

**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?<sup>1</sup>
- 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.<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup> 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.<sup>5</sup> The report found Trustees had been misled about the funding source and were uninformed of the risks or the restrictions on E&G

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<sup>1</sup> 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/>.

<sup>2</sup> BC Report at 6.

<sup>3</sup> BC Report at 8-9.

<sup>4</sup> BC Report at 11.

<sup>5</sup> BC Report at 10.

funds.<sup>6</sup> The report also concluded that investigators found no evidence that any UCF employee personally profited from the decision to use E&G funds.<sup>7</sup>

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.<sup>8</sup>

#### 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.<sup>9</sup> 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.<sup>10</sup>

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<sup>6</sup> BC Report at 26, 32-35.

<sup>7</sup> BC Report at 11.

<sup>8</sup> Id.

<sup>9</sup> Statistical information about the SUS was accessed on the BOG website at: <https://www.flbog.edu/universities/>.

<sup>10</sup> 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](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.<sup>11</sup> The BOG exercises both legislative and executive powers,<sup>12</sup> subject to the powers of the Legislature to appropriate for the expenditure of funds.<sup>13</sup> Accordingly, the BOG adopts regulations and exercises oversight functions to ensure the faithful execution of the regulations,<sup>14</sup> laws, and constitutional provisions governing the universities. The BOG employs a Chancellor to aid the BOG in the implementation of its responsibilities.<sup>15</sup> The BOG also employs an Inspector General to promote accountability, efficiency, and effectiveness, and to detect fraud and abuse within the universities.<sup>16</sup>

Separate from the BOG, a BOT administers each state university. The BOG establishes the powers and duties of the BOTs.<sup>17</sup> 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.<sup>18</sup> Each BOT has various reporting responsibilities including submission of budgets and reporting expenditures to the BOG.<sup>19</sup> In the exercise of its responsibilities, each BOT has authority to adopt university regulations.<sup>20</sup>

## 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.<sup>21</sup> These funds are referred to as E&G

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<sup>11</sup> 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).

<sup>12</sup> 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....”).

<sup>13</sup> 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.

<sup>14</sup> BOG Regulations are published on its website accessed at <https://www.flbog.edu/board/regulations/regulations.php>.

<sup>15</sup> S. 20.155(3), F.S. (All citations to Florida Statute hereafter are to the 2018 Statutes, unless otherwise noted.)

<sup>16</sup> S. 20.155(5), F.S.

<sup>17</sup> Fla. Const., Art. IX, s. 7(c), BOG Reg. 1.001.

<sup>18</sup> BOG Reg. 1.001.

<sup>19</sup> Id.

<sup>20</sup> BOG Reg. 1.001(3)(j).

<sup>21</sup> 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.<sup>22</sup>

Additional funding sources for university operations include revenues from contracts and grants, auxiliary enterprises, local funds and faculty practice plan funding.<sup>23</sup> 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.<sup>24</sup>

#### D. Spending Regulation

E&G funds may only be expended in accordance with operating budgets approved by the BOT.<sup>25</sup> 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.<sup>26</sup> Additionally, interest earnings on E&G funds may be used only for E&G purposes.<sup>27</sup> Universities may never spend more than the funds available.<sup>28</sup>

State appropriations may not be used for fixed capital outlay unless specifically appropriated.<sup>29</sup> 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.”<sup>30</sup> Expenditures for plant operation and maintenance are permitted from E&G funds.<sup>31</sup> In addition, state law expressly authorizes expenditures for infrastructure serving university facilities including roads, sidewalks, sewer,

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<sup>22</sup> S. 1011.40(2), F.S.

<sup>23</sup> 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.

<sup>24</sup> See “Finance and Facilities” accessed at the BOG website at: <https://www.flbog.edu/board/office/fac/index.php>.

<sup>25</sup> See s. 1, ch. 2018-009, L.O.F. p. 42 (proviso to appropriations 15-19); s. 1011.40(2), F.S.

<sup>26</sup> BOG Reg. 9.007(3)(a)1.

<sup>27</sup> BOG Reg. 9.007(5).

<sup>28</sup> S. 1011.40(3), F.S.

<sup>29</sup> S. 216.292(5), F.S.

<sup>30</sup> 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.

<sup>31</sup> BOG Reg. 9.007(3)(a)1.



water, stormwater, and utility improvements.<sup>32</sup> Revenue bonds payable from non-E&G revenues may be used to fund capital projects.<sup>33</sup> However, projects financed by debt must be expressly approved by the Legislature.<sup>34</sup> 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.<sup>35</sup> Finally, a university may expend appropriated funds for fixed capital outlay projects costing less than \$1 million notwithstanding general statutory limitations.<sup>36</sup>

#### 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 peaked, 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.<sup>37</sup>

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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<sup>32</sup> 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.

<sup>33</sup> 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).

<sup>34</sup> S. 1010.61(6), F.S.

<sup>35</sup> S. 1013.78, F.S.

<sup>36</sup> S. 1013.74(2)(e), F.S.

<sup>37</sup> UCF Operational Audit, Report No. 2018-153 at 36. The Report may be located at [https://flauditor.gov/pages/pdf\\_files/2019-095.pdf](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.<sup>38</sup> The planning for those transfers began in 2013, although construction did not begin until 2017.<sup>39</sup>

On August 13, 2013, President Hitt authorized the allocation of \$8 million of E&G for renovation of existing Colbourn Hall.<sup>40</sup> A transfer of \$700,000 (pursuant to that allocation) was made on August 26, 2013.<sup>41</sup> 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.<sup>42</sup>

In May, 2014, the BOT approved construction of TCH but did not approve the funding source.<sup>43</sup> On August 8, 2014, new Provost Dale Whittaker formally recommended that President Hitt

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<sup>38</sup> 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.

