0	$0	$50,000
58	USF St. Petersburg - Joint Institute for Gulf of Mexico Studies (SF 1895)	$0	$0	$0	$47,103
59	***Incremental Growth for 2019-2020***	***$205,126,316***	***$42,670,000***	***-$120,633,343***	***$71,640,570***
60					
61	**Total 2019-2020 Budget**	**$5,257,845,579**	**$5,095,389,263**	**$4,932,085,920**	**$5,124,359,833**
62	***% Increase over 2019-2020 Beginning Base Budget (Line 14)***	***4.1%***	***0.8%***	***-2.4%***	***1.4%***
63	*2018-2019 Beginning State Support (start-up items included)*	*$3,095,232,337*	*$3,095,232,337*	*$3,095,232,337*	*$3,095,232,337*
64	*Increase in State Support*	*$205,126,316*	*$42,670,000*	*($120,633,343)*	*$71,640,570*
65	***Total State Support Needed for FY 2019-2020***	***$3,300,358,653***	***$3,137,902,337***	***$2,974,598,994***	***$3,166,872,907***
66					
67	*2018-2019 Beginning Student Tuition Support*	*$1,957,486,926*	*$1,957,486,926*	*$1,957,486,926*	*$1,957,486,926*
68	*Increase in Student Tuition Support*	-	-	-	-
69	***Total Tuition Support Needed for FY 2019-2020***	***$1,957,486,926***	***$1,957,486,926***	***$1,957,486,926***	***$1,957,486,926***
70	***Total Support for FY 2019-2020***	***$5,257,845,579***	***$5,095,389,263***	***$4,932,085,920***	***$5,124,359,833***
71	**Statewide Initiatives**				
72	Moffitt Cancer Center (*pass-through*)	$8,500,000	$0	$0	$0
73	Institute of Human and Machine Cognition *(pass-through)*	$6,739,184	$0	$0	$0
74	***Incremental Growth for 2019-2020***	***$15,239,184***	***$0***	***$0***	***$0***
75	***Total Support w/Statewide Initiatives for FY 2019-2020***	***$5,273,084,763***	***$5,095,389,263***	***$4,932,085,920***	***$5,124,359,833***

For FY 2019-2020, the System's request for performance funding is as follows: for state investment, $252.33 M from FY 2018-2019 plus $75 M in new state funds for a total of $327.33 M; for institutional investment, $295 M from FY 2018-2019 plus $32.33 M redirected from the system base for a total of $327.33 M. Total support requested of $654.66 M for performance base funding initiatives.

The Governor's recommended budget for FY 2019-20 includes $30M in new State investment funds and $12.67M to restore 2018-19 nonrecurring performance funding, bringing the total State investment to $295M. The recommendation for institutional investment is $325M, which creates a total proposed performance based funding allocation for 2019-20 of $620M.

STATE UNIVERSITY SYSTEM OF FLORIDA
Board of Governor's
2019-2020 Fixed Capital Outlay Budget Comparison
as of March 22, 2019

University	Project Name	Prior State Funding	Board 2019-20 PECO Request	Governor's Budget	House Budget	Senate Budget	FINAL
UF	Data Science and Information Technology Building	$ 50,000,000	$ 3,119,320	$ -	$ -	$ 25,000,000	
FSU	Interdisciplinary Research Commercialization Bldg (IRCB)	$ 16,274,101	$ 2,021,563	$ -	$ -	$ 10,000,000	
FAMU	Student Affairs Building (CASS)	$ 16,155,000	$ 3,899,150	$ -	$ -	$ 24,845,000	
USF	Morsani College of Medicine and Heart Health Institute	$ 97,893,118	$ 11,428,410	$ 14,655,000	$ -	$ 5,000,000	
	Sarasota/Manatee Academic STEM Facility	$ -	$ -	$ -	$ -	$ 2,515,438	
	Sarasota/Manatee College of Hospitality & Tourism renovation	$ -	$ -	$ -	$ -	$ 2,800,000	
FAU	Jupiter STEM/Life Sciences Bldg.	$ 12,881,247	$ 14,129,549	$ -	$ -	$ -	
FIU	Engineering Building Phase I & II	$ 30,641,537	$ 3,119,320	$ -	$ -	$ -	
UNF	Roy Lassiter Hall Renovations	$ -	$ -	$ -	$ -	$ 5,000,000	
FGCU	School of Integrated Watershed and Coastal Studies	$ 30,553,504	$ 3,899,150	$ -	$ -	$ 2,500,000	
NCF	Multi-Purpose Building	$ -	$ 4,678,981	$ -	$ -	$ -	
FPU	Applied Research Center	$ 7,000,000	$ 4,338,526	$ -	$ -	$ -	
Total SUS	Total SUS (Named Projects)		$ 50,633,970	$ 14,655,000	$ -	$ 77,660,438	$ -
Total All Projects	Maintenance, Repair, Renovation & Remodeling (MRR&R)	$ 47,182,459	$ 40,539,139	$ 48,441,198	$ -	$ 35,000,000	
	Requests from CITF	$ 40,000,000	$ 44,000,000	$ 44,000,000	$ 44,000,000	$ 44,000,000	
	Total SUS (Named Projects)	$ 122,600,800	$ 50,633,970	$ 14,655,000	$ -	$ 77,660,438	
	UF PK Yonge Lab School - Secondary School Facility	$ -	$ 10,000,000	$ -	$ 13,562,360	$ -	
	FAU's Henderson Lab School - K-8 Replacement Facility	$ -	$ 10,000,000	$ -	$ 13,562,361	$ 5,000,000	
Total		**$ 209,783,259**	**$ 155,173,109**	**$ 107,096,198**	**$ 71,124,721**	**$ 161,660,438**	**$ -**

The **House Budget** includes proviso allowing for the use of CarryForward funds, as reflected below, if certain legislation (HB 5501) becomes Law:

University	Project Name	CarryForward ($)
UF	Data Science and Information Technology Building	$ 5,000,000
FSU	College of Business Building	$ 27,725,899
FSU	Interdisciplinary Research Commercialization Bldg (IRCB) [4]	$ 30,500,000
USF	Morsani College of Medicine and Heart Health Institute	$ 9,267,417
USF	Interdisciplinary Science - Research Lab Build Out [4]	$ 14,655,000

The **House Budget** calls for the reversion of unexpended funds for the following projects:

University	Project Name	Amount ($)
UCF	Engineering Building I	TBD
Poly	Applied Research Building	TBD
UF	Music Building	TBD

The **Senate Budget** includes proviso allowing for: 1) the reversion of $5,927,338 PECO from UF Music Building Renovation and reappropriated to UF New Music Building, and 2) the reversion of $4,233,813 from FSU STEM Teaching Lab and reappropriated to FSU Interdisciplinary Research Commercialization Building (IRCB).

Florida Board of Governors
2019-2020 Board Office Budget
March 19, 2019

		Board Request	Governor Rec	House Ed Approps Chair Rec	Senate Ed Approps Chair Rec
1	**Salary & Benefits-GR**	$6,009,364	$6,078,233	$6,078,233	$6,078,233
2	**Salary & Benefits-Trust Fund**	$785,234	$794,554	$794,554	$794,554
3	**Total**	**$6,794,598**	**$6,872,787**	**$6,872,787**	**$6,872,787**
4					
5	**Other Personal Services-GR**	$51,310	$51,310	$51,310	$51,310
6	**Other Personal Services-Trust Fund**	$20,785	$20,785	$20,785	$20,785
7	**Total**	**$72,095**	**$72,095**	**$72,095**	**$72,095**
8					
9	**Expenses-GR**	$736,982	$736,982	$736,982	$736,982
10	**Expenses-Trust Fund**	$156,799	$156,799	$156,799	$156,799
11	**Total**	**$893,781**	**$893,781**	**$893,781**	**$893,781**
12					
13	**Operating Capital Outlay-GR**	$11,782	$11,782	$11,782	$11,782
14	**Operating Capital Outlay-Trust Fund**	$5,950	$5,950	$5,950	$5,950
15	**Total**	**$17,732**	**$17,732**	**$17,732**	**$17,732**
16					
17	**Contracted Services-GR**	$240,127	$240,127	$240,127	$240,127
18	**Contracted Services-Trust Fund**	$73,000	$73,000	$73,000	$73,000
19	*IT Augmentation/security/cloud services - GR*	$543,977	$355,455	$0	$295,885
20	*Take Stock in Children*	$0	$0	$0	
21	**Total**	**$857,104**	**$668,582**	**$313,127**	**$609,012**
22					
23	**Take Stock in Children - Pass-through - GR**	$0	$0	$325,000	$0
24	**Washington Intern Study Experience - GR**	$0	$0	$300,000	$0
25					
26	**Tnsfr to DMS for HR Services-GR**	$17,110	$17,110	$17,110	$17,110
27	**Tnsfr to DMS for HR Services-Trust Fund**	$4,249	$4,249	$4,249	$4,249
28	**Total**	**$21,398**	**$21,359**	**$21,359**	**$21,359**
26					
27	**Tnsfr to DMS for Risk Mgmt Insurance-GR**	**$11,960**	**$11,960**	**$11,960**	**$11,960**
28					
29	**NW** Regional Data Center-GR**	**$269,527**	**$269,527**	**$269,527**	**$269,527**
30					
31	**Total Board Office Budget-GR**	$7,892,139	$7,772,486	$8,042,031	$7,712,916
32	**Total Board Office Budget-Trust Fund**	$1,046,017	$1,055,337	$1,055,337	$1,055,337
33	**Total**	**$8,938,156**	**$8,827,823**	**$9,097,368**	**$8,768,253**
25	*$ Change from 2018-19 Budget*	*$544,229*	*$433,896*	*$703,441*	*$374,326*
36	*% Change from 2018-19 Budget*	*6.5%*	*5.2%*	*8.4%*	*4.5%*
38	*Authorized Positions*	*65*	*65*	*65*	*65*
39	*Increase(Decrease) in Positions*	*0*	*0*	*0*	*0*
40	*Total*	*65*	*65*	*65*	*65*

*GR - General Revenue

**NW - Northwest

Florida Board of Governors
2019-2020 Board Office Budget
February 26, 2019

		Board Request	Governor Rec
1	**Salary & Benefits-GR**	$6,009,364	$6,078,233
2	**Salary & Benefits-Trust Fund**	$785,234	$794,554
3	**Total**	**$6,794,598**	**$6,872,787**
4			
5	**Other Personal Services-GR**	$51,310	$51,310
6	**Other Personal Services-Trust Fund**	$20,785	$20,785
7	**Total**	**$72,095**	**$72,095**
8			
9	**Expenses-GR**	$736,982	$736,982
10	**Expenses-Trust Fund**	$156,799	$156,799
11	**Total**	**$893,781**	**$893,781**
12			
13	**Operating Capital Outlay-GR**	$11,782	$11,782
14	**Operating Capital Outlay-Trust Fund**	$5,950	$5,950
15	**Total**	**$17,732**	**$17,732**
16			
17	**Contracted Services-GR**	$240,127	$240,127
18	**Contracted Services-Trust Fund**	$73,000	$73,000
19	*IT Augmentation/security/cloud services - GR*	$543,977	$355,455
20	*Take Stock in Children*	$0	$0
21	**Total**	**$857,104**	**$668,582**
22			
23	**Tnsfr to DMS for HR Services-GR**	$17,110	$17,110
24	**Tnsfr to DMS for HR Services-Trust Fund**	$4,249	$4,249
25	**Total**	**$21,398**	**$21,359**
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27	**Tnsfr to DMS for Risk Mgmt Insurance-GR**	**$11,960**	**$11,960**
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29	**NW** Regional Data Center-GR**	**$269,527**	**$269,527**
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31	**Total Board Office Budget-GR**	$7,892,139	$7,772,486
32	**Total Board Office Budget-Trust Fund**	$1,046,017	$1,055,337
33	**Total**	**$8,938,156**	**$8,827,823**
25	*$ Change from 2018-19 Budget*	*$544,229*	*$433,896*
36	*% Change from 2018-19 Budget*	*6.5%*	*5.2%*
38	*Authorized Positions*	*65*	*65*
39	*Increase(Decrease) in Positions*	*0*	*0*
40	*Total*	*65*	*65*

*GR - General Revenue

**NW - Northwest

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
March 28, 2019

SUBJECT: 2020-2021 Legislative Budget Request (LBR) Guidelines

PROPOSED COMMITTEE ACTION

Consider approval of the 2020-2021 LBR Guidelines

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Subsection 1001.706(4)(b), Florida Statutes

BACKGROUND INFORMATION

The 2020 legislative session is scheduled to start in January 2020. The Board will review and approve a 2020-2021 operating and fixed capital outlay LBR at the August 2019 meeting. The final budget request will then be forwarded to the Governor and Legislature around September 15. In order to maintain the schedule for developing the LBR in a timely manner, the Board will need to approve a set of policy guidelines for the development of the 2019-2020 operating and fixed capital outlay budget request.

These guidelines will be the basis for the development of the LBR. The guidelines are a living document, and the recommended changes from Board staff to the previous adopted LBR guidelines are as follows:

I. **Operating LBR -** This is the primary change:
   a. Updates the timeline to reflect the start of the 2020 session in January 2020.

II. **Fixed Capital Outlay LBR –** These are the primary changes:
   a. Replaces the category Utility Infrastructure (Single Line) with Capital Renewal Requests detailed at the Existing Building or Existing Subsystem level (Multiple Lines).

   b. Requires Board of Trustee prioritization of identified Capital Renewal needs ahead of New Facilities.

c. Requires that all PECO projects have identified a Plant Operations and Maintenance funding source without any additional state appropriations.

d. Updates the timeline to reflect the start of the 2020 session in January 2020.

Supporting Documentation Included: 2020-2021 LBR Guidelines

Facilitators/Presenters: Mr. Tim Jones

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State University System of Florida
Board of Governors
2020-21 Legislative Budget Request Development
Policy Guidelines

Pursuant to section 7, Article 9, of the Florida Constitution, the Board "…shall operate, regulate, control, and be fully responsible for the management of the whole university system." Included within this responsibility is the development of a Legislative Budget Request (LBR). In addition, section 216.023(1), Florida Statutes, requires the submission of an LBR to the Legislature and Governor based on an independent judgment of needs.

The 2020-2021 LBR will provide flexibility for the Board of Governors (Board) and individual university boards of trustees to jointly manage the system to meet the critical needs of the state, achieve the statewide goals and objectives of the updated State University System (SUS) Strategic Plan, and demonstrate accountability and transparency. The following goals of the SUS Strategic Plan will be addressed in the request:

1. Excellence
2. Productivity
3. Strategic Priorities for a Knowledge Economy

These system goals, as well as institutional goals and initiatives, should be incorporated into the following priorities, which will be reflected in the LBR:

Operating and Specialized Program Funds:

1. Continuing costs associated with existing programs – This policy addresses the funds needed to continue existing programs:

   a. Plant operations and maintenance for new and existing buildings –
      i. Funds may be requested for the annualized operations and maintenance costs for buildings completed and phased-in during 2019-2020;
      ii. Funds may be requested for the operating costs for new buildings to be completed and occupied in 2020-2021.

   b. Annual Fire Safety Inspection Fees –
      i. Funds will be requested to cover the annual costs of the State Fire Marshal inspection of university facilities.

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2. Performance-Based Funding – Funding will be requested based on the Board's performance-based funding model.

3. Campus Health, Safety, and Security – Consideration will be given to initiatives that support or enhance student health, ensure the safety of students, faculty and staff, and secures the campus to promote a safe learning environment.

4. Task Force Reports, Studies, and Strategic Plans – Consideration will be given to initiatives recommended in any reports, studies, or strategic plans and endorsed by the Board.

5. Shared System Resources – Consideration will be given to initiatives that allow for greater efficiencies through shared system resources. System initiatives developed by the universities should be vetted by the appropriate SUS council before being recommended to the Board.

The following represents the timeline for submission of the SUS 2019-2020 LBR for operations:

- March 28 Board reviews draft LBR Policy Guidelines
- May Chancellor provides guidance to the universities on the development of system and university LBR issues
- July 29 System issues are submitted by the appropriate SUS council
- August 29 Board approves the operating LBR
- Sept. 15 Anticipated Date - LBR is submitted to the Governor and Legislature
- Oct. 2-3: Budget and Finance Committee Workshop to discuss potential changes to the performance-based funding model
- Oct. 30: Board evaluates amendments to the LBR
- Dec.: Amended LBR is submitted to the Legislature and Governor after release of the Governor's budget recommendations
- Jan. 14, 2020: Legislative Session Begins

Fixed Capital Outlay Funds:

For Public Education Capital Outlay (PECO) projects, the university's approved Five-Year Capital Improvement Plan (CIP) should be prioritized by the trustees as indicated below. PECO funding to meet critical maintenance needs must be assigned a higher priority than adding new facilities, with the intent to improve the condition of existing space and campus infrastructure.

Funding will be requested for institutional survey-recommended PECO projects in the following priority order:

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1. **Remodeling/Renovation/Maintenance/Repair**

   Funds will be requested from PECO pursuant to formula as required by section 1013.64(1)(a), Florida Statutes, and should not be included by the university on the CIP – this funding will be requested as the top system issue by the Board of Governors.

2. **Projects Previously Funded by the Legislature**

   Projects previously funded by the Legislature, effective July 1, 2017, or later, should be listed next on the CIP; these are considered "Previously Funded". If a university has more than one such project, priority should be given to those projects which can be most rapidly brought to completion. [1]

3. **Capital Renewal and Stewardship of Existing Facilities[2]**

   a. Subsystem Requests - Each board of trustees shall prioritize capital renewal and stewardship projects for individual subsystems of existing facilities which have failed or are functioning with substantial degradation in efficiency or performing at increased cost. This must be done on a line item basis. [3]

   b. Multiple Subsystem Requests - Renovation of multiple subsystems of an existing facility may be requested only if approved pursuant to an Educational Plant Survey.

   b. Demolition - Funding for demolition of an existing facility may be requested only if approved pursuant to an Educational Plant Survey.

4. **New Facility Requests[4]**

A New Facility Request must address the following demand indicators[5]:

   a. Will it improve the national ranking of a specific college; e.g. Music, Business, etc?
   b. Will it allow for creation of a new academic program?

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[1] Projects which have not received an appropriation in the past three legislative sessions are not considered "Previously Funded" and are subject to a 31-month reversion.

[2] A university may request legislative authority to expend carryforward reserves to the extent it anticipates the July 1, 2020, Education & General (E&G) reserves will be in excess of the mandatory 5%.

[3] For example, Building #10, Roof Replacement, and Building #24, HVAC Repair.

[4] A university should not request funding for a New Facility unless it can demonstrate, based on an independent analysis, such as Sightlines or APPA that it is demonstrating effective stewardship of its existing facilities.

[5] A New Facility Request is unlikely to show demand in every category.

c. Will it create both new research capability and capacity; requiring material institutional support?
d. Will it expand current course offerings?
e. Will it address campus-wide needs?

New Facility Requests must be supported by an: 1) existing Educational Plant Survey; 2) a business case study; and a 3) Plant Operations and Maintenance (PO&M) Budget Amendment, showing in detail how the existing operating Budget will be adjusted to address the increased PO&M costs without additional state funds. Alternatively, identify non-state funding for the new facility.[6]

A university which desires to seek funding for a new facility which is not eligible for inclusion pursuant to the above stated guidelines, but which is critical to achievement of the Board approved strategic plan goals for the university, may request approval from the Chancellor to determine whether the Board should be asked to re-evaluate the strategic plan goal or consider granting an exception to allow consideration of the Fixed Capital Outlay (FCO) funding request.

Non-PECO Components of the University LBR
Capital Improvement Fee Trust Fund Projects, Bonded Projects, P3-s, etc. should be included on the CIP-2 following the standard instructions provided by the Chancellor's Office. It is anticipated that the Board will request the requisite approvals from the Legislature following past practice and, as needed, to comply with the requirements of 1010.62, 1013.74, and 1013.78, Florida Statutes.

The following represents the timeline for submission of the State University System (SUS) 2020-2021 Fixed Capital Outlay LBR:

- March 28 Board approves LBR Guidelines
- July 1 Capital Improvement Plans due to Board of Governors from Board of Trustees
- August 28 Board adopts LBR
- September 15 Anticipated Date – LBR is submitted to the Governor and Legislature
- October 2-3 Board Workshop on LBR Components
- October 30 Board Amends LBR (PECO, Performance Funding, etc.)
- January 14, 2020 Legislative Session Begins

[6] The alternative revenue does not need to be functionally related to the project, and may come from a university direct support organization or Public Private Partnership (P3).

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
March 28, 2019

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 9.014 Collegiate License Plate Revenues

PROPOSED COMMITTEE ACTION

Approve the public notice of intent to amend Board of Governors Regulation 9.014

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution, and Section 320.08058(3), Florida Statutes

BACKGROUND INFORMATION

Section 320.08058(3)(b), Florida Statutes, states that the Board of Governors shall require each state university to submit a plan for approval of the expenditure of all revenues collected from the sale of collegiate license plates. The funds may only be used for academic enhancement, including scholarships and private fundraising activities.

The expenditure plans below indicate the percentage of funds expended for scholarships, fundraising, and academic enhancements. The plans are effective indefinitely, unless the university requests to deviate from the approved plan by more than ten percent (10%) pursuant to regulation.

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

A regulation change is needed for the University of North Florida to conform to the expenditure plan approved by the University of North Florida Trustees in 2013. Information was submitted to the Board in 2016, but failed to get included in the Regulation when it was amended in March 2017.

	Scholarships	Fundraising	Academic Enhancement
UNF - Current	70%	30%	0%
UNF - Change	70%	18%	12%

If approved, the amended regulation will be noticed on the Board's website for 30 days, with final approval by the Board at the June 13, 2019, meeting.

Supporting Documentation Included: Amended Regulation 9.014

Facilitators/Presenters: Mr. Tim Jones

9.014 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. The expenditure plans previously approved are as follows:

	Scholarships	Fundraising	Academic Enhancement
FAMU	25%	75%	
FAU	75%	25%	
FGCU	100%		
FIU	50%	50%	
FSU	90%	10%	
NCF	50%	10%	40%
UCF	20%	30%	50%
UF	40%	60%	
USF	20%	66%	14%
UNF	70%	1830%	12%
UWF	60%	40%	

(3) The Board of Governors Office must be notified of any deviations from the approved expenditure plan in subparagraph (2) and any deviations of more than 10 percent 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.; Section 320.08058(3)(b), Florida Statutes, New 11-25-13, Amended 03-30-17, _____.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
March 28, 2019

SUBJECT: Board of Governors Regulation 9.007 State University Operating Budgets

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation Development Procedure

BACKGROUND INFORMATION

This regulation is being amended to include the following changes:

- Requires Board of Trustees to approve the use of carryforward funds.
- Clarifies that E&G funds can be used for furniture, fixtures, and equipment.
- Clarifies that E&G funds can be used to maintain, repair, remodel, and renovate existing E&G facilities and space.
- Defines maintenance/repair, remodeling, and renovation.

A draft has been shared with university chief financial officers and budget officers. Additional changes may be necessary once the 2019 legislative session is over. At that time, further changes would be made, circulated to the universities, and then presented to the Committee in June for official review and approval to amend.

Supporting Documentation Included: Amended Regulation 9.007

Facilitators/Presenters: Tim Jones

9.007 State University Operating Budgets

(1) Each university president shall prepare an operating budget, including Education & General (E&G) carryforward funds, 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, including E&G carryforward, 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 Florida Statutes, regulations of the Board of Governors, policies of the university board of trustees, provisions of the General Appropriations Act, and data reflected within the State University System 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 E&G carryforward funds shall not be included in any estimated-year (budgeted) amounts, but shall be reported in the Carryforward Fund Balance Composition Report.

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, furniture, fixtures, and equipment, student services, libraries, administrative support, and other enrollment-related and stand-alone operations of the universities.
2. E&G operating funds may be utilized to maintain, repair, remodel, and renovate existing university E&G facilities and space subject to the following definitions:

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a. "Maintenance and Repair" means the upkeep of educational and ancillary plants, including, but not limited to, roof or roofing replacement short of complete replacement of membrane or structure; repainting of interior or exterior surfaces; resurfacing of floors; repair or replacement of glass; repair of hardware, furniture, equipment, electrical fixtures and plumbing fixtures, repair of walkways, and repair or resurfacing of parking lots not a part of university parking systems. The term "maintenance and repair" includes custodial or grounds keeping functions, renovations, the replacement of equipment with new equipment of equal systems meeting current code requirements, provided that the replacement item neither places increased demand upon utilities services or structural supports nor adversely affects the function of safety to life systems.

b. "Remodeling" means the changing of existing facilities by rearrangement of spaces and their use and includes, but is not limited to, the conversion of two classrooms to a science laboratory or the conversion of a closed plan arrangement to an open plan configuration.

c. "Renovation" means the rejuvenating or upgrading of existing facilities by installation or replacement of materials and equipment and includes, but is not limited to, interior and exterior reconditioning of facilities and spaces; air conditioning, heating, or ventilating equipment; fire alarm systems; emergency lighting; electrical systems; and complete roofing or roof replacement, including replacement of membrane or structure.

~~2.~~3. Universities shall accumulate ending fund balances for activities such as, but not limited to, student success~~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

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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
FAMU -/FSU College of Engineering

(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:

1. 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.

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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 student tuition & fees. 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 (including E&G carryforward amounts expended), and positions, as well as current-year estimated revenues, expenditures, and positions. University carryforward funds shall not be included in any estimated-year

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(budgeted) amounts, but shall be reported in the Carryforward Fund Balance Composition Report .

(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 allowed 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, Amended 11-21-13, 9-22-16, _____.

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STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
March 28, 2019

SUBJECT: System-wide Financial Training Update

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

During the January meeting of the Audit Committee, it was determined that Board staff should prepare a training packet for the annual Summit. Board staff, working with university Chief Financial Officers, have developed a basic training packet, including a glossary of terms, which can be tailored for each university's presentation to Boards of Trustees. Staff will review the training packet with the Committee.

Supporting Documentation Included: 1. Training PowerPoint
2. Glossary

Facilitators/Presenters: Mr. Tim Jones

State University System of Florida
Glossary of Budget and Finance Terms[1]

Activity and Service

The Activity and Service budget consists of funds from the student Activity and Service (A&S) fee to support student government operations, student activities such as clubs and organizations, student centers, and recreational sports for all campuses.

Auxiliary Enterprises

The Auxiliary Enterprises budget consists of university business operations that are self-supporting through user fees, payments and charges; no General Revenue Support. These budgets include: Academic Auxiliary programs, Housing, Parking and Transportation, Student Health Services, and other auxiliaries such as commissions on food services and bookstore sales, rentals, and interdepartmental services. Each institution may determine whether its auxiliary services will be self-supporting on an individual or collective basis, except for athletics, which shall be a self-supporting entity.

Board Approved Fees

Board Approved Fees are fees specific to the university and have been approved by the Board of Governors (Regulation 7.003(23). Every five years, the Board of Trustees is required to review the fee to determine if the fee has met its intended outcomes. Current Board of Governors approved fees include:

- ✓ Green Fee – USF, NCF and UWF
- ✓ Test Preparation Fee (Law Schools) – FIU and FAMU
- ✓ Student Life & Services Fee - UNF

Bonded Projects (Capital Funding)

Generally includes housing and parking garage debt. Can be bonded through the State Division of Bond Finance or via a university DSO

Capital Improvement Trust Fund Fee (CITF) (Capital Funding)

Funded by student fees to support student related projects. Funds are collected by the university and transmitted to the State to pay for debt service. Remaining funds are returned to university after receiving legislative authorization. A portion of the fee may be used for university child care centers.

[1] More information regarding these terms may be found in Florida Statutes 1009.24 and the Board of Governors Tuition and Fee Regulations (Chapter 7)

Carryforward

The accumulated ending Education and General (E&G) fund balance. Carryforward can be used for operating 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. Interest or investment earnings on carryforward are used for operating activities. 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 (Regulation 9.007). Carryforward funds cannot be used for new construction.

Concessions

The Concessions fund contains all the commission-based revenues from beverage and pouring, snack vending, as well as student housing laundry machines. The commission revenues are used to support the purchase of food and refreshment items at university-wide events, faculty and staff recruitment, commencements, training, lecture series, board of trustees, student housing socials and convocation events. Funds shall not be expended for the construction or reconstruction of buildings except as provided under s. 1013.74 F.S.

Contracts and Grants

The Contracts and Grants (C&G) budget consists of funding from federal agencies, state agencies, foundations, and private sources that enables the university to conduct specific research projects or to provide specific non-research services. The C&G budget also includes direct support organization reimbursements for use of university resources.

Expenditures to support research grants include: a) direct costs such as salaries, wages, and benefits of research personnel, materials, supplies, travel, equipment, and rental of space that are directly attributed to the research project, and b) Indirect Costs such as building and equipment use and depreciation, physical plant and maintenance, hazardous waste disposal, libraries, general administration costs (legal, purchasing, accounting), janitorial services, and utilities.

Developmental Research Schools

These are a category of public schools affiliated with a state university college of education as provided by F.S. 1002.32. Currently, FSU, FAMU, UF and FAU operate DRS schools.

Direct Support Organizations; DSO's

Per Florida Statute 1004.28 (1)(a), "University direct-support organization" means an organization which is:

> 1. A Florida corporation not for profit incorporated under the provisions of chapter 617 and approved by the Department of State.
>
> 2. Organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of a state university in Florida or for the benefit of a research and development park or research and development authority affiliated with a state university and organized under part V of chapter 159."

Similar to Auxiliary Enterprises, DSO's must be self-supporting; the key distinction is that DSO's are formally incorporated.

Education and General (E&G)

The Education and General (E&G) budget consists of State appropriated General Revenue, Educational Enhancement (Lottery) funding, and Student Tuition and Matriculation payments. Incremental funding is provided by the following primary mechanisms: Performance-based funding, tuition increases, and special legislative appropriations. State appropriated funding is no longer based on enrollments. E&G funds are used for general instruction, research, public service, plant operations and maintenance, student services, libraries, administrative support, and other enrollment-related and stand-alone operations of the university.

Faculty Practice

Faculty Practice Plans collect and distribute income from faculty billings for patient services to the UF, FSU, USF, FAU, UCF, and FIU Medical Clinics to cover the cost of medical services.

Gifts (Academic or Capital Funding)

Another source of academic or capital funding is philanthropy. Philanthropic gifts usually come with donor restrictions on the use of the funds.

Intercollegiate Athletics

The Athletics Operating budget supports the university's student athletics program. Funding is generated from student athletics fees as well as ticket sales to athletics events, game guarantees, NCAA distributions, sponsorships and private support. Intercollegiate Athletics is also supported by Title IX funding, waivers and scholarships, and a statutory tax on ticket sales to support women's sports.

Local Funds

Local funds is a term used to describe a grouping of university operating units that, prior to the devolution of the state universities from the State's central accounting system (FLAIR), were allowed to deposit operating revenues into local bank accounts as opposed to the State Treasury. These units include Student Activities, Financial Aid, Concessions, Intercollegiate Athletics, Technology Fee, Board-Approved Fees, and university Self-Insurance Plans.

Performance-Based Funding

Performance-based funding is a mechanism by which the Florida Board of Governors (BOG) allocates state appropriations to the state universities. The BOG Performance Funding Model (PFM) includes 10 metrics that evaluate institutions on a range of issues. Eight of the 10 metrics are common for all universities; one is selected by the BOG for the university and one is selected by the Board of Trustees. The Performance-based Funding Model has been in effect since fiscal year 2014-15.

Public Education Capital Outlay (PECO) (Capital Funding)

Funded by the Gross Receipts Tax, which is a 2.5 percent levy on the gross receipts of electric, gas and telecommunications as well as a portion of the Communications Services tax. This tax is devoted entirely to the Public Education Capital Outlay and Debt Service Trust fund. PECO is established in the Florida Constitution and must be used for K-20 Capital projects, including the state universities. The Legislature appropriates PECO annually. PECO distributions are administered by the Florida DOE.

Self-Insurance Programs

These are revenues received by the university from entities and individuals protected by the self-insurance program for medical schools, including the Faculty Practice Plans. These programs at UF, FSU, USF, UCF, FIU, and FAU are directed by the respective self-insurance councils and the captive insurance companies (these companies underwrite the risks of its owner and the owner's affiliates). These activities are supported by premiums charged to the insured individuals and entities (primarily medical faculty and institutions). There shall are no funds appropriated to a self-insurance program (Chapter 1004.24(3) Florida Statutes).

Special Legislative Appropriations

These are legislative appropriations tied to specific university requested or member projects. Funding is based upon the university's Legislative Budget Request and may be recurring or non-recurring.

Student Financial Aid

The Student Financial Aid budget consists of funding from student financial aid fees, support from federal and state financial aid awards, institutional programs, and private scholarships. The financial aid fee may not exceed 5 percent of the combined total of the tuition and out-of-state- fee. A minimum of 75 percent of the fee shall be used to provide student financial aid based on absolute need. Examples of other sources of student financial aid are: Federal Pell Grants, Florida Bright Futures Scholarship Program, university scholarships, Florida Student Assistance Grant, Federal Work Study, and First Generation Scholarships.

Student Loans

The Student Loans Budget is comprised of loans from federal and private sources. Federal sources include Stafford and Plus, and private sources include Sallie Mae, Discover, and the PNC Financial Services Group Inc. The university acts as an agent with respect to these funds.

Technology Fee

The Technology Fee budget consists of funding from the technology fee which is assessed at 5 percent of resident base tuition. The fee revenues are used to enhance instructional technology resources for students and faculty.

Tuition Increase Funding

The Florida Legislature establishes undergraduate tuition and authorizes the Board of Governors to establish graduate and professional tuition, as well as non-Florida resident tuition. Tuition differential beyond the base tuition for undergraduate Florida residents, up to 15 percent, is currently being implemented by each university with the exception of Florida Polytechnic University. A minimum of 30 percent of the tuition differential fee must be used to provide need-based financial aid to undergraduate students. The ability to request an increase in the Tuition differential fee beyond existing levels was eliminated effective fiscal year 2014-15 (per Chapter 1009.24(16) F.S.) with the exception of those universities designated as Preeminent by the Board of Governors (may request an increase not to exceed 6 percent per year for tuition and tuition differential fee combined). The Board of Governors approves tuition for market rate programs subject to parameters established by the Florida Legislature and Board Regulation 8.002.

University Treasury Operations

Treasury operations revenue consists of earnings from the university's investment portfolio. Earnings include interest income, realized gains and unrealized gains or losses.

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

AGENDA
Board of Governors Meeting
Grand Ballroom
H. Manning Efferson Student Union Building
Florida A&M University
1780 S. Martin Luther King, Jr. Boulevard
Tallahassee, Florida 32307
March 28, 2019
2:00 p.m. – 3:30 p.m.
or
Upon Adjournment of Previous Meetings

1.	**Call to Order and Pledge of Allegiance**	**Chair Ned C. Lautenbach**
2.	**Chair's Report to the Board of Governors and Remarks on the State of the System**	**Chair Lautenbach**
3.	**Minutes of Board of Governors Meeting** • Minutes, January 31, 2019	**Chair Lautenbach**
4.	**Chancellor's Report**	**Chancellor Marshall M. Criser III**
5.	**Recognition of State University System Business Champion**	**Chair Lautenbach**
6.	**Public Comment**	**Chair Lautenbach**
7.	**Board Self-Evaluation Survey Results**	**Traki L. Taylor, Ph.D.** **Assistant Vice Chancellor** **Academic Affairs**
8.	**Consideration of Confirmation of President for University of South Florida**	**Chair Lautenbach** **Chair Brian Lamb** *USF Board of Trustees*
9.	**Confirmation of Reappointment of President for Florida Atlantic University**	**Chair Lautenbach** **Chair Anthony Barbar** *FAU Board of Trustees*

10. Consideration of Confirmation of Appointment of Interim President for University of Central Florida — **Chair Lautenbach, Chair Robert Garvy** *UCF Board of Trustees*

11. Revision to Board Operating Procedures — **Chair Lautenbach**

12. Drugs, Alcohol and Mental Health Committee Report — **Governor Fernando Valverde**

13. Strategic Planning Committee Report — **Governor Darlene Jordan**

14. Academic and Research Excellence Committee Report — **Governor Alan Levine**

15. Facilities Committee Report — **Governor H. Wayne Huizenga, Jr.**

- 2020-2021 Fixed Capital Outlay Legislative Budget Request Guidelines
- FIU Public Private Partnership Hotel Project
- Public Private Partnership Guidelines Amendment
- FAU Housing – Bond Authorization
- Amendment to the 2019-2020 Fixed Capital Outlay Legislative Budget Request

16. Academic and Student Affairs Committee Report — **Governor Norman Tripp**

- Public Notice to Approve Creation of Board of Governors Regulation 6.021 Hazing Prohibited
- Minutes of the Two + Two Articulation Committee Meeting held January 30, 2019
- Reclassification of the University of Florida, Research and Academic Center at Lake Nona Campus

17. Audit and Compliance Committee Report — **Governor Tim Cerio**

- Approval of the State University System of Florida Board of Governors Compliance Program

18. Budget and Finance Committee Report — **Governor Syd Kitson**

- Auxiliary Facilities that Have Bond Covenants Requiring Approval of Estimated 2019-2020 Operating Budgets
- Florida A&M University and University of Central Florida Carryforward Plan Update
- 2020-2021 Legislative Budget Request Guidelines
- Public Notice of Intent to Amend Board Regulation 9.014 Collegiate License Plate Revenues

19. Concluding Remarks and Adjournment — **Chair Lautenbach**

Public comment will only be taken on agenda items before the Board. Public comment forms will be available at the staff table at each meeting and must be submitted prior to the plenary meeting of the Board. A maximum of 15 minutes will be set aside after the Chancellor's Report to accept public comment from individuals, groups, or factions who have submitted a public comment form.)

I **pledge allegiance**

to the flag

of the **United States** of America

and to the Republic

for which it stands,

one Nation under God,

indivisible,

with liberty and justice for all.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Chair's Report

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Chair, Ned Lautenbach, will convene the meeting with opening remarks.

Supporting Documentation Included: None

Facilitators/Presenters: Chair Ned Lautenbach

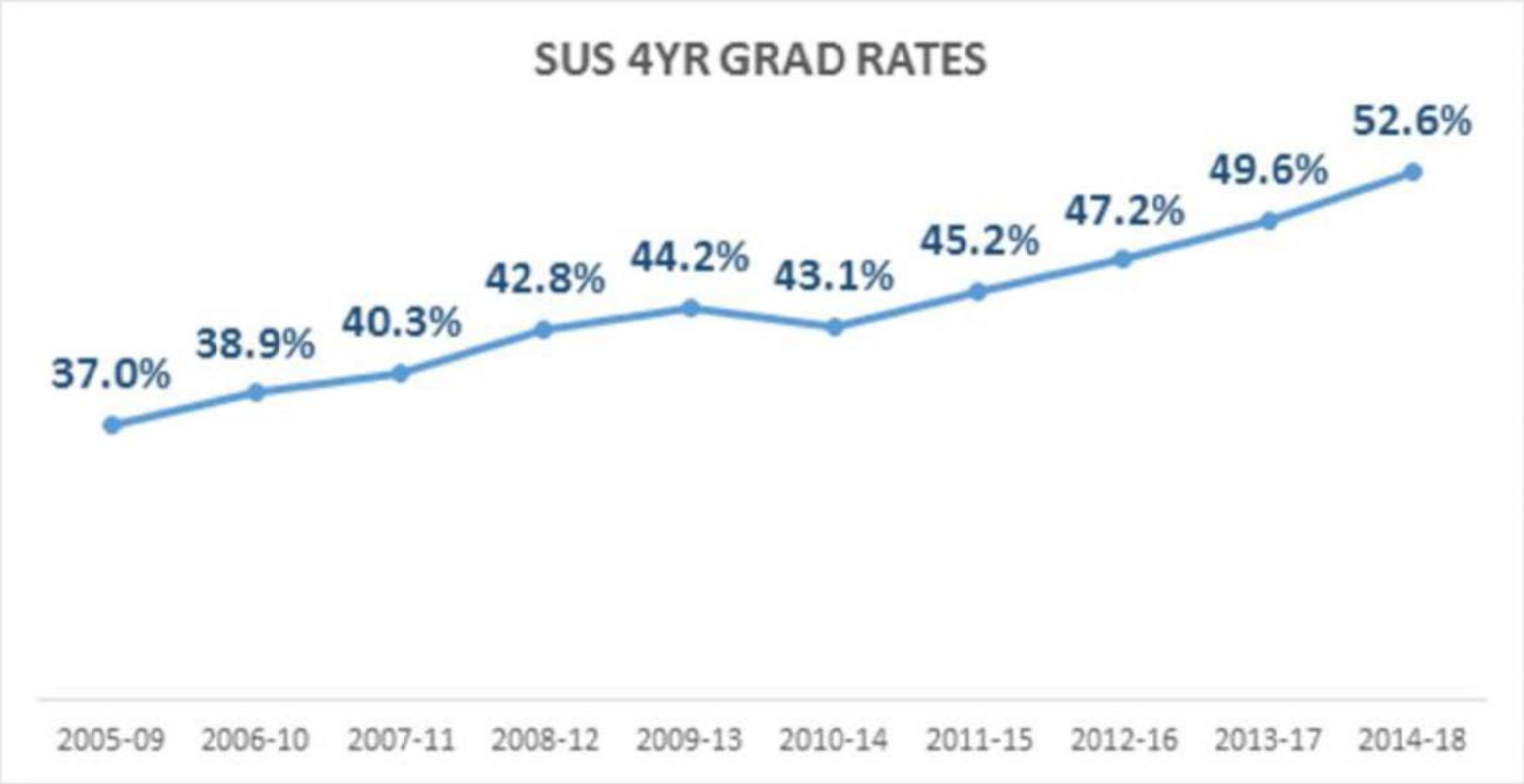
BOARD of GOVERNORS
State University System of Florida

State of the System Address

Chair Ned Lautenbach
March 28, 2019

www.flbog.edu

State University System Four Year Graduation Rates



Average Cost to Student per 120hr Degree

2013-14	2014-15	2015-16	2016-17	2016-17 REVISED*	2017-18	YOY CHG
$15,110	$14,840	$14,840	$14,420	$13,760	$9,450	-31%

Note*: The data for 2016-17 was revised to include third-party payments for an accurate YOY comparison to 2017-18 data.