<sup>39</sup> 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.

<sup>40</sup> Exhibit B - 2013-14 E&G Budget, Summary of Allocations and Reserve, signed by President Hitt on August 13, 2013.

<sup>41</sup> Exhibit C - Christy Tant's August 22, 2013, 11:37 a.m. email to the Budget Office.

<sup>42</sup> Exhibit D - Email chain between Christy Tant, Budget Office, and Wilson Rosario on April 30, 2014.

<sup>43</sup> 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.<sup>44</sup> Those funds were transferred to construction accounts on July 16, 2015.<sup>45</sup>

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,<sup>46</sup> 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.<sup>47</sup> Further, Whittaker received at least one clear written explanation of the limited purposes and permissible uses of E&G funds written by Tracy Clark.<sup>48</sup> Clark reported she never briefed Whittaker about her TCH funding concerns.<sup>49</sup> Whittaker deferred to Merck's knowledge and experience and Clark deferred to Merck's authority.<sup>50</sup> 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.<sup>51</sup>

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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<sup>44</sup> 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.

<sup>45</sup> Exhibit F - Christy Tant's June 19, 2015, 10:07 a.m. email to the Budget Office.

<sup>46</sup> 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.)

<sup>47</sup> Exhibit H - Scott Cole's July 24, 2014, 5:04 p.m. email to Kassem Rhue.

<sup>48</sup> Exhibit I - William Merck's December 2, 2014, 4:15 p.m. email to Tracy Clark, copying Dale Whittaker.

<sup>49</sup> BC Report at 9.

<sup>50</sup> Whittaker transcript at 14-15; Clark transcript at 49-50.

<sup>51</sup> 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.<sup>52</sup> The \$4 million allocation was transferred on February 18, 2016.<sup>53</sup>

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.<sup>54</sup> On August 31, 2016, Provost Whittaker recommended President Hitt's approval of the Band Building allocation.<sup>55</sup> The \$300,000 in E&G funds were transferred on October 14, 2016.<sup>56</sup>

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.<sup>57</sup>

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.<sup>58</sup>

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.<sup>59</sup> The BOT only learned of these improper transfers through the Auditor General report. During the January 19, 2019 BOT meeting

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<sup>52</sup> Exhibit K - 2015-16 E&G Budget, Summary of Allocations and Reserve, signed by President Hitt on August 19, 2015.

<sup>53</sup> Exhibit J - Journal Entry Summary – E&G Funding Transferred to 8 Additional Construction Projects (Prior to Funding Corrections).

<sup>54</sup> Exhibit L - UCF's Central Reserve – Planned E&G Budget Allocations Fiscal 2016-17, updated August 1, 2016.

<sup>55</sup> Exhibit M - 2016-17 E&G Budget, Summary of Allocations and Reserve, signed by President Hitt on August 31, 2016.

<sup>56</sup> Exhibit J - Journal Entry Summary – E&G Funding Transferred to 8 Additional Construction Projects (Prior to Funding Corrections).

<sup>57</sup> Exhibit N - Kathy Mitchell's September 18, 2018, 5:07 p.m. email to Dale Whittaker; Mitchell transcript at 20.

<sup>58</sup> 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.

<sup>59</sup> 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.<sup>60</sup> 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<sup>61</sup> 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	<sup>62</sup> 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

<sup>60</sup> Copies of the FY 2016-17 through 2018-19 Capital Outlay Budgets are attached as Exhibit R.

<sup>61</sup> Exhibit W – 2013-2015 Beginning Carryforward Fund Balance Composition Reports.

<sup>62</sup> 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.<sup>63</sup> 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.<sup>64</sup> 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.<sup>65</sup> The Provost’s approval was necessary to add a commitment to the E&G commitment list.<sup>66</sup> That list projects spending over five years and reflects the anticipated unencumbered balance in the central E&G reserve.<sup>67</sup> 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.<sup>68</sup> 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.<sup>69</sup>

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

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<sup>63</sup> Clark transcript at 26.

<sup>64</sup> Clark transcript at 29.

<sup>65</sup> Clark transcript at 16.

<sup>66</sup> Tant transcript at 23.

<sup>67</sup> 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.

<sup>68</sup> Exhibit E - 2014-15 E&G Budget, Summary of Allocations and Reserve; Tant transcript at 16.

<sup>69</sup> 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.”<sup>70</sup> 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<sup>71</sup> 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<sup>72</sup> 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.<sup>73</sup> 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.<sup>74</sup>

#### 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.<sup>75</sup> 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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<sup>70</sup> See September 20, 2018 UCF BOT meeting.

<sup>71</sup> 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.

<sup>72</sup> See <https://thefloridachannel.org/videos/10317-florida-board-governors-workshop-part-2/>.

<sup>73</sup> 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.

<sup>74</sup> The State Board of Administration, Special Purpose Investment Account, managed for the benefit of state universities and other public entities.

<sup>75</sup> BOG Reg. 9.007(3)(a).

expenditures in the fourth quarter are not included in annual operating budget documents.<sup>76</sup> \$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.<sup>77</sup> 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:<sup>78</sup>

- 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.<sup>79</sup> 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-

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<sup>76</sup> See Exhibit V - 2018-19 University Operating Budget. Operating budgets are approved before the 4<sup>th</sup> 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.

<sup>77</sup> 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.

<sup>78</sup> 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](https://www.flbog.edu/board/office/budget/docs/2018-19_Combined-Final-Book.pdf).

<sup>79</sup> 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.<sup>80</sup> 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<sup>81</sup> 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.<sup>82</sup> 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.<sup>83</sup> 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.<sup>84</sup> 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.<sup>85</sup> 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

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<sup>80</sup> 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.

<sup>81</sup> 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.

<sup>82</sup> 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>.

<sup>83</sup> SS. 1011.012, 1013.30, 1013.31, 1013.61 F.S.; Ch. 21, BOG Regulations.

<sup>84</sup> S. 1013.31, F.S.

<sup>85</sup> UCF 2015 Educational Plant Survey, published at:

<https://spaa.ucf.edu/documents/reports/2015-Educational-Plant-Survey.pdf>.

has a broad mandate,<sup>86</sup> with a focus on ethics and employee behavior<sup>87</sup> rather than institutional compliance with laws.<sup>88</sup> 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.<sup>89</sup>

UCF Audit performs audit, advisory and investigative services appropriate to the needs of the university.<sup>90</sup> UCF Audit also works as a liaison with the state Auditor General.<sup>91</sup> UCF Audit receives numerous inquiries concerning the appropriate use of funds, on which they give advice or opinions.<sup>92</sup> Employees in UCF Audit do not receive training on the application of statutes and regulations pertinent to their work<sup>93</sup> other than whistleblower training, provided by the BOG.<sup>94</sup>

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.<sup>95</sup> At least one UCF Audit employee attends budget directors meetings for awareness of issues, to provide advice and suggest internal controls.<sup>96</sup> The UCF Audit attendee reports information gathered to all UCF Audit staff.<sup>97</sup> 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.<sup>98</sup>

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<sup>86</sup> “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/>.

<sup>87</sup> <https://compliance.ucf.edu/training-3/>.

<sup>88</sup> BOG regulations and the “UCF General Counsel – Legal Issues” are listed among many ethics and compliance resources at <https://compliance.ucf.edu/resources/>.

<sup>89</sup> Maier transcript at 15-16.

<sup>90</sup> Maier transcript at 12-13.

<sup>91</sup> Taft transcript at 8.

<sup>92</sup> Taft transcript at 11.

<sup>93</sup> 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.)

<sup>94</sup> Maier transcript at 14-15.

<sup>95</sup> Mitchell transcript at 36; Taft transcript at 40-41.

<sup>96</sup> Taft transcript at 23-24; Maier transcript at 25-26; Mitchell transcript at 32.

<sup>97</sup> Mitchell transcript at 32.

<sup>98</sup> 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.<sup>99</sup>

The BOG I.G. has investigatory responsibility for the BOG.<sup>100</sup> 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.<sup>101</sup> 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.<sup>102</sup> 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.<sup>103</sup> Many university BOB 2 projects have shown E&G as a funding source.<sup>104</sup> The BOG has not objected to the practice.

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<sup>99</sup> Mitchell transcript at 24.

<sup>100</sup> S. 20.055(1)-(2), F.S.; s. 1001.706(5)(f).

<sup>101</sup> 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).

<sup>102</sup> 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.

<sup>103</sup> Kernek transcript at 100.

<sup>104</sup> 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.<sup>105</sup> Employees had different understandings of terminology and regulations.<sup>106</sup>

## 7. Advising and Training of Trustees

Trustees received minimal orientation and training.<sup>107</sup> However, UCF and the BOG did little to train them in the essentials of their financial responsibilities. Trustees did not understand the budget process.<sup>108</sup> Although the General Counsel received meeting agendas and materials before BOT meetings,<sup>109</sup> 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.<sup>110</sup> 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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<sup>105</sup> Clark transcript at 87, 120; Tant transcript at 25; Merck transcript at 115, 148; Maier transcript at 14.

<sup>106</sup> 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.

<sup>107</sup> Marchena transcript at 10-13; Merck transcript at 10-12; Clark transcript at 55-56.

<sup>108</sup> 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.)

<sup>109</sup> Kernek transcript at 168-69.

<sup>110</sup> 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.<sup>111</sup> 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.<sup>112</sup> Committee staff summarized and commented on the Bryan Cave

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<sup>111</sup> 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.

<sup>112</sup> 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.<sup>113</sup>

## **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.<sup>114</sup> 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.<sup>115</sup> 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.<sup>116</sup> 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

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<sup>113</sup> Videos of the meetings are available on the PIE Committee page at the House website.

<sup>114</sup> 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.).

<sup>115</sup> 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>.

<sup>116</sup> Reg. 9.007(4)(b).

learn about legal constraints on spending, despite responsibility to do so.<sup>117</sup> 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.<sup>118</sup> The UCF BOT delegated its authority over expenditure budgets to administrators.<sup>119</sup>

### **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.<sup>120</sup>

### **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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<sup>117</sup> Dr. Whittaker had access to all the information available to the BOT described in Section G. of this Report.

<sup>118</sup> S. 1011.40(2), F.S. See also BOG Reg. 1.001(6)(a).

<sup>119</sup> 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.

<sup>120</sup> 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.<sup>121</sup> 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.<sup>122</sup> 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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<sup>121</sup> 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.