BOARD of GOVERNORS
State University System of Florida
www.flbog.edu

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Minutes of Board of Governors Meeting held January 31, 2019

PROPOSED BOARD ACTION

Approval of minutes of the Board of Governors meeting held on January 31, 2019 at Florida International University.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Board members will review and approve the minutes of the Board of Governors meeting held on January 31, 2019 at Florida International University.

Supporting Documentation Included: Minutes: January 31, 2019

Facilitators/Presenters: Chair Ned Lautenbach

MINUTES: FLORIDA BOARD OF GOVERNORS January 30-31, 2019

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STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BALLROOM
GRAHAM CENTER
FLORIDA INTERNATIONAL UNIVERSITY
11200 S.W. 8TH STREET
MIAMI, FLORIDA 33199
JANUARY 30-31, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at http://www.flbog.edu/.

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MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BALLROOM
GRAHAM CENTER
FLORIDA INTERNATIONAL UNIVERSITY
11200 S.W. 8TH STREET
MIAMI, FLORIDA 33199
JANUARY 30-31, 2019

1. Call to Order and Pledge of Allegiance

On January 31, 2019, Chair Ned C. Lautenbach convened the meeting at 5:00 p.m. with the following members present and answering roll call: Vice Chair Syd Kitson; Tim Cerio; Dr. Shawn Felton; Patricia Frost; H. Wayne Huizenga, Jr.; Darlene Jordan; Edward Morton; Jay S. Patel; Dr. Fernando Valverde; Jalisa White and Dr. Zach Zachariah. Mr. Levine and Mr. Tripp attended the meeting by telephone.

2. Trustee Orientation

A trustee orientation was held on January 30, 2019, at Florida International University for trustees who were unable to attend the prior orientation sessions held in 2018. Vice Chair Syd Kitson and Mr. Patel attended. Trustees received an overview of the role of the Board of Governors and university boards of trustees and their fiduciary responsibilities, the budget process and revenue sources for operating and fixed capital outlay projects and appropriate use of revenue sources, the Board's Strategic Plan and accountability process, the Board's and universities' audit and compliance functions, the performance-based funding model and metrics, and Florida's Sunshine Law and Code of Ethics for public officers.

3. Chair's Report

Chair Lautenbach thanked Chair Claudia Puig and President Rosenberg and the staff at Florida International University for all of their efforts in hosting the meeting. President Rosenberg said they were proud to host the Board and Chair Puig thanked the Board for its leadership and encouraging universities to ensure their students are prepared for the 21st century workforce. She reminded the Board it had recently approved the performance-based funding model prior to its last meeting at FIU, which raised the bar for everyone. At that time, FIU knew it had work to do and she commended President Rosenberg for getting everyone at FIU involved, including the students, in efforts to move the needle on the metrics. Now, FIU is one of the top 100 public universities in the nation according to U.S. News and World Report and ranked second on the

performance-based funding metrics last year. She thanked the Board for inspiring FIU to reach higher.

Chair Lautenbach welcomed Mr. Richard Corcoran who is the new Commissioner of Education, but was unable to attend the meeting due to a scheduling conflict. Mr. Corcoran was Speaker of the Florida House of Representatives from 2016 to 2018. During his tenure in the state House, he championed over $10 billion in tax cuts, the expansion of school choice, and greater transparency in state government.

Chair Lautenbach noted the Board is losing two members, former Commissioner of Education Pam Stewart and Ms. Wendy Link. He expressed admiration for their focus on improving student outcomes. Ms. Shirley read two resolutions honoring Ms. Stewart and Ms. Link for their dedicated and valuable service to the State University System and the Board of Governors. Mr. Kitson moved adoption of the resolutions, which was seconded by Mr. Huizenga and the members concurred unanimously.

In his remarks, Chair Lautenbach recognized the achievements of the State University System, but noted we will never reach our full potential if we don't earn and keep the trust of our stakeholders – a trust which has been eroded by the serious problem the Board addressed at length during the Audit and Compliance Committee. He explained this is a critical piece that must be rectified moving forward.

He next thanked the Legislature for approving an additional $25.3 million for the Bright Futures Scholarship Program, which was necessitated by a higher than expected number of eligible participants in the program. He expressed great pleasure in learning that Florida has an increased number of students who qualify for this important scholarship.

4. Minutes of Board of Governors Meeting

A. Board of Governors Meeting held November 8, 2018

Mr. Morton moved approval of the Minutes of the meeting held November 8, 2018, as presented. Mr. Patel seconded the motion, and the members concurred unanimously.

5. Chancellor's Report

Chancellor Criser reported on some staffing changes at the Board office. Ms. Emily Sikes has been promoted to Assistant Vice Chancellor for Strategic Initiatives and Economics and Mr. Roger Strickland is the new Director of Economic Development. In addition, Ms. Peg Bonyata, the Board's Application Design and Support Process Manager in the Information Technology office, is retiring effective February 28, 2019.

6. Board of Governors Self Evaluation Survey

Dr. Traki Taylor, the Assistant Vice Chancellor in the Board's Office of Academic and Student Affairs, explained the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) is the regional accreditation body for each of our institutions. Under the newly revised SACSCOC principles, each university board of trustees must complete a self-evaluation and the Board of Governors, as the governing body for the System, must conduct one as well. The Board of Governors' self-evaluation must be documented in each university's compliance report as evidence of their compliance with SACSCOC principles.

The goal of the evaluation is to focus on self-improvement and to ask questions to allow Board members to become increasingly effective. Dr. Taylor explained staff will analyze the findings from the evaluation to determine what future actions need to be taken for overall improvement. The self-evaluation process will occur every two years and will be conducted through an online anonymous survey. The first survey will be sent to members on February 1, 2019 and results will be reported to the Board at the March 2019 meeting.

7. Public Comment

Chair Lautenbach asked Ms. Shirley if there were any requests for public comment for items on the Board's agenda. Ms. Shirley stated there were three requests for public comment.

Mr. Justin Hemlepp, the attorney for Knight News, Inc., addressed the Trevor Colbourn Hall controversy at the University of Central Florida. He explained Knight News encountered difficulty in obtaining public records from UCF related to Colbourn Hall and specifically whether a representative from the university's General Counsel's office was in attendance at any trustee meetings where Colbourn Hall was discussed. The request was made in September 2018 and after the university advised that no such records existed, Knight News filed a lawsuit against the university seeking a court order to obtain any responsive records. He stated the university produced records in January 2019 upon the conclusion of the Bryan Cave investigation into Colbourn Hall and that those records included an audio recording that stopped before the trustees were to take up Colbourn Hall. Mr. Hemlepp asked the Board to help the university foster a culture of transparency and accountability moving forward.

The next speaker was Mr. Marshall Ogletree, the Executive Director of United Faculty of Florida. Mr. Ogletree urged the Board members to review the upcoming report to be issued by the Florida Public Employees Relations Commission that he stated will address unfair labor practices at Florida Polytechnic University. He indicated four faculty bargaining team members at Florida Polytechnic were either dismissed or non-

renewed, including Christina Drake who previously addressed the Board about the dismissal of the mental health counselor and the librarian at Florida Polytechnic. He expressed frustration over Florida Polytechnic's management of the university and requested the Board to undertake an investigation.

The final speaker was Mr. Bruce Sukennikoff. Mr. Sukennikoff previously addressed the Board at the September 2018 meeting and spoke again to urge the Board to remove President Avent, Provost Parker and Assistant Provost Miller due to what he perceives is a lack of student services on the Florida Polytechnic campus for students dealing with mental health issues or those with disabilities. Mr. Sukennikoff stated the Board has a moral and ethical obligation to take action and, in his opinion, has failed in its responsibility to manage the State University System. He spoke of another student suicide on the Florida Polytechnic campus, after which he and his wife decided to temporarily withdraw their son from the school. In closing, he asked the Board to take action to enhance the mental health and disability services for students at Florida Polytechnic University.

8. Two + Two Articulation Committee Report

Chair Lautenbach called on Mr. Levine for the Two + Two Articulation Committee Report. Mr. Patel announced he would be giving the report. He said the committee received an update on the progress of the Two + Two Workgroup; a state level overview of dual enrollment; and a presentation by Dr. Peter Barbatis, the Vice President of Student Services and Interim Provost of the Lakewood Campus of Palm Beach State College, regarding the impact of dual enrollment on statewide two + two articulation agreements.

9. Drugs, Alcohol and Mental Health Task Force Report

Chair Lautenbach called on Dr. Valverde for the Drugs, Alcohol and Mental Health Task Force Report. Dr. Valverde reported the Task Force received an update on the Dashboard Project, on system-wide initiatives relative to student wellness, and presentations related to promoting college student mental health, the Florida State University Resiliency Project, and education, prevention and treatment of medical students with mental illness and burnout.

10. Academic and Research Excellence Committee Report

Chair Lautenbach called on Mr. Levine for the Academic and Research Excellence Committee Report. Ms. Jordan indicated she would provide the report. The committee heard a presentation on a research collaboration between Florida International University, University of South Florida, and Florida Atlantic University related to the

Center for Aquatic Chemistry and the Environment at FIU. The committee also took up two action items.

A. World Class Faculty and Scholar Report

Ms. Jordan moved approval of the World Class Faculty and Scholar Report as required by section 1004.6497, Florida Statutes. Mr. Morton seconded the motion and the members concurred unanimously.

B. Professional and Graduate Degree Excellence Report

Ms. Jordan moved approval of the Professional and Graduate Degree Report as required by section 1004.6498, Florida Statutes. Ms. Frost seconded the motion and the members concurred unanimously.

11. Academic and Student Affairs Committee Report

Chair Lautenbach recognized Mr. Tripp to report on the Academic and Student Affairs Committee. Mr. Tripp, who attended the meeting by telephone, asked Mr. Morton to deliver the report.

A. Public Notice of Intent to Create Board of Governors Regulation 6.021 Hazing Prohibited

Mr. Morton moved approval of the Public Notice of Intent to Create Regulation 6.021 Hazing Prohibited, which reinforces the statutory requirement for university boards of trustees to establish anti-hazing policies that prohibit students, groups of students, or any university recognized student organization from engaging in hazing. Ms. Frost seconded the motion and the members concurred unanimously.

B. Exception to 120 credit hours for the Bachelor of Science Biomedical Engineering, CIP 14.0501, University of South Florida Tampa

Mr. Morton moved approval of the University of South Florida's request for an exception to the 120 credit hour limitation for the Bachelor of Science in Biomedical Engineering. The University of South Florida Board of Trustees approved the exception on June 12, 2018, which will become effective if approved by the Board of Governors. Mr. Felton seconded the motion. The motion was approved with twelve members voting in the affirmative and Chair Lautenbach voting in opposition.

C. Exception to 120 credit hours for the Bachelor of Science Construction Management, CIP 15.1001, Florida Gulf Coast University

Mr. Morton moved approval of Florida Gulf Coast University's request for an exception to the 120 credit hour limitation for the Bachelor of Science in Construction Management. The Florida Gulf Coast University Board of Trustees approved the exception to require 126 credit hours on September 11, 2018, which will become effective if approved by the Board of Governors. Mr. Kitson seconded the motion with the caveat that the university work with staff to reduce the degree to 123 hours. The motion, as amended, was approved with eleven members voting in the affirmative, and Chair Lautenbach and Mr. Cerio voting in opposition.

12. Innovation and Online Committee Report

Chair Lautenbach recognized Mr. Morton for the Innovation and Online Committee report. Mr. Morton stated the committee received presentations regarding the annual Student Textbook Survey on textbook affordability issues conducted by the Florida Virtual Campus, and on the annual report that summarizes university textbook adoption processes and campus initiatives designed to reduce student costs.

13. Facilities Committee Report

Chair Lautenbach recognized Mr. Huizenga for the Facilities Committee report. Mr. Huizenga stated the committee had one item for approval on its agenda.

A. 2019-2020 State University System Fixed Capital Outlay Legislative Budget Request

Mr. Huizenga moved approval of the 2019-2020 State University System Fixed Capital Outlay Legislative Budget Request as amended by the committee, noting that while the committee is recommending a reduction in the Public Education Capital Outlay (PECO) request, the reduction matches the latest PECO estimate and does not mean project costs have decreased or that project sizes can be reduced. Ms. Jordan seconded the motion and the members concurred unanimously.

14. Strategic Planning Committee Report

Chair Lautenbach called on Ms. Jordan for the Strategic Planning Committee Report. Ms. Jordan stated the committee took up two items for approval and three for information. The informational items included updates from the University of North

Florida and Florida Gulf Coast University regarding the universities' Accountability Plans approved in June 2018; an overview of the Board's 2025 Strategic Plan's Teaching and Learning metrics and proposed adjustments to some of those metrics; and a $10.8 million legislative budget request from the University of North Florida to expand academic support programs, decrease student cost to degree, and provide for supplemental instruction.

A. Florida Polytechnic University 2018-2023 Strategic Plan

Ms. Jordan moved approval of the Florida Polytechnic University 2018-2023 Strategic Plan. Mr. Morton seconded the motion and the members concurred unanimously.

B. State University System 2018 Accountability Plan Approval

Ms. Jordan moved approval of the State University System 2018 Accountability Plan. Mr. Morton seconded the motion and the members concurred unanimously.

15. Budget and Finance Committee Report

Chair Lautenbach recognized Mr. Kitson for the Budget and Finance Committee Report. Mr. Kitson stated there were several action items for the Board to consider.

A. Regulation 5.001 - Performance-Based Funding

Mr. Kitson moved approval of amendments to Board Regulation 5.001 Performance-Based Funding, which was approved for publication for public comment at the November 2018 meeting. The amendments adopt a new allocation methodology which eliminates the concept of the "bottom 3" and allows all universities to potentially receive their entire portion of the state's investment. Ms. Jordan seconded the motion and the members concurred unanimously.

B. University Carryforward Expenditure Plans

Mr. Kitson moved approval of the university carryforward plans as presented to the committee for the following universities: Florida Atlantic University, Florida Gulf Coast University, Florida State University, Florida International University, Florida Polytechnic University, New College of Florida, University of Florida, University of North Florida, University of South Florida and University of West Florida. Mr. Huizenga seconded the motion and the members concurred unanimously.

Mr. Kitson moved approval of the Florida Agricultural & Mechanical University's carryforward plan as submitted with the exception of the board of trustees' reserves of

$8.9 million, for which the university will develop a fiscal plan. Mr. Huizenga seconded the motion and the members concurred unanimously.

Mr. Kitson moved approval of the University of Central Florida carryforward plan for $20 million allocated to deferred maintenance. The university will develop a fiscal plan for the $40 million allocated for student financial aid and the $20 million allocated for other commitments. Mr. Huizenga seconded the motion and the members concurred unanimously.

C. 2019-2020 Legislative Budget Request Update

Mr. Kitson moved approval of an amendment to the 2019-2020 Legislative Budget Request to include $10.8 million for the University of North Florida "Support Our Students" initiative. Mr. Huizenga seconded the motion and the members concurred unanimously.

16. Audit and Compliance Committee Report

Chair Lautenbach recognized Mr. Huizenga for the Audit and Compliance Committee report. Mr. Huizenga reported Ms. Julie Leftheris, the Board's Inspector General and Director of Compliance, provided a final update on the universities' implementation of university-wide compliance and ethics programs. In addition, the committee took up two action items.

A. Revision of Office of Inspector General and Director of Compliance Charter

Mr. Huizenga moved approval of the revisions to the Office of Inspector General and Director of Compliance Charter. Ms. Frost seconded the motion and the members concurred unanimously.

B. Certification of Legally Available Funds for Capital Construction and Action on the University of Central Florida Investigation

Ms. Leftheris reported on the results of Chair Lautenbach's request to each university to review the funding sources for capital projects approved since July 1, 2008. Each university, except for the University of Central Florida and the University of South Florida, were able to certify that projects had been constructed with legally available funds. The University of South Florida inappropriately expended $6.4 million in carryforward funds on a project after it was underway. The university is conducting a review overseen by Ms. Nancy Watkins, the Chair of the university's Audit Committee, and will provide the committee with more information once the review is complete.

With regard to the University of Central Florida, the Auditor General had discovered a misuse of education and general funds for the construction of a new building. The university board of trustees retained the Bryan Cave Leighton Paisner law firm to investigate. The investigative team included staff from PricewaterhouseCoopers for their forensic expertise, and the university's Audit and Compliance Chair, Beverly Seay, was in charge of the investigation. Mr. Joey Burby, was the lead investigator and provided the committee with an overview of the results of the investigation. Additionally, President Whittaker and Chair Marchena summarized the corrective actions that have, or will be, implemented.

Mr. Huizenga then moved to continue the investigation into the misuse of education and general funds with the investigation to be paid for by UCF; to review the UCF Strategic Plan; for the Budget and Finance Committee to review UCF reserves; and to undertake a review with the UCF Board of Trustees of its fiduciary responsibilities. Mr. Morton seconded the motion and the members concurred unanimously.

17. Presidential Search Report

Chair Lautenbach called on Ms. Jordan for an update on the University of South Florida Presidential Search Report. Ms. Jordan said the university is looking to hire someone with strong academic and scholarly experience, preferably with experience at an American Association of Universities (AAU) institution. In developing the position profile, the search committee reviewed profiles of AAU presidents and provosts and top research university presidents and provosts at non-AAU universities. The University of South Florida Board of Trustees approved the position profile at its lasts meeting and the position has been advertised in leading and diverse educational publications. The board and the search committee anticipate completing the search in the spring.

18. Concluding Remarks and Adjournment

Chair Lautenbach announced the next in-person meeting of the Board will be March 27-28, 2019 at Florida Agricultural & Mechanical University. Having no further business, the meeting was adjourned at 5:47 p.m. on January 31, 2019.

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Ned C. Lautenbach, Chair

_____

Vikki Shirley,
Corporate Secretary

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Chancellor's Report to the Board of Governors

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Chancellor Marshall M. Criser III will report on activities affecting the Board staff and the Board of Governors since the last meeting of the Board.

Supporting Documentation Included: None

Facilitators/Presenters: Chancellor Marshall M. Criser III

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Recognition of State University System Business Champion

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Chair Lautenbach will present a State University System Business Champion award to Northrop Grumman. Vice President Bryan Mahoney, who leads the St. Augustine Aircraft Integration Center of Excellence, will accept the award on the company's behalf. The award, spearheaded by Chair Lautenbach, is a component of the *Think Florida: A Higher Degree for Business* campaign and is designed to recognize outstanding business-university partnerships.

Supporting Documentation Included: None

Facilitators/Presenters: Chair Ned Lautenbach

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Public Comment

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 286.0114, Florida Statutes; Article V, Section H, Board of Governors Operating Procedures

BACKGROUND INFORMATION

Article V, Section H, of the Board of Governors Operating Procedures provides for public comment on propositions before the Board. The Board will reserve a maximum of fifteen minutes during the plenary meeting of the Board to take public comment.

Individuals, organizations, groups or factions who desire to appear before the Board to be heard on a proposition pending before the Board shall complete a public comment form specifying the matter on which they wish to be heard. Public comment forms will be available at each meeting and must be submitted prior to the plenary meeting.

Organizations, groups or factions wishing to address the Board on a proposition shall designate a representative to speak on its behalf to ensure the orderly presentation of information to the Board. Individuals and representatives of organizations, groups or factions shall be allotted three minutes to present information; however, this time limit may be extended or shortened depending upon the number of speakers at the discretion of the Chair.

Supporting Documentation Included: None

Facilitators/Presenters: Chair Ned Lautenbach

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Confirmation of President of the University of South Florida

PROPOSED BOARD ACTION

Consider confirmation of new president of the University of South Florida.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Board of Governors Regulation 1.001 University Boards of Trustees Powers and Duties; Section 7, Article IX, Florida Constitution.

BACKGROUND INFORMATION

On March 22, 2019, the Board of Trustees of the University of South Florida will interview presidential candidates and select a candidate to become the seventh president of the university. University of South Florida Board of Trustees Chair Brian Lamb will present the prospective president to the Board and provide a written description of the selection process and search criteria, the Curriculum Vitae of the prospective president, and the proposed Employment Agreement.

Supporting Documentation Included:	1. Letter from Chair Lamb 2. Presidential Search Time Line 3. Curriculum Vitae 4. Proposed Employment Contract
Facilitators/Presenters:	Chair Ned Lautenbach Mr. Brian Lamb, Chair, University of South Florida Board of Trustees

University of South Florida

A Preeminent Research University

March 25, 2019

Dear Chancellor Criser:

Please accept this summary of the University of South Florida's presidential search process, as required by Florida Board of Governors Regulation 1.002. We embarked on this search process with a clear vision of a leader who could continue USF's success as a thriving preeminent research university and take our university to the next level. Throughout this process we were attentive to the views of all USF communities; transparent in our processes and grounded in our strategic priorities and mission.

After a thorough nationwide search, which resulted in a strong finalist pool of four highly regarded academic leaders, the Board of Trustees unanimously selected Dr. Steve Currall as the seventh president of the University of South Florida on March 22, 2019. Dr. Currall brings a wealth of experience and knowledge that will sustain the strong momentum we have as a thriving global research university and propel USF to even greater preeminence. He is a distinguished academic leader with experience at high-performing research universities, including members of the prestigious Association of American Universities (AAU). He has a deep understanding and respect for student success, academic freedom, shared governance, diversity and inclusion, and research and innovation. Dr. Currall will be a valued leader of the Tampa Bay community and ensure that USF continues to be a strong economic driver for our state.

Our university hereby respectfully requests Board of Governor's approval for President-elect Currall on March 28, 2019. Please do not hesitate to contact me with any questions you may have about the search process.

Sincerely,

Brian D. Lamb
Chair, USF Board of Trustees

cc: The Honorable Ned Lautenbach, Chair of the Florida Board of Governors
The Honorable Sydney Kitson, Vice Chair of the Florida Board of Governors
The Honorable Darlene L. Jordan, Florida Board of Governors and member of the USF Presidential Search Committee
USF President-elect Dr. Steve Currall

OFFICE OF THE USF SYSTEM
University of South Florida • 4202 East Fowler Avenue • Tampa, FL 33620
www.system.usf.edu

University of South Florida

Presidential Search Timeline

2018	
September 10	President Genshaft announces she is stepping down effective July 1, 2019 after 19 years as President and CEO USF System (8:15 a.m. release; 2 p.m. press conference)
September 10	USF Board of Trustees call to discuss search (discuss BOG regulation on presidential searches, consultant firms, process, etc.) (5:15 p.m. call)
September 14th	USF Board of Trustees Chair Brian Lamb announces search committee
September 25-October 1	USF Board of Trustees Chair Brian Lamb and Search Committee Chair and Vice Chair Trustee Les Muma and Rhea Law interview search firms
October 5	USF Board of Trustees approves search firm
October 19	USF Presidential Search Committee meets to discuss process and meets with search consultant
November 29	USF Presidential Search Committee meets to approve description and discuss process with search consultant
December 4	Board of Trustees meets to approve description
2019	
January 15-March 15	Search consultants recruiting & prospect cultivation, advertisements promoting presidency in national higher education publications; BOT Chair periodically updates BOG Chair and Vice Chair as well as Chancellor on USF search process; consultants periodically update individual trustees and search committee members on search process
January 31	BOG receives update on search process
February 12	Board of Trustees receives update on search process
March 5	Board of Trustees receives update on search process

March 18	USF Presidential Search Committee meets to review applications and select campus interview. Committee selected four candidates for on-campus interviews.
March 20	USF Presidential Search On-Campus Interviews
March 21	USF Presidential Search Committee hosts "Conversations with Candidates" on all campuses
March 22	USF Board of Trustees meets to interview & review criteria/candidates, approve compensation package and select 7th University of South Florida President. The Board voted to hire Dr. Steven C. Currall, Provost Southern Methodist University.
March 28	USF Board of Trustees Chair presents President-elect Currall to Florida Board of Governors for confirmation and USF Board of Trustees Chair introduces the 7th President of the University of South Florida to the USF community
July 1, 2019	Dr. Steven C. Currall's tenure as the 7th President of USF Begins

USF Presidential Search Committee

Les Muma, Chair
Les Muma is a graduate of the University of South Florida, where he received his B.A. in mathematics in 1966 and an honorary doctoral degree in 2003. He is a member of the USF Board of Trustees. He previously served on the board of the USF Foundation, where he chaired the first phase ($600 million) of the Foundation's $1 billion *USF: Unstoppable Campaign* . Together with his wife Pam, their transformational philanthropy has left a lasting impact on USF, as well as Junior Achievement of West Central Florida, Tampa General Hospital and other worthy area causes. Muma is also a Life Member of the USF Alumni Association, and is a leader on the College of Business Dean's Executive Advisory Board, Athletic Advisory Board and the 1956 Society. Muma is a resident of Pinellas County.

Muma is the retired chairman and CEO of Fiserv, Inc., a publicly traded financial industry automation products and services firm he co-founded in 1984, currently with more than 240 locations worldwide, over 23,000 employees and revenue in excess of $4 billion. Fiserv was formed after a 1984 merger between Sunshine State Systems and First Data Processing, with Muma serving as the president of Sunshine and overseeing the merger after he and his team did a leveraged buyout of the organization. Having joined Sunshine in 1971 Muma retired from Fiserv in 2006, marking 35 years with the company he helped to create and guide. Muma also serves on the board of directors of FIS Global Inc., is a director and vice president of the Gold Shield Foundation, Inc., and is a past Vice Chairman and member of the Board of Directors of Tampa General Hospital.

Dr. Kathy Weedman Arthur
Dr. Kathy Arthur is a tenured faculty member and researcher from the USF St. Petersburg College of Arts & Sciences. She is a recipient of National Science Foundation (NSF) and National Endowment for the Humanities (NEH) research grants. She was recruited from the University of Florida, an AAU institution. Arthur earned national acclaim for her work in discovering the first ancient human genome sequence in Africa. She was a 2017 recipient of USF's Women in Leadership and Philanthropy Faculty Research Award, the USF Faculty Outstanding Global Research Silver Bull Award in 2017, the Chancellor's Award for Excellence in Service in 2014 and the Chancellor's Award for Excellence in Research and Creative Scholarship in 2012.

Arthur has earned national recognition for her work examining gender roles among ancient inhabitants of Ethiopia, including being awarded the Gordon R. Willey prize from the American Anthropological Association. The prize is given to the best archaeology paper published in the journal during the past three years as determined by its officers. Arthur was also named a 2016 Explorer's Club Fellow.

Braulio Colón
Braulio Colón is a graduate and active community supporter of the University of South Florida, where he earned a Bachelor of Arts in mass communication and Africana studies in 2003 and a Master of Public Administration in 2010. He is chair-elect of the USF Alumni Association's Board of Directors. Colón is a resident of Hillsborough County.

Colón serves as vice president and program director for postsecondary education success initiatives in Arizona and Florida at the Helios Education Foundation. Prior to joining Helios, Colón served as director of ENLACE Florida, a statewide network promoting college readiness, access and success, and subsequently served as founding director of Florida College Access Network (Florida C.A.N.!), where he worked with colleges and universities, school systems, businesses, community organizations and other groups to strengthen local efforts to improve college and career readiness, access and completion for all students. Colón also worked for the Florida Department of Education as regional field director and for the

Tampa-Hillsborough County Public Library System as general manager for communications and public partnerships.

Anddrikk Frazier
Anddrikk Frazier is a graduate of the University of South Florida, with a Bachelor of Science in Engineering, where he was also a three-year letter winner for the men's basketball team (1996-99). Frazier is also a member of the USF System Consolidation Task Force. Frazier is a founding member of the USF Black Leadership Network (BLN), which was created to enhance educational and leadership opportunities of African American students through scholarships and programs throughout the USF System and in our communities. He has served on several Tampa Bay area boards, including the YMCAs of Tampa Bay, the Ybor City Development Corporation, the Westshore Alliance, Northside Mental Health, the University Area Development Corporation, the Tampa Prep Alumni Board and the University of South Florida Varsity Club. He currently serves on the Boards of the Greater Tampa Chamber of Commerce, the Boys & Girls Club of Tampa Bay and More Health. Frazier is a resident of Hillsborough County.

Professionally, Frazier has nearly 20 years of experience in the energy business providing services in power production, project management, station construction, natural gas and business development. In 2015, he founded Integral Energy and serves as its President & CEO. With 12 employees and independent contractors, he manages Integral's operations and direction, and develops and fosters strategic partnerships. Recently, Integral and the Port of Tampa Bay announced a partnership to develop six acres for a Compressed Natural Gas (CNG) fueling facility that will include a convenience store and truck fueling location. Previously, he held roles at Trillium CNG in business development and at TECO Energy's subsidiaries, Tampa Electric and Peoples Gas.

Dr. Robert D. Frisina
Dr. Robert Frisina is a USF professor in medical engineering, chemical & biological engineering and communication sciences & disorders. He is acting chair of USF's medical engineering department, director of USF's Center for Hearing & Speech Research and director of Biomedical Engineering at USF. He is a USF Distinguished University Professor and world-class scholar who was recruited from the University of Rochester Medical School, an AAU institution.

Frisina received his Ph.D. in Bioengineering and Neuroscience from Syracuse University's College of Engineering. He pursued postdoctoral research as an NIH Fellow in Sensory Physiology and Biophysics at the University of Rochester (NY) Medical School. Previously, he was Professor of Otolaryngology, Neurobiology & Anatomy, and Biomedical Engineering, and Associate Chair of Otolaryngology at the University of Rochester Medical School. Frisina's main research support is currently a Program Project Grant from NIH, entitled "The Aging Auditory System: Presbycusis and Its Neural Bases"; as well as two other NIH R01 grants on areas related to drug delivery and acquired hearing loss.

Stephanie Goforth
Mrs. Goforth earned her Bachelor of Arts in business management from the University of South Florida in 1982. She now serves as a member of the USF Board of Trustees, serving as Chair of the Academics and Campus Environment Committee. She also chairs the USF St. Petersburg Campus Board and is a resident of Pinellas County.

Goforth is Sr. Vice President of the East Region Sales and Marketing and Wealth Management at Northern Trust Corporation. With more than 30 years of trust, investment and banking experience, Ms. Goforth joined Northern Trust in 2005. She was most recently with Bank of America where she was a Senior Vice President, Private Client Advisor and City Executive responsible for all components of private client business in St. Petersburg. Prior to joining Bank of America in 1995, she worked with

SunTrust Bank and First Florida Bank (Barnett Bank). She holds the series 7, 6, 63 and 66 licenses and is a certified financial planner. She is a current board member and Treasurer of All Children's Hospital Foundation, the CASA Board of Trustees, the Heros' of St. Petersburg Board and the St. Petersburg YMCA. She is also Past President of the Suncoaster's Festival of States Organization.

Darlene Jordan
Darlene Luccio Jordan is a member of the Board of Governors of the State University System of Florida, serving on the Academic and Research Excellence Committee; the Facilities Committee; the Innovation and Online Committee; the Strategic Planning Committee, the Tuition Appeals Committee; the Select Committee on Florida Polytechnic University; and the Drugs, Alcohol and Mental Health Task Force.

Jordan is the Executive Director of the Gerald R. Jordan Foundation, a nonprofit organization named for her husband that supports education, health and medical research, youth services, and the arts. In 2012, she was awarded the Fordham Founder's Award, honoring her outstanding philanthropic commitment to her Alma Mater, Fordham University. She is a member of Fordham's Board of Directors, serves on Fordham's Executive Committee, and is Chair of the Development and University Relations Committee. She is the current Co-Chair of the Financial Aid Campaign and of the successfully completed $500 million comprehensive campaign. In April 2016, she was appointed to the Constitution Revision Commission. She received Palm Beach Atlantic University's Women of Distinction Award in March 2017 for her commitment to her community and educational causes. She is a Director of the Boys & Girls Clubs of Boston and a member of the Harvard Business School Board of Dean's Advisors and the Harvard Stem Cell Institute. Ms. Jordan is a trustee of the Preservation Foundation of Palm Beach and a member of the Board of Directors for Oxbridge Academy and Rosarian Academy.

Jordan is a former Assistant Attorney General for the Massachusetts Office of the Attorney General, where she served in the Insurance Fraud Division from 1996 to 1999. Previously, she was an Assistant District Attorney in the Norfolk District Attorney's office, from 1991 through 1996. She received her Bachelor of Arts in 1989 from Fordham University and her Juris Doctor from Suffolk University School of Law in 1992.

Shaquille Kent
Shaquille is a USF international student from Trinidad and Tobago enrolled in the Muma College of Business. Since his arrival in 2015, he has been heavily involved on campus, including serving as a USF Ambassador, Resident Assistant, member of the Order of the Golden Brahman and the American Marketing Association. He currently serves as USF's Student Body Vice President.

Rhea Law
Rhea Law is a graduate of the University of South Florida, where she earned a degree in management before earning a law degree at Stetson University. She is one of the founding members of the USF Board of Trustees, where she spent five years as vice chair and four years as the first (and only) female chair. She served on the Presidential Search Advisory Committee for the hire of Judy Genshaft in 2000. She is also a founding member of the board of directors of the USF Law Alumni Society, serves as a member of the USF University Research Foundation and was recently named a 2018 Distinguished Alumna by the USF Alumni Association. In 2018 she was inducted as an honorary member of the USF Chapter of the National Academy of Inventors in recognition of her support to innovation at USF. She currently chairs the board of directors for the Health Professions Conferencing Corporation with the USF Center for Advanced Medical Learning and Simulation and provides legal counsel for the Tampa Innovation Alliance. She is a past chair of the Florida Council of 100 and Tampa Bay Partnership. Law is a resident of Hillsborough County.

Law heads the Florida offices of Buchanan, Ingersoll & Rooney, where she also serves on the board of directors and chairs the diversity committee. The national law firm operates 17 offices in nine states. Founded in 1850, the firm is one of the longest standing law firms in the country. Last year, she was named Lawyer of the Year in The Best Lawyers in America publication and was identified as one of the top 25 influential business players in the Tampa Bay area by the Tampa Bay Times. In 2016, Law was the recipient of the Greater Tampa Chamber of Commerce Dottie Berger MacKinnon Women of Influence Award and was named as an inaugural member of the Power 100 published by the Tampa Bay Business Journal. In 2015, she was the recipient of the Most Powerful and Influential Woman Award in the Florida Diversity & Leadership Conference -- among many other awards and recognitions.

George Morgan
George Morgan earned a bachelor's degree in accounting from the University of South Florida in 1976. He is chair of the USF Foundation Board of Directors, participates on the USF Research Foundation Board and is a member of the USF Muma College of Business Executive Advisory Council. He and his wife, Jane, have pledged significant gifts to the university to benefit USF Athletics, and the colleges of business and marine science. Morgan is a resident of Manatee County.

Morgan served in executive and financial management for more than 20 years. He is the former president and chief executive officer of Virtual Radiologic, a national radiology firm that works with local practitioners and hospitals to optimize radiology's pivotal role in patient care. Morgan previously served for seven years as executive vice president of U.S. Oncology, one of the nation's largest networks of community-based oncology physicians dedicated to advancing cancer care in America. He held executive roles for five years at HCA, the largest private operator of health care facilities in the world, including service as president of the Ambulatory Surgery Division, COO, and CFO of the Western Group.

Frederick “Rick” Piccolo
Rick Piccolo is a member of the USF Sarasota-Manatee campus Board and a member of the USF Consolidation Task Force. Piccolo is an active member of the Sarasota community. He is a past chair of the Greater Sarasota Chamber of Commerce Board of Directors and is a past recipient of the Premier Volunteer Award, an honor given for his significant leadership commitment to the Chamber and community. Piccolo is a resident of Sarasota County.

Piccolo has been the president and CEO of the Sarasota Bradenton International Airport since 1995. After earning a bachelor degree in business administration from the State University of New York Buffalo, he began his career as a janitor at the Buffalo International Airport (BIA). He held several positions at BIA including building superintendent, property manager, assistant to airport manager and assistant director of operations. Locally, he worked in the operations department at Tampa International Airport and, prior to his position at SRQ, he was the assistant airport director at the St. Petersburg-Clearwater International Airport. Piccolo has served as president of the Florida Airports Council. He has achieved executive accreditation to the American Association of Airport Executives, the largest professional airport managers association in the world. Piccolo served as the 2007 chair of the Airports Council International – North America (ACI-NA). He also served as chair on the Board of Directors of Airports Council International. The Florida Department of Transportation selected Piccolo as the 2005 Aviation Professional of the Year. The Federal Aviation Administration also chose him as the 2005 Commercial Service Airport Manager of the Year. In October 2009, Airport Revenue News announced Piccolo as the winner of the “Small Airport CEO of the Year for 2009.”

John Ramil
John Ramil received both his bachelor's and master’s degree in engineering from USF. He is a member of the USF Board of Trustees. He is past chair of the Board. Mr. Ramil has also served as a director on the USF Foundation Board, the USF Alumni Board, the USF Engineering College Advisory Board and the

Gus Stavros Center for Free Enterprise Education Advocacy Board. In 1999, he was named Distinguished Alumnus of USF, is the recipient of the President's Fellow Medallion and in 2016 received an Honorary Doctor of Engineering from USF. Ramil has also completed Harvard University's Advanced Management Program. Ramil is a resident of Hillsborough County.

Ramil recently retired from TECO Energy where he served as president and chief executive officer. Ramil managed TECO Energy's strategy and operations, including its three major operating companies, Tampa Electric, Peoples Gas System and New Mexico Gas Co. In 2015, Mr. Ramil oversaw the $10.4 billion transaction agreement with Emera, Inc. which will make TECO part of the Top 20 North American energy leaders. Ramil currently serves on the board of the Edison Electric Institute, an industry association, and on the boards of directors of Blue Cross and Blue Shield of Florida, the Florida Council of 100, the Moffitt Cancer Center Institute and the Tampa Bay Partnership. Previously, he served on the boards of Enterprise Florida, the Florida Chamber of Commerce, the Tampa Bay Performing Arts Center, the Greater Tampa Chamber of Commerce.

Debbie Sembler
Debbie Nye Sembler is a former member of the USF Board of Trustees and former chair of the USF St. Petersburg Campus Board. She is an active supporter of educational and civic causes across the Tampa Bay community, including serving on the boards of All Children's Hospital, the Florida Holocaust Museum, the Florida Governor's Mansion Foundation, Shorecrest Preparatory School, and Temple Beth-el. In addition to her work with USF, she is a member of the Florida Holocaust Museum Advisory Board and is also involved with Academy Prep and All Children's Hospital. Sembler is a resident of Pinellas County.

A University of Florida graduate with a B.A. in journalism and marketing, Sembler's professional career included serving as senior account executive on the Hong Kong and Mexico accounts for Hill and Knowlton; and the Director of Public Relations for the Wyndham Hotel Seaworld in Orlando. She was also the first director of marketing for Old Hyde Park Village.

Byron Shinn
Byron Shinn received his Bachelor of Arts in accounting from University of South Florida and is a member of the USF Board of Trustees. He also serves as Chair of the USF Sarasota-Manatee Campus Board and as a member of the USF System Consolidation Task Force. He also serves on the University of South Florida School of Accountancy Advisory Board and the USF Sarasota-Manatee Community Leadership Council. Shinn is a resident of Manatee County.

Shinn, a Certified Public Accountant, is partner-in-charge of the Bradenton and Sarasota offices of Alabama-based Carr, Riggs & Ingram LLC, a top 20 CPA and advisory firm. the President and shareholder of Shinn & Company, P.A. providing services in the areas of auditing, accounting, taxation and business consulting. His professional involvement includes Probable Cause Panel of Florida State Board of Accountancy, Past Board Member of the Florida State Board of Accountancy, member of the Federal Tax committee of FICPA. He has been active in numerous civic organizations, including the Manatee County Chamber of Commerce.

Dr. Charles Stanish
Dr. Charles Stanish is an anthropology professor in the USF College of Arts and Sciences and executive director of the USF Institute for the Advanced Study of Culture and the Environment. He is a member of the National Academy of Sciences and the American Academy of Arts & Sciences. He is a world-class scholar that was recruited from the University of California, Los Angeles, an AAU institution.

Stanish earned his BA from Pennsylvania State and his Ph.D. from the University of Chicago.

He has worked extensively in Peru, Bolivia, and Chile, conducting archaeological research on the prehistoric societies of the region. His theoretical work focuses on the roles that trade, war, ritual, and labor organization play in the evolution of human cooperation and complex societies. His primary books include The Evolution of Human Co-operation (2017-Cambridge), Ancient Titicaca: The Evolution of Complex Society in Southern Peru and Northern Bolivia (2003-Berkeley), Ritual and Pilgrimage in the Ancient Andes (with B. Bauer, 2001-Texas) and Ancient Andean Political Economy (1992-Texas). He also works with a sustainable development group to preserve global cultural heritage through a combination of micro-lending, direct community grants, and tourist infrastructure development. He was a Senior Fellow at Dumbarton Oaks Research Library and an External Faculty member of the Santa Fe Institute

Meeting Notes
October 19, 2018

President Search Committee Meeting called to order by Committee Chair Les Muma. All members except John Ramil were present. Governor Darlene Jordan participated via telephone.

Members Present
Kathy Arthur
Braulio Colon
Anddrick Frazier
Robert Frisina
Stephanie Goforth
Darlene Jordan
Shaquille Kent
Rhea Law
George Morgan
Les Muma
Rick Piccolo
Debbie Sembler
Byron Shinn
Charles Stanish

Chair Muma welcomed committee members and thanked them for their service. Before introductions, Chair Muma explained the process and reviewed the charge by BOT Chair Brian Lamb. He shared that the search committee's task is to recruit the 7th President of the University of South Florida at a time of unprecedented success and exciting challenges and opportunities. The Board has retained the services of Greenwood/Asher and Associates to assist the committee in their work. The Board of Trustee's goal is to have a new president ready for ratification by the Board of Governors in the Spring which will require diligence and efficiency from all.

Chair Muma shared that the 1st order of business of the committee is to develop a position description. He stated that the committee needs to: 1) identify the skills, background and characteristics that the next President will require to build upon USF's position as a preeminent public research university; 2) as a national model for student success regardless of background;

and 3) as an institution with both a global outlook and a strong commitment to the state and region the University serves.

The Chair also explained that the proposed position description will go to the Board of Trustees for final review and approval. The search firm will begin the recruiting process, periodically updating the search committee. The search firm will bring forward names for consideration by the search committee. Committee will narrow them down for on campus interviews. After interviews, the search committee will forward unranked a list of those candidates for the Board to consider. The committee will provide all feedback to the Board for their review.

Chair Muma reminded the committee that the Board of Trustees makes the final decision on who the 7th President of USF will be. He stressed that transparency will be important throughout the process. He also shared that he and the Vice Chair will visit all campuses for a listening tour with the respective leadership. Dates will be shared with committee members to join if they are available. Themes will be reported back to the committee at the next meeting. It is the goal of the Board for a July 1, 2019 start date for the new president.