<sup>122</sup> 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. UCF and other Universities Should Strictly Adhere to Planning and Budget Laws**

- 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. BOT Policy Development**

- 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.<sup>123</sup>
- 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.

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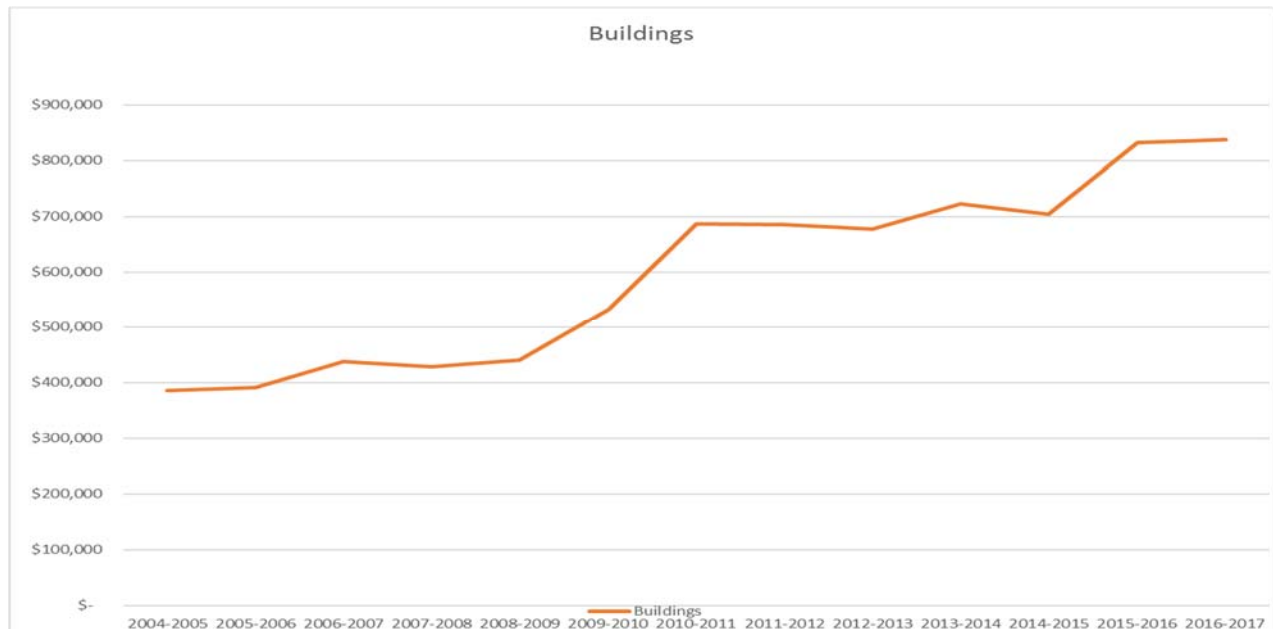
<sup>123</sup> S. 20.155(5), F.S., does not provide the BOG's Inspector General with subpoena powers. If requested by the BOG, consideration should be given to amend that section to mirror s. 14.32(5)(b), F.S.

## Appendix A – UCF Plant Growth

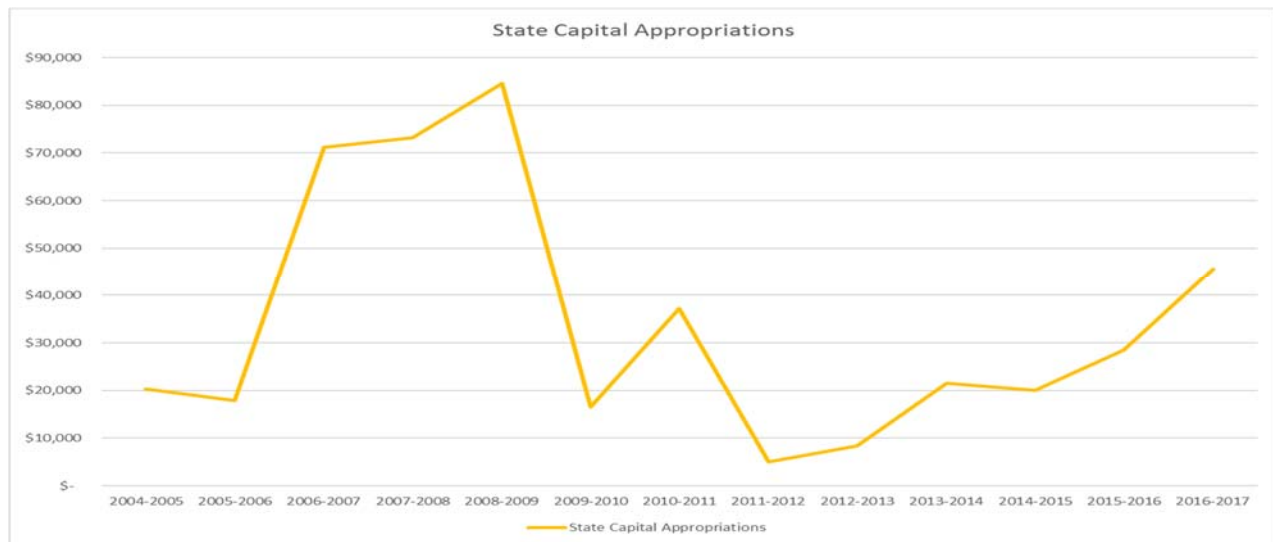
The table below lists UCF land, facilities less accumulated depreciation, construction in progress at year's end and state capital appropriations from FY 2004-05 to FY 2016-17:

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.<sup>1</sup> 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.<sup>2</sup>

At the budget chat meetings, new budget processes developed under Provost Whittaker's leadership were discussed, including the resurrection of the University Budget Committee.<sup>3</sup>

#### **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.<sup>4</sup> 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,<sup>5</sup> having been added to the Committee approximately one year after its reestablishment.<sup>6</sup>

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<sup>1</sup> Clark transcript at 15.

<sup>2</sup> Clark transcript at 16.

<sup>3</sup> Clark transcript at 25.

<sup>4</sup> Clark transcript at 26.

<sup>5</sup> Cole transcript at 56.

<sup>6</sup> Clark transcript at 126.

The UBC prioritized and budgeted uncommitted E&G funds.<sup>7</sup> This established a Vice Presidential collaborative to make decisions and recommendations formerly made by the budget chat group.<sup>8</sup>

The UBC was actively involved in an allocation of \$4 million of E&G funds for the CREOL construction project.<sup>9</sup> The UBC also regularly reviewed a version of the Capital Projects List<sup>10</sup> 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.<sup>11</sup>

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.

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<sup>7</sup> Clark transcript at 75.

<sup>8</sup> Clark transcript at 27.

<sup>9</sup> Clark transcript at 74.

<sup>10</sup> See Exhibit S - Capital Projects Current Funding Plan, updated 03/22/16.

<sup>11</sup> Clark transcript at 27.



### **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.<sup>12</sup>

#### **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.<sup>13</sup> The provost's approval is necessary to add a commitment to the E&G commitment list.<sup>14</sup> 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.<sup>15,16</sup> 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.<sup>17</sup>

#### **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.<sup>18</sup> The Provost signs it, recommending it for approval of the President, who also signs it.<sup>19</sup>

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.<sup>20</sup> Each year this document sets

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<sup>12</sup> See Exhibit S - Capital Projects Current Funding Plan, updated 03/22/16.

<sup>13</sup> Clark transcript at 16.

<sup>14</sup> Tant transcript at 23.

<sup>15</sup> Clark transcript at 16-17.

<sup>16</sup> 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.

<sup>17</sup> Tant transcript at 72.

<sup>18</sup> 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.

<sup>19</sup> See Exhibit E - 2014-15 E&G Budget, Summary of Allocations and Reserve; Tant transcript at 16.

<sup>20</sup> 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<sup>21</sup> is a document submitted to the BOG every August.<sup>22</sup>

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.<sup>23</sup> 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.

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<sup>21</sup> 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.

<sup>22</sup> Tant transcript at 72.

<sup>23</sup> 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.<sup>1</sup>

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.

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<sup>1</sup> 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	2017-18
<b>A. Recurring allocations from recurring funds</b>							
<u>Planned Off-the-top</u>							
1% Merit increases (effective 10/1/13)			2,000,000	?	?	?	?
Faculty promotional increases			500,000	500,000	500,000	500,000	500,000
Instructor promotional increases			220,771	?	?	?	?
TIP, RIA, SoTL			500,000	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	-	-	-	-
<u>Phased-in from non-recurring to recurring funds</u>							
1 2012-13 Faculty promotional increase		5,000	5,000	-	-	-	-
1 Matching funds for C&G proposals		1,000,000	1,000,000	-	-	-	-
<b>Total recurring allocations from recurring funds</b>		<b>1,005,000</b>	<b>4,575,771</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>B. Recurring allocations from recurring 10% institutional investment funds</b>							
<u>Recurring on a Non-recurring basis</u>							
National Merit & Provost Scholars Program		871,116	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Total recurring allocations from recurring funds</b>		<b>871,116</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>
<b>C. Recurring allocations from nonrecurring funds (some items could be funded from institutional investments held in reserve)</b>							
Undergraduate education pilot projects			1,000,000	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	1,000,000
Additional increases in utility costs			-	?	?	?	?
PO&M - FSEC		340,961	373,000	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	2,500,000
Health Sciences Campus Boggy Creek assessment		44,930	40,000	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
E-Verify			12,375	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	1,486,200
2 Library Materials/ Electronic Journal Subscription			335,276	335,276	335,276	335,276	335,276
Police - 6 new officers		178,000	480,000	480,000	480,000	480,000	480,000
Police - New key/camera/alert positions			245,000	245,000	245,000	245,000	245,000
Police - market adjustment			200,000	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	100,000
2 Salary Market Adjustment for SMCA		32,500	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	2,000,000
1 Foundation Support		300,000	300,000	300,000	300,000	300,000	300,000
Performance plan payments			264,000	300,000	300,000	300,000	300,000
Financial Aid to replace Bright Futures			-	2,700,000	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	300,000
Academic advising costs			150,000	?	?	?	?
1 SMCA support		267,500	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	78,000
1 Legal Scholars/ BRAC		75,000	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	100,000
2 Pegasus Magazine		347,000	375,000	375,000	375,000	375,000	375,000
<b>Total recurring allocations from nonrecurring funds</b>		<b>5,445,641</b>	<b>10,869,687</b>	<b>14,455,687</b>	<b>14,555,687</b>	<b>14,555,687</b>	<b>14,555,687</b>
<b>E. Planned nonrecurring allocations</b>							
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	600,000