Chair Muma shared that staff developed a survey that faculty, staff, students, alumni and community members can submit their thoughts. Survey was shared with the committee along with BOG designated responsibilities which were distributed in the notebooks.
Members introduced themselves.

Chair Muma introduced Deputy General Counsel Jodi Adamchak to review meeting compliance for the search. (Power-point presentation.) DGC Adamchak reviewed the open meeting and sunshine laws with the committee.

Chair Muma introduced Dr. Jan Greenwood, President for Greenwood/Asher & Associates, Inc. Dr. Greenwood introduced herself and her team (two were on the phone). Julie Holley, Principal Consultant introduced herself. A review of process and how presidential searches work occurred.

Dr. Greenwood asked the committee members to send best number and times that she could contact them periodically to brief on progress between meetings. Committee members were asked to verify contact information for staff.

Highlights of discussion:

- Tough competition as this is a big search year; many will declare late due to sunshine laws
- There will be visits to prospects by consultant and committee chair to discuss position
- Utilize national data base
- Listening tour will help shape position description
- Process toward the end will be quick and require commitment of everyone for approximately 5 days…review pool, interviews, references, onsite interviews, BOT interviews/selection

- Targeting Spring selection to aid in a smooth transition
- Knowledge: preeminence, AAU aspiration, peers and aspirational peers
- Reviewed information in folder that was distributed by firm.
- Flowchart to be placed on search website
- Until individual applies, they are not a candidate, therefore information will not be shared with committee out of respect of the individual
- Nominees are not candidates, but prefer committee members call her with name and firm will reach out to see if there is interest
- Compensation will be handled by Board of Trustees. USF is on the high end of market so doesn't expect it to be an issue

Dr. Greenwood asked members what does the ideal next president look like and what are members' expectations:

- Accomplished individual through roles they have held and work they have done
- AAU knowledge/experience; previously worked at AAU institution
- Experience with strategic planning and research and development capabilities; able to promote research & development/commercialization
- Experience with metropolitan university and with economic development
- Experience with regional institutions, i.e., multiple campuses, understanding multi-complex institution
- Experience engaging communities, working collaboratively with private sector, public/private partnerships, government and other higher educational institutions
- Experience working with legislators

The question was posted to the committee if they should consider non-academic professionals? Members who responded: tendency to lean toward academia but someone running a large corporation might be considered; member shared discussion with faculty only if they have a strong understanding higher education and strong provost with full authority to run academic enterprise.

- Longevity will be important; USF benefited from long-term president; data shows that average tenure after a long-term president is 3 years; on-boarding will be critical
- Turnover of leadership; response…typically the Advancement and Academic roles
- Due to consolidation, ideally would be helpful if the individual has experience consolidating areas, campuses
- Experience with student success; engaging diverse audiences and communicates effectively; can relate (is enthusiastic/passionate) about students; able to connect with them
- Level of commitment toward community…working collaboratively with private sector and being creative about it; community minded and involved
- International experience especially with global programming and the expansion of international relationships

- Experience with innovative programming for fundraising, not just state funds, being able to enhance financials through different funding sources including philanthropy; preferred experience raising funds for endowments and professorships, which are challenging areas for fundraising but a critical need for USF
- Understanding and appreciation for athletics
- Appreciation for bridging STEM and liberal arts
- Possibly knowledge about Florida
- AAU institution leadership, such as dean, provost or president
- Experience working with unions
- Passionate and skilled communicator

Discussion will continue after listening tour.

Next steps: listening tours, summary of survey responses, reach out to Dr. Greenwood or Dr. Visot if you have questions or information to share.

Governor Jordan requested that we schedule out the next couple months. Now that consultant firm is hired, we will coordinate dates for next couple meetings (some may be via telephone).

Chair Muma thanked the members and adjourned meeting.

Presidential Search Committee Listening Tour
Chair Muma and Search Consultant Team

November 15, 2018

USF Sarasota-Manatee Campus Visit:

9-9:44 a.m.	Administrative Leadership including Deans (Dr. Karen Holbrook, RC)
10-10:45 a.m.	Faculty Leadership (Mike Gillespie, Faculty Senate Chair)
11-11:45 p.m.	Student Government Leadership

USF St. Petersburg Campus Visit:

2-2:45 p.m.	Administrative Leadership including Deans (Dr. Martin Tadlock, RC)
3-3:45 p.m.	Faculty Leadership (Ray Arsenault, Faculty Senate Chair)
4-4:45 p.m.	Student Government Leadership

November 28, 2018

USF Tampa Campus Visit:

9:30-10:30 a.m.	Deans
10:45-11:30 a.m.	Staff & Administrative Council Leadership
11:30-1 p.m.	Lunch with President's Direct Reports in Tampa
1-1:45 p.m.	System Community Board Leadership (Foundation; Alumni; Bulls Club, Sun Dome, Inc; Finance Council, etc.)
2-2:45 p.m.	System Community Board Leadership (split to provide additional time)
3-3:30 p.m.	Faculty Senate meeting (1st ½ hour set aside for Jan and Les)
3:45-4:30 p.m.	Vice Presidents
4:30-5:15 p.m.	Student Government Leadership

November 29:

10-2 p.m.	Search Committee Meeting

E-Mail sent to 60,000 constituents

Dear USF Community,

As you likely are aware, USF System President Judy Genshaft has announced her retirement next July following an historic 19-year tenure. We all are very grateful for her inspiring leadership that has brought us to this new era for our university.

The process to select our next president is under way, and it is closely following procedures established by the Florida Board of Governors. I was honored to be named as chair of a 15-member presidential search committee appointed by Brian Lamb, chair of the University of South Florida Board of Trustees. We are committed to a transparent and inclusive search, and your perspective is critically important to us. I invite you to share your input regarding characteristics, qualifications and criteria for the university's next president, and your thoughts about the strengths, opportunities and challenges facing USF. The "Community Input Survey" will help guide the work of the presidential search committee and the search firm.

We value the opinions of all members of the USF community and the many friends of the university, and look forward to receiving your input. The survey will be up through November 2nd.

Thank you and GO BULLS!

Sincerely,

Les Muma
Chair, USF Presidential Search Committee

Meeting Notes
November 29, 2018

President Search Committee Meeting called to order by Committee Chair Les Muma. All members were present except George Morgan. Governor Darlene Jordan participated via telephone.

Members Present
Kathy Arthur
Braulio Colon
Anddrick Frazier
Robert Frisina
Stephanie Goforth
Darlene Jordan
Shaquille Kent
Rhea Law
Les Muma
Rick Piccolo
John Ramil
Debbie Sembler
Byron Shinn
Charles Stanish

Chair Muma welcomed committee members and thanked them for being at the meeting. He explained that the first part of the meeting is designed to assist the committee with understanding the landscape as they develop the position description. After the exercise, the committee will be provided a draft description that was developed based on research of AAU institutions' president descriptions, online surveys and the listening tour.

Consultants Jan Greenwood and Julie Holley divided the committee into pairs and handed out large notebooks. Each pair was asked to review the profiles of accomplished leaders throughout higher education from AAU institutions; non-AAU institutions; land-grant and metropolitan institutions and discuss the similar characteristics. The teams spent an hour going through the notebooks and discussing their profiles. The committee came back together and each group highlighted the category and the perceived common characteristics of the leaders. After each group presented, the committee highlighted common characteristics.

Chair Muma shared with the committee that he and the consultants visited with campus leadership throughout the system including administration, faculty, staff and student leaders. A couple committee members joined the sessions. They met with more than 130 individuals. Muma shared that he found the sessions valuable as well as the online survey comments. He also shared that he cannot go anywhere in the community without someone sharing his/her thoughts on the type of president we should recruit. Many of the themes are reflected in the draft position description being distributed.

The online survey was sent to over 60,000 faculty, staff, students, alumni and community leaders with the following response:

777 valid responses were received
128 from alumni/community leaders
131 from faculty
351 from students
153 from staff
14 didn't designate a category

A draft position description was distributed and members reacted. Once committee members were comfortable with the draft position description they recommended it move forward to the Board of Trustees for final approval. The committee's recommended position description:

The successful candidate must have the vision, commitment and leadership skills to achieve the university's ambitions for sustained preeminence and to lead a world-class faculty. They must also show a commitment to foster the growing national reputation of the University of South Florida, which consists of campuses in multiple locations in Tampa, St. Petersburg and Sarasota-Manatee, with synergy in all aspects of its education, research and service mission in a changing global economy and higher education environment. Lastly, the successful candidate must be committed to continue the university's success in serving a broad socioeconomic cross section of society with equal student performance. The search committee will consider candidates under the totality of the following **desired** qualifications:

- Has an academic background and credentials, including Ph.D., or highest degree in chosen academic field.
- Demonstrates a record of meaningful accomplishments in senior level leadership and decision-making in a complex research university and has a strong record of innovation and transformation.
- A record of building excellent leadership teams and organizing complex systems around core missions.
- Has experience at an AAU institution.

- Has experience in an administrative leadership position at a major research university and in successfully leading the development and implementation of a strategic plan in a complex multi-campus institution.
- Has proven success and passion to lead a research one university to new levels of academic accomplishment and research excellence. Is committed to attracting, developing and retaining world-class faculty, both domestic and international, who are at the core of the university's mission and success.
- Is committed to multi-disciplinary approaches of a preeminent, public, research-intensive university.
- Has the commitment, vision, entrepreneurial skills, and ability to foster growth of the research enterprise and the infrastructure to support it, ensuring its quality and competitiveness, as well as its contribution to economic development. Has proven success in raising funds from private sources, federal and state government and industry.
- Appreciates and is committed to fostering an exceptional, well-balanced and varied student experience, i.e., undergraduate, graduate, and international; in academics; in research; in co-curricular opportunities; in diverse social, multicultural and service experiences; and in residential and work activities. Relates well to, and understands the issues facing today's students.
- Will have respect and influence among peer and aspirant peer organizations and institutions.
- Exercises the highest integrity at all times and demonstrates a commitment to the diverse needs of the university community.
- A proven strong commitment to inclusion, diversity and equity.
- Demonstrates success working in a multi-campus environment with teaching sites each having their unique identities, preferably at a public university. Has the commitment to enhance state and community college partnerships and enrich transfer student access.
- Has the commitment to the importance of regionalism within a metropolitan area.
- Understands the complexity and interrelationships of university health science centers, affiliated teaching hospitals and practice groups, and the communities they serve, and has the vision to foster success in the academic health endeavor in a changing health care environment.
- Is able to identify and recruit high quality talent committed to excellence at all levels, and has a record of building, empowering and mentoring a strong, skilled and collaborative leadership team.
- Understands major intercollegiate athletics programs and their role within the university fabric, and is enthusiastic about and committed to fostering the programs' integrity, accountability to the university and to NCAA compliance, the academic

excellence and personal development of student athletes, as well as the programs' competitiveness.

- Is recognized as a national and international scholar of distinction with a proven record of distinguished academic, scholarly and professional accomplishments. Ability to forge relationships and partnerships on the local, national and global level.
- Understands and is committed to shared governance with the faculty, consistent with the principles and spirit of the constitution of the university's faculty senate and university policies 10.050 and 10.100.
- Has an appreciation for the importance of working cooperatively within the governance structure of the State University System of Florida including the ability to work with elected officials and policy makers to advance the university, at the local, state and federal level.
- Reflects visionary and transformative thinking and global perspectives about higher education and its role in society; thinks creatively about how to foster access, affordability, and excellence in education, including (a) leveraging innovative modalities, techniques and research to promote effective learning and student engagement, and (b) preparing students for success in all aspects of life and to make meaningful contributions to society.
- Has passion and intellectual energy to be involved in all aspects of university life and to fulfill the university's unique commitment to serve the State of Florida, through education, research, economic development, and global partnerships.
- Proven success in building strong external community relationships. Appreciates and is committed to leveraging the passion of the USF alumni base and becoming a part of USF and its culture.
- Has a record of fiscal acumen and sound fiscal leadership. Has a sophisticated understanding of the fiscal complexity and structure of academic research and multi-campus institutions; can lead development of new and creative funding models; appreciation of data analytics; and can optimize resources in a changing global economy and public higher education environment.
- Has the vision and the commitment to include the university community in shaping the university's future.
- Comprehension of higher education issues/trends and the ability to bring those into focus throughout USF.
- Strong executive skills with a demonstrated commitment to inclusive and collaborative decision-making processes.
- Effective communication skills, including written, as well as active listening skills.

Chair Muma shared that staff will be working on a marketing piece that will incorporate the approved position description. The consultants will begin to reach out to higher education leaders to aid in identifying prospects. Dr. Greenwood reminded the committee that the most viable prospects will not submit their application for full consideration until the very end. She stressed that for the next few months she will focus on recruiting and educating prospects therefore the committee will see little to no action. (Once the holidays are over, she and Julie will be extremely busy from mid-January to early March.) She will reach out to the committee members once she feels she has a strong pool for consideration. Again, she reminded the committee that most will not want to officially submit their application until the end of the process due to not wanting to jeopardize their current positions.

Chair Muma thanked the members and adjourned the presidential search committee workshop and meeting.

University of South Florida

A Preeminent Research University

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- Has experience at an AAU institution.
- Has experience in an administrative leadership position at a major research university and in successfully leading the development and implementation of a strategic plan in a complex multi-campus institution.
- Has proven success and passion to lead a research one university to new levels of academic accomplishment and research excellence. Is committed to attracting, developing and retaining world-class faculty, both domestic and international, who are at the core of the university's mission and success.
- Is committed to multi-disciplinary approaches of a preeminent, public, research-intensive university.
- Has the commitment, vision, entrepreneurial skills, and ability to foster growth of the research enterprise and the infrastructure to support it, ensuring its quality and competitiveness, as well as its contribution to economic development. Has proven success in raising funds from private sources, federal and state government and industry.
- Appreciates and is committed to fostering an exceptional, well-balanced and varied student experience, i.e., undergraduate, graduate, and international; in academics; in research; in co-curricular opportunities; in diverse social, multicultural and service experiences; and in

residential and work activities. Relates well to, and understands the issues facing today's students.

- Will have respect and influence among peer and aspirant peer organizations and institutions.
- Exercises the highest integrity at all times and demonstrates a commitment to the diverse needs of the university community.
- A proven strong commitment to inclusion, diversity and equity.
- Demonstrates success working in a multi-campus environment with teaching sites each having their unique identities, preferably at a public university. Has the commitment to enhance state and community college partnerships and enrich transfer student access.
- Has the commitment to the importance of regionalism within a metropolitan area.
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- Understands and is committed to shared governance with the faculty, consistent with the principles and spirit of the constitution of the university's faculty senate and university policies 10.050 and 10.100.
- Has an appreciation for the importance of working cooperatively within the governance structure of the State University System of Florida including the ability to work with elected officials and policy makers to advance the university, at the local, state and federal level.
- Reflects visionary and transformative thinking and global perspectives about higher education and its role in society; thinks creatively about how to foster access, affordability, and excellence in education, including (a) leveraging innovative modalities, techniques and research to promote effective learning and student engagement, and (b) preparing students for success in all aspects of life and to make meaningful contributions to society.
- Has passion and intellectual energy to be involved in all aspects of university life and to fulfill the university's unique commitment to serve the State of Florida, through education, research, economic development, and global partnerships.
- Proven success in building strong external community relationships. Appreciates and is committed to leveraging the passion of the USF alumni base and becoming a part of USF and its culture.

- Has a record of fiscal acumen and sound fiscal leadership. Has a sophisticated understanding of the fiscal complexity and structure of academic research and multi-campus institutions; can lead development of new and creative funding models; appreciation of data analytics; and can optimize resources in a changing global economy and public higher education environment.
- Has the vision and the commitment to include the university community in shaping the university's future.
- Comprehension of higher education issues/trends and the ability to bring those into focus throughout USF.
- Strong executive skills with a demonstrated commitment to inclusive and collaborative decision-making processes.
- Effective communication skills, including written, as well as active listening skills.

Consultant Firm

Greenwood/Asher & Associates, Inc.
42 Business Center Drive, Suite 206
Miramar Beach, FL 32550
850-650-2277
www.greenwoodsearch.com

Dr. Jan Greenwood, Partner & President
Jangreenwood@greenwoodsearch.com

Julie Holley, Esq., Senior Executive Search Consultant
julieholley@greenwoodsearch.com

University of South Florida

A Preeminent Research University

A University on the rise seeks a leader with vision.

The University of South Florida is a dynamic, young, agile university system on an incredible trajectory. One that recently made it one of only three Preeminent State Research Universities in Florida, and the only one in a major metropolitan area, and earned Phi Beta Kappa's newest chapter designation. Currently three separately accredited institutions, USF is in the process of consolidating all three under the Florida Excellence in Higher Education Act, which will strengthen the University's position nationally and internationally and pave the way for even higher standards and further growth.

The successful candidate must have the experience, vision and drive to continue this trajectory. They must possess the leadership skills and commitment to sustain preeminence, improve the University's national reputation, and continue building synergy between education, research, fundraising, financial stability and service to a diverse socioeconomic community. The President will represent the University and all its interests nationally and internationally and will report to the University of South Florida's Board of Trustees.

Evidence of USF's Culture of Excellence:

- Home to a student body of over 50,750 students representing 145 countries.
- Ranked #58 among public universities and #124 among all universities according to U.S. News and World Report's 2019 National University Rankings.
- Designated a "Preeminent State Research University" by the Florida Board of Governors in 2018.
- Recognized by the Carnegie Foundation for the Advancement of Teaching as a Doctoral University with Highest Research Activity, a distinction attained by only 2.5% of all post-secondary institutions
- Recognized by The Education Trust as being #6 in the nation for eliminating the completion gap between black and white students, #4 for Latino student success, and #1 in the State of Florida (2017).
- Ranks 1st in Florida, 5th in the nation among public universities and 12th worldwide for granted U.S. patents, according to the Intellectual Property Owners Association.
- $568 million in total research expenditures in 2016/17, placing USF 25th in the nation among public universities according to the National Science Foundation.
- $1.8 Billion Annual Budget and $4.4 Billion Annual Economic Impact.
- Highest MCAT Scores in the State of Florida.

- Athletics programs that serve over 500 student athletes with an 84% graduation rate competing through 19 varsity teams in 11 different sports. 16 conference titles since joining the American Athletic Conference in 2013.

Greenwood/Asher & Associates, Inc. is assisting the USF Board of Trustees in the search for the next president. Applications and nominations are being accepted. Screening of applications will continue until an appointment is made and applications are encouraged to be submitted by March 15, 2019. Application materials should include a letter addressing how the candidate's experience and skills match the position requirements, a CV or résumé and contact information for at least five references. Individuals wishing to nominate a candidate should include the name, position, address and telephone number of the nominee.

Consultants Jan Greenwood (JanGreenwood@greenwoodsearch.com) and Julie Holley (julieholley@greenwoodsearch.com) may be reached at (850)650-2277, and inquiries, nominations and applications should be directed to:

Greenwood/Asher Associates, Inc
42 Business Center Drive, Suite 206
Miramar Beach, FL 32550
www.greenwooodsearch.com

This search is being conducted under Florida law, including the Sunshine law and public records law. For more information about the University, please visit **https://www.usf.edu/.**

If an accommodation due to a disability is needed to apply for this position, please call (352) 392-4277 or the Florida Relay System at (800) 955-8771 (TDD). The University of South Florida is an Equal Opportunity Employer.

Ads placed in the following Higher Education publications:
Chronicle of Higher Education (print 2/1/2019 plus 30 days online)
Online Advertisement for 30 or 60 days:

Diverse
Hispanic Outlook
HigherEdJobs.com
Inside Higher Education
Women in Higher Education
LinkedIn

Governor Jordan's Update
Board of Governor's Meeting
January 31, 2019

The vision of the Board of Trustees and strategy they provided for the search committee and search firm is to hire someone with strong academic and scholarly experiences, preferably someone with AAU institutional experiences and knowledge.

Search committee met before the holidays to develop the position description. Members participated in an exercise prior to discussing those qualities we believed the next USF President needs to possess. The committee reviewed profiles of AAU presidents and provosts and top research university presidents and provosts at non-AAU institutions to get a good understanding of the types of experiences and qualities such leaders possess.

The position profile was completed and approved at the last Board of Trustees meeting.

Currently the search firm is in outreach and marketing phase of the process and are finding that the position is viewed as an exciting opportunity with national and international recognition for the new president to continue advancement of USF.

Staff developed a marketing piece for use by the search firm.

Position has been advertised and marketed in numerous online publications including The Chronicle of Higher Education; Women in Higher Education; Diverse; Hispanic Outlook; and Inside Higher Education

The BOT is targeting for a Spring 2019 completion of the search.

Sent to 60,000

From: PRES Board of Trustees <board@USF.EDU>
Sent: Wednesday, March 13, 2019 1:53 PM
To: PRESIDENTLIST@LISTSERV.USF.EDU
Subject: Presidential Search Message from BOT Chair and BOT Search Committee Chair

USF Community,

We write to you today with great optimism for the successful outcome of our national search for the University of South Florida's next president. We are pleased to update you on where we stand in the efforts to attract highly qualified individuals for this important leadership role.

Our search firm consultant, Greenwood/Asher, which is led by Jan Greenwood, initiated outreach to leaders in academic research institutions and organizations across the nation to ignite interest in the USF presidency. A primary consideration during the recruiting process was the alignment of potential candidates with the position profile developed by the 15-member Search Committee. There has been significant interest in the opportunity as demonstrated by the talented candidates who have submitted their application.

Here is what you can expect when the selection process starts Monday, March 18. Once an individual submitted an application to our search firm, the applicant's name and CV were posted on the presidential search website. If you haven't already, we encourage you to review the list. Once the search committee has narrowed the list, only those selected for on-campus interviews will remain posted on the website.

- **March 18:** The search committee reviews every application and decides whom to interview, based on their qualifications under the search criteria.
- **March 20:** The search committee interviews those applicants invited to campus. The location of the interviews will be posted on the search website.
- **March 21:** Each finalist will visit each campus and participate in a conversation with a member of the search committee. These "conversations with candidates" will be open to all campus constituents.
- **March 22:** The Board of Trustees interviews each finalist and elects the next USF president, subject to confirmation by the Board of Governors. These interviews will be

accessible to the campus community and the location and specific times will posted on the search website.

The “conversations with candidates” on March 21 are designed for faculty, staff and students to learn more about the respective candidate’s background and future vision for the University of South Florida. A member of the search committee will lead the conversation and ask questions of the candidates. Locations and specific times for the “conversations” will be posted on the search website after the search committee meeting on Monday, March 18.

Thank you for your dedication to the University of South Florida. We are confident that the next president will continue to lead our great university toward national and international excellence.

Sincerely,

Brian Lamb
Chair, USF Board of Trustees

Les Muma
Chair, USF Search Committee
Member, USF Board of Trustees

Presidential Search Committee Meeting
March 18, 2019

The search committee chair called the meeting to order at 8:08 a.m. Chair Les Muma thanked everyone for being present and being on the committee; stressed the goal is to come out of this meeting with the top four applicants to move on to an on-campus interview on Wednesday; shared that the process is well underway and we are getting near the end; and felt that they have a strong applicant list to work from. He asked the consultant Jan Greenwood to review the process for today's meeting.

Dr. Greenwood reviewed the process and types of candidates in the finalist pool. She explained that there are: (1) three categories for applicants – ad responses, nominations, market segmentation (thoe headhunted); (2) there tends to be a wider breadth and depth of candidate pool for Florida searches; (3) they lost one candidate to other search (named president of Colorado State); (4) explained that March 15th was not a hard closing date, but for "best consideration"; and (5) events at UCF have affected their recruitment with some prospects not moving forward to candidacy level.

The Consultants had members split into three groups to review 1/3 of the candidate application materials against the criteria set forth by the committee and Board of Trustees. Members on the phone were put on cell phones so that each of them could participate in a group. Once all committees completed their review of their list (11, 11, 12) and a short break, all members returned to present their recommendations.

Dr. Greenwood shared with the committee that the Provost at FIU had withdrawn.

Group one reported out with Debbie Sembler presenting: She stated that their group would like to bring forward two candidates for consideration after they reviewed the criteria and candidate CVs. They recommended Dr. Jeffrey Vitter, Distinguished Professor and former Chancellor from University of Mississippi and former Chancellor and Dr. Wanda Blanchett, Interim Provost & Vice Chancellor for Academic Affairs and Dean and Distinguished Professor from Rutgers University-New Brunswick.

Group two reported out with Rhea Law presenting: She stated that their group would like to bring forward one candidate for consideration after they reviewed the criteria and candidate CVs. They recommended Dr. Steven Currall, Provost and Vice President for Academic Affairs from Southern Methodist University, citing success in multi-campus environments, health science centers, grants/gift giving, entrepreneurship. She stated out of the 11 candidates their group reviewed, they found his experiences significantly more qualified.

Group three reported out with Les Muma presenting: He stated that their group would like to bring forward on candidate for consideration after they reviewed the criteria and candidate CVs. They recommended Dr. Debasish (Deba) Dutta, Distinguished Professor and former Chancellor from Rutgers University-New Brunswick.

Committee member shared his concerns over Dr. Vitter and the "noise" around him and the issues with athletics and NCAA. Committee felt all should be interviewed and Dr. Vitter's could address those concerns.

Dr. Greenwood stated that if these candidates are solidified, her firm will go forward with referencing and discovery – thorough vetting will occur

Chair Muma mentioned that background checks will definitely occur to ensure all candidates are checked thoroughly. The committee voted unanimously to move forward with the four selected candidates. They took a short break so that the consultants could reach out to the four candidates to ensure they want to move forward with the process.

Dr. Greenwood returned and notified the committee that all four candidates have accepted interviews for Wednesday the 20th.

Each candidate will interview for 1 hour and 15 minutes on Wednesday. Chair Muma shared that he hopes Wednesday will be more of a discussion. In the meantime, if committee members would like more context on a specific candidates, please let the consultants know. Candidates were told of the timeline and have made necessary preparations to be in the area on the published dates. Lastly the search firm will work on questions for the committee to ask so all candidates are asked the same questions. The committee will meet on Wednesday at 8 a.m. to review questions and start the first interview at 8:30 a.m.

The Chair asked that Dr. Visot provide an update on schedule – Wednesday interviews; Thursday visits to campuses with Rick Piccolo (USFSM), Debbie Sembler and Kathy Arthur (USFSP) and Rhea Law (USFT) moderating the fireside chats with candidates; and Friday – BOT interviews and meeting.

Meeting was adjourned at 10:49 a.m.

University of South Florida
A Preeminent Research University

USF Presidential Search Week
Dr. Debasish (Deba) Dutta Itinerary
March 19-22, 2019

Tuesday, March 19, 2019

Arrives at 9:47 p.m. United Flight 1640 with car service (Ambassador Limo) picking up in baggage area for transfer to Embassy Suites Tampa. (Car service #209345)
Hotel Reservation #: 83881526

Wednesday, March 20, 2019

Hotel pickup by Dr. Terry Chisolm, Vice Provost for Strategic Planning, Performance & Accountability at Embassy Suites Downtown: 7:15 a.m. Dr. Chisolm will meet you at the valet parking drop-off (entrance) due to construction.

Arrive at USF Gibbons Alumni Center by 8:15 a.m. Ms. Savannah Bennett, GA for Office of the President will greet you at the door and take you into the conference room for last minute prep with Jan Greenwood and Julie Holley.

Search Committee Interview – 8:30 a.m. – 9:45 a.m.

Immediately following interview, Dr. Chisolm will escort candidate to Lifsey House (Presidential Entertainment) for photo shoot and short bio interview with University Communications staff. Kim Hill will greet you at the House. Dr. Chisolm will provide a tour of the USF Tampa campus prior to returning to hotel.

Remainder of the day is free to prepare for Thursday's events.

Thursday, March 21, 2019

Hotel pickup by Dr. Pritish Mukherjee, Vice Provost and AVP Strategic Talent Recruitment, University Reputation and Impact at 7 a.m. at same location as previous day.

Conversations with Candidates: 8 – 9 a.m. at USF Tampa with Rhea Law; 11-12 Noon at USF Sarasota-Manatee with Rick Piccolo; than 2-3 p.m. at USF St. Petersburg with Debbie Sembler and Professor Kathy Arthur. Optional dinner after last forum in local community.

Friday, March 22, 2019

Hotel pickup by Dr. Terry Chisolm, Vice Provost for Strategic Planning, Performance & Accountability at Embassy Suites Downtown: 7 a.m. Dr. Chisolm will meet you at the valet parking drop-off (entrance) due to construction.

Arrive at USF Gibbons Alumni Center by 8 a.m. Ms. Savannah Bennett, GA for Office of the President will greet you at the door and take you into the conference room for last minute prep with Jan Greenwood and Julie Holley.

Board of Trustees Interview – 8 a.m. – 9:15 a.m.

Immediately following interview, Dr. Chisolm will escort candidate back to hotel.

Upon completion of all interviews, the Board of Trustees will convene to discuss candidates and select the seventh president for the University of South Florida. Greenwood/Asher & Associates or the USF Board of Trustees Chair will notify the candidates of their selection. The escort hosting the chosen candidate to serve as the 7th President will return to the hotel to pick him/her up to return to campus. The President-elect will return to the Gibbons Alumni Center, Traditions Hall. If his/her spouse travels to Tampa (all were invited), they will join the President-elect.

A private reception will be held immediately following the announcement at an off campus location.

University of South Florida
A Preeminent Research University

USF Presidential Search Week
Dr. Jeffrey Vitter Itinerary
March 19-22, 2019

Tuesday, March 19, 2019

Arrives at 12:10 p.m. with Mr. Travis Miller, GA for Office of the President picking up for transfer to Le Méridien Tampa.
Reservation #: 89559880

Remainder of day is free to prepare for Wednesday's interviews.

Wednesday, March 20, 2019

Hotel pickup by Ms. Hilary Black, Senior Associate Counsel at 9:15 a.m. Ms. Black will meet you at the valet parking drop-off (entrance).

Arrive at USF Gibbons Alumni Center by 10 a.m. Ms. Savannah Bennett, GA for Office of the President will greet you at the door and take you into the conference room for last minute prep with Jan Greenwood and Julie Holley.

Search Committee Interview – 10:15 a.m. – 11:30 a.m.

Immediately following interview, Ms. Black will escort candidate to Lifsey House (Presidential Entertainment) for photo shoot and short bio interview with University Communications staff. Kim Hill will greet you at the House. Ms. Black will provide a tour of the USF Tampa campus prior to returning to hotel.

Remainder of the day is free to prepare for Thursday's events.

Thursday, March 21, 2019

Hotel pickup by Ms. Paige Geers, USF System Director of Strategic Operations at 7 a.m. at same location as previous day.

Conversations with Candidates: 8 – 9 a.m. at USF St. Petersburg with Debbie Sembler and Professor Kathy Arthur; late breakfast with escort; 2-3 p.m. at USF Tampa with Rhea Law; than 5-6 p.m. at USF Sarasota-Manatee with Rick Piccolo. Optional dinner after last forum in local community.

Friday, March 22, 2019

Hotel pickup by Ms. Hilary Black, Senior Associate Counsel at 8:45 a.m. Ms. Black will meet you at the valet parking drop-off (entrance).

Arrive at USF Gibbons Alumni Center by 9:30 a.m. Ms. Savannah Bennett, GA for Office of the President will greet you at the door and take you into the conference room for last minute prep with Jan Greenwood and Julie Holley.

Board of Trustees Interview – 9:45 a.m. – 11 a.m.

Immediately following interview, Ms. Black will escort candidate back to hotel.

Upon completion of all interviews, the Board of Trustees will convene to discuss candidates and select the seventh president for the University of South Florida. Greenwood/Asher & Associates or the USF Board of Trustees Chair will notify the candidates of their selection. The escort hosting the chosen candidate to serve as the 7th President will return to the hotel to pick him/her up to return to campus. The President-elect will return to the Gibbons Alumni Center, Traditions Hall. If his/her spouse travels to Tampa (all were invited), they will join the President-elect.

A private reception will be held immediately following the announcement at an off campus location.

University of South Florida
A Preeminent Research University

USF Presidential Search Week
Dr. Wanda Blanchett Itinerary
March 19-22, 2019

Tuesday, March 19, 2019

Arrives at 1 p.m. with Ms. Savannah Bennett, GA for Office of the President picking up for transfer to Hilton Downtown.
Reservation #: 3534249426

Remainder of day is free to prepare for Wednesday's interviews.

Wednesday, March 20, 2019

Hotel pickup by Ms. Tanya Vomacka, Director of Strategic Communications at 11:30 a.m. Ms. Vomacka will meet you at the valet parking drop-off (entrance).

Arrive at USF Gibbons Alumni Center by 12:15 p.m. Ms. Savannah Bennett, GA for Office of the President will greet you at the door and take you into the conference room for last minute prep with Jan Greenwood and Julie Holley.

Search Committee Interview – 12:30 p.m. – 1:45 p.m.

Immediately following interview, Ms. Vomacka will escort candidate to Lifsey House (Presidential Entertainment) for photo shoot and short bio interview with University Communications staff. Kim Hill will greet you at the House. Ms. Vomaka will provide a tour of the USF Tampa campus prior to returning to hotel.

Remainder of the day is free to prepare for Thursday's events.

Thursday, March 21, 2019

Hotel pickup by Mr. Steven Prevaux, University Ombudsman and former General Counsel at 6:30 a.m. at same location as previous day. (Sorry for the early pickup)

Conversations with Candidates: 8 – 9 a.m. at USF Sarasota-Manatee with Rick Piccolo; 11-12 p.m. at USF St. Petersburg with Debbie Sembler and Professor Kathy Arthur; lunch with escort; than 5-6 p.m. at USF Tampa with Rhea Law. Optional dinner after last forum in local community.

Friday, March 22, 2019

Hotel pickup by Ms. Tanya Vomacka, Director of Strategic Communications at 10:45 a.m. Ms. Vomacka will meet you at the valet parking drop-off (entrance).

Arrive at USF Gibbons Alumni Center by 11:30 a.m. Ms. Savannah Bennett, GA for Office of the President will greet you at the door and take you into the conference room for last minute prep with Jan Greenwood and Julie Holley.

Board of Trustees Interview – 11:45 a.m. – 1 p.m.

Immediately following interview, Ms. Vomacka will escort candidate back to hotel.

Upon completion of all interviews, the Board of Trustees will convene to discuss candidates and select the seventh president for the University of South Florida. Greenwood/Asher & Associates or the USF Board of Trustees Chair will notify the candidates of their selection. The escort hosting the chosen candidate to serve as the 7th President will return to the hotel to pick him/her up to return to campus. The President-elect will return to the Gibbons Alumni Center, Traditions Hall. If his/her spouse travels to Tampa (all were invited), they will join the President-elect.

A private reception will be held immediately following the announcement at an off campus location.

University of South Florida
A Preeminent Research University

USF Presidential Search Week
Dr. Steven Currall Itinerary
March 19-22, 2019

Tuesday, March 19, 2019

Arrives at 12:30 p.m. with Dr. Donna Petersen, Dean COPH picking up for transfer to Marriott Waterside.
Reservation #: 81413265

Remainder of day is free to prepare for Wednesday's interviews.

Wednesday, March 20, 2019

Hotel pickup by Dr. Valeria Garcia, AVP Office of Decision Support at 1 p.m. Dr. Garcia will meet you at the valet parking drop-off (entrance) due to the construction.

Arrive at USF Gibbons Alumni Center by 2 p.m. Ms. Savannah Bennett, GA for Office of the President will greet you at the door and take you into the conference room for last minute prep with Jan Greenwood and Julie Holley.

Search Committee Interview – 2:15 p.m. – 3:30 p.m.

Immediately following interview, Dr. Garcia will escort candidate to Lifsey House (Presidential Entertainment) for photo shoot and short bio interview with University Communications staff. Kim Hill will greet you at the House. Dr. Garcia will provide a tour of the USF Tampa campus prior to returning to hotel.

Remainder of the day is free to prepare for Thursday's events.

Thursday, March 21, 2019

Hotel pickup by Dr. Cindy DeLuca, AVP for Innovative Education at 10:15 a.m. at same location as previous day.

Conversations with Candidates: 11 a.m. – 12Noon at USF Tampa with Rhea Law; 2-3 p.m. at USF Sarasota-Manatee with Rick Piccolo; 5-6 p.m. at USF St. Petersburg with Debbie Sembler and Professor Kathy Arthur. Optional dinner after last forum in local community.

Friday, March 22, 2019

Hotel pickup by Dr. Valeria Garcia, AVP Office of Decision Support at 12:30 p.m. in same location at previous days.

Arrive at USF Gibbons Alumni Center by 1:15 p.m. Ms. Savannah Bennett, GA for Office of the President will greet you at the door and take you into the conference room for last minute prep with Jan Greenwood and Julie Holley.

Board of Trustees Interview – 1:30 p.m. – 2:45 p.m.

Immediately following interview, Dr. Garcia will escort candidate to hotel.

Upon completion of all interviews, the Board of Trustees will convene to discuss candidates and select the seventh president for the University of South Florida. Greenwood/Asher & Associates or the USF Board of Trustees Chair will notify the candidates of their selection. The escort hosting the chosen candidate to serve as the 7th President will return to the hotel to pick him/her up to return to campus. The President-elect will return to the Gibbons Alumni Center, Traditions Hall. If his/her spouse travels to Tampa (all were invited), they will join the President-elect.

A private reception will be held immediately following the announcement at an off campus location.

Presidential Search Committee Meeting
March 20, 2019

Chair Muma called meeting to order at 8:06 a.m. with briefing on logistics for the day (keep greetings short, ask to be on first name basis). The following order will be used for questions: Muma, Piccolo, Law, Shinn, Sembler, Colon, Kent, Arthur, then Frisina. Members on Zoom can type in questions during the discussion portion, if needed. Chair Muma will finish questions with the following "Is there anything in your background, issues or concerns, that you think we should be briefed on before we go on?" Format will be identical for all four candidates and a discussion will follow each interview about the strengths of each candidate—no negatives.

Dr. Greenwood reviewed the information in the notebooks at their place: schedule, resumes, questions being asked, questions that are not allowed to be asked; referencing has been occurring since the Monday meeting (going back as far as 10 years). She also shared that referencing will continue up until Friday than another company will be brought in to do credit checks, criminal background checks as needed. Vice Chair Law reminded the committee of the limited time for interviews so be sure to stay on topic, but be conversational to reflect our openness as a university. Committee is using a model of behavioral interviewing, so follow-up questions are encouraged if needed.

Dutta Interview – 8:30-9:49 a.m.
Vitter Interview – 10:15-11:30 a.m.
Blanchett Interview – 12:32-1:40 p.m.
Currall Interview – 2:13-3:25 p.m.

The committee reconvened after a short break to review the strong points of each candidate.

Dutta:

- AAU research institution experience
- Experience in consolidation—viewing through the lens of student success
- Sustainability of Preeminence
- Understanding of budgeting models and experience with different scales of budgets
- Focus on human issues as an academic institution
- Open office hours as chancellor
- Did homework on metrics/moving towards AAU
- Experience as diversity officer and developing diversity strategic plan
- NSF experience
- Importance of good relationship with press
- Maintaining uniqueness of regional campuses
- Good handle of trends in higher education
- Experience in athletics—changing conferences (moving up)
- Detailed plans for each answer to questions
- "When I say I it is a big We"
- Emphasized budget transparency and clear understanding of goals as they relate to financial decisions
- Experience with working with elected officials

Vitter

- Understanding role of working with legislature/elected officials
- Growing/regaining research prestige with Carnegie classifications
- Confronted previous issues upfront with interview—unemotionally and clearly and discussed what he learned from the process
- Discussed areas of improvement for previous positions
- AAU institution experience
- Engaging communicator
- Emphasized relations with students
- Balanced view of athletics
- Spoke highly of family—discussed them upfront
- Would spend considerably time at regional campuses—doing 100 day listening/learning tour
- Mention of global initiatives and programs

Blanchett

- Focused on increasing rankings—successes at Perdue
- Student access
- Strong background in faculty diversity programs
- Empathetic to consolidation process—good listener
- Has great personal success story—lived what we want our students' stories to be
- Success with endowments
- Often credited people she worked with—promotes collaborative culture and values people and their uniqueness
- Articulate and believable as a communicator
- Lots of energy

Currall

- Opening comments aligned with USF vision and aspirations
- AAU experience—confidence in how to elevate USF
- Innovative processes and strategies
- Integrity and oversight as key for athletics
- USF's relationship with Tampa Bay should be like Stanford's relationship with Silicon Valley
- Cultural intelligence to work with faculty and allow for integration of disciplines
- Innovative in economic development efforts
- Comes from public high school
- Expertise in organizational behavior
- Focus on research—strategic plan on increasing research
- Lots of experience with health institutes
- Fundraising since age of 23
- Pointed out metrics that we should begin measuring on our own (national recognition amongst presidents/provosts)
- Seemed presidential

- Good personal characteristics
- Entrepreneurial efforts
- Distinguishing the university as a focus

The Chair thanked the committee members for their work, especially his Vice Chair Rhea Law. He also reminded them of the conversations with candidates and encouraged attendance if possible. Chair Muma let the members know their official role is complete as he adjourned the meeting at 3:53 p.m.

Conversations with Candidates

USF Tampa – Alumni Center, Traditions Hall with Rhea Law moderating
USF Sarasota – Manatee in A320A large classroom with Rick Piccolo moderating
USF St. Petersburg – Student Center Ballroom with Debbie Sembler and Kathy Arthur moderating

Conversations will occur simultaneously at: **8-9 a.m.; 11-12 p.m.; 2-3 p.m.; 5-6 p.m.** **(gives escorts 2 hours to travel to next location, check out area).** *Escorts will be with the candidates at all times. Greenwood/Asher & Associates consultants will be at all sites.*

Search committee moderator intro: feel free to adjust opening comments…idea is to provide the candidate the opportunity to share their experiences with our colleagues on all campuses in a "conversational setting"…

- Thank you for joining us today. I'm "**COMMITTEE MEMBER**"…. and am here today as a representative of the Presidential Search Committee. As we move through the process to select our seventh president, it is important that our process is transparent to our most important stakeholders -- the USF community. Today's conversation is an opportunity for you to hear directly from each of our final candidates before the Board of Trustees conducts its interviews on Friday.

- Before we begin, I want to express our sincere gratitude to the USF community for your involvement in the search process thus far. *To "REGIONAL CHANCELLOR TADLOCK OR HOLDBROOK", thank you for your leadership on this beautiful campus and hosting the Presidential Search candidates today.* You have provided feedback, ideas and suggestions that helped us develop the qualifications for this very important position.

- As a reminder, we are still welcoming comments on the Presidential Search website. This site includes all of our updates throughout the week, the full detailed schedule, candidate CVs, and other resources.

- Today I have the pleasure of introducing you to "**CANDIDATE**", bio info.

- ***(Offer candidate the opportunity to introduce themselves)***

- Over the next 45 minutes, I will be having a "fireside chat" with "**CANDIDATE**" covering topics that were developed based on feedback we received from our campus communities and constituents. These are the same topics being discussed with all of our candidates, at each campus location today.

Questions *(it's important that you get through the first 5 though you should be able to get through all)*

1. Over the past several decades, USF has transformed from a regional university into a major research institution, recognized globally. What do you believe are two or three strategic opportunities USF could focus on to continue this trajectory?

2. Can you share your initial thoughts or perspective on how, as President, you would support an effort to become one accredited (and branded) University with the understanding that we have a regional masters granting campuses that have ambitious goals as well? Please share any experience or learnings you have with similar transitions, including what advantages will come to the regional campuses?

3. As President, can you share what would be your approach to engaging with the respective branch campuses and learning about the respective distinctive cultures (Sarasota/Manatee & St Petersburg), including working with the Regional Chancellor, faculty, staff, our students, and the community to drive the strategic priorities for the local campus?

4. How have you led efforts to work with key stakeholders such Board of Trustees, state governing bodies of higher education, elected officials to drive the strategic priorities of the universities and give an example of an outcome you are proud?

5. USF is one of the top 25 public research institutions in the U.S., with over half a billion dollars in externally funded research and rising. How do we drive continued growth of our research efforts while still placing a strong emphasis on access and student success for under-represented, first-time-to-college student populations?

6. USF plans to consolidate accreditation among its three campuses. Drawing on your experience with a multi-campus university structure…. How do you make sure each branch campus plays an important role in the success of the university?

7. USF is one of the state's leading metropolitan universities, and is a significant economic driver for the Tampa Bay region with an economic impact of more than $4 billion annually. How can the university ensure that we are providing the strongest talent pipeline to the region's employers? How can universities adapt their curriculum and programs to changing workforce needs considering the future landscape of higher educations?

8. With the move to one preeminent university, can you share your initial thoughts how faculty and students might collaborate across the university to advance areas of distinctiveness or even new opportunities that may exist throughout the Tampa Bay Region. Can you share an example where you have done something similar like this your prior experience?

USF BOARD OF TRUSTEES (BOT) INTERVIEW QUESTIONS

Interviews are 75 minutes each and will be moderated by a non-BOT member (Search Committee Vice Chair Rhea Law). The format includes one hour for BOT members to ask questions to candidates and last 15 minutes for candidates to ask their questions to BOT members. Target is 8 to 10 questions. This timeframe allows for a few follow up questions from Trustees, if needed, throughout the interview.

At the beginning of the interview each BOT member will briefly introduce herself/himself to the candidate.

1. **Opening request and question:**
   As you respond to each of our questions, please provide examples of accomplishments that have resulted from your work, what your role was, and what process you used.

   Question:
   Share with us why you are interested in being our president and how your background aligns with what USF needs.

2. **Leadership, strategy and vision:**
   Question:
   As President, how would you lead USF to continue the trajectory of meeting and exceeding requirements for pre-eminence, positioning for AAU, driving student success and elevating its position as one of the most important regional assets in Tampa Bay. This is particularly important as we move through accreditation consolidation to have one healthy University faculty, staff, and students so please consider that in your response

   Question:
   Can you please share more about your leadership style, including the type of culture you create within you team and organization? Give examples of how you have done this in the past

   Question:
   How have you led efforts to work with key stakeholders governing bodies of higher education, elected officials to drive the strategic priorities of the universities? Please include your insights on how you would work specifically with the USF Board of Trustees and Legislators.

3. **Resource development:**
   Question:
   Fund raising, including both public and private, is essential to the long term financial health of the University. Please share examples of how you have led funding raising in your prior experience and what specifically would your role be at USF to continue our momentum with this key strategic priority?

   Question:

As President, how do you view the importance of college athletics in your approach to resource allocation and advancing opportunities for student athletes. Please give an example of how you have engaged with college athletics

4. **University Distinctiveness:**

Question:
How have you built university distinctiveness in a highly competitive major metropolitan area that align with the strategic priorities of the University? Are there a few areas of distinctiveness that you think USF could focus on for the future? Provide examples of results of your work.

Question:
As President, how would you best position USF to continue its progress to provide access and be a model for diversity, equity and inclusion.

5. **Management:**

Question:
What insights or work experiences, internationally and domestically, have prepared you for running a large, complex $2+ billion institution? As President, please share how you would leverage these experiences in your processes and approach to managing the organization

Question:
What decision have you made that in hindsight you would take back, what would you have done differently, and what did you learn from it?

Question:
Please share your philosophy for development of people and having a healthy one university culture and give an example of how you have done this in the past

Question:
Please share your vision for the consolidation of our three institutions while enhancing the momentum of the research at each campus. After visiting with each campus, can you share your thoughts about vision and opportunity.

Question:
Can you give us examples of your direct engagement in leading the research and medical side of the University?

BOT Presidential Candidate Interviews and Special Meeting
March 22, 2019
(Unofficial Minutes)

The Board of Trustees preparation meeting prior to the interviews was called to order at 8 a.m. with the following Trustees present:

Trustees Horton, Mullis, Lamb, Zimmerman, Muma, Michael, Carrere, Kheireddine, Ramil, Goforth, Shinn, and Tokarz.

Chair Lamb provided background on format and logistics of interviews

- Trustee Muma will do introductions of candidates
- Rhea Law will moderate and ask a series of preset questions. Trustees are encouraged to ask follow-up questions. Last 15 minutes will be devoted to candidate to ask Trustees questions, would like additional discussion.

Dutta Interview – 8 – 9:15 a.m.

- Self introduction
- RL questions and trustees' follow-up

Vitter Interview – 9:45 – 11 a.m.

- Self introduction
- RL questions and trustees' follow-up

Break for lunch

Blanchett Interview – 11:45 a.m. - 1 p.m.

- Self introduction
- RL questions and trustees' follow-up

Currall Interview – 1:30- 2:45 p.m.

- Self introduction
- RL questions and trustees' follow-up

After a short break, the Board of Trustees convened a special meeting. Chair Lamb reviewed the search process over the last several months – "covered a lot of ground" and called the meeting to order at 3:13 p.m. He asked Dr. Visot to call roll.

The following trustees present: Trustees Carrere, Goforth, Horton, Khierdine, Lamb, Michael, Mullis, Muma, Ramil, Shinn, Tokarz and Zimmerman. Trustee Watkins joined the call prior to candidate discussion and Trustee Goforth had to leave meeting prior to vote due to flight taking off.

Action Items:

FL 101 – Approval of compensation study and package for new President. Chair Lamb called on Trustee Zimmerman to present the item.

Trustee Zimmerman reviewed the study and shared that the new president's compensation must be consistent with valid compensation study, as per the BOG policy. He shared the following:

Objectives of the BOT are to identify compensation ranges. Trustee Zimmerman recommends base compensation of $550,000 to $600,000; incentive of $250,000 to $300,000 with the same awarding procedure currently in place. Discussion occurred with trustees asking questions:

Are recommendations consistent with the data provided in the form of the compensation study – yes; $100,000 moving expense and how it could be used in the event of old home not being sold – feel the markets are good and only this one time amount; recommendations seem to position next president favorably with respect to UF and FSU presidents' compensation – supportive of proposed package; hits in the middle. Several trustees commented they are supportive of package.

Motion made by Trustee Muma, second by Trustee Ramil – unanimously approved by those in attendance (person/call).

FL 102 – Contract Approval

Chair Lamb called on Trustee Zimmerman and General Counsel Solis to discuss contract.

GC Solis gave an overview of new terms to contract including differences to current presidential contract.

Motion by Trustee Mullis, second by Trustee Horton – unanimously approved; motion grants Chair Lamb latitude to negotiate final terms within the previously approved compensation ranges

FL 103 – Approval on 7th USF President of USF

Chair Lamb introduced Jan Greenwood to speak about background checks, referencing, etc. and thanked her for her work.

Dr. Greenwood shared: over 269 prospects initially reviewed by presidential search committee; all candidates were considered qualified and competent to do the job – all have AAU and a wide breadth of experience (multi-campus); soft skills assessment was done.

Questions and comments to Dr. Greenwood from Trustees:
Gratitude to consultants for work done; Trustee Muma communicated often with consultants; sunshine laws give public confidence and credibility in how university operates, but does that hurt the search (consultant reply: sunshine laws often knock out sitting presidents and chancellors as it hurts donor relations with the universities, but does not mean candidates are better or worse, just different); and Chair stated that market-based decisions were made for compensation and in selecting president.

The Chair felt the board was ready to discuss where everyone is about candidates… thinks they are ready to make this decision. He shared that approximately 500 pages were sent out to prospects, over

200 profiles examined to determine USF qualifications, all in 180 days, 15 search committee members narrowed the field to 4 candidates for on campus interviews. The Chair stressed a lot has gone into getting Board to the number 1 candidate – stressing a lot of work and effort has occurred.
Chair asked the Trustees to think about positive themes that have informed your personal decision as a trustee in selecting the president and where you saw distinguishing themes or characteristics to help you make a decision; also think about the profile that was previously established. He turned to Trustee Muma who chaired the search committee. Trustee Muma acknowledged work done by the Chair and his committee Vice Chair Rhea Law. He stressed that he feels they came up with outstanding final candidates but none were better than the final 4. He shared that there were a lot of the positive characteristics from the profile in the finalists and believes any of the 4 could run USF and keep up the current trajectory. He requested that only positive comments as negative comments will not help the process and could hurt future searches for finalists.

The Chair started with Trustee Watkins due to being on phone with limited time.

NW: regrets not being able to be present in person, but had one on one time with finalists after their search committee interview; each candidate has uniqueness over the other – it is all about finding the right balance and providing right leadership. Similar theme throughout the trustees.

Chair Lamb asked each trustee to provide their recommendation:

- LM: Currall
- JR: Currall
- OH: Currall
- HM: Currall
- JZ: Currall
- DM: Currall
- MC: Currall
- MK: Dutta
- BS: Currall
- CT: Vitter, will not oppose Currall (was #2)
- NW: Currall
- SG: Sent text from airplane for Currall (though she was aware she cannot formally vote)

The Chair thinks alignment is important therefore wanted to address dissenting opinions; he clarified that CT is supportive of Currall – CT: said yes; asked MK if he would be supportive – MK: said yes, but recommendation still stands.

Trustee Muma moved to select Steven Currall as the 7th President of the University of South Florida. Trustee Mullis 2nd the motion. Motion was unanimously approved of all present in person and phone. No one dissented. Dr. Steven Currall was named 7th President of the University of South Florida pending Board of Governors confirmation.

The Board took a break so that a call to all finalist could be made and Dr. Currall can return to campus.

President Genshaft provided introductory remarks to the Trustees and USF community before introducing Dr. Steven Currall and his spouse Dr. Cheyenne Currall.

Dr. Currall provided remarks, thanking the Trustees for their faith in him and that he looks forward to meeting with the Florida Board of Governors next Thursday for confirmation.

The Chair congratulated the President-elect and adjourned the meeting.

USF 7th President and CEO
Tentative Transition Timeline

1.	IMMEDIATE (Next 30 – 45 days)	**COMPLETE BY**	**RESPONSIBLE PARTY**
	A. Preparation for BOG Confirmation (Including Accountability, Preeminence & Consolidation Plans)	March 23-28	BOT Chair, Chancellor
	B. Press Release on BOG Confirmation	March 28	Media Director
	C. Complete Contract Negotiations	March 28	BOT Chair, GC Solis
	D. Prepare Initial Briefing Documents (President, Sr. VPs, RCs, GC, Athletics)	March 30	Chief of Staff (COS)
	E. Schedule Initial Visit for Presidents in Tampa	March 30	Chief of Staff
	F. Register for Harvard Seminar for New Pres.	April 1	COS, New President
	G. Legal Briefing & Training on Florida Sunshine Laws	April 30	GC Solis
2.	NEAR (April – June)		
	A. Schedule Visits to Tampa (Include introductory visits with key constituents; meetings with senior leadership)	April – June	2 Presidents, COS
	B. Establish Transition Team (if needed)	mid-April	New President, COS
	C. Attend Harvard Seminar	July 5-10	New President
	D. Benefits Brief	June	HR AVP, Sr. VP
	E. President's Evaluations of Current Leadership Team	June 15	President Genshaft
3.	FAR (July – December)		
	A. Stakeholder Introductory Meetings (faculty leadership)		New President's Asst.
	B. Stakeholder Introductory Meetings (Community leaders, Local Delegation, Major Donors)		New President's Asst. & Sr. VPs, RCs
	C. Leadership Retreat	September	New President, COS, Transition Team
	D. 2019-2020 Goals	September	New President, BOT Chair, Gov. Comm.
	E. Media Training by Profession Consultant	July-August	New President, COS, BOT Chair
	F. Sr. VP for Advancement PD	October	New President, Sr. VP Foundation Board

Initial Briefing Documents by Sr. Leadership Include:

Governance Structure
Organizational Charts
USF Accountability Plans
USF Preeminence Plan
List of Stakeholders for respective leadership areas
Financial Status Reports, Cash Flow Reports, Investment Reports, Budget Reports
Infrastructure and Physical Plant Needs and Timetables
Top 5 Priorities for Each Sr. VP and RC Area
Legal Briefs on Critical Issues
Critical Partnership Agreements

STEVEN C. CURRALL
Curriculum Vitae

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Southern Methodist University
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Web site: http://www.stevecurrall.com/

EDUCATION

Cornell University. Ph.D. in Organizational Behavior. 1990.
Department of Organizational Behavior
Minors: Research Methods and Statistics (Department of Psychology), Social Psychology (Department of Psychology), and Employment Relations (School of Industrial and Labor Relations).

London School of Economics and Political Science. M.Sc. in Social Psychology. 1985.
Department of Social Psychology

Baylor University. B.A. (*cum laude*) in Psychology. 1982.
Department of Psychology (College of Arts and Sciences)

SUMMARY

Professional appointments: Experience in academic appointments at research universities in the United States and abroad (e.g., Rice University, University of California, Davis, University College London, Southern Methodist University, and University of Chicago) and in a multi-campus university system (University of California system).

Academic leadership activities: In my current role as Provost and Vice President for Academic Affairs, I oversee all academic activity including all academic colleges/schools, Research and Graduate Studies, Libraries, Curriculum, Faculty Affairs, Student Success and Retention, Institutional Planning and Effectiveness (accreditation), Institutional Research, Center for Teaching Effectiveness, International Center, SMU Global and Online (continuing education), and the Division of Enrollment Services (undergraduate admission, office of financial aid, student financials office, and the Registrar).

Previously, as Chancellor's Senior Advisor for Strategic Projects and Initiatives at the University of California Davis, I co-chaired the "University of the 21st Century Committee" and authored a strategic plan for a new university campus in Sacramento, CA. Prior to serving in the Chancellor's office, I was Dean of the Graduate School of Management.

Other academic leadership roles have included serving as: (1) Vice Chair of the Board of Directors for the 10-campus University of California system's Global Health Institute, (2) Vice Dean, (3) founding Chair of an academic department, (4) endowed chair holder, and (5) leader of seven centers/institutes. At Rice University, I founded and led a university entrepreneurship center that assisted in the launch of over 160 new technology start-up companies, which raised in excess of $300,000,000 in equity capital.

Past campus-wide service roles include Chair of the Task Force on Faculty Salary Equity, Chair of the Strategic Review of Human Resources, Chair of Board of Directors of the Ecosystem for Biophotonics Innovation, and Vice Chair of Chancellor's Blue Ribbon Committee on Research, which developed a strategic plan for increasing the campus' annual research expenditures to $1,000,000,000.

Resource Development: Leadership roles in received philanthropic gifts totaling $56,500,000. During my tenure as Dean, the school's endowment increased by 218% in market value, annual giving increased 189%, alumni giving increased 47%, and research funding increased 164%. In the campus' $1,000,000,000 campaign, I led completion of my school's $25,000,000 campaign.

Research: Fellow of the American Association for the Advancement of Science. As a psychological scientist, I have been a personal grantee on $21,533,893 in research funding, 78% of which came from refereed grants from the National Science Foundation or National Institutes of Health. I was lead author of a book on university-business-government collaboration entitled, *Organized Innovation: A Blueprint for Renewing America's Prosperity* (Oxford University Press). The book is the culmination of a 10-year research project on interdisciplinary research involving science, engineering, and medicine.

National and international policy activities: (1) Member of advisory group for the U.S. President's Council of Advisors on Science and Technology, (2) invited presentation to the White House's Office of Science and Technology Policy, (3) invited presentation to a United Kingdom Parliamentary Select Committee, (4) invited presentation to the European Commission in Brussels, Belgium, and (5) quoted over 640 times in global media outlets.

PROFESSIONAL EXPERIENCE

Southern Methodist University (ranked #59 among national universities by *U.S. News & World Report*, 2019). Students: 11,789; annual budget: $799,612,000; research expenditures: $30,000,000; employee headcount: 4,000; faculty headcount: 758.

Provost and Vice President for Academic Affairs, 2016 (January) – present.
David B. Miller Endowed Professor, 2016 – present.
Professor of Management and Organization, Cox School of Business (with tenure), 2016 – present.
Professor of Psychology, Dedman College of Humanities and Sciences, 2016 – present.
Professor of Engineering Management, Information, and Systems, Lyle School of Engineering, 2016 – present.

University of California, Davis (member of Association of American Universities [AAU]; ranked #10 among national public universities, #38 among national universities, by *U.S. News & World Report*, 2019). Students: 38,000; annual budget: $4,900,000,000; research expenditures: $846,000,000;

employee headcount: 22,000; faculty headcount: 1,900.
Chancellor's Faculty Advisor, 2015 – 2016.
Chancellor's Senior Advisor for Strategic Projects and Initiatives, 2014 – 2015.
Dean, Graduate School of Management, 2009 – 2014.
Professor of Management (with tenure), Graduate School of Management, (member of Davis Division of Academic Senate), 2009 – 2016.

University College London (#10 among world's top 200 universities, *QS World University Rankings*, 2019; #14 among the world's top universities, *Times Higher Education World University Rankings*, 2019; #17 in *Academic Ranking of World Universities,* Shanghai Jiao Tong University, 2018).
Students: 37,905; annual budget: £1,317,000,000 ($1,718,940,000); research funding: £452,000,000 ($589,948,000); employee headcount: 12,000; faculty headcount: 7,700.
Vice Dean of Enterprise, Faculty (School) of Engineering Sciences, 2008 – 2009.
Founding Chair (Head) of Department of Management Science and Innovation, Faculty of Engineering Sciences, 2005 – 2009.
Professor of Management Science and Innovation (with tenure), Faculty of Engineering Sciences, 2005 – 2009.
Founding Director, UCL Advances (University College London entrepreneurship center), 2005 – 2008.
Director, Management Studies Centre, 2006 – 2007.

London Business School (#4 in worldwide ranking of top business schools, *Financial Times*, 2018).
Students: 2,200; faculty headcount: 162.
Visiting Professor of Organisational Behaviour and Entrepreneurship, (Joint appointment with University College London), 2005 – 2009.
Faculty Co-Director, Institute of Technology, 2006 – 2009.

University of Chicago (member of AAU; #3 among national universities by *U.S. News & World Report*, 2019). Students: 16,446; annual budget: $5,000,000,000; research funding: $433,000,000; employee headcount: 15,949; faculty headcount: 2,860.
Visiting Scholar, Booth School of Business, 2003.

Rice University (member of AAU; #16 among national universities by *U.S. News & World Report*, 2019). Students: 6,989; annual budget: $720,000,000; research funding: $130,000,000; employee headcount: 2,152; faculty headcount: 880.
William and Stephanie Sick Professor of Entrepreneurship, George R. Brown School of Engineering, Rice University, 2001 – 2005. The Sick professorship, a $2,500,000 endowed professorship in the George R. Brown School of Engineering, was established to promote collaboration between the Schools of Engineering and Management.

Associate Professor of Management (Jones Graduate School of Management – tenured in Organizational Behavior), 1999 – 2005.
Associate Professor of Statistics (School of Engineering, by courtesy), 2002 – 2005.
Associate Professor of Psychology (School of Social Sciences, by courtesy), 1999 – 2005.
Founding Director, Rice Alliance for Technology and Entrepreneurship, 1999 – 2005.
Assistant Professor of Psychology (School of Social Sciences, by courtesy), 1995 – 1999.
Assistant Professor of Management (Jones Graduate School of Management), 1993 – 1999.

Temple University (#106 among national universities by *U.S. News & World Report*, 2019). Students: 40,230; annual budget: $1,492,128,000; research funding: $273,509,000; employee headcount: 8,000; faculty headcount: 3,500.
Assistant Professor of Human Resource Management, Fox School of Business and Management, 1990 – 1993.

Cornell University (member of AAU; #16 among national universities by *U.S. News & World Report*, 2018). Students: 23,600; annual budget: $4,200,000,000; research funding: $974,000,000; employee headcount: 9,900; faculty headcount: 1,800.
Instructor, New York State School of Industrial and Labor Relations, 1989.

Other Professional and Educational Experience:
Research Associate, Economic Policy Institute, Washington, D.C., 1995 - 2002.
Assistant Development Officer, Department of External Affairs, Baylor University, 1982 – 1983. Professional fundraiser and public relations specialist.
Graduate student, Department of Psychology, Virginia Tech, 1983-1984.
Undergraduate student, Department of Architecture, Design, and Planning, Kansas State University, 1977-1979.

SELECTED HONORS AND EDITORIAL ROLES

Best Presentation Award, Engineering Management Division, American Society for Engineering Education, 2015.
Robert E. and Charlotte Lowder Endowed Lecture, Culverhouse College of Commerce, University of Alabama, 2014.
Grand Vulcan Award for Entrepreneurship and Impact. Rice University, 2014.
Best Paper, Southern Management Association, Innovation Track, 2014.
Fellow of the American Association for the Advancement of Science (elected as Fellow for the study of societal impacts of science and engineering), 2013. Founded in 1848, the American Association for the Advancement of Science is the world's largest scientific society and publisher of the journal *Science*.
Editorial Advisory Board, *Journal of Trust Research*, 2013 – 2016.

International Editorial Advisory Board, *Major Works on Innovation and Knowledge Management*, Sage Publications, 2009.

Editorial Advisory Board, *Corporate Ownership and Control*, 2009 – 2016.

Editorial Review Board, *Academy of Management Journal*, 2008 – 2009.

Deputy Editor-in-Chief, *Journal of Trust Research*, 2008 – 2013.

Editorial Review Board, *Academy of Management Review*, 2007 – 2008.

Editorial Review Board, *Organization Science*, 2006 – 2009.

Grand Velocity Award for Academic Entrepreneurship, Kelley School of Business, Indiana University – Bloomington, 2006.

Ernst & Young's Entrepreneur of the Year Award® (regional Supporter of Entrepreneurship), 2005.

Editorial Review Board, *Academy of Management Perspectives*, 2005 – 2008.

Editorial Review Board, *Group and Organization Management*, 2005 – 2007.

Stanford University's Price Foundation Innovative Entrepreneurship Educator Award, selected by the Stanford University Technology Ventures Program (School of Engineering), 2004.

Vocational Leadership Award for facilitating collaboration between the academic and business communities, Rotary Club of West University Place, TX, 2003.

Best Theory Paper, International Association of Conflict Management, 2002.

Best Paper, Institute of Behavior and Applied Management, Organizational Behavior/Organizational Theory/Organizational Development division, 2002.

Editorial Review Board, *Journal of Organizational Behavior*, 2002 – 2007.

William and Stephanie Sick Professor of Entrepreneurship, George R. Brown School of Engineering, Rice University, 2001 – 2005.

Academic Advisory Board for Dushkin/McGraw-Hill's *Annual Editions: Organizational Behavior*, 1999 – 2003.

Listed in Rice University's Jones Graduate School's "Outstanding Faculty," *Business Week's Guide to Best Business Schools* (5th edition), 1997. (Based on student surveys.)

Finalist, Phi Beta Kappa Teaching Prize, Rice University, 1995 and 1999. (All-university teaching award for untenured faculty. Based on student surveys.)

Halliburton Foundation Award of Excellence for professionalism in education, research, and service to students, Jones Graduate School of Management, Rice University, 1995.

Dissertation selected in the annual best dissertation competition held by the Industrial Relations Research Association, 1992.

Graduate Fellowship, Cornell University, 1989.

Rotary International Foundation Scholar, London School of Economics and Political Science, 1984 – 1985.

Tau Sigma (honorary member of transfer student national honor society).

Omicron Delta Kappa (national leadership honorary society).

Psi Chi (psychology honorary society).

Distinguished Alumni Award, Center High School, Kansas City, MO.

S.C. Currall
March 2019

UNIVERSITY SYSTEM (MULTI-CAMPUS) LEADERSHIP POSITIONS

The University of California system includes: UC Berkeley, UC Davis, UC Irvine, UCLA, UC Merced, UC Riverside, UC San Diego, UC San Francisco, UC Santa Barbara, and UC Santa Cruz. The UC system has 238,000 students and 198,000 faculty and staff, and 1,700,000 living alumni. Annual budget is ~$32,000,000,000 and research funding is ~$5,500,000,000. Faculty members affiliated with the UC have won 61 Nobel Prizes.

My positions in the University of California system are listed below:

- Vice Chair and member of the Executive Committee of the Board of Directors of the University of California Global Health Institute (UCGHI), 2010 – 2015.
    - Based at UC San Francisco, the UCGHI leverages the ten campuses of the University of California system to be a source of research, education, partnerships, and innovative technologies to improve global health outcomes. The UC's five medical centers support the clinical teaching programs of UC's medical and health sciences schools and receive more than 138,000 inpatient discharges, 261,000 emergency room visits and more than 3,600,000 out-patient visits each year. UCGHI has three transdisciplinary Centers of Expertise: One Health (integration of human, animal, and environmental health), Migration and Health, and Women's Health and Empowerment. The Centers comprise faculty members across the UC system to harness their expertise to address increasingly complex global health problems and needs of the world's most vulnerable populations. My service to UCGHI concentrated on the synthesis of the strategic, business, and organizational plans to create a sustainable future for UCGHI. I contributed to development of a proposal that succeeded in obtaining $5,000,000 from the UC's Council of Chancellors.
    - Planning Committee, UC Global Health Day, UCGHI, 2013 – 2014.
    - Advised the University of California, San Francisco on financially self-supporting Master's degree in Global Health, 2014.
- Co-Leader, Summer Institute for Emerging Managers and Leaders. This joint University of California system program among the six UC business schools is devoted to providing leadership training to undergraduates from under-represented minorities across the United States (e.g., historically Black colleges and universities and Hispanic serving institutions) to prepare them for graduate education at a University of California campus, 2012 – 2015.
- Chair, External Review Committee for 10-year Academic Senate review of the Paul Merage School of Business, University of California, Irvine, 2015.

S.C. Currall
March 2019

UNIVERSITY (SINGLE CAMPUS) LEADERSHIP POSITIONS

Provost and Vice President for Academic Affairs, Southern Methodist University (SMU)
(January 2016 – present)

SMU is a private research university (106 bachelor's degrees, 146 graduate degrees). The units directly reporting to the Provost account for ~75% of the University revenue (~$585,000,000).

I oversee the University's academic activity including seven academic units: Cox School of Business, Dedman College of Humanities and Sciences, Dedman School of Law, Meadows School of the Arts, Lyle School of Engineering, Perkins School of Theology, and Simmons School of Education and Human Development.

Additional units reporting to my office include the Division of Enrollment Services (Undergraduate Admissions, Student Financial Aid, and the Registrar), Research and Graduate Studies, Libraries, satellite campuses in Plano, Texas and in Taos, New Mexico, Institutional Planning and Effectiveness (accreditation), Institutional Research, International Center, Center for Teaching Excellence, the Cary M. Maguire Center for Ethics and Public Responsibility, and SMU Global and Online (continuing education and online education).

Accomplishments and Activities:

Strategic Planning and Implementation:

- Led a campus-wide strategic planning process culminating in the visioning document *Continuing the Ascent: Recommendations for Enhancing the Academic Quality and Stature of Southern Methodist University* (https://www.smu.edu/-/media/Site/Provost/Provost/PDF/Continuing-the-Ascent.pdf?la=en). The vision document presents core commitments of the University and 14 recommendations to further strengthen academic excellence at SMU, including estimated financial resource requirements. To contribute to the planning process, I created several university task forces:
    - General Education Review (to conceive of a new university-wide undergraduate liberal arts curriculum)
    - Scholarly Research and Creative Impact
    - Creative and Interactive Technology (interface of computing and art)
    - Data Science and Analytics
    - Future of SMU Libraries
    - Student Success and Retention
    - Graduate School
- Restructured libraries into a single "SMU Libraries" system to promote a new strategic direction for library resources aligned with the University's increased emphasis on scholarly research and creative activity.

- Secured approval by the Board of Trustees for a new "Common Curriculum" for required courses taken by all undergraduates (e.g., critical reasoning, quantitative methods, computing, ethical inquiry, technological advances, global engagement, and human diversity).
- Oversaw design and allocation of space in the Gerald J. Ford Research and Innovation Center (36,000 square foot building to house interdisciplinary programs in data science, high performance computing, and interactive technologies).
- Oversaw creation of new collaborative framework involving continuing education/online programs and the University's academic units; hired new Associate Provost for Continuing Education.
- Formed a University-wide Entrepreneurship and Innovation Advisory Board (comprised of faculty members from all schools).
- Established the SMU Incubator to support start-ups and technology commercialization by faculty and students.

Diversity and Inclusion:

- Appointed the inaugural Provost's Senior Advisor for Campus Cultural Intelligence Initiatives.
- Funded creation of the Campus Cultural Intelligence Initiative (https://www.ciqatsmu.com/).
- Formed Administration-Faculty Senate Task Force to address faculty salary disparities due to gender or race.

Strategic Partnerships:

- Oversaw creation of the Bush Institute-SMU Economic Growth Initiative, a partnership between SMU and the Bush Institute (of the George W. Bush Presidential Center and Library).
- Oversaw creation of SMU DataArts, a center applying data analytics to arts and cultural institutions, through the acquisition of DataArts (a non-profit organization in Philadelphia).

Administrative Leaders Appointed:

- Associate Vice President for Enrollment Management
- Associate Provost for Curricular Innovation and Policy
- Dean of Perkins School of Theology
- Provost's Senior Advisor for Campus Cultural Intelligence Initiatives
- Associate Provost for Faculty Affairs
- Assistant Provost and Chief of Staff to Provost
- Dean of Cox School of Business
- Dean of Simmons School of Education and Human Development
- Associate Provost for Continuing Education
- Dean of SMU Libraries
- Associate Provost for Student Academic Engagement and Success

University Budget:

- The University's annual budget is managed by the President, Provost, and the Vice President for Business and Finance.

Chancellor's Senior Advisor for Strategic Projects and Initiatives, UC Davis (October 2014-October 2015)
Chancellor's Faculty Advisor (October 2015-December 2015)

UC Davis is a public research university (104 undergraduate majors; 96 graduate degrees).

Reporting to the Chancellor (i.e., president) as Chancellor's Senior Advisor for Strategic Projects and Initiatives, this position involved two responsibilities. First, I served as Co-Chair of the campus-wide strategic visioning "University of the 21st Century" Committee, which was comprised of 28 Vice Chancellors, Deans, faculty, staff, students, and alumni. Second, I led the strategic planning for a possible additional UC Davis campus in the Sacramento region. The campus would advance the university's public policy, education, business, and outreach programs. My role in planning the campus included creating the academic strategy, liaison to Academic Senate/Academic Federation, and analysis of physical facilities.

Accomplishments and Activities:

- Led the consultation process to develop a strategic vision for UC Davis as the University of the 21st Century. The process included over 400 meetings attended by over 1,600 members of the UC Davis community involving, for example, a one-half day faculty summit (jointly led by the university administration, the Academic Senate, and the Academic Federation), five town halls with students, one town hall with staff, two town halls in the UC Davis Health System, a meeting with Council Members of the City of Davis, a Sacramento Regional Partners gathering, and small group and one-on-one meetings. Also, worked with leaders of the Associated Students, University of California, Davis to solicit their formal recommendations on the future of UC Davis.
- The strategic visioning process resulted in a document entitled *Envisioning UC Davis as the University of the 21st Century: An Invitation for Comment*. This vision for UC Davis includes initiatives on global grand challenges (e.g., health, food, energy/sustainability), enhancing student success, efficient stewardship of university resources, and ways to better integrate the university's physical campuses.
- Authored a strategic plan for an additional UC Davis campus in Sacramento entitled, *The University of California, Davis in Sacramento: An Innovation Laboratory for Creating the University of the 21st Century*. The plan provides an intellectual case for the additional campus, as well as a proposed organizational structure for the planning process and a visualization of the campus buildings.
- Cultivated external relationships with, for example, Rabobank (a large Dutch bank), the Sacramento Area Council of Governments, and Mars, Inc., which made a $40,000,000 philanthropic commitment to UC Davis to found the Innovation Institute for Foods and Health.

S.C. Currall
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UNIVERSITY SERVICE ROLES

- Member of Board of Directors and Vice President for Programs, SMU Foundation for Research, 2019 – present.
- Chair, Continuing Education Program Council, SMU, 2017 – present.
- Chair, Entrepreneurship and Innovation Advisory Board, SMU, 2017 – present.
- University Compliance Committee, SMU, 2017 – present.
- President's Executive Council, SMU, 2016 – present.
- Chair, Council of Academic Leadership, SMU, 2016 – present.
- Chair, Council of Academic Deans, SMU, 2016 – present.
- Strategic Risk Assessment Committee, SMU, 2016 – 2017.
- Executive Committee, Operational Excellence, SMU, 2016 – present.
- Co-Chair, Implementation Work Group on Sexual Misconduct Policies & Procedures, SMU, 2016 – present.
- Co-Chair, President's Commission for the Prevention of Substance Abuse, SMU, 2016 – present.
- University Art Collection Committee (responsible for approving art purchases), SMU, 2016 – present.
- Co-Chair, University for the 21st Century Committee, UC Davis, 2014 – 2015.
- Diversity and Inclusion Strategic Planning Committee, Sacramento Working Group, UC Davis, 2015.
- Sacramento Region Strategic Planning Committee, UC Davis, 2014.
- Chair, Capital Resource Network Advisory Council, UC Davis, 2014-2015. University-led network of regional employers fostering recruitment and retention of professionals in northern California.
- Chancellor's Cabinet, UC Davis, 2014 – 2015.
- Chancellor's Council, UC Davis, 2014 – 2015.
- Council of Deans and Vice Chancellors, UC Davis, 2009 – 2015.
- Joint Administration-Senate Oversight Committee on Faculty Salary Equity, UC Davis, 2014 – 2015.
- Advisory Board, Center for Nano and Micro Manufacturing, UC Davis, 2014 – 2015.
- Search Committee for Chief Financial Officer (CFO) and Vice Chancellor – Finance and Resource Management, UC Davis, 2013 – 2014.
- Chair, Search Committee for Dean of University Extension (Continuing and Professional Education), UC Davis, 2013.
- Chair, Executive Steering Committee for Implementation of the Human Resources Strategic Review, UC Davis, 2013 – 2014.
- Chair, Strategic Review of Human Resources, UC Davis, 2012 – 2013. Developed new HR strategy and structure based on comprehensive review of human resource policies and practices in all staff support units across the campus, including UC Davis Health System (total staff headcount: ~25,000).

- Chair, Joint Administration-Faculty Senate University Task Force on Faculty Salary Equity, UC Davis, 2012 – 2013. Recommendations regarding all faculty salaries, including UC Davis Health System.
- Search Committee, Head Football Coach, UC Davis (NCAA Division I-A), 2012.
- Search Committee, Associate Vice Chancellor for Strategic Communications and Marketing, UC Davis, 2012.
- Mentor for Dean of School of Veterinary Medicine, UC Davis, 2011 – 2015.
- Chair, Board of Directors, Ecosystem for Biophotonics Innovation (EBI), Center for Biophotonics Science and Technology, School of Medicine, UC Davis, 2011 – 2015. EBI is funded by a National Science Foundation "Accelerating Innovation Research" grant to foster collaboration among the School of Medicine, Office of Research, College of Engineering, Lawrence Livermore National Laboratory, and industry partners such as Novartis Diagnostics, Becton, Dickinson & Co. Biosciences, and Applied Precision, Inc. (acquired by GE Healthcare).
- Joint Administration-Faculty Senate Task Force on Self-Supporting Degree Programs (degrees supported by non-State of California funds), UC, Davis, 2011. Task Force created comprehensive new policies regarding self-supporting degree programs. Served on sub-committees on Governance and Committee on Costs and Fees.
- University Marketing and Branding Task Force, UC Davis, 2010 – 2011. Oversaw the creation of a new marketing and branding strategy for UC Davis in conjunction with the campus' $1,000,000,000 Comprehensive Capital Campaign announced in October 2010. Conceived of the scope of the marketing and branding project, assessed several national marketing firms, and worked closely with the marketing firm during project implementation.
- Vice Chair, Chancellor's Blue Ribbon Committee on Research, UC Davis, 2009-2010. Committee charged with further enhancing UC Davis' research impact and its annual research budget. Benchmarked UC Davis' research enterprise with other aspirational research-intensive universities such as Cornell University, and University of Michigan. Developed recommendations for research programs with the aim of reaching future research expenditures of $1,000,000,000.
- Search Committee, Internal Audit Director, University of California, Davis, 2011.
- Search Committee, Search for Head of Corporate Communications and Deputy Director of Development, University College London, 2007.
- Interview Panel, Search for Vice-Provost for University Development and Communications, University College London, 2006 – 2007.
- Chair, Search Committee for Executive Director of Connexions (now OpenStax College; non-profit open source software organization spinout from Rice University), 2004.
- Search Committee, Rice University Director of Office of Technology Transfer, 2004.
- Health Plan Review Task Force (advisor), Rice University, 2002.
- Search Committee, Rice University Vice-President of Human Resources, 2000-2001.
- Chair, Committee on Faculty Salary Equity, Rice University, 1999 – 2001. Standing Faculty Senate

Committee who reported to Rice's President and to the Chair of the Faculty Senate. Committee analyzed all faculty members' salaries in the University for pay inequities due to gender or race.

- Committee on Faculty Salary Equity, Rice University, 2001 – 2002.
- Faculty Club Board of Directors, Rice University, 1998 - 1999.
- Employee Performance Recognition and Development Committee, Rice University, 1997.

LEADERSHIP OF ACADEMIC UNITS

Dean, UC Davis Graduate School of Management (2009-2014)

The Graduate School of Management offers degree programs on campuses in Davis, Sacramento, and the San Francisco Bay Area. Reporting units to the Dean: All units in the School report to the Dean including, Academic Affairs (faculty recruitment, development, and retention), Degree Programs, Strategic Planning, Finance/Budgeting, Facilities, Student Recruitment, Admissions, Student Services/Academic Operations, Placement of Graduates, Marketing, Fundraising, Alumni Relations, non-degree Executive Education, San Francisco/Sacramento programs.

Accomplishments and Activities:

Visibility:

- In 2014, the *Financial Times* ranked the School's faculty #13 in the world in overall faculty research productivity. In 2014, *The Economist* magazine ranked the School #15 in the world for faculty quality and, in 2012 and 2013, #1 in recruiter diversity.
- The School was among the top six fastest rising top-100 U.S. business schools in the 2014 *PoetsandQuants.com* composite rankings (weighted rankings of *US News & World Report*, *Forbes*, *Bloomberg Business*, *Financial Times*, and *The Economist*). The School ascended 10 places (ranking improved from 54th to 44th).
- The School was the fastest rising business school in the country in the 2013 *Forbes* magazine biennial ranking of top-100 full-time MBA programs. In the largest increase of any school, the Graduate School of Management ascended 22 places (ranking improved from 72nd to 50th).
- The School ascended 13 places in the 2012 *US News & World Report* part-time MBA ranking to the top 6% of the 326 surveyed business schools in the U.S. (ranking improved from 32nd to 19th).
- The School was the fastest rising top-50 business school in the country in the 2011 *US News & World Report* full-time MBA ranking. In the largest jump of any top-50 school, the School ascended 14 places to the top 6% of the 437 surveyed business schools in the U.S. (ranking improved from 42nd to 28th). The ranking of #28 was the highest in the School's history.

Strategic Planning and Budgeting:

- Used an evidence-based approach utilizing both qualitative and quantitative data to create a new strategic plan entitled, *Strategic Plan: New Strategic Initiatives and Financial Sustainability for the Graduate*

School of Management. The strategic plan was the culmination of 18 months of stakeholder input, which included meetings attended by over 4,200 members of the School's community, including faculty, students, staff, alumni, and donors.

- During my tenure, maintained financial reserves of $\geq$ 19% of annual expenditures, despite dramatic reductions in state funding to UC Davis and growing competition in the business education market.

Fundraising and Extramural Funding:

- Completed the School's overall Comprehensive Campaign total of $25,000,000. Completed campaign at 102% of goal.
- Secured $5,000,000 naming gift for new Mike and Renee Child Family Institute for Innovation and Entrepreneurship.
- Increased the School's total endowment by 218% in market value.
- Increased the School's annual giving by 189% and alumni giving by 47%.
- In 2010, 2011, and 2014, class gift campaigns had 100% participation from graduating students.
- Increased the School's annual extramural research funding by 164%.

Diversity:

- Appointed inaugural Chief Diversity Officer.
- The *Financial Times'* Global MBA ranking in 2011 showed UC Davis #1 in the world for the highest percentage (43%) of female faculty members among the world's top-100 business schools.
- Authored op-ed articles in the *San Francisco Chronicle*, *Silicon Valley (San Jose) Mercury News*, *Orange County (California) Register*, and *Huffington Post* about the need for more women business leaders.

Facilities:

- Led Steering Committee, Gallagher Hall, University of California, Davis. Completed in 2009, Gallagher Hall is a $16,700,000 facility that houses the Graduate School of Management. Held the primary leadership position on the final design and construction. Committed additional funds to ensure that Gallagher Hall attained a LEED Platinum environmental rating in summer 2011. The Gallaghers provided a leadership gift of $10,000,000 to the School in 2007.