## 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	2017-18	
1	Resurface track	375,000	375,000	?	?	?	?	NEW
	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	-	-	-	-	NEW
	Colburn Hall renovation	700,000	8,000,000	-	-	-	-	NEW
	College of Education support		?	-	-	-	-	NEW
1	Legal - contract review software	50,000	50,000	-	-	-	-	NEW
	Boggy Creek Bond Assessment (once development begins)		-	?	?	?	?	
2	UCF Knights Success Grant		50,000	?	?	?	?	NEW
2	Electronic Data Warehouse	34,680	34,680	-	-	-	-	NEW
	Health Sciences Campus support (pending but not approved)		-	?	?	?	?	
<b>Total nonrecurring allocations</b>		<b>7,329,674</b>	<b>24,161,674</b>	<b>5,981,215</b>	<b>4,112,186</b>	<b>3,249,654</b>	<b>600,000</b>	
F.	<b>Total Recurring and Non-recurring Allocations:</b>							
	Recurring allocations	1,005,000	4,575,771	1,000,000	1,000,000	1,000,000	1,000,000	
	Non-recurring allocations from Institutional investment funds	871,116	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	
	Non-recurring allocations	12,775,315	35,031,361	20,436,902	18,667,873	17,805,341	15,155,687	
	<b>Total allocations</b>	<b>14,651,431</b>	<b>41,107,132</b>	<b>22,936,902</b>	<b>21,167,873</b>	<b>20,305,341</b>	<b>17,655,687</b>	

### FOOTNOTE LEGEND:

<sup>1</sup> 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.

<sup>2</sup> 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 the reserve 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 include allocation of remaining \$2.2m earmarked for faculty positions.



## 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	2016-17
<b>A. <u>Recurring allocations from recurring funds</u></b>								
<b><u>Planned Off-the-top</u></b>								
	Merit increases	-	-	?	?	?	?	?
	Faculty promotional increases	500,000	423,111	500,000	500,000	500,000	500,000	500,000
	TIP, RIA, SoTL	500,000	-	500,000	500,000	500,000	500,000	500,000
	Increase in lease costs	-	-	-	-	-	-	-
2	Graduate health insurance	-	-	(300,000)	?	?	?	?
<b><u>New &amp; Phased-in from non-recurring to recurring funds</u></b>								
	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	-	-	-	-
<b>Total recurring allocations from recurring funds</b>		<b>3,305,991</b>	<b>2,729,102</b>	<b>3,661,200</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>B. <u>Recurring allocations from recurring 10% institutional investment funds</u></b>								
<b><u>Recurring on a Non-recurring basis</u></b>								
	National Merit (Provost's Scholars Program)	1,280,000	809,721	1,500,000	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	-	-	?	?	?	?	?
<b>Total recurring allocations from recurring funds</b>		<b>1,340,000</b>	<b>871,116</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>
<b>C. <u>Recurring allocations from nonrecurring funds (some items could be funded from institutional investments held in reserve)</u></b>								
	Undergraduate education pilot projects	189,000	-	1,000,000	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	1,000,000
	PO&M - FSEC, NTSC	596,800	-	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	2,500,000
	Health Sciences Campus Boggy Creek assessment	37,380	18,031	40,000	40,000	40,000	40,000	40,000
	Health Sciences Campus property taxes	3,000	-	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	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	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	200,000
1	Performance plan payments	458,000	93,406	264,000	300,000	300,000	300,000	300,000
	Financial Aid to replace Bright Futures	-	-	?	?	?	?	?
	Sci Quest Purchasing Catalog	-	-	500,000	250,000	250,000	250,000	250,000
	Academic Advlsing Project	-	-	?	?	?	?	?
	Environmental Health & Safety/ Emergency Management	-	839,800	-	-	-	-	-
2	F&A Salaries (previously funded by auxiliary resources)	-	1,500,000	?	?	?	?	?
<b>Total recurring allocations from nonrecurring funds</b>		<b>4,837,016</b>	<b>5,700,498</b>	<b>7,881,636</b>	<b>8,067,636</b>	<b>8,467,636</b>	<b>6,467,636</b>	<b>6,467,636</b>
<b>D. <u>Proposed budget plan to move recurring allocations from nonrecurring to recurring funds</u></b>								
	Non-recurring Funds:	4,837,016	5,700,498	7,881,636	8,067,636	8,467,636	6,467,636	6,467,636
	Recurring Funds:	-	-	-	-	-	-	-
	<b>Total</b>	<b>4,837,016</b>	<b>5,700,498</b>	<b>7,881,636</b>	<b>8,067,636</b>	<b>8,467,636</b>	<b>6,467,636</b>	<b>6,467,636</b>
<b>Incremental recurring funds needed per fiscal year:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E. <u>Planned nonrecurring allocations</u></b>								
	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	-	-	-	-	-

## Planned E&G Budget Allocations

Note: The Morgridge International Reading Center, Mitsubishi-GHP Plant and Quadrangle building are currently being funded through auxiliary loans

	Planned 2012-13	To Date 5/22/13 2012-13	5-Year Plan				
			2013-14	2014-15	2015-16	2015-16	2016-17
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	11,800,000
<b>Total nonrecurring allocations</b>	<b>7,814,959</b>	<b>26,872,768</b>	<b>22,141,994</b>	<b>14,081,215</b>	<b>8,412,186</b>	<b>11,649,654</b>	<b>11,800,000</b>
<b>F. Total Recurring and Non-recurring Allocations:</b>							
Recurring allocations	3,305,991	2,729,102	3,661,200	1,000,000	1,000,000	1,000,000	1,000,000
Non-recurring allocations from Institutional investment funds	1,340,000	871,116	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Non-recurring allocations	12,651,975	32,573,266	30,023,630	22,148,851	16,879,822	18,117,290	18,267,636
<b>Total allocations</b>	<b>17,297,966</b>	<b>36,173,484</b>	<b>35,184,830</b>	<b>24,648,851</b>	<b>19,379,822</b>	<b>20,617,290</b>	<b>20,767,636</b>

NEW  
NEW

### FOOTNOTE LEGEND:

<sup>1</sup> Although recurring in nature, these allocations will always be managed as non-recurring allocations to the divisions.