Vice Dean of Enterprise, Faculty of Engineering Sciences, University College London (2008-2009)

As the original University of London campus, founded in 1826, University College London (UCL) was the first university in the United Kingdom to admit students of any race, class or religion. UCL is ranked #10 among world's top 200 universities, *QS World University Rankings*, 2019; #14 among the world's top universities, *Times Higher Education World University Rankings*, 2019; #17 in *Academic Ranking of World Universities,* Shanghai Jiao Tong University, 2018. Current or former faculty or students who have won the Nobel Prize: 29. UCL has the highest number of professors of any university in the UK, with 983 established and personal chairs, as well as the highest number of female professors.

The Faculty of Engineering Sciences had ~190 full-time faculty, 3,500 students, and external research funding of £16,227,000 ($32,101,874) in 2008. Departments include Biochemical Engineering, Chemical Engineering, Civil, Environmental, and Geomatic Engineering, Computer Science, Electronic and Electrical Engineering, Management Science and Innovation, Mechanical Engineering, Medical Physics and Bioengineering, and Security and Crime Science.

As Vice Dean, I was responsible for leading academic programs to promote faculty members' performance in knowledge transfer activities. As a member of the Faculty's leadership team (Dean and two Vice Deans), I reported to the Dean of Faculty of Engineering Sciences, with frequent collaboration with the Vice Provost (i.e., President) for Enterprise.

Accomplishments and Activities:

- Co-authored (with K.M. Spyer – principal investigator) grant for Employment and Further Education Opportunities: Employer Engagement Funding. Higher Education Funding Council of England (U.K.) – £500,000 ($761,500).
- Led strategic alliance between UCL and London Business School on the commercialization of new research discoveries.
- Member of the Enterprise Board. Enterprise Board is comprised of Vice Provosts (i.e., Vice Presidents) and Deans and oversees technology commercialization activities.
- Member of the Enterprise Fund Working Group. Tasked with creating an investment fund for commercialization of technologies and development of a Proof of Concept fund for early stage support of the commercialization process.

Founding Chair of Department of Management Science and Innovation, Faculty of Engineering Sciences, University College London (2005-2009)

I led founding of the new academic department. Conceived of intellectual scope of the department, name, strategic plan, and business model. Annually, over 2,000 undergraduate course registrations. Responsible for all financials and faculty and staff recruitment, retention, and development. Total employees: 45 (included seven Ph.D. students). Annual budget: £3,000,000 ($5,000,000).

Reporting units to the Chair: Faculty Recruitment, Development, and Retention, Curriculum, Finance/Accounting, Student Recruitment/Admissions, Student Services/Academic Operations, Marketing, Fundraising, and Non-degree Executive Education.

Accomplishments and Activities:

Visibility:

- Laid the foundation for the Department's future growth in stature. Within 10 years of the Department's founding, UCL was ranked as the #3 in Business and Management Studies program in the United Kingdom in 2017 (*The Complete University Guide.com*).

Strategic Planning:

- Obtained approval of the new Department by all Department Chairs in the Faculty of Engineering Sciences and approval of the new Department by the UCL university-wide faculty governing body (faculty senate) comprised of over 600 full Professors and Readers.
- Authored *Excellence and the UCL Department of Management Science and Innovation: A Shared Endeavour*, which outlined vision and operationalization of excellence in research, teaching, enabling, and knowledge transfer.

Academic Program Development:

- Principal investigator on grant of £296,000 ($581,136) for seed funding of a new B.Sc. degree in Information Management for Business from the Higher Education Funding Council of England, administered by "e-skills" (industrial consortium of leading information technology and telecommunication corporations).
- From 2006 to 2009, student numbers in the M.Sc. in Technology Entrepreneurship grew an average of 54% per year from the first intake.
- Led creation of the Departmental doctoral program with an emphasis on training in core social science disciplines such as economics and psychology.

Facilities:

- Steering Committee, Engineering Front Building (EFB), University College London, 2006 – 2008. The EFB was a new £11,400,000 ($20,000,000) facility that housed the Department of Management Science and Innovation. Held primary leadership position on the design of the interior space, allocation of all teaching, study, and office space, and move of personnel to the EFB.

OTHER LEADERSHIP EXPERIENCE

International

- Invited presentation to the European Commission in Brussels, Belgium on "Nanotechnology and The Future Context of DG SANCO: The Role of Consumer Perceptions." DG SANCO is The Directorate General of Health and Consumer Protection (Santé et Protection des Consommateurs) for all of Europe and has 800 staff members located in Brussels, Luxembourg, and Ireland, February 2007.

- Invited keynote presentation to Lithuania's National Forum on Science and Technology-Based Entrepreneurship on "Geographical Clusters of High-Technology Business: The United Kingdom and London," Sunrise Valley School of Entrepreneurship Conference, Vilnius, Lithuania, 2008.
- Member of China Committee, Board of Directors, San Francisco Bay Area Council, 2009 – present.

National (including United States of America/State and United Kingdom)

- Member, U.S. Nanotechnology Advisory Group (nTAG), 2007-2008. The invitation to join nTAG was issued by Dr. John H. Marburger, Chief Science Adviser to the U.S. President and Director of the White House's Office of Science and Technology Policy. nTAG provided input and feedback to the President's Council of Advisors on Science and Technology (PCAST).
- Invited presentation to the White House Office of Science and Technology Policy on "City-University Partnerships Focused on Regional Sustainability and Growth," White House Conference Center, Washington, DC, March 2011.
- Invited presentation to the United Kingdom's Parliament's Select Committee on Innovation, Universities, and Skills on "Economic Prosperity in the United Kingdom and the Role of Science, Technology, Engineering, and Mathematics (STEM) Graduates," January 2008.
- Member, Nanotechnology Task Force (United Kingdom), 2006 – 2007. Meetings convened at the U.K. Parliament's House of Commons. The Task Force is comprised of Members of Parliament, senior professors, and policy makers from around the UK.
- Invited testimony for California Legislature, Assembly Committee on Judiciary, Concurrent Resolution 62, "Women on Corporate Boards." 11 September 2013. California Assembly vote: 65-3 in favor.
- Invited presentation to the National Center on the Educational Quality of the Workforce Public Policy Seminar on "Organizational Effectiveness of Public Schools," Washington, D.C., 1994.

Healthcare and Biomedical Sciences

- University Advisory Committee, Cancer Prevention and Research Institute (CPRIT) of Texas, 2019 – present. (In 2007, Texas voters approved a State of Texas constitutional amendment establishing CPRIT and authorizing the State to issue $3,000,000,000 in bonds to fund groundbreaking cancer research and prevention programs.)
- Board of Directors, California Life Sciences Association (shaping public policy, driving business solutions and growing California's life sciences innovation ecosystem), 2015 – 2016.
- Board of Directors, BioHouston (biotechnology industry support organization), 2003 – 2010. Interim Vice Chair, member of Executive Committee, and chair of Governance Committee. Other board members were the presidents of Texas A&M, University of Texas M.D. Anderson Cancer Center, University of Texas Health Sciences Center – Houston, Baylor College of Medicine, Rice University, and Chairman of Chase Bank of Texas and other business leaders.
- Advisory Board, Leadership in Medicine, Inc. (healthcare marketing company), 2002 - 2009.

- Advisor to the University of Texas M.D. Anderson Cancer Center's Division of Diagnostic Imaging on analysis of departmental leaders' strengths and weaknesses.

Energy and Sustainability

- Appointed by the UC Davis Chancellor to lead two events at UC Davis in 2010-2011 on sustainability, clean energy/technology, and economic prosperity:
  - "E3: Economic Prosperity, Energy, and the Environment." Convened business, government, and academic leaders to address the "E3" themes. During the event, interviewed Governor of California in a one-on-one format, followed by a panel comprised of leaders from Pacific Gas & Electric, Chevron, and the California Air Resources Board.
  - "Governors' Global Climate Summit 3." Leader of the Summit steering committee comprised of 50 representatives from the executive office of Governor of California, California Environmental Protection Agency, and Jupiter Ambrosia Productions. I was opening speaker of the second day of the Summit – remarks described how all ten UC campuses are committed to clean energy and environmental sustainability. The Summit hosted 1,800 delegates from around the world and included the following speakers: Governor Arnold Schwarzenegger of California; Prime Minister David Cameron of the United Kingdom (via live video); Governor Jennifer Granholm of Michigan; George P. Schultz, former US Secretary of State; Dr. Rajendra Kumar Pachauri, 2007 Nobel Peace Prize winner; Deepak Chopra, Author and Physician; Mark Cackler, The World Bank; Ambassador Richard H. Jones, International Energy Agency, Paris; Nancy Sutley, White House Council on Environmental Quality.
- Sacramento Mayor's "Greenwise" Task Force, Leader of Green and Clean Technology Policy Team, 2010 – 2011.
- Principal Investigator for the $1,000,000 UC Davis i6 Challenge grant on environmental sustainability and agriculture ("Sustainable Agricultural Technology Innovation Center") to the U.S. Department of Commerce, Economic Development Administration, 2012 – 2014.
- Academic Advisory Board, Environmental and Energy Systems Institute, Rice University, 2004 – 2005.

LEADERSHIP OF CENTERS/INSTITUTES

- Steering Committee, UC Davis-Mars, Inc. Advanced Research Institute, 2013 – 2014.
- Task Force, World Food Center, UC Davis, 2013 – 2014.
- Co-Chair, Oversight Board for Innovation and Entrepreneurship, UC, Davis, 2010. The Board was comprised of the Vice Chancellor for Research and six deans.
- Founding Director, UCL Advances (University College London entrepreneurship center), 2005 – 2008. Conceived of strategy, scope, and name of this center. Hired all administrative staff. Led campus-wide launch event, "The Future of Imaging," born out of collaboration between UCL Advances and the Slade School of Fine Art at UCL. 2005 to 2009, cumulative funding for UCL Advances funding was ~£3,000,000 ($5,000,000); grew mailing list to ~2,250; doubled number of staff members.

- Director, Management Studies Centre, University College London, 2006 – 2007.
- Advisory Board, Centre for Economic Learning and Social Evolution (ELSE), University College London, 2007 – 2009. Funded by the U.K.'s Economic and Social Research Council, ELSE is an interdisciplinary research center emphasizing the economic and psychological study of human behavior.
- Faculty Co-Director, Institute of Technology (IoT), London Business School, 2006 – 2009. The IoT developed rigorous interdisciplinary research, innovative outreach to industry executives, and student learning through involvement and participation.
- Founding Director, Rice Alliance for Technology and Entrepreneurship, Rice University, 1999 – 2005. Between 1999 and 2005, the Alliance hosted over 13,000 individuals at its educational events and assisted in the launch of over 160 new technology start-up companies, which raised in excess of $300,000,000 in equity capital. The Alliance attracted over $4,500,000 in philanthropic funding. Secured gifts from corporations such as Shell, Chevron, Hewlett-Packard, and Ernst & Young.
- Founder, Rice University Business Plan Competition. By 2005, the Competition had become the world's largest (42 teams from around the world) and richest ($375,000 in prize money) graduate student business plan competition.
- Associate Director, Rice Center for Organizational Effectiveness Studies, Rice University, 1997 - 2000. Interdisciplinary research center between the Department of Psychology and the Jones Graduate School of Management.

SCHOOL/FACULTY COMMITTEES

Faculty of Engineering Sciences, University College London:

- Faculty Research Strategy Committee, 2006 - 2008.
- Third Stream (Knowledge Transfer) Committee, 2006 - 2007.

Jones Graduate School of Management, Rice University:

- Strategic Planning Steering Committee, Jones Graduate School of Management, 1996 – 1997. Commissioned by the President of Rice University; chaired by the Provost. Established new strategy for the Jones Graduate School of Management.
- Strategic Planning Steering Committee, Co-Chair, Special Study Group on Faculty and Academic Research, Jones Graduate School of Management, 1996.
- Faculty Recruitment Committee, 1993 - 1994; 1995 - 1996; 1997 - 1998; 1998 – 1999; 1999 – 2000; 2000 – 2001; 2001 – 2002; 2002 – 2003; 2003 – 2004; 2004 – 2005.
- Executive M.B.A. Program Review Committee, 2004 -2005.
- Faculty Research Committee, 2003 - 2004.
- Teaching Effectiveness Committee, 2001-2002.
- Facilities (Building) Planning Committee, 1998.
- Faculty Research Committee, 1998 - 2001.
- M.B.A. Program Committee, 1997 – 1999 (redesigned complete M.B.A. curriculum).
- Coordinator for M.B.A. concentration in Human Resource Management/Organizational Behavior, 1994 - 1997.

- Faculty Research Seminar Series Co-coordinator, 1994 - 1995.

School of Business and Management, Temple University:

- Graduate (M.S./Ph.D.) Committee, 1992 - 1993.
- Ph.D. Qualifying Examination Committee, 1992 - 1993.
- Undergraduate Honors Program Advisory Group, 1992 - 1993.
- Course coordinator, Organization and Management, 1991 - 1993.

RESEARCH: PUBLICATIONS[1]

Harvey, S.R., Currall, S.C. & Hammer, T.H. (2017). Decision Diversion in Diverse Teams: Findings from Inside a Corporate Boardroom. *Academy of Management Discoveries*, 3, 358-381.

Perry, S.J., Hunter, E.M., Currall, S.C., & Frauenheim, E. (2017). Developing Engineering Leaders: An Organized Innovation Approach to Engineering Education. *Engineering Management Journal*, 29, 100-108.

Perry, S.J., Hunter, E.M., & Currall, S.C. (2016). Managing the Innovators: Organizational and Professional Commitment of Scientists and Engineers. *Research Policy*, 45, 1247-1262.

Currall, S.C., Frauenheim, E., Perry, S.J., & Hunter, E.M. (2015). "Organized Innovation" for a Jobs-Driven Economy: The Role of Boundary-Breaking Collaboration. In R. Denson, E. Fraser, and T. Richards (eds.), *Advancing a Jobs Driven Economy: Higher Education and Business Partnerships Lead the Way*, pp. 2-5. Tempe, AZ: Morgan James Publishing. (invited publication)

Currall, S.C., Frauenheim, E., Perry, S.J., & Hunter, E.M. (2014). *Organized Innovation: A Blueprint for Renewing America's Prosperity*. Oxford, UK: Oxford University Press, 192 pages.

Translated into Chinese by Tsinghua University Press Ltd of Beijing (2015) ISBN: C: 9780199330706.
Basis of Best Presentation Award, Engineering Management Division, American Society for Engineering Education, 2015.
Basis of Best Paper Award, Southern Management Association, Innovation Track, 2014.

Elsbach, K.D. & Currall, S.C. (2012). Understanding Threats to Leader Trustworthiness: Why It's Better to Be Called "Incompetent" Than "Immoral." In R. Kramer and T. Pittinsky (eds.) *Restoring Trust: Emerging Challenges and Emerging Answers*, pp. 217-240. Oxford, UK: Oxford University Press. (invited publication)

[1] Google Scholar: https://scholar.google.com/citations?user=DNgC4_0AAAAJ&hl=en

Hunter, E.M., Perry, S.J., & Currall, S.C. (2011). Inside Multi-Disciplinary Science and Engineering Research Centers: The Impact of Organizational Climate on Invention Disclosures and Patents. *Research Policy*, 40, 1226-1239.

Currall, S.C. (2009). Nanotechnology and Society: New Insights into Public Perceptions. *Nature Nanotechnology*,[2] 4, 79-80. (invited publication)

Currall, S.C., King, E.B., Lane, N., Madera, J., & Turner, S. (2007). How Fast Should Nanotechnology Advance? Reply to Wintle, Burgman, and Fidler. *Nature Nanotechnology*, 2, 327-328. (invited publication)

Perry, S.J., Currall, S.C., & Stuart, T.E. (2007). The Pipeline from University Laboratory to New Commercial Product: An Organizational Framework for Technology Commercialization in Multidisciplinary Research Centers. In M. Epstein, T. Davila, & R. Shelton (eds.) *The Creative Enterprise*. Westport, CT: Praeger Publishers/Greenwood Publishing Group, pp. 85-105. (invited publication)

Currall, S.C., King, E.B., Lane, N., Madera, J., & Turner, S. (2006). What Drives Public Acceptance of Nanotechnology? *Nature Nanotechnology*, 1, 153-155.

Reprinted in E. Fisher, C. Selin and J. M. Wetmore (eds.) *The Yearbook of Nanotechnology in Society, Volume I: Presenting Futures*, 2008, pp. 109-116. Springer Science/Business Media.

Currall, S.C. & Inkpen, A.C. (2006). On the Complexity of Organizational Trust: A Multi-level Co-Evolutionary Perspective and Guidelines for Future Research. In A. Zaheer and R. Bachmann (eds.) *The Handbook of Trust Research*, pp. 235-246. Cheltenham, United Kingdom: Edward Elgar. (invited publication)

Currall, S.C., Towler, A.J., Judge, T.A., & Kohn, L. (2005). Pay Satisfaction and Organizational Outcomes. *Personnel Psychology*, 58, 613-640.

Inkpen, A.C. & Currall, S.C. (2004). The Co-Evolution of Trust, Control, and Learning in Joint Ventures. *Organization Science*, 15, 586-599.

Reprinted in J.A. McCahery and E.P.M. Vermeulen (eds.), *Law, Economics and Organization of Alliances and Joint Ventures*, 2014. Cambridge University Press.

[2] The 2017 two-year impact factor for *Nature Nanotechnology* was 37.49, according to the ISI Journal Citation Reports. This places *Nature Nanotechnology* first among journals in nanoscience and nanotechnology (https://statnano.com/news/63177).

Friedman, R.A. & Currall, S.C. (2003). E-Mail Escalation: Dispute Exacerbating Elements of E-mail Communication. *Human Relations*, 56, 1325-1348.

Winner of the Best Theory Paper award at the International Association of Conflict Management, 2002. Subject of Research Summary (by Lauren Keller Johnson) in the *MIT Sloan Management Review*: Does E-Mail Escalate Conflict? The Idiosyncratic Aspects of Electronic Mail Can Obviate Resolution. August, 2002.

Currall, S.C. & Epstein, M.J. (2003). The Fragility of Organizational Trust: Lessons from the Rise and Fall of Enron. *Organizational Dynamics*, 32, 193-206.

Currall, S.C. & Inkpen, A.C. (2003). Strategic Alliances and the Evolution of Trust Across Levels. In M. West, D. Tjosvold, and K. Smith (eds.) *International Handbook of Organizational Teamwork and Cooperative Working*. New York: John Wiley & Sons, pp. 533-549. (invited publication; authors contributed equally)

Currall, S.C. & Towler, A.J. (2003). Research Methods in Management and Organizational Research: Toward Integration of Qualitative and Quantitative Techniques. In A. Tashakkori and C. Teddlie (eds.) *Handbook of Mixed Methods in Social and Behavioral Research*. Thousand Oaks, CA: Sage Publications, pp. 513-526. (invited publication)

Currall, S.C. & Inkpen, A. (2002). A Multilevel Approach to Trust in Joint Ventures. *Journal of International Business Studies*, 33, 479-495.

Reprinted in R. Bachmann and A. Zaheer (eds.) *Landmark Papers on Trust*, 2008, pp. 631-647. Cheltenham, U.K.: Edward Elgar.

Schmidt, S.M., Geddes, D., Currall, S.C., & Hochner, A. (eds.) (2001). *Power and Negotiation in Organizations: Readings, Cases, and Exercises, Second Edition*. Dubuque, IA: Kendall/Hunt Publishing.

Friedman, R., Tidd, S.T., Currall, S.C., & Tsai, J.C. (2000). What Goes Around Comes Around: The Impact of Personal Conflict Style on Workplace Conflict and Stress. *International Journal of Conflict Management*, 11, 32-55.

Currall, S.C. & Inkpen, A.C. (2000). Joint Venture Trust: Interpersonal, Intergroup, and Interfirm Levels. In D.O. Faulkner and M. de Rond (eds.) *Cooperative Strategies: Economic, Business and Organizational Issues*, pp. 324-340. Oxford: Oxford University Press. (invited publication)

Currall, S.C., Hammer, T.H., Baggett, L.S., & Doniger, G.M. (1999). Combining Qualitative and Quantitative Methodologies to Study Group Processes: An Illustrative Study of a Corporate Board of Directors. *Organizational Research Methods*, 2, 5-36.

Reprinted in P. Johnson and M. Clark (eds.) *Business and Management Research Methodologies*, 2006. Thousand Oaks, CA: Sage Publications (Sage Library in Business and Management).

Inkpen, A.C. & Currall, S.C. (1998). The Nature, Antecedents, and Consequences of Joint Venture Trust. *Journal of International Management*, 4, 1-20.

Inkpen, A.C. & Currall, S.C. (1997). International Joint Venture Trust: An Empirical Examination. In P.W. Beamish and J.P. Killing (eds.) *Cooperative Strategies: North American Perspectives*, pp. 308-334. San Francisco, CA: New Lexington Press. (invited publication)

Currall, S.C. & Kohn, L. (1996). Productivity of Public School Districts: The Employment Relations Model. *Public Productivity and Management Review*, 19, 363-381.

Kleintop, W.A., Blau, G.J., & Currall, S.C. (1996). Users' Attitudes When Upgrading Information Technologies: A Case of Migration to a New Electronic Mail System. *Information Resources Management Journal*, 9, 25-34.

Currall, S.C. & Judge, T.A. (1995). Measuring Trust Between Organizational Boundary Role Persons. *Organizational Behavior and Human Decision Processes*, 64, 151-170.

Reprinted in R. Bachmann and A. Zaheer (eds.) *Landmark Papers on Trust*, 2008, pp. 522-541. Cheltenham, U.K.: Edward Elgar.
Reprinted in P. Stone and M. Cannon (eds.) *International Library of Management and Organizational Psychology, Volume II*, 1997. Hampshire, U.K.: Ashgate.

Tamimi, N., Gershon, M., & Currall, S.C. (1995). Assessing the Psychometric Properties of Deming's 14 Principles. *Quality Management Journal*, 2, 38-52.

Brooks, A. & Currall, S.C. (1994). Strategic Human Resource Management: A Middle Manager Empowerment Model. In D. Moore and S. Amin (eds.) *Business Trends for the 21st Century*, pp. 978 – 985. Proceedings of the Academy of Business Administration.

Kleintop, W.A., Blau, G.J., & Currall, S.C. (1994). Practice Makes Use: Using Information Technology Before Implementation and the Effect on Acceptance by End Users. In J.W. Ross (ed.) *Reinventing Information Systems: Managing Information Technology in Changing Organizations*, pp. 120 – 132.

Proceedings of the Special Interest Group on Computer Personnel Research, Association for Computing Machinery.

Currall, S.C., Geddes, D., Schmidt, S.M., & Hochner, A. (eds.) (1994). *Power and Negotiation in Organizations: Readings, Cases, and Exercises*. Dubuque, IA: Kendall/Hunt Publishing.

Currall, S.C., Geddes, D., Schmidt, S.M., & Hochner, A. (eds.) (1993). *Power and Negotiation in Organizations: A Book of Readings*. Dubuque, IA: Kendall/Hunt Publishing.

Currall, S.C. (1992). Group Representatives in Educational Institutions: An Empirical Study of Superintendents and Teacher Union Presidents. *Journal of Applied Behavioral Science*, 28, 296-317.

Currall, S.C. (1992). Labor-Management Trust: Its Dimensions and Correlates. In J. Burton (ed.) *Proceedings of the Forty-Fourth Annual Meeting of the Industrial Relations Research Association,* pp. 465 - 474. Madison, WI: IRRA.

Hammer, T.H., Currall, S.C., & Stern, R.N. (1991). Worker Representation on Corporate Boards of Directors: A Competing Roles Model. *Industrial and Labor Relations Review*, 44, 661-680.

Currall, S.C. & Kirk, R.E. (1986). Predicting Success in Intensive Foreign Language Courses. *Modern Language Journal*, 70, 107-113.

Book Reviews

Review of *Organizational Citizenship Behavior: The Good Soldier Syndrome*, by Dennis W. Organ. *Administrative Science Quarterly* (1988), 33, 331-333.

Review of *The Thinking Organization: Dynamics of Organizational Social Cognition*, by Henry P. Sims Jr. & Dennis A. Gioia. *Industrial and Labor Relations Review*, (1987) 41, 327-329.

Technical Reports

Currall, S.C., Stuart, T.E., Jansen Perry, S.K., Hunter, E. (2006). *Engineering Innovation: Strategic Planning in National Science Foundation-Funded Engineering Research Centers*. Report to the Engineering and Education Centers, National Science Foundation (28,533 words).

Currall, S.C. (2003). *University Technology Commercialization Programs in England and Scotland: Observations and Recommendations*. Sponsored by the British Trade International (Invest•UK), Department of Trade and Industry, government of the United Kingdom (6,822 words).

Currall, S.C. & Adams, W. (2002). *From the Laboratory to New Commercial Frontiers, A Regional Workshop of the National Nanotechnology Initiative*, Final report to U.S. Department of Commerce (7,085 words).

RESEARCH: GRANTS (totaling $21,533,893)

Meyers, F., (principal investigator), Currall, S.C. (senior personnel), et al. Frontiers of University Training to Unlock the Research Enterprise (FUTURE) at UC Davis. National Institutes of Health's Broadening Experiences in Scientific Training program (Common Fund's Strengthening the Biomedical Research Workforce). – $1,700,000. 2013-2017. (refereed)

Currall, S.C. (principal investigator) & Barber, B.M. Research Literature Review of Environmental, Social, and Corporate Governance Factors Impacting Financial Investment Returns. California Public Employee Retirement System (CalPERS) – $440,000. 2012-2013. (non-refereed)

Currall, S.C. (principal investigator) et al. Environmentally Sustainable Food and Agricultural Innovation Center ("Sustainable AgTech Innovation Center"). U.S. Department of Commerce, Economic Development Administration i6 Challenge grant – $1,000,000. 2012-2013. (refereed)

Ferrara, K. (principal investigator), Currall, S.C. (co-investigator), et al. Center for Content Rich Evaluation of Pharmaceutical Therapeutic Efficacy (cCRETE). Research Innovations in Science and Engineering, UC Davis – $860,000. 2012 – 2015. (refereed by members of the National Academies)

Spyer, K.M. (principal investigator), Barnes, T., Chapman, D.C. & Currall, S.C. (co-author). Graduate Employment and Further Education Opportunities: Employer Engagement Funding. Higher Education Funding Council of England (U.K.) – £500,000 ($761,500). May 2009 – May 2011. (non-refereed)

Currall, S.C. (principal investigator) & Chapman, D. A New Vision for Knowledge Transfer at University College London. National Endowment for Science, Technology, and the Arts (U.K.) – £70,000 ($141,400). September 2007 – February 2008. (non-refereed)

Currall, S.C. (principal investigator) & Chapman, D. Knowledge Transfer and Technology Commercialization Programs for UCL Advances. UCL's Collaborative Training Account (funded by the U.K.'s Engineering and Physical Sciences Research Council) – £359,039 ($728,849). July 2007 – July 2009. (non-refereed)

Currall, S.C. (principal investigator), Pettinger, R., & Chapman, D. Information Management for Business – a new B.Sc. degree. Higher Education Funding Council of England, administered by "e-skills" (industrial consortium of leading information technology and telecoms firms) – £296,000 ($581,136). January 2007 – January 2009. (refereed)

Freeman, R. (principal investigator, Harvard University), Currall, S.C. (research director), et al. Nanoscale Science and Engineering Center: Nanotechnology in Society Project - NanoConnection to Society. National Science Foundation – $1,725,000. September 2005 – September 2010. (refereed)

Currall, S. C. Cross-National Research on Public Perceptions of New Commercial Products Containing Nanotechnology: Comparing the United States and the United Kingdom. Texas/United Kingdom Collaborative Research Initiative – $2,500. June 2005. (non-refereed)

Currall, S.C. (principal investigator), Burke, B. & Crawford, L. Entrepreneurship Program Expansion for the Rice Alliance for Technology and Entrepreneurship: Entrepreneur Mentoring and Speaker Series. Coleman Foundation – $183,566. January 2005 – December 2006. (non-refereed)

Currall, S.C. (principal investigator) & Stuart, T.E. Strategic Planning and the Management of Technology in National Science Foundation-Funded Engineering Research Centers. National Science Foundation. – $437,313. May 2004 – May 2006. (refereed)

Currall, S.C. & Kulinowski, K. Societal Implications of Nanotechnology: Assessing Public Trust in Nanotechnology. National Science Foundation – $137,278. September 2003 - August 2005. (Supplemental grant to Rice's Center for Biological and Environmental Nanotechnology). (refereed)

Currall, S.C. (principal investigator), Adams, W., & Djerejian, E.P. National Nanotechnology Initiative Regional Workshop. National Science Foundation – $30,558. 2002. (non-refereed)

Smalley, R.E. (principal investigator) et al., & Currall, S.C. (senior personnel). Rice University Nanoscale Science and Engineering Center for Biological and Environmental Nanotechnology. National Science Foundation – $12,800,000. 2001 – 2006. Personally contributed to writing the proposal and was a member of the team that orally presented the final grant proposal to the review panel at NSF headquarters. (refereed)

Wilson, R.K., El-Gamal, M.A., Osherson, D. (co-principal investigators), & Currall, S.C. (co-investigator). Instrumentation for Computerized Behavioral Social Science Experimental Lab. National Science Foundation – $60,000. 1999. (refereed)

Currall, S.C. (principal investigator). Workplace Redesign and Organizational Change at MacMillan Bloedel. Funded by MacMillan Bloedel, Inc. of Vancouver, British Columbia, Canada – $23,940. May 1999 - January 2000. (non-refereed)

Currall, S.C. (principal investigator), Jacobs, R.R., Wazeter, D.L., Brandon, G.L., & Krishnan, V.R. Workforce Preparedness and the Organizational Analysis of Public School Districts. National Center for the

Educational Quality of the Workforce, U.S. Department of Education – $15,000. May - December 1993. (refereed)

Currall, S.C. & Hammer, T.H. (co-principal investigators). The Empirical Validation of a Method for Designing Interpersonal Trust Measures for Use in Evaluation of Employee Assistance Programs. R. Brinkley Smithers Institute for Alcoholism Prevention and Workplace Problems – $5,853. January - August 1990. (refereed)

RESEARCH: PROFESSIONAL SERVICE

Academic Journal/Book Editorial Positions

Editorial Review Board, *Academy of Management Journal*, 2008 – 2009.
Editorial Review Board, *Academy of Management Perspectives*, 2005 – 2008.
Editorial Review Board, *Academy of Management Review*, 2007 – 2008.
Editorial Review Board, *Group and Organization Management*, 2005 – 2007.
Editorial Review Board, *Journal of Organizational Behavior*, 2002 – 2007.
Editorial Review Board, *Organization Science*, 2006 – 2009.
Editorial Advisory Board, *Corporate Ownership and Control*, 2009 – 2016.
Deputy Editor-in-Chief, *Journal of Trust Research*, 2008 – 2013. Editorial Advisory Board, 2013 – 2016.
International Editorial Advisory Board, *Major Works on Innovation and Knowledge Management*, Sage Publications, 2009.
Academic Advisory Board for Dushkin/McGraw-Hill's *Annual Editions: Organizational Behavior*, 1999 – 2003.

Research Award Committees

Best Paper Award Committee, *Academy of Management Perspectives*, 2005.
Chair, Best Paper Award Committee, *Academy of Management Perspectives*, 2004.
Dissertation Award Committee, Human Resource Division, Academy of Management, 1998.
Review Committee, INFORMS/*Organization Science* Dissertation Proposal Competition, 1997.
Scholarly Achievement Award Committee, Human Resource Division, Academy of Management, 1995.

Guest Reviewer for Journals

Academy of Management Journal, *Academy of Management Review*, *Group and Organization Management*, *Human Resource Management Review*, *Industrial and Labor Relations Review*, *Journal of Applied Psychology*, *Journal of Applied Social Psychology*, *Journal of Consumer Behaviour*, *Journal of Engineering Education*, *Journal of Management Studies*, *Journal of Occupational and Organizational Psychology*, *Journal of Organizational Behavior*, *Management Science*, *Nature Nanotechnology*, *Organization Science*,

Organization Studies, *Organizational Behavior and Human Decision Processes*, *Organizational Research Methods*, *Public Understanding of Science*, *Quality Management Journal*, *Research Policy*, *Sloan Management Review*

Other Reviewing Activities

Reviewer, Leverhulme Trust, 2008.
Reviewer, Engineering and Physical Science Research Council, U.K., 2007, 2008.
Reviewer, National Science Foundation, 1997, 2006.
Reviewer, Prentice Hall textbook series in Entrepreneurship, 2001.
Reviewer, Irwin/McGraw-Hill textbook series in Organizational Behavior, 1999.
Program Committee, Organizational Behavior Division, Academy of Management, 1999.
Reviewer, Sage Publications Research Methodology Series, 1997.
Reviewer, Oxford University Press, 1996.
Reviewer, McGraw-Hill textbook series in Management, 1992.
Program Committee (Reviewer), Society for Industrial and Organizational Psychology.
Program Committee (Reviewer), Research Methods Division of Academy of Management, annually.
Reviewer, Academy of Management conference, Conflict Management, Organization and Management Theory, and Public and Non/Profit Divisions.
Reviewer, Southern Management Association conference, Organizational Behavior, Conflict Management, and Organizational Cognition track.

RESEARCH: SELECTED ACADEMIC SEMINARS AND OTHER SPEAKING ACTIVITIES

University of Notre Dame (February 2017)
University of California at Los Angeles, Anderson School of Management (April 2010)
University of California at San Diego, Rady School of Management (April 2008)
Oxford University, Said Business School (May 2007)
Birkbeck College London, School of Management and Organisational Psychology (February 2007)
King's College London, Department of Management (February 2007)
University of Texas at Austin, McCombs School of Business (September 2005)
University of California at Los Angeles, Anderson School of Management (October 2005)
London Business School (February, 2003)
University of Texas at Austin, Center for Nano and Molecular Science and Technology (January 2002)
Massachusetts Institute of Technology, Sloan School of Management (February, 2000)
Rice University, Department of Psychology (March, 1999)
University of Houston, Department of Psychology (November, 1997)
Stanford University, Graduate School of Business (October, 1997)
University of Cambridge, Judge Institute of Management Studies (July, 1997)
Vanderbilt University, Owen Graduate School of Management (May, 1997)

Harvard University, Graduate School of Education (April, 1996)
University of Oxford, School of Management Studies, Templeton College (August, 1995)
Rice University, Jones Graduate School of Administration (March, 1993)
Cornell University, Department of Organizational Behavior (March, 1991)
The following presentations were sponsored by the British Trade International/Invest•UK (Department of Trade and Industry, government of the United Kingdom) -- (March 2003):
University of Oxford, Said Business School
University of Oxford, Interdisciplinary Research Center on BioNanotechnology
University College London, London Centre for Nanotechnology
University of Dundee, Scotland, Dundee Business School/School of Contemporary Sciences
University of Edinburgh Medical School, Scottish Centre for Genomic Technology and Informatics

PUBLICATIONS IN PRACTITIONER AND MEDIA OUTLETS

Currall, S.C. (2018). My Turn: Corporate Boards Must Avoid "Check-the-Box" Mentality as They Diversify. *CALmatters – California Policy and Politics News and Analysis*. 27 December.

Perry, S.J., Currall, S.C., Frauenheim, E., and Hunter, E.M. (2015). A Quiet Success Story: The Engineering Research Center Program Shows Us How to Organize Innovation and Improve STEM Education. *Prism – the Magazine of the American Society of Engineering Education*. September.

Currall, S.C. and Frauenheim, E. (2015). America's Innovation Ecosystem May Get Bipartisan Budget Boost. *The Conversation – Academic Rigor, Journalistic Flair*. 31 March.

Currall, S.C. and Frauenheim, E. (2015). Let's Get Our Innovation Act Together: Senator Sherrod Brown. *The Plain Dealer* (Cleveland, OH). 5 February.

Currall, S.C. (2014). Three Myths Americans Still Believe About Innovation. *Huffington Post*, 27 March.

Currall, S.C. (2014). It's Time to Invest in Innovation the Right Way. *Sacramento Business Journal*, 16 March.

Currall, S.C. and Frauenheim, E. (2014). How the U.S. Can Lead on Technological Innovation. *Seattle Times*, 7 March.

Currall, S.C. (2013). Female CEOs: Silicon Valley Companies Miss Out by Not Having Women in Top Ranks. *San Jose (Silicon Valley) Mercury News*, 18 December.

Currall, S.C., Barber, B.M., Jackson, R.J., Jr. (2013). A New Science of Pension Fund Management. *Huffington Post*, 16 December.

Currall, S.C. & Jackson, H.-B. (2013). Viewpoints: What's Missing in Corporate Board Rooms? More Women. *Sacramento Bee*, 6 October.

Currall, S.C. (2013). Leadership Lessons: What Do Executives from Amazon, Citigroup, and Whole Foods Market Have in Common? *Huffington Post*, 27 March.

Currall, S.C. (2012). Still a 'Boys Club' at the Top of Corporate California. *Huffington Post*, 5 December.

Currall, S.C. (2012). Stewarding the University of California Dream. *Huffington Post*, 1 December.

Currall, S.C. & Kimball, A. (2011). Men Still Dominate at Top California Companies, Study Says. *Orange County (California) Register*, December 9.

Jesse, B. & Currall, S.C. (2011). A Model for Focusing Executives on Long-term Value Creation. *Harvard Business Review Blog Network*, October 21.

Reprinted in R.V. Gilmartin and Prokesch, S.E. (eds.) *The CEO's Role in Fixing the System*, e-book published by Harvard Business School Press, 2013.

Currall, S.C. (2011). Curriculum Innovation as Continuous Improvement. *eNewsline: Business Education from the Association for the Advancement of Collegiate Schools of Business International*. April 20.

Currall, S.C. (2010). Lack of Women in Top Silicon Valley Positions is a Disgrace. *San Jose (Silicon Valley) Mercury News*, December 3.

Currall, S.C. (2009). Few Women on Boards of State's Largest Firms. *San Francisco Chronicle*, November 19.

Currall, S.C. (2009). Six Big Thinkers: Currall Suggests Don't Expect a Big Shift But There Are Increasing Opportunities For Society to Elevate the Consideration of Ethics and Corporate Responsibility. *Social Enterprise*. December 2008/January 2009.

Currall, S.C. (2007). Consumer Myths about Nanotechnology. *BusinessWeek.com*, January 31.

Currall, S.C. (2000). Eyes Wide Open: For E-commerce Innovations, the Silicon Valley Startup Model May Not Be Ideal. *CIO (Chief Information Officer) Magazine*, April 15.

S.C. Currall
March 2019

TEACHING

Undergraduate Courses

Organization and Management
Negotiation

Graduate Courses

Managing High-Technology Organizations
Technology Entrepreneurship
Corporate Governance
Negotiation
Strategic Human Resource Management
Organizational Behavior
Management and Organizational Behavior
Organization and Management

Executive Education and Non-Degree Courses

Corporate Governance and Corporate Board Processes, LPL Financial Corporation.
Corporate Governance: Managing the Board of Directors, London Business School.
Proteus – Senior Executive Leadership Program (session leader on "Scientific Discovery"), London Business School.
Emerging Technologies and Their Impact on the Executive Recruitment Industry. Seminar for Whitehead Mann, Ltd., London Business School.
Technology Entrepreneurship Workshop for Scientists, Engineers, and Healthcare Professionals. Sponsored by Rice University's National Science Foundation-funded Center for Biological and Environmental Nanotechnology.
Velocity: M.B.A. Student Conference for Accelerating Entrepreneurial Careers, 2004 and 2005. (Led by the Kelley School of Business, Indiana University-Bloomington and co-hosted by Rice, MIT, and Boston University)
Corporate Director Professionalism (Joint course between National Association of Corporate Directors and the Jones Graduate School of Management.)
Corporate Governance: The Basics and Beyond (Live interactive broadcast televised nationwide by Corporate TeleLink Network and marketed in conjunction with the National Association of Corporate Directors.)
Successful Negotiation Skill, Jones Graduate School of Management, Rice University.
Team Dynamics, Jones Graduate School of Management, Rice University.
Strategic Human Resource Management, Jones Graduate School of Management, Rice University.

Dissertation/Thesis Chair

Elizabeth A. Haley (Ph.D. - Psychology, Rice University). Assistant Professor, University of Redlands, California.

Sara Jansen Perry (M.A., Psychology, University of Houston).

Dissertation Committees/External Examiner

Cassie Barlow (Ph.D. - Psychology, Rice University). Chief Operating Officer, Southwestern Ohio Council for Higher Education.

Andrea Brooks (Ph.D. - Human Resource Administration, Temple University).

Laura Galarza (Ph.D. - Psychology, Rice University). Research Psychologist, National Aeronautics and Space Administration.

Sylvia J. Hysong (Ph.D. - Psychology, Rice University). Research Psychologist, National Aeronautics and Space Administration.

Stacy Jackson (Ph.D. - Psychology, Rice University). Assistant Dean, Olin School of Management, Washington University, St. Louis.

William A. Kleintop (Ph.D. - Human Resource Administration, Temple University). Associate Dean of Business and Management, Moravian College.

Venkat Krishnan (Ph.D. - Human Resource Administration, Temple University). Director, Oneness and Transforming Leadership, Chennai, India.

Laura Kohn (Ph.D. - Psychology, Rice University). Associate, Parthenon Consulting Group.

Roman Longoria (Ph.D. - Psychology, Rice University). Human Factors Psychologist, Oracle, Inc.

Brad Mudgett (Ph.D. - Psychology, Rice University). Industrial Psychologist, Geico Insurance.

Anjie A. Nease (Ph.D. - Psychology, Rice University). Private Consultant.

Sara J. Jansen Perry (Ph.D., Psychology, University of Houston). Assistant Professor, Baylor University.

Hank Phillips (M.S. - Psychology, University of Houston). Ph.D. Candidate, University of Houston.

Annette C. Spychalski (Ph.D. - Psychology, Rice University). Consultant, Personnel Decisions Inc.

Nabil Tamimi (Ph.D. - Operations Management, Temple University). Professor, Department of Operations and Information Management, University of Scranton.

Judy Solecki (Ph.D.- Psychology, Rice University). Organizational Development Executive, Connexant, Corp.

Annette J. Towler (Ph.D. - Psychology, Rice University). Associate Professor, Department of Psychology, Depaul University.

Tiemin Wang (Ph.D. – Strategic and International Management, London Business School). Assistant Professor of Strategic Management, Guanghua School of Management, Peking University.

Denise Youngblood (Ph.D. - Anthropology, Rice University). Vice President, CountryWatch.com.

Alexei Zarovnyi (Ph.D. - Economics, Rice University). IBM Research Laboratory.

COMMUNITY AND REGIONAL SERVICE

University Advisory Committee, Cancer Prevention and Research Institute (CPRIT) of Texas, 2019 – present. (In 2007, Texas voters approved a State of Texas constitutional amendment establishing CPRIT and authorizing the State to issue $3,000,000,000 in bonds to fund groundbreaking cancer research and prevention programs.)

Advisory Council, George W. Bush Presidential Center's Bush Institute-SMU Economic Growth Initiative, 2018 – present.

Board of Directors, California Life Sciences Association, 2015 – 2016.

Honorary Commander, 60th Air Mobility Wing, Travis Air Force Base (Fairfield, CA), U.S. Air Force, 2015.

Board of Directors, San Francisco Bay Area Council (non-profit organization that convenes business, education, government, and labor leaders to advance the nine-county Bay Area), 2009 – 2015.

Advisory Panel, San Francisco Bay Area Council Economic Institute, "Reforming California's Higher Education for the 21st Century," 2014.

"Next Economy" Task Force, Sacramento region, 2011 – 2013.

Steering Committee, Agriculture Innovation Conference, UC Davis, 2011.

Board of Directors, Sacramento Area Regional Technology Alliance, 2009 – 2013.

Editorial Board, *Comstock's* business magazine (Sacramento, California region), 2009 – present.

Advisory Board, Houston Technology Center (technology entrepreneurship accelerator organization), 2002 – 2005.

Board of Champions, Nanotechnology Foundation of Texas, 2001- 2009.

Executive Advisory Council, Interferometrics, Inc. (venture-funded medical device startup company), January 2001 – 2002.

Advisory Board, MIT Enterprise Forum (Houston), 2000 - 2003.

Advisory Board, National Association of Corporate Directors (Houston chapter), 2002 - 2003.

Participant and Committee Member, Business/Civic Leadership Forum, Center for Houston's Future, 2004.

Panel of Judges, Texas A&M University Technology Transfer Challenge, 2004.

Panel of Judges, Nanotechnology Company of the Year Award, *Small Times* magazine, 2003.

Panel of Judges, Ernst and Young Entrepreneur of the Year Award (southeast Texas region), 2002.

Panel of Judges, Texas eComm Ten Awards for eCommerce Excellence, 2001.

Selection Panel, Southwest BioVentures Conference, 2001.

Advisory Board, Texchange (Technology Executives Exchange), September 2000 - 2002.

OTHER INFORMATION

Media Appearances

Over 640 mentions in, for example, the *New York Times*, *The Wall Street Journal*, *Financial Times*, *USA Today*, *The Guardian* (London), *The Independent* (London), *Los Angeles Times*, *San Francisco Chronicle*, *Washington Post*, *Washington Times*, *Nature.com*, *Time* magazine, *Business Week* magazine, *Inc.* magazine,

Corporate Board Member magazine, *Boston Herald*, *Houston Chronicle*, *Dallas Morning News*, *Small Times*, *Computing in Science and Engineering*, and other media outlets. National television appearances have been on the *Nightly Business Report* on Public Broadcasting System, the *Money Programme*, *Breakfast Programme*, and *Working Lunch Programme* on the British Broadcasting Corporation (BBC). National radio interviews have been on *National Public Radio* and *Radio One* (national radio station of Ireland). A full list of media appearances is available on request.

Membership in Professional Organizations

American Association for the Advancement of Science
Association for Psychological Science
Academy of Management
Institute for Operations Research and the Management Sciences (INFORMS)
British Psychological Society
Labor and Employment Relations Association
CPsychol: Registered Chartered Psychologist, British Psychological Society (inactive)

Advising and Consulting

BMC Software, British Petroleum, Carbon Nanotechnologies, Interferometrics (medical devices), Molecular Electronics, Reading and Bates Drilling (oilfield services), Schlumberger, Shell Chemical Company, University of Texas M.D. Anderson Cancer Center, Whitehead Mann (executive search firm).

ACADEMIC/RESEARCH CONFERENCE PRESENTATIONS

- Currall, S.C. (2019). University-Business-Government Partnerships to Promote Regional Economic Development. Presented at the Policies to Promote Inclusive Urban Growth conference at the Bush Institute of the George W. Bush Presidential Center and Library, Dallas.
- Perry, S.J., Hunter, E.M., Currall, S.C., & Frauenheim, E. (2016). Developing Engineering Leaders: An Organized Innovation Approach to Engineering Education. Presented at the American Society for Engineering Education, New Orleans.
- Currall, S.C. (2016). University Budget Models. Presented at the Colonial Group of Universities Provost Conference, Boston.
- Currall, S.C. (2015). The Impact of University Budget Models on Business School Resources. Presented at the Decision Sciences Institute, Seattle.
- Currall, S.C. (2015). Managing Energy R&D Institutions. Presented at the joint Harvard-Tsinghua workshop on "Energy Technology Innovation Policy in the Backdrop of the US/China Emissions Deal" sponsored by the Natural Resources Program and the Sustainability Science Program at the Harvard Kennedy School and the Center for Science, Technology and Education Policy at Tsinghua University, Beijing, China.

- Currall, S.C. (2015). Cooperation Among Government, Universities, and Industry. Presented at the Reimagining the Future of Innovation: Building Effective Collaborations Among Government, Universities, and Industry conference, UC Davis.
- Perry, S.J., Hunter, E.M., Currall, S.C., & Frauenheim, E. (2015). Organized Innovation: A Framework for Effectively Managing Innovation. Presented at the American Society for Engineering Education, Seattle.
- Perry, S.J., Hunter, E.M., & Currall, S.C. (2014). Managing the Innovators: Organizational and Professional Commitment Among Scientists and Engineers. Presented at the Southern Management Association, Savannah, GA.
- Currall, S.C. (2014). How Business Schools Can Be More Entrepreneurial. Robert E. and Charlotte Lowder Endowed Lecture, Culverhouse College of Commerce, University of Alabama.
- Currall, S.C. (2014). Women on Corporate Boards; California State Resolution 62. Presented at the National Association of Women Business Owners conference, Sacramento.
- Smunt, T., Currall, S.C., Fuller, M.A., & Kesner, I. (2014). The Changing Budget Context at Public Universities: Keeping Business Schools Healthy. Presented at the Annual Dean's Conference of the Association for the Advancement of Collegiate Schools of Business, San Francisco.
- Currall, S.C. (2014). Technology Development and "Organized Innovation." Presented at Talent Mobility and the Future of Jobs: The World in 2050, a conference by the Diplomatic Courier, STEMconnector, and Global Action Platform. National Press Club, Washington, DC.
- Currall, S.C. (2013). Organized Innovation: A Blueprint for Renewing America's Prosperity. Presented at the Global South Summit, Nashville, TN.
- Currall, S.C. (2013). Frontiers for Health Innovation: Prevention to Slow Demand. Presented at the Global South Summit, Nashville, TN.
- Schilke, O., Currall, S.C., et al. (2013). Trust Between Individuals and Organizations. Presented at the Academy of Management meeting, Orlando, FL.
- Currall, S.C. (2013). The Sustainable Investment Research Initiative. Presented at the meeting of the Board of Directors, California Public Employees Retirement System, Sacramento, CA.
- Currall, S.C. (2013). Vision for Educating and Developing China's Agribusiness Talent. Presented at the China Europe International Business School-United Nations Educational, Scientific, and Cultural Organization (UNESCO)-CHIC Group, Inc., 2nd China International Agribusiness Forum, Beijing, China.
- Currall, S.C. (2013). Building the Silicon Valley of Food and Agriculture. Presented at the National Council on Entrepreneurial Tech Transfer's conference: "University Start-ups Conference," Washington, DC.
- Currall, S.C. (2012). Building a Regional Life Science Cluster: The Environmentally Sustainable Food/Agricultural Production Innovation Center. Presented at the Global Food Summit, Nashville, TN.
- Blomqvist, K. & Currall, S.C. (2011). Inter-Firm Trust: Towards A Multi-Source and Multi-Level Conceptualization. Presented at Academy of Management, San Antonio, TX.
- Currall, S.C. (2011). Moderator of session on Educating Leaders for a Sustainable Future: A Discussion with Peter Senge. Sustainability Conference of the Association for the Advancement of

Collegiate Schools of Business, Charlotte, NC.

- Currall, S.C. (2010). Inter-Firm Trust. Presented at the Academy of Management, Montreal, Canada.
- Hunter, E.M., Perry, S.J., & Currall, S.C. (2008). The Impact of Organizational Climate on Technology Commercialization Productivity. Presented at the Academy of Management, Anaheim, CA.
- Currall, S.C. (2008). How Do Societal Risks and Benefits of Nanotechnology Compare to Other Technologies? A Proposed Nanoindicator. Presented at the National Bureau of Economic Research, Boston.
- Currall, S. C. (2008). Public Acceptance of Nanotechnology. Presented in the symposium: A Comparative Look at Markets, Media, and Emerging Attitudes About Nanotechnology, American Association for the Advancement of Science, Boston.
- Perry, S. J., Currall, S. C., Stuebing, K. K., & Hunter, E. M. (2007). Planning Alone is Not Enough: The Relationship of Commitment to Strategic Planning Success. Presented at the Academy of Management, Philadelphia, PA.
- Perry, S. J., Currall, S. C., Stuebing, K. K., & Hunter, E. M. (2007). Organizational Commitment Reconsidered: Are Conceptual Foci Important To Multilevel Outcomes? Presented at the American Psychological Association, San Francisco, CA.
- Perry, S. J., Currall, S. C., Stuebing, K. K., & Hunter, E. M. (2006). The Good and Bad of Strategic Planning in Research Organizations. Presented at Society for Industrial and Organizational Psychology, New York, NY.
- Madera, J., Currall, S.C., Turner, S., & King, E.B. (2006). The Role of Risks and Benefits in Perceptions of Technologies: The Case of Nanotechnology. Presented at the Academy of Management, Atlanta, GA.
- Hunter, E.M., Jansen, S.K., & Currall, S.C. (2006). Examining Academic-Practitioner Collaboration in a New Context: Engineering Research Centers. Presented at the Academy of Management, Atlanta, GA.
- Jansen, S.K., Hunter, E.M., & Currall, S.C. (2006). Does Multidisciplinarity Reduce Faculty Productivity? The Effect of Membership in a Research Center. Presented at the Academy of Management, Atlanta, GA. Nominee for the Arnon Reichers Best Student Paper. Careers Division of the Academy of Management.
- Currall, S.C. (2005). The Future of Nanotechnology: The Convergence of Science and New Business Opportunities. Moderator of the session on The Next Age of Entrepreneurship at the Cybersymposium Conference, Harvard Business School.
- Currall, S.C. (2005). Cultivating Life Science Start-ups: The Rice Alliance For Technology and Entrepreneurship. Presented at the Technology Commercialization Symposium of the Texas/United Kingdom Collaborative Research Initiative in Biosciences, London, England.
- Arthur, J.B. & Currall, S.C. (2005). Whom to Believe? Sources of Systematic Rater Error Across Labor and Management Key Informants in Studies of Organizational-Level Employment Practices: A Proposal. Presented at the Industrial Relations Research Association, Philadelphia, PA.

- Currall, S.C. (2004). The Business Perspective on Human Embryonic Stem Cell Research. Moderator of session at the conference on Stem Cells: Saving Lives or Crossing Lines, Baker Institute of Public Policy, Rice University, Houston, TX.
- Currall, S.C. (2004). Leveraging University Partnerships to Build Life Science Commercialization Teams. Presented at the conference on BioPharma Opportunities-The US and Ireland, organized by Enterprise Ireland (economic development agency of government of Ireland), Dublin, Ireland.
- Currall, S.C., King, E.B., Madera, J., & Turner, S. (2004). Nanotechnology: Assessing Public Trust and Perceptions of Risk. Presented in Societal and Ethical Implications of Nanotechnology session of NanoDays, Center For Biological and Environmental Nanotechnology, Rice University, Houston, TX.
- Currall, S.C. (2004). Fostering Innovative Leadership Among Department Chairs and Faculty Members in the School of Engineering. Presented at training conference for School of Engineering Department Chairs, Rice University, Houston, TX.
- Arthur, J.B., Currall, S.C., Krishnan, V.R. (2004). Structural Empowerment and Academic Performance of Public School Districts. Presented at the Academy of Management, New Orleans, LA.
- Currall, S.C. (2004). Research on Psychological Aspects of Negotiation Strategies: Recommendations for Practice. Presented at the Association of Bioscience Financial Officers, San Diego, CA.
- Currall, S.C. (2004). Commercializing University Nanotechnology Discoveries: The Rice Alliance for Technology and Entrepreneurship. Presented at the symposium entitled Commercialization of Nascent Technologies - Technology Transfer at the Nanotech 2004, Boston, MA.
- Currall, S.C. & King, E.B. (2003). Societal Implications of Nanotechnology: Assessing Public Trust in Nanotechnology. Presented in Societal and Ethical Implications of Nanotechnology session of NanoDays, Center For Biological and Environmental Nanotechnology, Rice University, Houston, TX.
- Currall, S.C. (2003). If I Knew Now What I Knew Then: Successes and Pitfalls of Launching a New Entrepreneurship Program. Presented at the Roundtable on Entrepreneurship Education for Scientists and Engineers, Stanford University, Stanford, CA.
- Currall, S.C. (2003). Entrepreneurship Education and the Rice Alliance for Technology and Entrepreneurship. Presented at the Industrial Affiliates Conference for the Department of Electrical and Computer Engineering and Department of Computer Science, Rice University, Houston, TX.
- Currall, S.C. (2003). Research as the Foundation For Technology Transfer: How to Increase the Institutional Scientific Research Base. Presented at the Innovations Issues session of the Technology Licensing Office, Texas A&M University, College Station, TX.
- Currall, S.C. (2003). How to Create a Supportive University Culture and Community for Innovation and Technology Transfer. Presented at the conference of the Technology Licensing Office and Institute for Pacific-Asia, Texas A&M University, College Station, TX.
- Currall, S.C. (2003). Technology and Economic Development: Promoting the Formation of New Nanotechnology Start-up Companies. Presented at Energy and Nanotechnology: Strategy for the Future, James A. Baker III Institute for Public Policy, Rice University, Houston, TX.
- Currall, S.C. (2003). Technology Commercialization and New Venture Development. Presented at the Technology Commercialization Symposium of the Texas/United Kingdom Collaborative Research Initiative in Biosciences, Houston, TX.

- Currall, S.C. (2002). Technology Commercialization and the Rice Alliance for Technology and Entrepreneurship. Presented (poster) at the European Community-National Science Foundation Workshop on Nanotechnology: Revolutionary Opportunities and Societal Implications, Lecce, Italy (presented by K. Kulinowski).
- Haley, E.A. & Currall, S.C. (2002). Relationship Between Organizational Identification and Employee Reactions to a Pending Acquisition. Presented at the Institute of Behavior and Applied Management, Organizational Behavior/Organizational Theory/Organizational Development division, November 2002. Winner of Best Paper, Institute of Behavior and Applied Management, Organizational Behavior/Organizational Theory/Organizational Development division, 2002.
- Currall, S.C. (2002). Cross-Campus Collaboration in Entrepreneurship Programs. Presented at the Roundtable on Entrepreneurship Education for Engineers, Stanford University, Stanford, CA.
- Currall, S.C. (2002). Entrepreneurship Education and the Rice Alliance for Technology and Entrepreneurship, presented at the Gulf Coast Consortium for Bioinformatics and the Keck Center for Computational and Structural Biology, Houston, TX.
- Currall, S.C. (2002). Technology Entrepreneurship Education at Rice University: A Collaborative Initiative by the Schools of Engineering, Management, and Natural Sciences. Presented at the American Society for Engineering Education, Berlin, Germany. (Paper presented by C.S. Burrus)
- Friedman, R.A. & Currall, S.C. (2002). E-Mail Escalation: Dispute Exacerbating Elements of Electronic Communication. Presented at the International Association for Conflict Management, Park City, UT.
- Currall, S.C. (2002). Advice and Feedback for New Technology Entrepreneurs. Presented at the Texas Alliance for Technology Commercialization – Technology Forum on Nanotechnology and Biomedical Engineering, University of Texas at Austin, Center for Nano and Molecular Science and Technology, Austin, TX.
- Currall, S.C. & Sandelin, J. (2001). Intellectual Property and Conflicts of Interest. Presented at the Roundtable on Entrepreneurship Education for Engineers, Stanford University, Stanford, CA.
- Currall, S.C. (2001). Chair for symposium entitled Ethnography and Interview Methods. Presented at the Academy of Management, Washington, DC.
- Currall, S.C. (2001). Discussant for symposium entitled Trust and Organizational Change: Dismantling the Stonewall. Presented to the Organizational Behavior, Organization Management and Theory, and Organizational Development divisions at the Academy of Management, Washington, DC.
- Currall, S.C. (2001). Technology Entrepreneurship Education at Rice University: The Rice Alliance for Technology and Entrepreneurship. Presented in the symposium entitled Creating an Entrepreneurial Culture at the American Society for Engineering Education, Albuquerque, NM.
- Currall, S.C. (2001). Taking Stock: Extending Our Understanding of Employee Stock Option Programs. Chair of symposium presented at the Society for Industrial and Organizational Psychology, San Diego, CA.
- Phillips, H., Tetrick, L. & Currall, S.C. (2001). Determinants of Employee Expectations of Coworker Deviance. Presented at the Society for Industrial and Organizational Psychology, San Diego, CA.

- Currall, S.C. (2001). The Rice Alliance for Technology and Entrepreneurship: A Rice University Center. Presented in the symposium entitled Universities: A Source of New Opportunities at NanoSpace 2001: Exploring Interdisciplinary Frontiers - The Fourth Annual International Conference on Integrated Nano/Microtechnology for Space and Biomedical Applications, Galveston, TX.
- Currall, S.C. & Towler, A.J. (2000). Empirical Analysis of Organizational Characteristics of University Entrepreneurship Centers. Presented at the Roundtable on Entrepreneurship Education for Engineers, Stanford University, Stanford, CA.
- Currall, S.C. (2000). Qualitative and Quantitative Approaches to Time Based Research: A Panel Discussion. Presented at the Academy of Management, Toronto, Canada.
- Haley, E.A. & Currall, S.C. (2000). The Sculptor's Tools For Revealing the Potential Within: The Transformation of Fibre Corporation/The Winds Have Shifted in the Valley: The Story of Co-Management at the APD of Fibre Corporation. Presented at the Academy of Management, Toronto, Canada.
- Currall, S.C. (2000). Organizational Phenomena Viewed Through a Different Lens. Chair of symposium presented at the Academy of Management, Toronto, Canada.
- Stern, R.N., Hammer, T.H., & Currall, S.C. (2000). The Potential to Transform Boardroom Decision Making: Union-Management Interface on Company Boards of Directors. Presented in the symposium entitled: Emerging Models of Corporate Governance: Balancing the Needs of Multiple Stakeholders at the Industrial Relations Research Association meeting.
- Boudreaux, D. & Currall, S.C. (1999). Technology Transfer Initiatives at Rice University. Presented in the symposium entitled Partnerships for More Profitable Tech Transfer - University/Non-Industry Point of View, Texas Technology Transfer Association Annual Conference, San Antonio, TX.
- Inkpen, A. & Currall, S.C. (1999). Trust, Control, and Learning in Joint Ventures: A Theoretical Framework. Presented at the Academy of Management, Chicago, IL.
- Currall, S.C. (1999). Hitting Two Birds with One Stone: Dual-Use of the Student Negotiation Journal as an Instructional Tool and a Textbook Evaluation Tool. Presented in the symposium entitled Assessing the Effectiveness of Negotiation Instruction: A Conversation with Case and Text Authors, Academy of Management, Chicago, IL.
- Currall, S.C. & Inkpen, A. (1999). Joint Venture Trust: A Multilevel Perspective. Presented at the MESO Organization Studies Group conference, Duke University, Durham, NC.
- Towler, A.J. & Currall, S.C. (1999). Employee Creativity and Organizational Innovation Through Human Resource Management. Presented at the Society for Industrial and Organizational Psychology, Atlanta, GA.
- Currall, S.C. & Inkpen, A. (1998). Joint Venture Trust: A Multilevel Perspective on Conceptualization, Measurement, and Analysis. Presented in the symposium entitled Why Alliance Trust Matters: Defining and Measuring Trust in Interorganizational Relationships, Academy of Management, San Diego, CA.
- Currall, S.C. (1998). Discussant for symposium entitled Development and Refinement of Organizational Measures. Presented at the Academy of Management, San Diego, CA.

- Friedman, R.A., Tidd, S.T., Currall, S.C., & Tsai, J.C. (1998). Stewing in Your Own Juices: The Effects of Conflict Style on Work Environment and Stress. Presented at the International Association of Conflict Management, Washington, D.C.
- Inkpen, A. & Currall, S.C. (1997). Joint Venture Trust: Conceptualization, Measurement, and Analysis at Multiple Levels. Presented at the Strategic Management Society, Barcelona, Spain.
- Currall, S.C. & Inkpen, A. (1997). Trust Across Organizational Boundaries: Conflicting Social Norms and the Determinants of Trust at Dyadic and Individual Levels. Presented in the All-Academy Call to Action symposium entitled Understanding Trust in Organizational Science: Clarifying Issues of Level, Academy of Management, Boston, MA.
- Currall, S.C. & Mayer, R.C. (1997). Understanding Trust in Organizational Science: Clarifying Issues of Level. Co-Chair of the All-Academy Call to Action symposium presented at the Academy of Management, Boston, MA.
- Currall, S.C. & Inkpen, A. (1997). Joint Venture Trust: Multi-Level Perspectives Concerning Empirical Research. Presented at the International Conference on Multi-Organizational Partnerships and Cooperative Strategy, Balliol College, University of Oxford, England.
- Currall, S.C., Hammer, T.H., & Doniger, G.M. (1997). Integrating Qualitative and Quantitative Methodologies to Study Group Processes. Presented at the Society for Industrial and Organizational Psychology, St. Louis, MO.
- Currall, S.C. (1996). Employee Involvement and Organizational Effectiveness: Two Organizational-Level Studies. Presented in the symposium entitled Effectiveness in Participative Educational, Research, and Nonprofit Organizations, American Psychological Association, Toronto, Canada.
- Inkpen, A. & Currall, S.C. (1996). International Joint Venture Trust: An Empirical Examination. Presented at the Global Perspectives on Cooperative Strategies Conference, London, Ontario, Canada.
- Currall, S.C. & Kohn, L.S. (1995). Predicting Organizational Effectiveness in Public School Districts from Employee Job Satisfaction, Work Perceptions, and Turnover Intentions. Presented at the Academy of Management, Vancouver, Canada.
- Inkpen, A., Currall, S.C., & Hughes, S. (1995). Trust, Control, and Performance in American-Japanese Joint Ventures. Presented at the Academy of Management, Vancouver, Canada.
- Currall, S.C., Brandon, G., & Krishnan, V.R. (1995). Employee Involvement and Organizational Effectiveness in Public School Districts. Presented at the Industrial Relations Research Association, Washington, D.C.
- Currall, S.C. (1994). How Employee Relations in Schools Affect Student Performance. Presented at the Public Policy Seminar sponsored by the National Center on the Educational Quality of the Workforce, Washington, DC.
- Currall, S.C. (1994). Exploring the Regulatory Environment. Discussant for the Public/Nonprofit symposium presented at the Academy of Management, Dallas, TX.
- Currall, S.C. (1994). Union-Management Relations and School Outcomes. Presented in the symposium on Schooling and Workplace Effectiveness, Industrial Relations Research Association spring meeting, Philadelphia, PA.

- Currall, S.C. (1994). Building New Organizational Alliances and the Role of Trust. Chair of symposium presented at the Industrial Relations Research Association, Boston, MA.
- Kleintop, W.A., Blau, G.J., & Currall, S.C. (1994). Practice Makes Use: Using Information Technology Before Implementation and the Effect on Acceptance by End Users. Presented at the meeting of the Special Interest Group on Computer Personnel Research, Association for Computing Machinery, Alexandria, VA.
- Brooks, A. & Currall, S.C. (1994). Strategic Human Resource Management: A Middle Manager Empowerment Model. Presented at the Academy of Business Administration, Las Vegas, NV.
- Currall, S.C. (1993). Powerlessness in Organizations: Studies in Technology, Control Systems, and Strategies for Overcoming Powerlessness. Chair of the symposium presented at the Eastern Academy of Management, Providence, RI.
- Currall, S.C. & Judge, T.A. (1993). Interpersonal Trust Between Organizational Boundary Role Persons: Confirmatory Factor Analysis. Presented at the Society for Industrial and Organizational Psychology, San Francisco, CA.
- Currall, S.C. & Krishnan, V.R. (1993). Perspective Taking by Management and Union Representatives: A Preliminary Field Study. Presented at the Industrial Relations Research Association, Anaheim, CA.
- Currall, S.C. (1992). Labor-Management Trust: Its Dimensions and Correlates. Presented at the meeting of the Industrial Relations Research Association, New Orleans, LA.
- Hammer, T.H. & Currall, S.C. (1989). From Fieldnotes to Numbers: The Analysis of Management and Labor Power Strategies in the Board Room. Presented in the symposium entitled Joining Qualitative Data Collection and Quantitative Analysis, Society for Industrial and Organizational Psychology, Boston, MA.
- Hammer, T.H., Currall, S.C., & Stern, R.N. (1989). Worker Representation on Boards of Directors: A Study of Conflicting Interest Groups. Presented at the Society for Industrial and Organizational Psychology, Boston, MA.
- Currall, S.C. & Hammer, T.H. (1989). Development of a Measure of Interpersonal Trust for Use in an Employee Assistance Program. Presented at the Cornell-Rutgers Conference, The R. Brinkley Smithers Institute for Alcoholism and Workplace Problems, Ithaca, NY.
- Hammer, T.H. & Currall, S.C. (1988). Leadership Effectiveness in Local Unions: The Role of Union Officers in a Changing Industrial Relations Environment. Presented in the symposium entitled Work and Organizations in the 1990s, Society for Industrial and Organizational Psychology meeting, Dallas, TX.
- Currall, S.C. (1985). Performance Appraisal in Organizations: An Exploratory Study on the Divergence in Attributional Perspective Between Appraiser and Appraisee. Presented at the fourth European meeting of the Psychometric and Classification Societies, Queens College, University of Cambridge, England.

S.C. Currall
March 2019

Personal

United States citizen
Birthplace: Kansas City, Missouri USA
Married
Languages: English, French (very basic), Chinese (exposure)

PRESIDENTIAL CONTRACT

This Employment Agreement ("Agreement"), executed this ___ day of March 2019, and effective as of July 1, 2019, is entered into by and between the University of South Florida Board of Trustees, a public body corporate of the State of Florida, (the "Board," or the "Board of Trustees") and Steven Currall (the “President” or “Dr. Currall”), for the position of President of the University of South Florida System (“University” or “USF System”). The Board and President are collectively referred to herein as the Parties.

WHEREAS, Dr. Currall shall commence service as President of the University on July 1, 2019;

WHEREAS, the Board of Trustees has the current legal authority to determine the terms and conditions of employment of the President of the University;

WHEREAS, the Board of Trustees desires to commence the employment of Dr. Currall as President on the terms and conditions provided herein and subject to confirmation by the Florida Board of Governors;

WHEREAS, both the University and Dr. Currall desire to set forth their respective rights and obligations in this Agreement;

WHEREAS, both the University and Dr. Currall intend this Agreement to become effective July 1, 2019;

WHEREAS, this Agreement has been duly approved and its execution has been duly authorized by the Board of Trustees; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1.0 Appointment as President

1.1 The University, on the terms specified in this Agreement, shall appoint Dr. Currall as its President of the University and to serve as the Chief Executive Officer of the University subject to the Regulations, Policies, and supervision of the Board of Trustees. Dr. Currall accepts and agrees to such terms of employment. The President's authority and responsibilities, as delegated by the Board and stated herein, shall extend to the University, including the three (3) campuses of the University located in Tampa, St. Petersburg, and Sarasota-Manatee, Florida, and at USF Health and at such other place or places as the either the Board or the President deem appropriate for the interests, needs, business, or opportunity of the University.

1.2 The President shall perform all duties required by law, by this Agreement, and customarily performed by presidents of public colleges and universities comparable in size to the University consistent with the applicable rules, regulations and policies of the University and the Florida Board of Governors. Those duties include, but are not limited, to:

1.2.1 Operating and managing the University;

1.2.2 Providing institutional, faculty, and educational leadership;

1.2.3 Strategic planning and visioning;

1.2.4 Fundraising;

1.2.5 Acting as corporate secretary to the Board;

1.2.6 Preparing budget requests, including operating and capital budgets, and submitting same to the Board as required by University governance requirements;

1.2.7 Establishing and implementing policies and procedures to recruit, appoint, transfer, promote, compensate, evaluate, reward, demote, discipline, and remove personnel;

1.2.8 Governing admissions;

1.2.9 Approving, executing, and administering contracts for the acquisition of commodities, goods, equipment, services, lease of real and personal property, and planning and construction;

1.2.10 Acting as custodian of all University property, including the authority to prioritize the use of University space, property, equipment, and resources;

1.2.11 Implementing approved programs for the University;

1.2.12 Establishing the internal academic calendar of the University;

1.2.13 Administering the University's program of intercollegiate athletics;

1.2.14 Recommending the establishment and termination of undergraduate, masters and doctoral level degree programs within the approved role and scope of the University;

1.2.15 Awarding degrees;

1.2.16 Administering the schedule of tuition and fees to be charged by the University;

1.2.17 Entering into agreements for student exchange programs;

1.2.18 Approving the internal procedures of student government organizations and providing purchasing, contracting, and budgetary review processes for those organizations;

1.2.19 Adjusting property records and disposing of state-owned tangible property;

1.2.20 Maintaining all data and information pertaining to the operation of the University and reporting on the attainment by the University of institutional and statewide performance accountability goals;

1.2.21 Ensuring compliance with federal and state laws, regulations, and other requirements applicable to the University;

1.2.22 Reviewing periodically the operations of the University to determine how effectively and efficiently the University is being administered and whether it is meeting the goals of its strategic plan;

1.2.23 Organizing the University to achieve the goals of the University efficiently and effectively; and

1.2.24 Recommending the adoption of rules, regulations and policies to successfully implement provisions of law governing the operation and administration of the University and the items listed above.

2.0 <u>Best Efforts as President</u>

2.1 Dr. Currall agrees to faithfully, industriously, and with maximum application of experience, ability, and talent, and subject to Section 2.3 below, devote Dr. Currall's full-time attention and energies to the duties of President of the University.

2.2 Those duties shall be performed for the University including at the three (3) campuses of the University located in Tampa, St. Petersburg, and Sarasota-Manatee, Florida, and at USF Health and at such other place or places as the either the Board or the President deem appropriate for the interests, needs, business, or opportunity of the University.

2.3 The Board recognizes that it is both appropriate and beneficial for the President to engage in outside activities, such as serving on for-profit and non-profit boards of directors, consulting, delivering speeches, and writing. The expenditure of reasonable amounts of time for personal or outside activities, as well as charitable and professional development activities, which are permitted provided such activities do not interfere with the services required to be rendered to the University under the provisions of this Agreement, as determined by the Board.

2.4 The President shall not engage in any activity that may be competitive with and adverse to the best interests of the University or that interferes with the duties set forth in Section 1.2 and 2.0 of this Agreement.

2.5 The President shall seek approval from the Board Chair, who may confer with the Governance Committee, prior to agreeing to serve on any board of directors of any entity or to engage in any substantial outside business activity, including authorship of books. Any and all income or other compensation earned by the President in connection with approved outside business activities shall be paid to and retained by the President, and such income or other compensation shall have no effect on the amount of salary, compensation, and benefits the President is otherwise entitled to receive under this Agreement. Dr. Currall shall be solely

responsible for the tax treatment of any such external compensation described in this paragraph.

3.0 Effective Date; Term of Appointment; Tenure; Leave; and Evaluation

3.1 The term of this Agreement shall be for a period of five (5) years, commencing on July 1, 2019 (the "Effective Date") and ending on June 30, 2024. This Agreement may be extended for additional one year terms upon mutual agreement of the parties following review of Dr. Currall's performance by the Board and confirmation of reappointment of Dr. Currall by the Florida Board of Governors in accordance with the Constitution and laws of the State of Florida. Notwithstanding the foregoing, this appointment shall be subject to prior termination as provided in this Agreement.

3.2 Dr. Currall shall be recommended for a tenured faculty appointment at the rank of Professor in the Muma College of Business, or its organizational successor, upon appointment or as soon as thereafter practicable, and shall be accorded all rights and privileges afforded to such appointment. Thereafter, Dr. Currall's faculty tenure and status shall be subject to the same University Regulations. Policies and standards applicable to similarly situated tenured faculty of the University.

3.3 In addition to Dr. Currall's appointment in the Muma College of Business, Dr. Currall shall be eligible to participate in instructional activities (e.g., teaching a class) within areas of Dr. Currall's expertise in academic units (i.e., college or school) of the University, including those located at USF Tampa, USF St. Petersburg and USF Sarasota-Manatee. Such instructional activity shall be contingent on an invitation to do so by the dean and/or the faculty in the unit and

consistent with the primary duties of this Agreement as described in sections 1.0 and 2.0. These instructional activities will not: alter or conflict with the terms of this Agreement; or serve as a basis for additional compensation; or confer voting rights regarding faculty recruitment, faculty promotion/tenure; or on curricular matters at the academic unit level. Beyond the rank of full professor, Dr. Currall shall be eligible for additional faculty ranks or classifications (e.g. distinguished university professor or endowed professor) as determined and permitted by established faculty governance processes and University Regulations.

3.4 Upon termination of service as President, Dr. Currall shall be entitled to a 12-month professional development leave compensated at Dr. Currall's then current Base Salary and Benefits as stated in Section 4.0 (only) of this Agreement. Professional development leave shall not be available if this Agreement is terminated due to termination for cause, death or disability under Sections 12 or 14 of this Agreement. This professional development leave is to permit Dr. Currall to retool for a regular, full-time faculty assignment. In the event that Dr. Currall accepts full-time employment with an entity other than the University prior to the conclusion of this professional development leave, then such professional development leave shall immediately cease effective on the date that the new employment commences and no further compensation for professional development leave will be owed by the University. An approved outside activity will not constitute employment for the purposes of this Section. At the conclusion of professional development leave Dr. Currall may transfer to a full-time 9-month faculty position as a tenured faculty member with the then current rate of

compensation converted to a 9-month salary and adjusted as provided by USF System Regulation 10.103. The adjusted compensation rate will then be further adjusted to be commensurate with the average of the two highest paid faculty members in the college where Dr. Currall's tenured faculty appointment is held. At the discretion of the Board and in lieu of or in combination with the faculty assignment described in this section, Dr. Currall may be eligible for an administrative assignment or position that is consistent with the University's interests and Dr. Currall's qualifications and experience. The benefits described in this section shall apply in the event of the President's resignation only as provided in section 16.3 of this Agreement.

3.5 On or before August 15 of each contract year the President shall provide the Board Chair with a list of proposed goals and objectives based upon the University's strategic plan. Once approved by the Board Chair the proposed list of goals and objectives shall be submitted by the President to the Governance Committee of the Board of Trustees for consideration. Following consideration by the Governance Committee, the proposed goals and objectives shall be presented for review and approval by the Board in a special or regularly scheduled Board meeting.

3.6 On or before September 30 of each contract year, Dr. Currall shall initiate the evaluation process for the period that began on July 1 of the previous contract year and ended on June 30 of the same by submitting to the Board Chair and Governance Committee a self-appraisal of the President's performance during said period. This appraisal shall address performance related to each of the goals

and objectives determined for July 1 through June 30 of the previous contract year. At a special or regularly scheduled Board meeting after the President has submitted this self-appraisal the Board shall evaluate Dr. Currall's performance for the previous contract year (July 1 through June 30) based on achievement of the mutually agreed upon specified goals and objectives and other mutually agreed criteria. To aid the Board in its performance review, the President agrees to furnish such oral and written reports as may be requested by the Board Chair or Governance Committee Chair.

4.0 Compensation: Base Salary and Benefits

4.1 As compensation for the services to be performed by Dr. Currall pursuant to this Agreement the Board shall pay the President a base salary of $575,000.00 (five hundred and seventy five thousand dollars and zero cents). No more of this amount than is allowed by Florida Statutes shall be paid from public funds. This amount shall be payable according to the University's executive service category with appropriate deductions for taxes and benefits.

4.2 The President's base salary and performance compensation shall be reviewed annually and may be increased, but not decreased, at the discretion of the Board. Such annual salary review will be accomplished in conjunction with the Board's evaluation of job performance, as set forth in Section 3.4 of this Agreement.

4.3 The President shall be responsible for any personal income tax liability incurred as a result of this Agreement or any provision herein.

4.4 The Board authorizes all standard executive service benefits for the President, based on the current annual base salary as set forth in Section 4.1 of this Agreement.

5.0 Additional Compensation and Benefits

5.1 Deferred Compensation: The Board authorizes the USF Foundation to contribute to a deferred compensation plan established for the President's benefit equal to 20% (twenty percent) of the then current annual base salary per contract year. This additional compensation shall be treated as deferred compensation in accordance with and to the extent allowed by applicable tax laws and regulations and shall be payable only as provided in the separate plan document (Plan Document"). The material terms of the Plan Document shall provide for credited deferred compensation to be payable: (1) at the end of the initial contract term; or (2) upon the President's involuntary termination without cause; or (3) the President's death or permanent disability while in office; and that (4) the credited deferred compensation would be entirely forfeit if the President were to voluntarily resign prior to the end of the contract term or in the event the President were terminated for cause. The President is encouraged to consult with independent tax advisers regarding the treatment of any deferred compensation under this Agreement.

5.2 Performance Compensation: The President shall be eligible to receive discretionary annual performance based compensation for the period from July 1 to June 30 of each contract year. Said performance based compensation shall be determined and awarded in a lump sum payment by the Board of Trustees in a

special or regularly scheduled meeting no later than December 15 of each contract year. The President's entitlement to said performance based compensation, if and to the extent awarded by the Board, shall survive the termination of this Agreement. Seventy (70) % of the performance based compensation shall be awarded by the Board based upon the President's performance with respect to the goals and objectives determined and fixed pursuant to the provisions of Section 3.4 of this Agreement taking into account the Governance Committee's evaluation thereof. The remaining percentage of the performance based compensation shall be within the sole discretion of the Board Chair. The Board Chair, upon consultation with the Governance Committee Chair, shall also determine the weighting to be accorded to each goal and objective for the purposes of determining the annual performance based compensation for the President. Said performance based compensation shall not exceed $275,000.00 (two hundred and seventy five thousand dollars and zero cents).

6.0 Use of State-owned Facility

6.1 The Board will authorize and provide a facility, either the Lifsey House or other comparable facility, to the President to carry out the duties under this Agreement, including the use of the facility for official University functions, meetings with faculty, staff, students, and community leaders and for official entertainment.

7.0 Automobile

7.1 The University shall provide the President with an annual automobile allowance of $12,000 (twelve thousand dollars and zero cents) payable in equally monthly installments each calendar year commencing on the Effective Date. The President

may select a vehicle that is suitable for the obligations of the position. Dr. Currall is responsible for payment of taxes associated with receipt of the automobile allowance that is deemed to be gross income to Dr. Currall.

7.2 The Board will authorize and provide insurance for the President's automobile in an amount not to be less than current property and casualty insurance package limits to the President. The President and other approved drivers shall be named insureds.

8.0 Professional Dues and Meetings Memberships in Service Organizations

8.1 The Board will authorize and provide annually for reasonable expenses incurred by the President to attend University-related events, educational conferences, conventions, courses, seminars, and other similar professional growth activities, including membership in professional organizations.

8.2 The Board will authorize and provide the President with membership dues or fees for organizations that would further the interests of the University.

9.0 Entertainment and Travel

9.1 The Board will authorize and provide for reasonable expenses incurred by the President for University-related entertainment and travel, including travel for the President's spouse or partner where attendance of same is in the best interests of the University.

9.2 To further enable the President to carry out required duties, the Board shall provide the cost of annual dues and membership fees for mutually agreed to private club memberships that will facilitate the performance of President's duties.

9.3 The entertainment and travel expenses described in this section travel shall conform to the laws of the State of Florida, University regulations and policies.

10.0 Relocation Expenses; Housing Allowance

10.1 Dr. Currall shall receive a one-time relocation allowance in the amount of $100,000.00 (one hundred thousand dollars and zero cents) payable within 30 (thirty) calendar days of the full execution of this Agreement. This payment is for relocation and associated expenses incurred in moving to Tampa, Florida. Dr. Currall is responsible for payment of taxes associated with receipt of the moving expenses that is deemed to be gross income to Dr. Currall.

10.2 Dr. Currall shall receive an annual housing allowance in the amount of $84,000.00 (eighty four thousand dollars and zero cents) payable in equal biweekly installments each calendar year for the term of this Agreement and commencing on the Effective Date. Dr. Currall is responsible for payment of taxes associated with receipt of the housing allowance deemed to be gross income to Dr. Currall. The housing allowance shall not be subject to increase during the term of the Agreement. In the event Dr. Currall elects to make the Lifesy house the President's residence, then the housing allowance shall cease as of the date the President takes permanent occupancy of the Lifsey House. Prior to the President taking permanent occupancy of the Lifsey House, the President and Board shall analyze and approve the relative costs and benefits of renovations before engaging in same.

11.0 Expense Receipts and Documentation

11.1 The President agrees to maintain and furnish upon request to the Board Chair or the Chair's designee an accounting of expenses provided for in this Agreement in reasonable detail and given reasonable notice.

12.0 Termination of the Agreement for Cause

12.1 Notwithstanding anything in this Agreement to the contrary, the parties agree that the Board may terminate this Agreement at any time for Cause. For purposes of this Agreement, "Cause" shall mean conduct reasonably determined by a majority of the Board of Trustees to be: (a) malfeasance or gross negligence by the President in the performance of assigned duties; or (b) actions or omissions by the President that are undertaken or omitted and are criminal or fraudulent or involve material dishonesty or moral turpitude; or (c) the indictment of the President in a court of law for any felony, or any other crime involving misuse or misappropriation of University resources; or (d) misconduct connected with work; or (e) a material breach of this Agreement that damages the University. In the event this Agreement is terminated for Cause, Dr. Currall's employment as President shall cease immediately, and Dr. Currall shall not be entitled to any further employment. In addition, Dr. Currall shall not be entitled to any further compensation or benefits as President, except as set forth in the University's benefit plans with respect to vested rights and rights after termination of employment.