<sup>2</sup> 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

### Proposed Allocations

Allocation of state funding, effective July 1, 2013

	Recurring	Institutional Investments	Non-Recurring	Total
Retirement - unfunded actuarial liability	\$ 5,144,198	\$ -	\$ -	\$ 5,144,198
Health insurance premium increase (12 months)	2,993,961	-	-	2,993,961
Health insurance premium increase (May-June 2013)	-	-	476,921	476,921
Plant operation and maintenance for new space	65,503	-	-	65,503
Medical School - Year 6 phase in funds	774,417	-	-	774,417
Anti-hazing online education initiative	-	-	1,250,000	1,250,000
Urban teacher training initiative	-	-	200,000	200,000
	8,978,079	-	1,926,921	10,905,000

University designated allocations, effective July 1, 2013

	Recurring	Institutional Investments	Non-Recurring	Total
Recurring hold back from units to fund strategic initiatives	\$ (3,123,881)	\$ -	\$ -	\$ (3,123,881)
Projected increase in FIEA tuition	1,248,088	-	-	1,248,088
Projected increase in DPT tuition	189,755	-	-	189,755
Medical school increase in tuition	3,145,099	-	-	3,145,099
Annualized cost of 2012-13 faculty promotions	4,999	-	-	4,999
Matching funds for C&G proposals	1,000,000	-	-	1,000,000
Convocation Center rent	-	-	1,000,000	1,000,000
Environmental Health & Safety/Emergency Management	-	-	1,486,200	1,486,200
Development - Enhancement Plan (recurring)	-	-	1,200,000	1,200,000
Foundation support	-	-	300,000	300,000
New Chief Audit Executive	-	-	78,000	78,000
SMCA support	-	-	227,500	227,500
Legal - Contract Review Software	-	-	50,000	50,000
Legal Scholars/ BRAC	-	-	75,000	75,000
Development - Enhancement Plan	-	-	1,800,000	1,800,000
Sematech (Year 2 of 5)	-	-	500,000	500,000
Conference entrance fees	-	-	600,000	600,000
Resource track	-	-	375,000	375,000
PBS Partnership	-	-	2,581,994	2,581,994
Reverse 2010-11 transfer	-	-	-	-
Total allocations, effective July 1, 2013	\$ 5,587,941	\$ -	\$ 10,273,694	\$ 15,861,635

### Permanent allocations to be recorded during the year

	Recurring	Institutional Investments	Non-Recurring	Total
1% Merit increase	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Market adjustment for lower-paid employees (all divisions)	200,000	-	-	200,000
Faculty promotional increases	500,000	-	-	500,000
Instructor promotional increases	220,771	-	-	220,771
TIP, RIA, SoTL	500,000	-	-	500,000
Graduate health insurance	(300,000)	-	-	(300,000)
Financial Aid (funded by CPI tuition increase)	450,000	-	-	450,000
National Merit & Provost Scholars Program	-	1,500,000	-	1,500,000
Estimated E&G interest allocation	-	-	-	-
Total to be allocated from recurring funds	\$ 4,000,000	\$ 1,500,000	\$ -	\$ 5,500,000

### Planned mid-year allocations from non-recurring funds

	Recurring	Institutional Investments	Non-Recurring	Total
Undergraduate education pilot projects	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Electronic journal subscription	-	-	105,000	105,000
Academic advising costs	-	-	150,000	150,000
PO&M - FSEC	-	-	373,000	373,000
Health Sciences Campus chilled water expenses	-	-	2,500,000	2,500,000
Health Sciences Campus PO&M	-	-	252,836	252,836
Health Sciences Campus Boggy Creek assessment	-	-	40,000	40,000
Health Sciences Campus property taxes	-	-	3,000	3,000
E-Verify	-	-	12,375	12,375