13.0 Termination of the Agreement Without Cause

13.1 Notwithstanding anything herein to the contrary, the parties agree that the Board may terminate this Agreement without cause at any time upon the lesser of: (i) 90 days; or (ii) the number of days remaining in the then current term of the President's employment prior written notice ("Notice Period") to the President. During the Notice Period compensation will be paid to the President in accordance with the provisions of Section 15 as authorized by this Agreement. The provisions of Section 3.3 hereof shall be applicable in the event of a termination pursuant to the provisions this section. Termination of this Agreement by virtue of the President's permanent disability or death shall not be construed as termination without cause.

14.0 Termination Due to President's Death or Permanent Disability

14.1 The President's death or permanent disability prior to the expiration of this Agreement shall terminate this Agreement, subject to the provisions of this Section.

14.2 In the event of Dr. Currall's death while serving as the President of the University this Agreement shall terminate on the date of death. The President's estate shall be entitled to receive: all benefits that Dr. Currall is entitled under the University's various insurance plans, as applicable, deferred compensation as provided in 5.1; and base salary and housing allowance for 45 (forty five) calendar days from the date of death.

14.3 If Dr. Currall becomes permanently disabled while serving as President, this Agreement shall terminate on the date of the determination of permanent

disability and Dr. Currall shall receive all benefits to which Dr. Currall is entitled pursuant to the University's disability insurance plans, as applicable. Dr. Currall's annual base salary and benefits hereunder shall continue until such time as the long term disability insurance policy begins to pay Dr. Currall benefits according to the applicable policy. For purposes of this Agreement, "Permanent Disability" shall mean the inability of the President to perform the essential functions of the job, including but not limited to the duties contained in section 1.2, for a period of six (6) months in any one (1) year (12 month) period, with or without "reasonable accommodations" as such term is defined in 42 U.S.C. §12111 (9) as amended and interpreted by courts of competent jurisdiction.

14.4 The President shall prepare a succession plan for Board approval for continuity of operations and organizational stability in the event of the President's permanent or unexpected absence, disability, incapacity or death.

15.0 <u>Compensation During Notice Period</u>

15.1 If the Board terminates this Agreement without cause pursuant to Section 13.0 of this Agreement and Dr. Currall continues to serve as President during the Notice Period, the Board shall pay Dr. Currall compensation as authorized by Sections 4.0 and 5.0 of this Agreement for service as President during the Notice Period.

15.2 Dr. Currall will be entitled to continue applicable health insurance plan(s) and life insurance plan(s) at Dr. Currall's sole expense upon separation from employment with the University in accordance with applicable federal law, specifically COBRA. Dr. Currall will not be entitled to any other benefits except as otherwise provided or required by applicable law. In no event shall the Board be liable for

the loss of any business opportunities or any other benefits or income from any sources that may result from the Board's termination of this Agreement without cause.

15.3 If the President accepts full-time employment with an employer other than the University during the Notice Period provided for in Section 13.1, the Board's financial obligations under this Agreement other than pursuant to Section 15.2 hereof shall cease.

16.0 Resignation by the President

16.1 Dr. Currall may terminate this Agreement by giving the Board the lesser of: (i) ninety (90) days' notice; or (ii) notice equal to the number of days remaining under the term of this Agreement. Such notice shall be in writing and delivered as provided in this Agreement. By mutual agreement, Dr. Currall and the Board may agree to modify the length of the notice period if it is in the best interests of the University.

16.2 If Dr. Currall exercises this section 16.1, then Dr. Currall's employment as President shall cease on the effective date of the resignation. All salary and benefits contained in this Agreement shall also cease on the resignation date except those accrued and vested prior to the resignation date.

16.3 Provided the President's resignation date is within 90 days of the end of the term of this Agreement, then the President shall be entitled to the benefits of section 3.3. In the event Dr. Currall's resignation date is not within 90 days of the end of the term of this Agreement and Dr. Currall returns to the faculty, then upon said return Dr. Currall's current rate of compensation shall be converted to a 9-month

salary and adjusted as provided by USF System Regulation 10.103. The adjusted compensation rate will then be further adjusted to be commensurate with the average of the two highest paid faculty members in the college where Dr. Currall's tenured faculty appointment is held.

17.0 Dispute Resolution

17.1 The Board and Dr. Currall agree that if any dispute arises concerning this Agreement that they will first attempt in good faith to resolve the dispute to their mutual satisfaction. If they are unable to do so, the parties agree that any controversy or claim that either party may have against the other arising out of or relating to the construction, application or enforcement of this Agreement, as well as any controversy or claim based upon the alleged breach of any legal right relating to or arising from Dr. Currall's employment and/or termination of employment shall be submitted to non-binding mediation. Within fifteen (15) days after delivery of a written notice of request for mediation from one party to the other, the dispute shall be submitted to a single mediator chosen by the parties in Tampa, Florida. The costs and fees associated with mediation shall be borne by the University. The parties agree to pay their own attorney's fees and costs. The University and Dr. Currall will use their best efforts to keep any disputes and any efforts to resolve disputes confidential, informing only their respective legal counsel and other persons who have a good faith need to know basis to receive the disclosed information and will use their best efforts to ensure that such persons do not further disclose any such information. The Board and Dr. Currall

agree that no mediator may be a University faculty member or have any material, ongoing relationship with the University.

17.2 If mediation, as described in Section 17.1, is unsuccessful, any controversy between the Board and Dr. Currall involving the construction, application or enforcement of this Agreement, as well as any controversy or claim based upon the alleged breach of any legal right relating to or arising from Dr. Currall's employment and/or termination of President's employment shall, on the written request of either party served on the other, be submitted to binding arbitration before a single arbitrator from JAMS Panel of Neutrals. JAMS shall provide a list of three arbitrators who are qualified to hear the dispute as determined by the JAMS National Arbitration Committee. Within ten (10) days of receipt thereof, each party shall strike one name from the list, The President shall strike first and notify the Board of such choice and the Board shall strike last. Notwithstanding the foregoing the parties may mutually agree upon a qualified arbitrator or upon a mutually agreed upon neutral to select the arbitrator for them. Dr. Currall and the Board stipulate and agree that any arbitration will be held in Tampa, Florida, pursuant to the *Comprehensive Arbitration Rules and Procedures* (or any comparable rules then in existence) (the "Rules"). Pursuant to the Rules, discovery may include depositions, interrogatories and document production. In any controversy between the Board and Dr. Currall involving the construction, application or enforcement of this Agreement, the arbitrator must base his/her decision upon the written Agreement and he/she shall not have power to modify, add to or ignore terms of the Agreement. The written decision of the arbitrator

shall be final and binding upon both Parties and may be entered in any court having jurisdiction thereof. Arbitrator compensation and administrative fees shall be borne equally by the parties. The Parties agree to pay their own attorney's fees and costs.

17.3 The pendency of any matter under this section shall not operate to impede, preclude, or delay the Board from taking the action complained of or otherwise exercising its rights under this Agreement.

18.0 Notice

18.1 Unless and until changed by a party giving written notice to the other, the addresses below shall be the addresses to which all notices required or allowed by this Agreement shall be sent:

If to the University:

Chair, USF Board of Trustees
4202 East Fowler Avenue, CGS 401
Tampa, Florida 33620

With a copy to:

General Counsel
Office of the General Counsel
4202 E. Fowler Avenue, CGC 301
Tampa, Florida 33620

If to the President:

Dr. Steven Currall
President, University of South Florida
Office of the President
4202 East Fowler Avenue, CGS 401
Tampa, Florida 33620

With a copy to President's Representative:

_____

19.0 Entire Agreement; Modification

19.1 This Agreement constitutes the entire understanding of the parties and supersedes any and all prior or contemporaneous representations or agreements as of the Effective Date, whether written or oral, between the parties. There are no other promises, understandings, obligations, inducements, undertakings, or considerations between the parties or owed by either party to the other that are not set forth in this Agreement or explicitly referenced herein..

19.2 This Agreement cannot be amended, modified or changed other than by express written agreement by the parties hereto.

20.0 Severability

20.1 The terms of this Agreement are severable, meaning that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable to the extent possible.

21.0 Governing Law and Venue

21.1 This Agreement shall be interpreted and construed in accordance with the laws of the State of Florida.

21.2 Venue for any action seeking enforcement of an order pursuant to Section 17.2 of this Agreement shall be in Hillsborough County, Florida.

DR

22.0 Understanding of the Agreement

22.1 Both Dr. Currall and the Board represent that they have thoroughly read this Agreement, that they have had full opportunity to consult with legal counsel of their choice and that they understand it to be a binding contract, that they understand each provision, term, and condition of this Agreement as well as its legal effect, and that they have signed the Agreement voluntarily and of their own free will with the intention to comply with its terms.

23.0 Public Disclosure of the Agreement

23.1 Both parties agree and acknowledge that this Agreement may be subject to the Florida public records law, Chapter 119, or other provisions, and may, therefore, be subject to disclosure by and in the manner provided for by law.

24.0 Waiver

24.1 No delay or failure to enforce any provision of this Agreement shall constitute a waiver or limitation of rights enforceable under this Agreement.

25.0 Assignability

25.1 This Agreement is not assignable, but shall be binding upon the heirs, administrators, personal representatives, successors, and assigns of both parties.

26.0 Counterparts

26.1 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

27.0 Insurance and Indemnification

27.1 Dr. Currall shall be indemnified by the University on the same terms and conditions enjoyed by the Board and University employees operating within the course and scope of their employment. Said coverage shall survive termination as to matters relating to actions while serving as President.

28.0 No Trust Fund

28.1 Nothing contained in this Agreement and no action taken pursuant to the provisions of this Agreement shall create or be construed to create a trust of any kind. To the extent that the President acquires a right to receive payments from the University hereunder, such rights shall be no greater than the right of any unsecured, general creditor of the University.

29.0 Miscellaneous

29.1 The headings in this Agreement are for convenience only and shall not be used in construing or interpreting this Agreement. The terms "Board," "Board of Trustees" and "University" as used herein, where applicable or appropriate, shall be deemed to include or refer to any duly authorized board, committee, officer, or employee of said entity. Whenever the context requires, the masculine shall include the feminine and neuter, the singular shall include the plural, and conversely.

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IN WITNESS WHEREOF, the President and the authorized representative of the University of South Florida Board of Trustees have executed this Agreement on this ___day of March, 2019.

UNIVERSITY OF SOUTH FLORIDA

WITNESS:

By:_____
Brian D. Lamb **(Date)**
Chair, USF Board of Trustees

_____

Witness' Printed Name:_____

WITNESS:

By:_____
Steven Currall, Ph.D **(Date)**
President & CEO

_____

Witness' Printed Name:_____

DR

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Confirmation of Reappointment of the President for Florida Atlantic University

PROPOSED BOARD ACTION

Confirm the reappointment of Dr. John Kelly as the president of Florida Atlantic University.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board Regulation 1.001(5)(c); Section 1001.706, Florida Statutes.

BACKGROUND INFORMATION

Board Regulation 1.001(5)(c) requires renewals of presidential employment agreements to be confirmed by the Board of Governors.

On January 29, 2019, the Board of Trustees of Florida Atlantic University approved an amendment to Dr. Kelly's employment contract, unanimously reappointing Dr. Kelly to serve as the president of Florida Atlantic University. The reappointment extends the term of Dr. Kelly's contract through February 29, 2020. Chair Anthony Barbar is requesting confirmation of Dr. Kelly's reappointment by the Board of Governors.

Highlights of Dr. Kelly's leadership of Florida Atlantic University are included in the Board materials.

Supporting Documentation Included:	1. Letter from the Florida Atlantic University Board of Trustees Chair 2. Leadership Highlights/Contract Terms
Facilitators/Presenters:	Ned Lautenbach, Chair, Board of Governors Anthony Barbar, Chair, Florida Atlantic University Board of Trustees

FAU
BOARD OF TRUSTEES
Florida Atlantic University

March 11, 2019

Mr. Ned C. Lautenbach, Chair
Florida Board of Governors
State University System of Florida
325 W. Gaines Street, Suite 1614
Tallahassee, FL 32399-0400

Re: Florida Atlantic President, Dr. John W. Kelly

Dear Chair Lautenbach,

On behalf of the Florida Atlantic University Board of Trustees, I am pleased to submit this request that Board of Governors approve a one-year contract extension for FAU President Dr. John W Kelly. The Board unanimously approved this extension on January 29, 2019.

Dr. Kelly became FAU's president on March 1, 2014. I am enclosing a summary of the University's n achievements since that date. The summary demonstrates that Dr. Kelly's leadership has been truly transformational.

In recognition of his outstanding record, the new contract includes adjustments to Dr. Kelly's base sala overall compensation package. The FAU Board retained the executive compensation consulting firm (McConnell & Company to assist us in developing Dr. Kelly's proposed package. That firm's January 2 report to us indicated that Dr. Kelly's proposed new salary was fifth highest among the SUS presidents his overall guaranteed compensation was fourth highest. McConnell & Company also provided us a w opinion that the overall compensation package proposed for Dr. Kelly is reasonable compensation with meaning of §1.162-7(b)(3) of IRS Regulations, as measured against both the SUS and our national pee institutions.

FAU respectfully requests that the Board of Governors approve this contract extension at its March 27- 2019 meeting. Please do not hesitate to contact me if we can provide you any further information.

Sincerely,

Anthony K.G. Barbar, Chair
Florida Atlantic University Board of Trustees

Cc: Dr. John W. Kelly

Encl.

777 Glades Road • Boca Raton, FL 33431 •tel: 561.297.3450 fax: 561.297.2777

Florida Atlantic University President John W. Kelly
Summary of Key Terms and Changes to Proposed 2019-2020 Renewed Employment Agreement

Contract Term: March 1, 2019 through February 29, 2020

The prior contract's expiration date was February 28, 2019. To ensure no break in service, the renewed contract became effective March 1, 2019, subject to BOG approval.

Compensation: Annual base salary increased from $475,000 to $505,000.

Supplemental deferred compensation retirement benefit increased from 15% to 25% of base salary.

Dr. Kelly is eligible for an annual performance bonus of up to 20% of his base salary, determined by the Board of Trustees in its sole and absolute discretion during its annual evaluation of Dr. Kelly's performance. Dr. Kelly is also entitled to an annual retention bonus of 10% of his base salary.

If Dr. Kelly remains continuously employed as President of Florida Atlantic University through February 28, 2022 (which would require two additional renewals of his agreement, at the sole discretion of the Board of Trustees and subject to the ratification of the Board of Governors), he will receive a contingent retention bonus of $350,000.

Dr. Kelly is entitled to participate in all state and university benefits programs, receives the use of a full-size automobile and an annual executive physical, and is required to live in a university-provided residence on the Boca Raton campus.

Consistent with Florida Statutes, the maximum amount of the President's annual compensation funded from state funds is capped at $200,000. Compensation beyond the cap is funded by the FAU Foundation.

Termination/Renewal: The renewed contract is subject to prior termination by either party in accordance with the terms of the contract, or to renewal by mutual consent of both parties and ratification by the Board of Governors. If the contract is terminated by the University for just cause (as defined), Dr. Kelly's employment with FAU will cease on the date of termination. If the contract is terminated by either party without cause:

- Dr. Kelly will return to his duties as a full professor with tenure.
- Dr. Kelly's salary will be 80% of his base presidential salary for his first three years as professor, and then adjusted in year four to the average base salary of the three most highly paid professors in his college.
- Dr. Kelly will remain eligible to participate in all state and university benefits programs, but will receive no other special compensation elements.

Highlights of John Kelly's Presidency at FAU
2014-2019

Performance Funding Metrics

Dr. John Kelly took the helm as Florida Atlantic University's seventh president in 2014, just as the Florida Board of Governors introduced the new performance-based funding model. FAU did not fare well that first year, scoring low overall because of poor performance in two areas: freshman retention rate and six-year first-time-in-college graduation rate.

Dr. Kelly immediately implemented strategies for improvement of these metrics, including hiring 26 academic advisers, making advising services more accessible to commuter students by offering advising sessions in parking garages (which made national higher ed and local news), introducing a summer program to help incoming freshmen get off on the right foot, and launching a campaign that encouraged students to declare majors early, thus giving them a specific academic focus.

Within just one year, FAU's metrics had improved so dramatically that the $7 million we were at risk of losing was restored and the university qualified for an additional $11.3 million in funding. By 2016, FAU improved so significantly that we were the top-ranked university in the state! Highlights of the report card included:

- FAU ranked first in the state in percent of bachelor's graduates employed full-time or continuing their education one year from graduation.
- Over the last two years, FAU's six-year graduation rate increased by 8 percent.
- FAU increased its academic progress rate by 6 percent.
- FAU consistently ranked in the top two for median average full-time wages of undergraduates employed in Florida one year after graduation.

Our success continues. FAU's 2017 six-year graduation rate was 50 percent, up from 40 percent five years ago.

Admission Standards

As part of our effort to improve academic performance, Dr. Kelly proposed raising FAU's admission requirements in 2016. Surprisingly, the number of applications increased, and the caliber of students admitted continues to rise each year.

FAU received more than 20,000 applications for our fall 2018 freshman class – which spiked following a successful 2017 football season – of which we admitted around 3,200 freshmen. Their average GPA is 3.95. We firmly believe that as the university's reputation continues to improve on the national stage – both academically and athletically – we will attract more impressive students to FAU, who want to be part of the overall culture of success.

Strategic Plan, Pillars and Platforms
Shortly after Dr. Kelly's arrival, he set a goal of making FAU "America's fastest improving university," an aspiration that is printed in bold on the first page of the university's strategic plan. The plan is titled "The Race to Excellence," and it truly is a working document. It is referred to nearly every day – and not just by the administration or trustees. The buy-in we've received from the faculty, and their contributions, have been crucial to achieving the goals outlined in the plan.

At the heart of the strategic plan are four pillars, or areas of focus that guide our goals and strategic actions; and nine platforms, or activities that support the pillars. The pillars are Healthy Aging, Neuroscience, Ocean Science and Engineering/Environmental Science, and Sensing and Smart Systems. We hired world-class researchers to lead each pillar and take FAU into a new era of discovery and innovation.

One of the key platforms in the strategic plan is Undergraduate Research and Inquiry. FAU's commitment to providing quality research opportunities for undergraduates paid off in fall 2017, when the Council on Undergraduate Research named FAU one of three recipients of the Award for Undergraduate Research Accomplishments. This national award recognizes institutions that have developed exemplary programs that provide high-quality research, scholarship and creative experiences for undergraduate students.

World-Class Partnerships
Shortly after Dr. Kelly's arrival, he reached out to some of the world's most accomplished biomedical research organizations to strengthen existing partnerships and create new ones. The most exciting of these initiatives was a renewed relationship linking FAU with Scripps Florida and the Max Planck Florida Institute for Neuroscience, both of which built major research facilities on FAU's Jupiter campus a few years before his arrival.

In March 2015, principals of the organizations announced a new focus: to work cooperatively to establish a one-of-a-kind education program that would allow FAU students to work side by side in state-of-the-art laboratories with some of the world's leading scientific researchers, including Nobel Laureates. The goal was to work together to solve real-world problems and improve human health, while providing students with unique scientific research programs that would be the envy of the world.

In December 2017, FAU and the Max Planck Florida Institute for Neuroscience announced the FAU Max Planck Honors Program – an undergraduate honors program in neuroscience – that would offer exclusive electives, research opportunities and cutting-edge neuroscience training courses for high-achieving students. The program is now offered on the Jupiter campus.

In November 2018, together with our partners at the Max Planck Florida Institute for Neuroscience and Max Planck Germany, we announced the creation of the FAU Max Planck Academy, which will give local high school students an experience that no other child in the world will have. Select high school students will have the opportunity to

study and work alongside Ph.D.s from Max Planck, the preeminent neuroscience research institute in the world. The FAU Max Planck Academy will be a stand-alone extension of FAU High in Boca Raton, on our John D. MacArthur Campus in Jupiter.

A.D. Henderson and FAU High

Dr. Kelly has placed renewed emphasis on the importance of FAU's Lab Schools. A.D. Henderson University School recently was named the #2 Best Public Elementary School in the country and #8 Best Public Middle School in the country by *Niche*, the largest website for researching public and private K-12 schools. FAU High was ranked #2 for Best Public High School in Florida. FAU High's early college model gives students the opportunity to graduate from high school while simultaneously earning a bachelor's degree, without financial burden.

In early 2018, FAU Schools was awarded the Jacob K. Javits Gifted and Talented Students Education Program grant from the U.S. Department of Education to study, enhance and replicate our highly successful early college model. FAU will receive $2.24 million over five years and will serve 1,700 students in grades 7-12 during this time. By helping to eliminate traditional boundaries, FAU High's model has the potential to change secondary education nationwide. We hope that our example will open the door to affordable higher education for more talented students from underrepresented groups.

Also in 2018, A.D. Henderson was named a National Blue Ribbon School by the U.S. Department of Education. The National Blue Ribbon Schools program recognizes primary and secondary schools for academic excellence or for making strides toward closing the achievement gap among students. A.D. Henderson is one of 349 National Blue Ribbon Schools in the U.S., and one of only 12 in Florida.

In May 2017, FAU celebrated a new kind of signing day – for academics rather than athletics – as four of the nation's brightest teens were officially accepted into an innovative new medical school pipeline program. The FAU High School M.D. Direct program places gifted high school students directly in line to earn their medical degrees and is the first of its kind to be launched in the United States. They will complete their B.S. degree within one year and complete a graduate program at FAU or approved research program, among other requirements, prior to entering medical school.

Athletic Excellence

At the end of 2014, we announced the largest donation in Florida Atlantic University's history – a $16 million gift from the Schmidt Family Foundation that would be used to build a world-class student resource center on the Boca Raton campus. The Schmidt Family Complex for Academic and Athletic Excellence will house a student-athlete academic and leadership center, state-of-the-art training equipment and other health and wellness features. It will be open to all FAU students and will blend three essential ingredients: academics, athletics, and excellence. The $72 million Complex will be completed in fall 2019.

In 2016, we made the exciting announcement that Lane Kiffin would be FAU's new head football coach. Kiffin coached at the highest level and brought to Boca Raton a winning mentality. In 2017, he led the Owls to a historic season, winning their first-ever Conference USA championship and the Boca Raton Bowl. The team finished the season on an impressive nine-game win streak, with an overall record of 11-3. The Owls were only the second team in C-USA history to finish with a 9-0 conference record.

Under Dr. Kelly's presidency, the baseball, softball and soccer teams also won conference titles.

As the university's reputation improves on the national stage – both academically and athletically – we will attract even more impressive students to FAU, who want to be part of the overall culture of success.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Confirmation of Appointment of the Interim President for University of Central Florida

PROPOSED BOARD ACTION

Confirm the appointment of Dr. Thad Seymour, Jr, as interim president of the University of Central Florida.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board Regulation 1.001.

BACKGROUND INFORMATION

Board of Governors Regulation 1.001(5)(d) provides for the Board of Governors to confirm the selection of an interim president appointed by a university board of trustees.

On March 21, 2019, the Board of Trustees of the University of Central Florida selected Dr. Thad Seymour, Jr. to serve as the interim president during the pendency of a presidential search to locate a new president for the university. Chair Robert Garvy is requesting confirmation of Dr. Seymour's appointment as interim president by the Board of Governors.

Supporting Documentation Included: 1. Letter from the University of Central Florida Board of Trustees Chair
Curriculum Vitae of Dr. Thad Seymour, Jr.
Summary of Key Contract Terms

Facilitators/Presenters: Chair Ned Lautenbach
Chair Robert Garvy

UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees
4000 Central Florida Boulevard
Orlando, FL 32816

March 25, 2019

The Honorable Ned Lautenbach, Chair
Board of Governors
State University System of Florida
325 West Gaines Street, Suite 1614
Tallahassee, Florida 32399

Re: Confirmation of University of Central Florida Interim President Thaddeus Seymour, Jr., Ph.D.

Dear Chair Lautenbach:

As you know, UCF has been through a very challenging time. One of the bright spots during this period has been the service of Thaddeus Seymour, Jr., Ph.D., as interim president. Our Board of Trustees unanimously selected Dr. Seymour because of his exceptional background — both in business and academia — and his impactful work at UCF to date.

Since 2015, Dr. Seymour has been instrumental in creating UCF's Collective Impact Strategic Plan, building a shared campus with Valencia College in downtown Orlando and forming a new division at UCF devoted to partnerships and innovation.

Before UCF, Dr. Seymour had a successful 30-year career in business, most notably as one of the visionaries of Lake Nona Medical City. His work has helped bring more than $3 billion in health and life science investment to the area.

His deep relationships in the community and across the state make him the perfect choice for interim president, where his attention will be focused on rebuilding trust in UCF.

A summary of key contract terms also is included for your review, and compensation will be paid in compliance with state laws, including statutory provisions governing compensation, termination and severance.

In accordance with the Board of Governors Regulation I.001(5)(c), the UCF Board of Trustees respectfully requests the Board of Governors' confirmation of Dr. Seymour as Interim President.

Please contact me or UCF's Office of the General Counsel if we can answer any questions or provide additional information.

Cordially,

Robert A. Garvy
Chairman, UCF Board of Trustees

Phone: 407.823.1823 • Fax: 407.823.2264
An Equal Opportunity and Affirmative Action Institution

UNIVERSITY OF CENTRAL FLORIDA

cc: Marshall Criser, III, Chancellor, State University System of Florida
The Honorable Tim Cerio, Chair, Audit and Compliance, BOG
Vikki Shirley, General Counsel, BOG
Thaddeus Seymour, Jr., Ph.D., Interim President, UCF

Summary of Key Contract Terms

Parties:
University of Central Florida Board of Trustees and Dr. Thaddeus Seymour, Jr.

Term:
February 21, 2019 until arrival and Board of Governors' confirmation of a permanent President.

Compensation/Benefits:
Annual salary of $506,000. Any amount of salary in excess of the amount authorized by the Florida Legislature will be paid from non-state sources.

No additional benefits beyond the current benefits applicable to his position as a university Vice President.

Termination:
The Board of Trustees may terminate the agreement at any time, with or without cause, in which case Dr. Seymour will return to his previous position as a university Vice President.

Phone: 407.823.1823 • Fax: 407.823.2264
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UNIVERSITY OF CENTRAL FLORIDA

Thad Seymour, Jr., Ph.D.

Interim President
Vice President for Partnerships
and Chief Innovation Officer

Thad Seymour was selected as interim president by UCF's Board of Trustees on Feb. 21, 2019. Thad also serves as UCF's Vice President for Partnerships and Chief Innovation Officer, focused on expanding and deepening the university's partnerships and enhancing UCF's ability to cultivate the talent needed to strengthen and diversify Central Florida's economy.

Prior to his current role, Thad spent two years leading efforts to bring UCF Downtown to life and positioning the campus, which will open in August, as an innovative model of 21st-century higher education. Before that, he led the development of UCF's Collective Impact Strategic Plan, which was unanimously approved by the UCF Board of Trustees in May 2016.

Before UCF, Thad's three-decade business career included senior executive roles with large healthcare and technology companies, as well as multiple early stage businesses. As senior vice president of Tavistock Development Company, he led strategy and business development for Lake Nona Medical City and helped bring more than $3 billion in health and life sciences investment to the fast-growing innovation cluster. Thad also led the recruitment of the United States Tennis Association to Orlando to build the nation's largest tennis complex, and founded and served as president of the Lake Nona Institute, a not-for-profit organization committed to driving innovative collaboration among Lake Nona's diverse partners, including health and wellness, education and sustainability. It also hosts the widely acclaimed annual Lake Nona Impact Forum.

Thad served as a board member of BioFlorida and was the 2015 recipient of the BioFlorida Leadership Award. He co-chaired bioOrlando and is a past chair of the Florida Research Consortium. Within the Orlando community, Thad has served on the board of Visit Orlando and the president's advisory council of Valencia College. He is a past chair of StarterStudio, a nonprofit entrepreneurial support and co-working organization in downtown Orlando, and Shepherd's Hope, which provides free medical care to more than 20,000 uninsured patients throughout Central Florida. Thad currently serves as an executive committee member of the Orlando Economic Partnership.

Thad holds a Bachelor of Arts in History from Dartmouth College and a Master of Arts and doctorate, both in History, from the University of Wisconsin. He also holds an MBA from the Kellogg School of Management at Northwestern University. He and his wife, Katie Glockner Seymour, have three grown children.

THADDEUS SEYMOUR, JR., PH.D.
P.O. Box 160002
Orlando, FL 32816-0002

407.823.2484
thad.seymour@ucf.edu

SUMMARY OF EXPERIENCE

Experienced academic leader and corporate executive with demonstrated success in leading senior teams in higher education and fast-growing private and public companies. Proven general management skills, with strong functional experience in strategy, mergers and acquisitions, business development, marketing, sales, professional services, and finance. Industry experience in multiple vertical markets, with particular strength in higher education, healthcare, technology, and real estate development. Extensive experience with venture-backed companies. A passionate strategist and advocate for regional and statewide economic development. Academic background and experience, with track record of collaborations among universities, independent research institutes, charitable foundations, and a wide range of not-for-profit organizations. Collaborative, strategic leader with high sense of urgency and relentless focus on innovation and value creation.

EXPERIENCE

Sept. 2015 to Present — **UNIVERSITY OF CENTRAL FLORIDA** — **ORLANDO, FL**

One of the nation's largest research universities with over 68,000 students, a highly respected faculty, and a national reputation for partnership and innovation.

7/18–present — **Vice President for Partnerships and Chief Innovation Officer**

Creating new division to amplify the university's impact through strategic partnerships and both internal and external innovation efforts. Areas included in the division include the UCF Downtown campus, the Center for Higher Education Innovation, corporate partnerships, community-focused entrepreneurship programs, economic development, community relations, and the Florida High Tech Corridor.

6/16-6/18 — **Vice Provost for UCF Downtown**

Led the development and preparation for opening of a new urban campus in partnership with Valencia College that will welcome approximately 7,700 students in August 2019. Developed unique and strategic community and corporate partnerships that will amplify the economic, social, and cultural impact of the university on downtown Orlando and beyond.

9/15–5/16 — **Senior Advisor to the Provost for Strategic Planning**

Under the direction of the provost, led the development of the university's aspirational Collective Impact Strategic Plan, approved by the UCF Board of Trustees in May 2016. Oversaw multiple teams of university and community stakeholders, collaborated with university senior leaders and trustees, and developed a high-quality, metric-driven, 20-year roadmap for the university.

May 2008 to June 2015 — **TAVISTOCK DEVELOPMENT COMPANY** — **ORLANDO, FL**

Privately held real estate development company affiliated with the Tavistock Group, an international private investment organization. Tavistock Development Company has developed Lake Nona Medical City and the surrounding community comprised of over 7,000 acres.

12/12–6/15 — **Senior Vice President**

Oversaw business development, marketing, sales, strategic alliances, and new ventures for Lake Nona project. $3 billion in construction since 2007 has established a robust platform on which the project will continue to grow over the next several decades.

March 2019

12/09–3/16 **President, Lake Nona Institute**

Founded and led the not-for-profit organization committed to driving innovative collaboration among a diverse set of partners using Lake Nona as a living laboratory in the arenas of health and wellness, education, and sustainability. The Institute created and hosts the annual Lake Nona Impact Forum, among multiple other collaborative research and innovation initiatives.

05/08–12/12 **Vice President and General Manager, Health and Life Sciences**

Responsible for development and execution of Medical City strategy, working with the partner organizations, and developing external strategic alliances with national and global companies.

Nov. 2004 to May 2008 **CURASCRIPT, INC.** ***(a subsidiary of Express Scripts, Inc.)*** **ORLANDO, FL**

$4 billion specialty pharmacy and distribution subsidiary of Express Scripts, Inc. (Fortune 150 Pharmacy Benefit Management company), dispensing and distributing expensive, hard-to-handle biotech drugs to patients, physicians, and alternate site settings.

10/05–5/08 **Vice President, Marketing and Corporate Communications**

Responsible for marketing, strategy, and communications across CuraScript's four business units, which generated nearly $100 million in EBITDA.

- *Reported to CuraScript CEO with responsibility for marketing strategy development and execution.*
- *Successfully led entire rebranding of CuraScript following 2005 Priority Healthcare acquisition.*
- *Led marketing team of 16 professionals with $4.4 million budget supporting $4 billion in revenue.*

11/04–10/05 **Vice President, Corporate Development** ***(Priority Healthcare, acquired October 2005)***

Responsible for driving company strategy and accelerating growth through acquisitions. Led management team in defining transformational strategy to become a healthcare services company. $1.3 billion sale to Express Scripts represented a 58% market cap increase since joining the company.

- *Negotiated immediately accretive $32 million infusion pharmacy acquisition in Louisville, KY.*
- *Built strong deal pipeline and doubled acquisition capital pool from $200 million to $400 million.*
- *Project managed Priority Healthcare teams through the Express Scripts sale process, including due diligence, definitive agreement drafting, communications, and regulatory/shareholder filings.*

July 2003 to Oct. 2004 **CFSE BUSINESS SERVICES, INC.** **WINTER PARK, FL**

Financial advisory and strategic consulting firm affiliated with Chastang, Ferrell, Sims & Eiserman, LLC, then the largest regional accounting firm in Central Florida.

President

Worked with growth companies to provide strategic and financial advisory services, including M&A assistance, capital raising, interim management, business valuation, and strategic consulting.

- *Sold wireless public safety software business to publicly held acquirer.*
- *Provided valuation and business strategy assistance to multiple client companies.*
- *Board chairman and consultant to assistive technology company.*

Jan. 2000 to June 2003 **PERFORMANCE PARTNERS** **LAKE MARY, FL**

Management consulting firm established to improve the operational execution of clients through business strategy refinement, executive team development, interim management, and capital-raising.

Principal

Worked with high-potential clients to accelerate growth, establish a scalable infrastructure, and develop sustainable value in the business.

- *Co-founder and chairman of software firm (acquired in 2005, sold to Oracle).*
- *Chairman and consultant to Web content management tools provider (acquired in 2002).*
- *Enhanced strategy and partnership opportunities for Chicago-based healthcare ASP provider.*

Jan. 1995 to Dec. 1999 **AVIO CORPORATION** **MAITLAND, FL**

A venture-backed healthcare software company. Acquired by Shared Medical Systems (SMS) in 1999, which was subsequently acquired by Siemens in 2000.

President and Chief Operating Officer

Full operating responsibility for high-growth clinical software business for large physician groups.

- *Raised $22 million in venture capital and strategic partner equity financing.*
- *Software twice recognized as Microsoft Healthcare Product of the Year.*
- *Negotiated and closed $20 million+ distribution agreement with largest partner.*
- *Negotiated and closed multi-million-dollar global contract with large auto manufacturer.*

1992 to 1994 **HBO & COMPANY *(now McKesson)*** **LONGWOOD, FL**

A leading provider of hospital information systems. Previously IBAX Healthcare Systems (a Baxter and IBM joint venture), acquired by HBOC in June 1994.

9/92–12/94 **Vice President and General Manager, Series 3000 and Value Added Products**

Responsible for all functions of five highly profitable business units and new product development.

- *Responsible for Pharmacy, Operating Room, and Small Hospital businesses, with staff of 70.*
- *Grew Operating Room business 70% and increased Pharmacy profit margin to best in the industry.*
- *Led post-acquisition effort to ensure successful transition for one of first HBOC acquisitions.*

1/92–9/92 **Director, Strategic Planning and Marketing**

Responsible for company strategic planning and marketing communications. Reported to CEO.

- *Initiated and led process to define strategy for each product line in company turnaround. Resulted in company reorganization and return to profitability in 1993.*
- *Managed corporate communications and completed successful company repositioning.*

1987 to 1991 **PANSOPHIC SYSTEMS, INC.** **LISLE, IL**

A publicly traded $200 million systems and applications software company. Acquired by Computer Associates (Islandia, NY), 1991.

10/90–12/91 **Director of Operations and Marketing**

Responsible for Customer Service, Operations and Marketing for $160 million Systems Software Division.

5/89–9/90 **Manager, Midrange Sales and Industry Marketing**

General management responsibility for IBM midrange-systems software business.

7/87–4/89 **Strategic Planning Manager**

Led financial team for six prospective acquisitions and coordinated $40 million budget.

1984 to 1985 **NORTH CENTRAL COLLEGE** **NAPERVILLE, IL**

Visiting Lecturer, History Department

Taught undergraduate courses in American twentieth century, urban, and economic history.

1977 to 1979 **KIMBALL UNION ACADEMY** **MERIDEN, NH**

History Teacher and Coach

Taught history and coached three sports at college preparatory school for 250 students.

EDUCATION

1985 to 1987 **KELLOGG GRADUATE SCHOOL OF MANAGEMENT, NORTHWESTERN UNIVERSITY** **EVANSTON, IL**

Masters of Business Administration, June 1987. F.C. Austin Scholar (awarded to top five percent of incoming students). Concentrations in marketing, finance, and management policy. Summer Intern, First National Bank of Chicago, 1986.

1979 to 1985 **UNIVERSITY OF WISCONSIN** **MADISON, WI**

Ph.D. in American History, August 1985. M.A., January 1981. Vilas Fellow, History Department Fellowship. Teaching Assistant and Research Assistant, 1980-1982. Concentration in early twentieth century history. Dissertation Title: "*A Progressive Partnership: Theodore Roosevelt and the Reform Press — Riis, Steffens, Baker, and White.*"

1973 to 1977 **DARTMOUTH COLLEGE** **HANOVER, NH**

Bachelor of Arts in History, *cum laude*, with distinction in major, June 1977. Language Program, Bourges, France. Congressional Internship, Washington, D.C. Fraternity President, Fraternity Governing Board, Dragon Senior Honor Society, Swimming Team.

OTHER INFORMATION

Current community involvement: Orlando Economic Partnership (executive committee), Canine Companions for Independence volunteer, Shepherd's Hope volunteer. Former board member of: StarterStudio (chair), Shepherd's Hope (chair), Lake Nona Institute (co-founder and president), Florida Research Consortium (chair), Bio-Orlando (co-chair), BioFlorida, Visit Orlando, One Blood (formerly Florida's Blood Centers), Florida Venture Forum, Rollins College Center for Entrepreneurship, Orlando Chapter of the Association for Corporate Growth (ACG). Past community involvement includes: Trinity Preparatory School trustee and Booster Club president, assistant Boy Scout scoutmaster, president and secretary of Dartmouth Club of Central Florida, Dominican Republic house construction project participant, parish council member, Masters swim team coach, Big Brother program participant, and volunteer firefighter. Interests include family activities, scuba diving, photography, active sports, and travel. Married to wife Katie Glockner Seymour for 38 years, with three grown children.

REFERENCES

Available upon request.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Consideration of Amendments to Board of Governors Operating Procedures

PROPOSED BOARD ACTION

Consideration of Amendments to Board of Governors Operating Procedures.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution.

BACKGROUND INFORMATION

Article VI, Section C is being amended to reflect the merger of the responsibilities of the Two + Two Articulation Committee into the Academic and Student Affairs Committee. The revised scope of responsibilities of the Academic and Student Affairs Committee is set forth in the draft Operating Procedures for consideration, together with the elimination of the Two + Two Articulation Committee as a separate standing committee.

Supporting Documentation Included: Board of Governors Operating Procedures

Facilitators/Presenters: Chair Ned Lautenbach

OPERATING PROCEDURES OF THE BOARD OF GOVERNORS OF THE STATE UNIVERSITY SYSTEM OF FLORIDA

ARTICLE I. CORPORATE NAME

The Board of Governors is a body corporate to be known as the "Board of Governors of the State University System of Florida."

ARTICLE II. AUTHORITY AND RESPONSIBILITY

The Board of Governors (the Board) is the governing body of the State University System of Florida (the System) that is vested with all of the powers, duties and authority delegated to the Board by Article IX, Section 7 of the Florida Constitution for the operation, regulation, control, management and governance of the whole university system. The Board of Governors possesses such other authority granted under the Florida Constitution and as provided by the laws of Florida.

ARTICLE III. MEMBERSHIP OF THE BOARD

The Board of Governors is comprised of seventeen members. Fourteen members of the Board are appointed by the Governor and three members serve by virtue of their offices: the Commissioner of Education, the Chair of the Advisory Council of Faculty Senates, and the President of the Florida Student Association. The appointed members are confirmed by the Florida Senate and serve staggered terms of seven years. Such members shall serve until their successors are appointed and qualified. In the event of a vacancy of an appointed member by whatever cause, except for the expiration of a term, the Board shall request the Governor to appoint a successor to fill the vacancy for the remainder of the unexpired membership term.

ARTICLE IV. OFFICERS OF THE BOARD AND CHANCELLOR

Section A. Officers

The officers of the Board of Governors shall consist of the Chair, the Vice Chair, and the Corporate Secretary.

Section B. Selection of Officers and Term of Office

The Chair and Vice Chair shall be elected by a majority vote of the Board at a meeting held during the month of November of each odd-numbered year. The term of office shall commence on the first day of the January following the November election. Each officer shall serve for two years and may be re-elected for one additional consecutive two-year term. Any exception to this term of office shall be approved by a two-thirds vote of the members present at the meeting, provided there is a quorum.

Section C. Vacancy in Office

In the event of a vacancy in the office of the Chair, the Vice Chair shall assume the position of Chair and shall serve out the remainder of the Chair's term of office. In the event of a vacancy in the office of the Vice Chair, the Board shall hold a special election as soon as practicable to select a successor who shall serve out the remainder of the Vice Chair's term of office.

Section D. Chair

(1) The Chair shall preside at all meetings of the Board and shall have the authority to call any special or emergency meetings of the Board.

(2) The Chair shall appoint the members of all standing and ad hoc committees of the Board and select the chairs of such committees.

(3) The Chair is authorized to execute all instruments and documents approved or issued by the Board or as delegated by the Board.

(4) The Chair shall serve as the official spokesperson of the Board and shall exercise such other powers and duties that inure to the office of Chair of a body corporate.

Section E. Vice Chair

The Vice Chair shall perform the duties of the Chair and have the same power and authority in the absence or disability of the Chair.

Section F. Chancellor

(1) The Chancellor is the chief executive officer of the Board and the State University System. The Chancellor shall perform all such duties as necessary to assist with the Board's implementation of its constitutional duties

and responsibilities related to the governance of the System. The Chancellor is responsible for the prompt and effective execution of all Board regulations, policies, guidelines and resolutions.

(2) The Chancellor shall serve as the Board's liaison for communications with university boards of trustees, university presidents and other university officers and employees, the Legislature, other state entities, officers, agencies, the media, and the public.

(3) The Chancellor shall keep the Board informed of all issues affecting or that may affect the System and make such recommendations to the Board for the development of any new regulations, policies or guidelines and any amendments to existing regulations, policies or guidelines.

(4) The Chancellor shall attend and participate in all meetings of the Board, its committees, and prepare and submit such reports as may be required by the Board or by law, or as deemed necessary by the Chancellor.

(5) The Chancellor shall be responsible for preparing and submitting an annual legislative budget requests for the System and the general office to the Board for approval and for recommending any amendments as may be required.

(6) The Chancellor shall be responsible for the efficient operation of the general office, and is authorized to enter into any contracts necessary for the operation of the Board and the general office, to employ all personnel and establish all policies and procedures incident to general office personnel and operations, to submit an annual legislative budget request for the general office to the Board for approval and for recommending any amendments as may be required, to provide any general office budgetary information as may be requested by the Board or Board Chair, to oversee all departments and functions, and to take any other actions as deemed appropriate by the Chancellor to foster efficient and effective Board operations.

Section G. Corporate Secretary

Upon recommendation of the Chancellor, the Chair shall select a member of the general office staff to serve as the Corporate Secretary. The Corporate Secretary shall serve at the pleasure of the Board and shall:

(1) Maintain an accurate record of the proceedings of the Board;

(2) Have custody of all official records and documents of the Board;

(3) Have custody of the corporate seal of the Board, affix the seal to official documents and attest to same;

(4) Notice all meetings of the Board as required by applicable law; and

(5) Serve as agency clerk for the Board.

ARTICLE V. MEETINGS OF THE BOARD

Section A. Regular Meetings

There shall be no fewer than six regular meetings per year which shall be open and noticed to the public in accordance with the Article I, Section 24 of the Florida Constitution and the requirements of Chapter 286, Florida Statutes.

Section B. Special Meetings

The Chair may convene special meetings, including workshops or retreats, of the Board as deemed appropriate. Such meetings shall be open and noticed to the public in accordance with the Article I, Section 24 of the Florida Constitution and the requirements of Chapter 286, Florida Statutes.

Section C. Emergency Meetings

The Chair may convene a meeting of the Board for the purpose of acting on emergency matters affecting the System or as necessary to preserve the health, safety or welfare of the public. Such meetings shall be open to the public and the Board shall provide such notice of the meeting as is reasonable under the circumstances.

Section D. Use of Technology

Any meeting of the Board may be conducted through a telephone conference call or by any other technological means. Any such meetings shall be open and noticed to the public in accordance with the Article I, Section 24 of the Florida Constitution and the requirements of Chapter 286, Florida Statutes.

Section E. Agenda

The Chair, in consultation with the Chancellor of the System, shall approve items to be placed on the agenda for each Board meeting. Any member may request items to be placed on the agenda for discussion or action at a meeting, subject to approval by the Board. Any such item approved by the Board will be placed on the agenda for the next regularly scheduled meeting. All agenda

items and supporting documentation must be submitted to the Chancellor with sufficient time for distribution to the Board members at least seven days in advance of the meeting where the item will be considered.

Section F. Quorum and Voting

A majority of the members of the Board must be present to constitute a quorum to transact official business. The decision of the majority of members in attendance and voting on an issue shall prevail, unless otherwise provided herein. The vote upon any resolution, motion or other matter may be by voice vote, but the Chair may require a roll call vote if deemed appropriate. A member may abstain from voting only under those circumstances prescribed by law. Voting by proxy or by mail is not permitted.

Section G. Minutes

Minutes of the meetings of the Board shall be kept by the Corporate Secretary who shall file and preserve all minutes, agendas and agenda materials, notices, resolutions, and other documents pertaining to the business and proceedings of the Board. Records of the meetings, including any video or audio recordings, are public records subject to Chapter 119, Florida Statutes.

Section H. Appearances before the Board

Individuals, organizations, groups or factions who desire to appear before the Board to be heard on a proposition pending before the Board shall complete a public comment form specifying the matter on which they wish to be heard. Public comment forms will be available at each meeting and must be submitted prior to the plenary meeting of the Board. For meetings held telephonically, public comment forms can be obtained from the Corporate Secretary and must be submitted prior to the date of the meeting. Organizations, groups or factions wishing to address the Board on a proposition shall designate a representative to speak on its behalf to ensure the orderly presentation of information to the Board. The Board will reserve a maximum of fifteen minutes during the plenary meeting of the Board to take public comment. Individuals and representatives of organizations, groups or factions shall be allotted three minutes to present information; however, this time limit may be extended or shortened depending upon the number of speakers at the discretion of the Chair.

Section I. Parliamentary Rules

When not in conflict with any of the Board's Operating Procedures, regulations, policy, or state law, Robert's Rules of Order shall be utilized as a guide in conducting the meetings of the Board.

ARTICLE VI. COMMITTEES

Section A. Purpose

The Chair shall have the authority to establish standing and ad hoc committees of the Board. Standing and ad hoc committees of the Board shall consider matters that are encompassed within the subject matters assigned to each committee and make recommendations to the Board. Unless specifically delegated or otherwise provided by Board regulation, authority to act on all matters is reserved to the Board.

Section B. Membership and Quorum

The Chair of the Board shall have the authority to appoint and remove members of each committee, and select committee chairs. A majority of committee members present at a committee meeting constitutes quorum for purposes of committee business.

Section C. Standing Committees

The standing committees of the Board and the scope of responsibility for each committee are as follows:

(1) *Academic and Research Excellence:* The activities of this committee shall include, but not be limited to, developing system-level policy or initiatives to enhance the quality and national prominence of the constituent universities through the promotion of academic programs of distinction, increasing university research and research opportunities for students and faculty, and through the development of world class faculty and scholars. In addition, the committee is responsible for spearheading the System's efforts to translate research into economic development, with input from the State University System Vice Presidents for Research.

(2) *Academic and Student Affairs*: The activities of this committee shall include, but not be limited to, providing leadership for the development of system-level policy regarding admissions, articulation, academic programs, and student support services for the System; the review and approval of academic programs, limited access requests, and exceptions to state mandated program lengths; identifying and implementing best practices and strategies to facilitate the seamless articulation of students between Florida College System institutions and state universities; and regulations and issues relating to the aforementioned areas of responsibilities.

The committee shall identify and address issues that are critical to the well-being

of state university students through regular contact with and input from the State University System Council for Student Affairs and the Florida Student Association.

(3) *Audit and Compliance*: The activities of this committee are governed by the *Audit and Compliance Committee Charter* that articulates the committee's duties and responsibilities. The committee's responsibilities, as they relate to the operation and management of the Board, are to provide oversight of activities related to internal audit, financial controls, compliance and ethics; to review significant accounting and reporting issues and confirm appropriate management responses; to review risk assessment methodologies and risk management policies; to assess the effectiveness of the internal control system; and to review and confirm appropriate management response to any report of significant audit or compliance-related findings and recommendations.

The committee's responsibilities, as they relate to the operation and management of the System, are to act as a liaison with university boards of trustees; review university independent financial and operational and internal university audit reports; identify trends in these reports and confirm that adverse trends are being addressed; initiate inquiries if the committee has reasonable cause to believe a university is not providing for appropriate response to significant or repeat audit findings; direct the Board's Inspector General to conduct an inquiry or investigation if the committee has reasonable cause to believe that a university board of trustees is unwilling or unable to provide for objective investigation of credible allegations of fraud or other substantial financial impropriety; and perform due diligence to help ensure the accuracy of data submitted to the Board.

(4) *Budget and Finance:* The activities of this committee shall include, but not be limited to, the review of annual operating budget guidelines and legislative budget requests, university operating budgets, annual financial statements, tuition differential proposals, new fees, increases to existing fees, flexible tuition policies, select regulations and other budgetary or financial issues that may arise.

(5) *Facilities*: The activities of this committee shall include, but not be limited to, the approval of the annual system-wide Fixed Capital Outlay Legislative Budget Request, concurrency requests and applicable regulations; the issuance of debt; the facilitation of the Public Education Capital Outlay and Alec P. Courtelis Facility Enhancement Challenge Grant project lists; and monitoring of any financial or facility-related matters which may occur.

(6) *Legislative Affairs*: The activities of this committee shall include, but not be limited to, the development and implementation of strategies for advocacy of the Board's legislative agenda to the Legislature, Governor, and appropriate constituent groups. The committee is also responsible for coordination of the

involvement of other Board members and external stakeholders.

(7) *Strategic Planning*: The activities of this committee shall include, but not be limited to, providing leadership for the development of the System Strategic Plan and the subsequent monitoring of progress toward System goals; the review and approval of institutional strategic plans; the review of University Work Plans; the review and approval of the System Annual Reports; and select regulations and issues regarding System structure and other topics related to strategic planning and performance monitoring, including providing leadership for the development of system-level policy regarding health initiatives and the Strategic Plan for Health Initiatives.

(8) *Nomination and Governance*: The activities of this committee shall include, but not be limited to, the review and recommendation of applicants to serve as trustees on the university boards of trustees. The committee is responsible for enhancing interaction and communication between members of the Board of Governors and members of the boards of trustees, and for addressing matters related to the governance of the State University System including, but not limited to, the delegation of authority to university boards of trustees.

(9) *Innovation and Online*: The activities of this committee shall include, but not be limited to, investigating policies and best practices for transformative and innovative approaches to the delivery of higher education. The committee will engage thought leaders to assist in exploring initiatives that may include systemwide cost efficiencies and effectiveness for university programs and services, credentialing, funding models for online education, collaborating for online course and/or program production and delivery, and meeting workforce needs through online education.

(10) *Tuition Appeals*: This committee, consisting of the Chair of the Board and the Chair of each Board committee, shall hear all university appeals associated with the Board's denial of a university's tuition differential, new fee, or flexible tuition proposal.

~~(11) *Two + Two Articulation:* The activities of this committee shall include, but not be limited to, identifying and implementing best practices and strategies to facilitate the seamless articulation of students between Florida College System institutions and state universities~~.

ARTICLE VII. CONFLICT OF INTEREST

Members of the Board shall adhere to the provisions of the Code of Ethics for

Public Officers in Chapter 112, Part III, Florida Statutes, and Board of Governors Regulation 1.006.

ARTICLE VIII. AMENDMENT OR SUSPENSION OF PROCEDURES

Section A. Amendments

The Board's Operating Procedures may be amended or repealed by a two-thirds vote of the members present at any regular meeting, provided there is a quorum and that such proposed amendment or repeal has been publicly noticed prior to the meeting at which the proposed action is to be taken.

Section B. Suspension of Operating Procedures

Any provision of the Board's Operating Procedures may be suspended by a two-thirds vote of the members present in considering any matter to come before the Board, provided there is a quorum.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: 2020-2021 Fixed Capital Outlay Legislative Budget Request Guidelines

PROPOSED BOARD ACTION

Review and Approve the Fixed Capital Outlay 2020-2021 Legislative Budget Request Guidelines

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Subsection 1001.706(4)(b), Florida Statutes

BACKGROUND INFORMATION

The first step in the development of the 2020-21 State University System LBR is Board approval of the LBR policy guidelines for both the operating and Fixed Capital Outlay (FCO) components of the budget request. The FCO guidelines are recommended by the Facilities Committee; while the operating guidelines are recommended by the Finance and Budget Committee. The Facilities Committee reviewed the proposed FCO Guidelines in January; and Board staff circulated the draft to appropriate university stakeholders.

Significant recommended changes to last year's guidance include:

- Replaces the category Utility Infrastructure (Single Line) with Capital Renewal Requests detailed at the Existing Building or Existing Subsystem level (Multiple Lines).

- Requires Board of Trustee prioritization of identified Capital Renewal needs ahead of New Facilities.

- Requires that all PECO projects have identified a Plant Operations and Maintenance funding source without any additional state appropriations.

Supporting Documentation Included: Information located in the Facilities Committee materials.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: A Resolution of the Board of Governors approving Florida International University Board of Trustees to enter into a sublease and an operating agreement with Concord Benchmark, LLC, related to the construction, financing, and operation of a 150-bed hotel and conference center, as well as the construction of an alumni center, on the Modesto Maidique Campus of the University.

PROPOSED BOARD ACTION

Adoption of a resolution approving of Florida International University Board of Trustees ("FIU") entering into a sublease and operating agreement with Concord Benchmark, LLC ("Owner") for the construction, operation, and maintenance of a 150-bed hotel, conference center, and 300 associated parking spaces on the University's main Modesto Maidique Campus. If approved, FIU will enter into a 40-year sublease with the Owner, which will also require Owner to construct an adjacent alumni center to be owned and operated by FIU Foundation. Construction of the alumni center will be funded entirely by direct cash investment by FIU Foundation and, to a lesser degree, donations received by FIU Foundation in support of FIU Alumni Association. A separate ground lease will be entered into between FIU and FIU Foundation in connection with the alumni center.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, has reviewed this resolution and all supporting documentation for compliance with Florida law and the Board of Governors' P3 Guidelines. The Project is within the Guidelines, however, the demand for the hotel is not solid. FIU and Owner intend to aggressively address demand and, therefore, the staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed project.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Sections 1013.171 and 1010.62, Florida Statutes; and Article IX, Section 7(d), Florida Constitution

BACKGROUND INFORMATION

The Florida International University has reviewed a proposal for entry into a sublease for the construction of a hotel and conference center (the "Project") utilizing a Public-Private Partnership arrangement. The proposed Project is to be located on the Modesto Maidique Campus ("MMC"), the main campus, on a 5.21-acre parcel. The Project will be a 150-bed hotel, approximately 154,000 gross square foot building with amenities such as a pool, and restaurant with approximately 300 parking spaces.

The estimated cost of the hotel/conference center facility is $59.4 million, the design, development, and construction of which will be financed by the Owner in its entirety via equity investment (40%) and private-financing/debt (60%). The Owner will grant a leasehold mortgage to the lender to secure the loan. The Owner will receive 3.5% of total costs or approximately $2.3 million as a fee for development services. The Owner will also construct an alumni center on the property at a cost of $6.8 million, which will be paid for by FIU Foundation. The alumni center will be owned and operated by FIU Foundation.

For use of the land, the Owner will pay FIU a base rent of $210,000 annually, which will escalate by 5% every five years. FIU will also receive additional payments as part of profit sharing starting at 6%, once the cash return on the Project reaches 10%. The Owner will also be required to reserve 2% of gross revenue, escalating to 4% by year four of operations, for maintenance and repair of the Project.

The Florida International University Board of Trustees, at its June 1, 2017, meeting, approved the Project and the sublease.

Taken as a whole, approval of the Project is recommended by Board staff.

Supporting Documentation Included: Information located in the Facilities Committee materials.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Public Private Partnership Guidelines

PROPOSED BOARD ACTION

Review and approve amendments to the Public Private Partnership Guidelines.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Sections 1013.171, Florida Statutes

BACKGROUND INFORMATION

The initial Public-Private Partnerships Guidelines (P3 Guidelines) were approved by the Board on September 3, 2015. The Guidelines provide a conceptual framework intended to inform both the board of trustees as well as the Board of Governors with respect to key aspects useful in evaluating proposals.

The Facilities Committee was given a retrospective presentation on March 29, 2017 on the working effectiveness of the P3 Guidelines. At that time, the Committee asked that Board staff work with the universities as well as Bond Finance to develop proposed amendments to improve the current process. Accordingly, a workshop was held on July 13, 2017, where Board staff, the Division of Bond Finance staff, and university staff met to discuss the Guidelines and proposed changes. The proposed changes were also included as a discussion item at the 2017 and 2018 Facilities Workshops, and reflect possible changes in language to address concerns that have surfaced in the course of implementing the P3 Guidelines.

During 2018, no P3's were placed on the agenda for consideration by the Board of Governors. Only three P3 Projects have made it to the staff review level. Of these three, two were converted by the university to bond deals, with the one P3 project remaining still outstanding. Meanwhile over the same time frame, two debt deals were fully approved by the Board. The proposed amendments for discussion are:

Eliminate the LLC exception

Current state: Section II, (c), "Projects not subject to the Guidelines" contains an exemption for certain transactions between a limited liability company (LLC) in which the university and/or DSO is a controlling member or manager and a private party. The provision permits an LLC to enter into a transaction with a private party for financing and construction of a facility without Board approval where the real property involved is not owned by the university or by the state and leased to the university, and the property is not on-campus or next to campus.

Proposed Amendment: Eliminate

Rationale: The LLC exception has seen limited use (1 project), and the exception did not save either staff time or project development time; i.e., it would have been faster and simpler to have the project come to the Board for consideration.

Clarifies that market demand testing is permissible

Current state: Universities have authority to conduct pre-solicitation conferences or Request for Information solicitation activities. However, the P3 Guidelines are silent regarding these activities.

Proposed Amendment: Spells out the pre-solicitation activities and makes clear that, though not required, these tools may be used to explore the market and receive input from the vendor community. The proposed amendment will also require information used as part of the pre-solicitation procedure to be provided with any eventual request for P3 approval.

Rationale: Clarifies that pre-solicitation fact-finding is a permitted activity which may assist universities with determining the feasibility of moving forward with a proposed P3 transaction. This is developing as a national best practice for P3s.

Clarifies lease term

Current state: Section V, (k), provides that the term of any lease agreement may not exceed 40 years **or** the life expectancy of the facility.

Proposed Amendment: Establishes that 40 years is not a bright line test, but an analytical threshold. Clarifies that for student life projects, the lease term may not exceed the life expectancy of a facility which is 50 years as established in section 1013.64, Florida Statutes. However, all leases in excess of 40 years will still require a demonstration of benefits for any term exceeding 40. For other projects (non-student life), the proposed amendment will require the lease term to be supported by information establishing the expected useful life of the facility based on industry practice for the proposed type of facility.

Rationale: Experience over the past two years indicates that a 50-year term for student life facilities, which is the current P3 life expectancy for such projects, is the industry expectation. Terms shorter than 50 years do not reduce the private partner return on investment; rather, the shorter term increases student rates over the life of the project and reduces yield of the university share of the project revenues. For non-student life facilities, a requirement to demonstrate industry practice for the proposed facility type is proposed.

Eliminates the advance approval process

Current state: In section VI, the P3 Guidelines provide for an advance approval process for P3 projects and sets out the procedures to follow.

Proposed Amendment: Eliminate the advance approval process.

Rationale: Since the effective date of the P3 Guidelines, only one project has been submitted for advance approval. Board staff found the process impractical since enough information was not available to properly evaluate the project and the project ultimately was required to go through the full approval process.

Increases university disclosure requirements

Current state: The P3 Guidelines currently require a "summary of key terms" of the lease as a required document. The P3 Guidelines don't specify when a university P3 solicitation, such as an Invitation to Negotiate (ITN), must be provided to Board and Division of Bond Finance staff.

Proposed Amendment: Requires that a full draft lease be required in place of the "Summary of key terms" and that a copy of the ITN be provided at the time it is publicly posted.

Rationale: Contract review cannot take place without the contract in hand and it has been our experience that a summary of key terms is insufficient. In practice, ITN notification has varied widely; this will standardize university submission expectations.

Supporting Documentation Included: Information located in the Facilities Committee materials.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Resolution of the Board of Governors authorizing the FAU Financing Corporation to issue $78,500,000 of revenue bonds on behalf of Florida Atlantic University to finance the construction of two new housing facilities on the Boca Raton and Jupiter campuses.

PROPOSED BOARD ACTION

Adoption of a resolution approving the issuance of fixed rate, tax-exempt revenue bonds, by the FAU Financing Corporation (the "DSO") on behalf of Florida Atlantic University (the "University"), in the principal amount not to exceed $78,500,000 (the "Bonds") for the purpose of financing the construction of two new student housing facilities; one on the main Boca Raton campus and the other on the Jupiter campus (collectively, the "Project").

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, has reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt. Accordingly, staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines; Section 1010.62, Florida Statutes; and Article IX, Section 7, Florida Constitution.

BACKGROUND INFORMATION

The Project will consist of two new residence halls; one on the Boca Raton campus (the "Boca facility") and the other on the Jupiter campus (the "Jupiter facility). The Boca facility will consist of a 7-story, 185,000 (approximate) square foot building, comprising approximately 616 beds of single and double-occupancy suite-style configuration. FAU plans for a surface parking area comprised of approximately 230 spaces reserved for on-campus residents. The Jupiter facility will be a 3-story, 51,000 (approximate) square foot building, comprising approximately 165 beds in single-occupancy full-suite configuration, as well as a dedicated 124-space surface parking area. The Jupiter design will include a kitchenette in each unit, a community kitchen on each floor and a first floor fitness center.

The Project is consistent with the University's Campus Master Plan.

Construction of the Project is estimated at a total cost of $69.3 million; approximately $54.1 million for the Boca facility and $15.2 million for the Jupiter facility, including $4.7 million in FF&E, $3.3 million in contingencies, and approximately $558K for surface parking (dedicated to the Jupiter facility).

The Project will be financed by fixed rate, tax-exempt bonds issued by the FAU Financing Corporation (the "DSO"), in the principal amount not exceeding $78,500,000, inclusive of a capitalized interest and cost of issuance. The Bonds will be structured with level debt service and a final maturity no more than 30 years after issuance.

Net housing system revenues will be pledged for the payment of debt service. These revenues gross income, fees, rentals and other charges received by the DSO or the University on behalf of the DSO derived from housing system facilities, including parking facilities and the retail and commercial uses comprising a part of the housing system.

Projections provided by the University indicate sufficient net revenues will be generated to pay debt service on the Bonds.

The Project and the financing thereof was approved by the DSO's Board of Directors on October 30, 2018 as well as the University Board of Trustees on November 13, 2018.

Supporting Documentation Included: Information located in the Facilities Committee materials.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Legislative Update and Legislative Budget Request Amendment

PROPOSED BOARD ACTION

Adopt an amendment to the 2019-2020 LBR for FCO. Other Information may be discussed.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

An update on activities related to the 2019 Legislative Session will be provided.

The proposed Amendment to the Legislative Authorization Requests includes authorization for the University of Florida to expend reserve or carry forward balances from operational and programmatic appropriations which may exist as of July 1, 2019, for the following:

A) Holland Law School Hot Water Conversion and Other Repairs in an amount not to exceed $6,250,000; and

B) Dental Sciences Building Deferred Maintenance needs and Other Repairs in an amount not to exceed $4,250,000.

Supporting Documentation Included: Information located in the Facilities Committee materials.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Public Notice to Approve Creation of Board of Governors Regulation 6.021 Hazing Prohibited

PROPOSED BOARD ACTION

Consider approval of the creation of Board of Governors Regulation 6.021 Hazing Prohibited

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution, and Board of Governors Regulation Development Procedure

BACKGROUND INFORMATION

Currently, hazing activities are prohibited by law as set forth in section 1006.63, Florida Statutes, but the Board of Governors does not have a corresponding system-wide regulation that prohibits students and other persons associated with university student organizations from engaging in hazing. New proposed Regulation 6.021 titled "Hazing Prohibited" has been reviewed by members of the Council of Student Affairs and university general counsels or their designated representatives. A summary of the new proposed regulation is as follows:

Subsection (1) requires each university board of trustees to establish an anti-hazing policy as part of the university's student code of conduct or as a separate regulation.

Subsection (2) defines "hazing" consistent with the definition in section 1006.63, Florida Statutes.

Subsection (3) sets forth the circumstances that do not constitute a defense to allegations of hazing.

Subsection (4) requires each university policy to provide a program for the enforcement of university anti-hazing regulations and the adoption of appropriate penalties that may range from the imposition of fines to expulsion, depending upon the severity of the violation, for both individuals and organizations.

Subsection (5) requires the university to provide a copy of the anti-hazing policy to students and for each organization to include the policy as part of the student organization's bylaws. It also requires each university to make training opportunities available to students and student organizations that are designed to reinforce the policy and increase awareness of the dangers of hazing.

The Intent to Create was reviewed by appropriate offices at all universities and the Board of Governors approved the Public Notice of Intent to Create at its January 30, 2019, meeting. Following that approval, no public comments were received and the regulation as created is ready for final approval.

Supporting Documentation Included: Regulation 6.021 Hazing Prohibited

6.021 Hazing Prohibited

(1) Each university board of trustees shall establish an anti-hazing policy as part of the university's student code of conduct or as a separate regulation, that prohibits students or other persons associated with any university student organization from engaging in hazing.

(2) Hazing means any action or situation, which occurs on or off university property, that recklessly or intentionally endangers the mental or physical health or safety of a student for purposes including, but not limited to, initiation or admission into or affiliation with any university student organization or group whether or not officially recognized by the university. Hazing includes, but is not limited to, pressuring or coercing the student into violating state or federal law; any brutality of a physical nature, such as whipping, beating, branding, exposure to the elements, forced consumption of any food, liquor, drug, or other substance; or other forced physical activity that could adversely affect the physical health or safety of the student; and also includes any activity that would subject the student to extreme mental stress, such as sleep deprivation, forced exclusion from social contact, forced conduct that could result in extreme embarrassment, or other forced activity that could adversely affect the mental health or dignity of the student. Hazing does not include customary athletic events or other similar contests or competitions or any activity or conduct that furthers a legal and legitimate objective.

(3) Each anti-hazing policy must state that the following circumstances do not constitute a defense to allegations of hazing:
   (a) The consent of the victim had been obtained;
   (b) The conduct or activity that resulted in the death or injury of a person was not part of any official organizational event or otherwise sanctioned or approved by the student organization; or
   (c) The conduct or activity that resulted in the death or injury of a person was not done as a condition of membership into a student organization.

(4) Each anti-hazing policy must provide a program for the enforcement of such regulations and must adopt appropriate penalties for violations of such regulations, to be administered by the person at the institution responsible for the sanctioning of such organizations.
   (a) Penalties may include the imposition of educational sanctions, fines, the withholding of diplomas or transcripts pending compliance with the policy or payment of fines, and the imposition of probation, suspension, dismissal, or expulsion, depending upon the severity of the violation.

(b) In the case of an organization that authorizes, allows, permits or encourages hazing in blatant disregard of such regulations, penalties may also include rescission of permission for that organization to operate on university property or to otherwise operate under the sanction of the university.

(c) All penalties imposed by the university shall be in addition to any penalty imposed for a violation of section 1006.63, Florida Statutes, and any of the criminal laws of the state, or for a violation of any other regulation of the university to which the student or student organization may be found responsible.

(5) All students must be provided with a copy of the anti-hazing policy and each university student organization must include the policy as part of the organization's bylaws. Each university shall make training opportunities available for students and student organizations that are designed to reinforce the policy and increase awareness of the dangers of hazing.

Authority: Section 7(d), Art. IX, Fla. Const.; Section 1006.63, Florida Statutes; History–New, _____.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Minutes of the 2 + 2 Articulation Committee Meeting held January 30, 2019

PROPOSED BOARD ACTION

Consider approval of the minutes of the 2 + 2 Articulation Committee meeting held on January 30, 2019 at Florida International University

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

On January 30, 2019, the 2 + 2 Articulation Committee met to discuss progress on the 2 + 2 work plan and dual enrollment. The work of the 2 + 2 Committee has been absorbed by the Academic and Student Affairs Committee. Board members will review and consider approval of the minutes of the 2 + 2 Articulation Committee meeting held on January 30, 2019 at Florida International University.

Supporting Documentation Included: 2+2 Minutes, January 30, 2019

Facilitators/Presenters: Chair Ned Lautenbach

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
COMMITTEE ON 2+2 ARTICULATION
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA
January 30, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at http://www.flbog.edu.

1. Call to Order and Opening Remarks

Vice Chair Alan M. Levine convened the 2 + 2 Articulation Committee meeting on January 30, 2019, at 12:33 p.m. with Board of Governors Chair Lautenbach (on phone), Governor Patel, and Tripp (on phone). A quorum was established.

2. Minutes of Committee Meeting

Vice Chair Levine asked for a motion to approve the minutes from the September 12, 2018 committee meeting. Governor Patel moved to approve, Board Chair Lautenbach seconded, and the motion carried unanimously.

3. 2 + 2 Workgroup Update

Vice Chair Levine recognized Vice Chancellor for Academic and Student Affairs, Dr. Christy England, to give a presentation on the 2 + 2 Workgroup update.

Dr. England gave an overview of the efforts of the 2 + 2 Articulation Workgroup. In regards to Strategy 1, a web-based 2 + 2 advising toolkit, Board staff are working with the staff of Florida Virtual Campus at the University of West Florida on an MOU to develop a web-based advising tool. In terms of Strategy 2, which is to encourage the state universities to improve and expand existing local 2 + 2 enhancement programs and identify key components of effective programs, the workgroup drafted a self-evaluation rubric for the institutions. The workgroup will finalize the rubric in the upcoming months and then disseminate the self-evaluation rubric to institutions. The workgroup has begun working on *Strategy 3, the data toolkit.* Lastly, Dr. England noted that the Board staff developed language that can be used in institutions' rejection letters to AA applicants. The language encourages AA applicants to consider applying to other State University System (SUS) institutions. The template also includes a link to a Board of Governors webpage that directs students to the admissions webpages for all 12

SUS institutions. Dr. England added that at least eight of the institutions have committed to using this language.

Vice Chair Levine thanked Dr. England for the presentation.

4. Dual Enrollment Overview

Vice Chair Levine reintroduced Vice Chancellor England to provide an overview of the dual enrollment process.

Dr. England began by providing an overview of dual enrollment in the state of Florida. Annually, approximately 70,000 students across the state participate in dual enrollment. Dr. England explained that data over the last three to four years has shown that the Florida College System (FCS) serves about 80% of students who choose to participate in dual enrollment. Of the remaining 20%, SUS institutions serve approximately 10 to15% and the private institutions serve about 5 to10%. Currently, ten SUS institutions have at least one dual enrollment agreement with a local school district. The two institutions that do not have an agreement are Florida Polytechnic University and New College of Florida. SUS institutions serve 30 counties across the state. In the 2017-2018 academic year, there were over 9,000 students enrolled in a dual enrollment program, which is more than double the number of students that participated in a dual enrollment program during the 2010-2011 academic year. Dual enrollment is offered with no or minimal cost to students.

Following the presentation, Vice Chair Levine asked about having a conversation with the Chair of the Board or the President of Florida Agricultural and Mechanical University (FAMU) to discuss the possibility of extending dual enrollment opportunities outside of Leon County. Dr. Larry Robinson, President of FAMU, mentioned that FAMU has established ten enhanced targeted articulation agreements. He added that these agreements are in addition to the existing agreement with Leon County. He noted that FAMU plans to further expand their agreements. Vice Chair Levine mentioned that he would like to discuss dual enrollment at a later date as he believes there is an opportunity to expand it throughout the System.

Due to technical difficulties, Vice Chair Levine asked Governor Patel to lead the remainder of the meeting. Governor Patel noted that experts were present in the audience to answer any questions the committee members may have regarding dual enrollment. These included President Parker from Palm Beach State College and Chair of the FCS Council of Presidents, and Abbey Ivey, the Director of Articulation and Academic Pathways from Miami Dade College.

Governor Kitson asked how SUS institutions encouraged high schools to participate in dual enrollment since the school has to provide funding to the institution in order for

students to participate. Dr. England responded that the next presenter would be able to elaborate on this issue.

Governor Felton asked about the surge in the number of students participating in dual enrollment.

Vice Chair Levine asked about situations where students were taking courses towards their major but found out later that the courses did not apply towards their degree program. Dr. England noted that the next presenter would be able to answer these questions.

5. Critical Issue: Dual Enrollment & the Impact on the 2 + 2 Statewide Articulation Agreement

Governor Patel introduced the Vice President of Student Services and Enrollment Management and Interim Provost of Palm Beach State College, Dr. Peter Barbatis, to give a presentation on dual enrollment and its impact on the 2 + 2 Statewide Articulation Agreement.

Dr. Barbatis began his presentation by providing an overview of the statewide dual enrollment program. He noted that the intent of the program is to expose students to college-level work and reduce the time it takes a student to complete their degree. He mentioned that some institutions offer dual enrollment students access to all courses in their catalog, which is helpful for students in rural areas. Dr. Barbatis explained that dual enrollment is available to students enrolled in public schools, private schools, as well as home education students. He described the requirements needed to begin dual enrollment courses, which may include skills tests and permission from parents and school administrators. Dr. Barbatis added that the credit hour limit is usually 8 credit hours per term, but early postsecondary admission students can take from 12 to 15 credit hours per term. Starting in 2014, Dr. Barbatis explained that sixth graders were able to participate in dual enrollment if they had at least two units of high school credit, which could explain the increase in numbers. He then gave an overview of the demographics of participants in Florida's dual enrollment program.

Dr. Barbatis also provided insight into possible transfer issues dual enrollment students encounter. These issues include students' status when they transfer to postsecondary institutions, permanency of dual enrollment course grades, and recency of the dual enrollment pre-requisite courses. Citing a 2012 study, Dr. Barbatis noted that where a student attends a class has an impact on how a student performs. He further explained that students who enroll in dual enrollment courses at the college campus did better than students who took courses at the high school. In regards to funding, Dr. Barbatis also explained that school districts pay the standard tuition rate and that most dual enrollment courses are taught on college campuses. Dr. Barbatis plans to review the

training of high school guidance counselors to prepare them to advise students on programs of study.

Following the presentation, Governor Patel inquired about the social impacts of entering a postsecondary institution as a second semester sophomore. Dr. Barbatis responded that during the freshman year, more students are open to making friends and creating social circles. Since dual enrollment students may enter as college juniors, they may struggle to establish friendships with upperclassmen and meet other students. If students are able to secure a spot in a freshman dorm, then there are greater opportunities to form friendships with students their own age.

Governor Kitson asked about the ways high schools are motivated to participate in dual enrollment. Dr. Barbatis shared that the high schools are evaluated through metrics and one of the metrics is how many students are earning college-level credit or participating in an accelerated mechanism. Thus, schools do receive incentive funding for participating.

Vice Chair Levine commented that one of the challenges that have been discussed in past meetings involve the transfer of credit. In some cases, credits do not apply to the intended degree program. Dr. Barbatis responded that the few times he's been aware of the problem, it has been an issue is when a student does not follow the appropriate course sequence or a course prerequisite is not recent. While the student's credits will transfer, they may still have to take major specific courses. This could cause students to earn excess credit hours. Dr. Barbatis shared that Palm Beach County does an orientation for students and parents to discuss expectations for students participating in dual enrollment.

Governor Patel thanked Dr. Barbatis for the presentation.

6. Concluding Remarks and Adjournment

Having no further business, Governor Patel adjourned the meeting at 1:11 p.m. on behalf of Vice Chair Levine.

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Alan M. Levine, Vice Chair

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Disraelly Cruz, Ph.D.
Assistant Director for
Academic and Student Affairs

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Reclassification of the University of Florida, Research and Academic Center at Lake Nona Campus

PROPOSED BOARD ACTION

Consider approval of the reclassification of the University of Florida, Research and Academic Center at Lake Nona to be a Type III Campus

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.009

BACKGROUND INFORMATION

The University of Florida (UF) requests authorization to reclassify the Research and Academic Center at Lake Nona from a Special Purpose Center to a Type III Campus in accordance with Board of Governors Regulation 8.009. The site is located at 6550 Sanger Road in Orlando, Florida. Currently, the Lake Nona Special Purpose Center provides two academic programs in the College of Pharmacy: a Doctor of Pharmacy (Pharm.D) and a Doctor of Pharmaceuticals. In Fall 2014, the College of Pharmacy began phasing out the Pharm.D program on the St. Petersburg campus. This resulted in an increased number of student enrollments on the Lake Nona campus. The Doctor of Pharmaceuticals program has also seen an increase in enrollment. In Fall 2018, Full-Time Equivalent (FTE) student enrollment exceeded the 300 FTE minimum for a Type III campus. The Lake Nona campus already has administration and student services in place to support the research and academic programs, which satisfies the other requirements of a Type III campus.

The UF Board of Trustees approved the proposal for reclassification of the UF Research and Academic Center at Lake Nona on December 7, 2018. If approved by the Board of Governors, the reclassification will be effective Summer 2019.

Supporting Documentation Included:	Information located in the Academic and Student Affairs Committee materials
Facilitators / Presenters:	Governor Norman Tripp

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Board of Governors Compliance Program Approval

PROPOSED BOARD ACTION

Discussion and approval of the *State University System of Florida Board of Governors Compliance Program*.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Chair of the Audit and Compliance Committee will present the *State University System of Florida Board of Governors Compliance Program* to the full Board for review, with a recommendation for approval

The United States Sentencing Commission publishes the *Federal Sentencing Guidelines for Organizations* ("Guidelines"), which recommends that all organizations, including higher education institutions, have a comprehensive compliance program in place. Such a program should be designed to prevent and detect criminal conduct. Chapter 8 of the Guidelines lists and defines the seven elements required for an effective compliance program, which are incorporated in the "Compliance Program Structure" section of this document. The Guidelines continue to serve as the standards upon which compliance and ethics programs in all sectors are developed.

Once the Compliance Program is approved, Inspector General and Director of Compliance Leftheris will develop the Board Office's compliance plan for the Committee and full Board to review and consider for approval at the June 2019 meeting.

Supporting Documentation Included: Information located in the Audit and Compliance Committee materials

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Auxiliary Facilities that have Bond Covenants Requiring Approval of Estimated 2019-2020 Operating Budgets

PROPOSED BOARD ACTION

Approve estimated 2019-2020 operating budgets for auxiliary facilities that have bond covenants requiring Board approval.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

An auxiliary enterprise, as defined by the National Association of College and University Business Officers (NACUBO) in the College and University Business Administration Manual, is "an entity that exists to furnish a service to students, faculty, or staff, and that charges a rate directly related, but not necessarily equal, to the cost of the service". One of the distinguishing characteristics of auxiliary enterprises is that they are managed as self-supporting activities. Some examples of auxiliary enterprises are housing operations, university bookstores, food services, student health centers, parking services, and continuing education. Many auxiliary enterprises have debt service commitments for the construction of facilities that must be repaid from pledged revenues from operations.

Section 1010.60, Florida Statutes, authorizes the issuance of bonds or other forms of indebtedness pursuant to the State Bond Act to finance or refinance capital projects authorized by the Legislature. Specific covenants, as set forth in the authorizing resolutions of certain bond issues, require approval of estimated operating budgets for the upcoming fiscal year at least ninety (90) days preceding the beginning of the fiscal year. The state universities historically submit annual operating budgets for their auxiliary operations approximately forty-five (45) days after the beginning of the fiscal year; therefore it is necessary for each affected institution to develop and submit, in advance, an estimated operating budget for all facilities with outstanding bond issues containing the operating budget approval covenant language.

The following universities have outstanding bond issues that require Board of Governors approval: the University of Florida, Florida State University, Florida A&M University, the University of South Florida, Florida Atlantic University, the University of Central Florida, and Florida International University.

A review of each university's information for auxiliary facilities affected by the specific bond covenants indicates that there will be sufficient revenues to meet the estimated level of operational expenditures and debt service payments for fiscal year 2019-2020.

Supporting Documentation Included: Information located in the Budget & Finance Committee materials

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: FAMU & UCF Carryforward Plan Update

PROPOSED BOARD ACTION

Consider FAMU and UCF university carryforward plan update.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 216.023, Florida Statutes

BACKGROUND INFORMATION

In January the Committee received presentations from each university Board of Trustee representative on the use of carryforward funds identified as 'commitments'. Two universities were asked to come back with additional information.

Florida A&M University had identified a five percent University Board of Trustee reserve that totaled $8.9 million. This reserve was in addition to the statutorily required five percent. The Committee approved a motion to accept FAMU's plan except for the five percent reserve and asked Trustee Moore and staff to work with Board staff on the appropriate use of the $8.9 million.

The University of Central Florida presented $20.5 million in commitments, plus $40 million for a new financial aid program, and $20 million for deferred maintenance projects. The Committee approved the $20 million for deferred maintenance and requested that UCF work with Board staff on the appropriate use of the $60.5 million.

Supporting Documentation Included: Information located in the Budget & Finance Committee materials

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: 2020-2021 Legislative Budget Request (LBR) Guidelines

PROPOSED BOARD ACTION

Consider approval of the 2020-2021 LBR Guidelines

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Subsection 1001.706(4)(b), Florida Statutes

BACKGROUND INFORMATION

The 2020 legislative session is scheduled to start in January 2020. The Board will review and approve a 2020-2021 operating and fixed capital outlay LBR at the August 2019 meeting. The final budget request will then be forwarded to the Governor and Legislature around September 15. In order to maintain the schedule for developing the LBR in a timely manner, the Board will need to approve a set of policy guidelines for the development of the 2019-2020 operating and fixed capital outlay budget request.

These guidelines will be the basis for the development of the LBR. The guidelines are a living document, and the recommended changes from Board staff to the previous adopted LBR guidelines are as follows:

I. **Operating LBR -** This is the primary change:

   a. Updates the timeline to reflect the start of the 2020 session in January 2020.

II. **Fixed Capital Outlay LBR –** These are the primary changes:

   a. Replaces the category Utility Infrastructure (Single Line) with Capital Renewal Requests detailed at the Existing Building or Existing Subsystem level (Multiple Lines).

   b. Requires Board of Trustee prioritization of identified Capital Renewal needs ahead of New Facilities.

c. Requires that all PECO projects have identified a Plant Operations and Maintenance funding source without any additional state appropriations.

d. Updates the timeline to reflect the start of the 2020 session in January 2020.

Supporting Documentation Included: Information located in the Budget & Finance Committee materials

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
March 28, 2019

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 9.014 Collegiate License Plate Revenues

PROPOSED BOARD ACTION

Approve the public notice of intent to amend Board of Governors Regulation 9.014

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Section 320.08058(3), Florida Statutes

BACKGROUND INFORMATION

Section 320.08058(3)(b), Florida Statutes, states that the Board of Governors shall require each state university to submit a plan for approval of the expenditure of all revenues collected from the sale of collegiate license plates. The funds may only be used for academic enhancement, including scholarships and private fundraising activities.

The expenditure plans below indicate the percentage of funds expended for scholarships, fundraising and academic enhancements. The plans are effective indefinitely, unless the university requests to deviate from the approved plan by more than ten percent (10%) pursuant to regulation.

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

A regulation change is needed for the University of North Florida to conform to the expenditure plan approved by the University of North Florida Trustees in 2013. Information was submitted to the Board in 2016, but failed to get included in the Regulation when it was amended in March 2017.

	Scholarships	Fundraising	Academic Enhancement
UNF - Current	70%	30%	0%
UNF - Change	70%	18%	12%

If approved, the amended regulation will be noticed on the Board's website for 30 days with final approval by the Board at the June 13, 2019, meeting.

Supporting Documentation Included: Information located in the Budget & Finance Committee materials