	Academic Affairs	Admin & Finance	President's Division	SMCA	University Relations	Medical School	Total
	\$ 3,587,640	\$ 653,569	\$ 264,061	\$ 147,211	\$ 36,601	\$ 355,116	\$ 5,144,198
	2,167,107	480,397	84,481	120,654	8,887	132,435	2,993,961
	361,185	80,066	14,080	20,109	1,481	-	476,921
	-	65,503	-	-	-	-	65,503
	-	-	-	-	-	774,417	774,417
	1,250,000	-	-	-	-	1,250,000	2,500,000
	200,000	-	-	-	-	-	200,000
	7,665,932	1,279,535	362,622	287,974	46,969	1,261,968	10,905,000
	\$ (2,180,294)	\$ (570,226)	\$ (100,747)	\$ (255,900)	\$ (16,714)	\$ -	\$ (3,123,881)
	1,248,088	-	-	-	-	-	1,248,088
	189,755	-	-	-	-	-	189,755
	-	-	-	-	-	3,145,099	3,145,099
	4,999	-	-	-	-	-	4,999
	1,000,000	-	-	-	-	-	1,000,000
	-	1,000,000	-	-	-	-	1,000,000
	-	1,486,200	-	-	-	-	1,486,200
	-	-	1,200,000	-	-	-	1,200,000
	-	-	300,000	-	-	-	300,000
	-	-	78,000	-	-	-	78,000
	-	-	-	227,500	-	-	227,500
	-	-	50,000	-	-	-	50,000
	-	-	-	-	75,000	-	75,000
	-	-	1,800,000	-	-	-	1,800,000
	500,000	-	-	-	-	-	500,000
	-	600,000	-	-	-	-	600,000
	-	375,000	-	-	-	-	375,000
	25,991	-	-	2,581,994	-	-	2,581,984
	\$ 2,862,833	\$ 3,461,200	\$ 3,428,000	\$ 2,809,494	\$ 75,000	\$ (25,991)	\$ 15,861,635

	Recurring	Institutional Investments	Non-Recurring	Total
	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
	200,000	-	-	200,000
	500,000	-	-	500,000
	220,771	-	-	220,771
	500,000	-	-	500,000
	(300,000)	-	-	(300,000)
	-	-	450,000	450,000
	-	-	1,500,000	1,500,000
	\$ 3,120,771	\$ 4,000,000	\$ -	\$ 7,120,771

	Recurring	Institutional Investments	Non-Recurring	Total
	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
	105,000	-	-	105,000
	150,000	-	-	150,000
	-	-	373,000	373,000
	-	-	2,500,000	2,500,000
	-	-	252,836	252,836
	-	-	40,000	40,000
	-	-	3,000	3,000
	-	-	12,375	12,375

# University of Central Florida

## 2013-14 E&G Budget, Summary of Allocations and Reserve

	Allocation Across Divisions and Medical School				
	Recruiting	Institutional Investments	Non-Recruiting	Total	
Police - 6 new officers	-	-	480,000	480,000	
Police - Key/Camera/ alert positions	-	-	245,000	245,000	
Police - market adjustment	-	-	200,000	200,000	
HR position for Affordable Health Care Act	-	-	100,000	100,000	
Salary market adjustment	-	-	25,000	25,000	
Affordable Healthcare Act - TO BE DETERMINED	-	-	-	-	
Performance plan payments - estimate	-	-	284,000	284,000	
Subtotal - recruiting items	-	-	5,750,211	5,750,211	
<b>Non-recruiting allocations from non-recruiting funds:</b>					
Research support	-	-	7,500,000	7,500,000	
Regional campuses	-	-	1,500,000	1,500,000	
Academic advising costs	-	-	500,000	500,000	
Organizational structure review	-	-	350,000	350,000	
Police - non-recruiting equipment costs for new officers	-	-	120,000	120,000	
Colburn Hall renovation	-	-	8,000,000	8,000,000	
Gift Fees - Health Sciences Buildings	-	-	200,000	200,000	
Subtotal - non-recruiting items	-	-	18,170,000	18,170,000	
Total to be allocated from non-recruiting funds	-	-	23,920,211	23,920,211	

### Composition of Central Reserve

	2013-14	2013-14	2013-14	2013-14
	Reserve	Institutional Investments	Central	Carryforward
3% Hold back	\$ 7,100,000	-	-	-
2012-13 Tuition rate increase (excluding 30% differential)	12,854,792	-	-	-
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	14,088,154	-
Permanent allocations to be recorded during the year	(7,570,771)	(1,500,000)	-	-
Recurring reserves as of July 1, 2013 <sup>1</sup>	44,555,620	719,764	-	-
Non-recurring allocations to be recorded during the year	(15,978,921)	-	-	(7,943,280)
Total reserves as of July 1, 2013 <sup>1</sup>	\$ 28,576,699	\$ 719,764	\$ -	\$ 6,114,864

<sup>1</sup> 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	Date
Tony Waldrop, Provost and Executive Vice President		
Approval:	8/13/13	Date
John C. Hitt, President		



# **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 (department 02800018). This amount will be used for testing, planning, and design work related to Colburn Hall renovation and repairs. This is a portion of the total estimated project cost of \$8,000,000 included in the "Future Allocations from 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*



University of Central Florida  
Finance and Accounting  
12424 Research Pkwy, Suite 300  
Orlando, FL 32826-3249  
[christy.tant@ucf.edu](mailto:christy.tant@ucf.edu)  
Phone 407.882.1029  
Fax 407.882.1102



## Budget Transfer Request

Budget Transfer  
#

**RV-RSV**

14008

Requestor John Pittman

Date 08/22/13

Requesting  
Department A&F

[illegible][illegible]**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

**Note:** Send the budget transfer request by e-mail to the appropriate approval level for processing. Identify the budget transfer number in the subject line. Keep a copy for your records.

Recommended Christy T'ant 8/26/2013

Date \_\_\_\_\_

Approved

Dean / Director

Date \_\_\_\_\_

# **EXHIBIT D**



9201050101

**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 Renovations  
**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 department (and then to department 02800703). This amount plus the \$700,000 transferred earlier this fiscal year (\$10,000,000) exceeds the \$8,000,000 estimated in the "Future Allocations from reserve" section of the 2013-14 allocation document. 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 the 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*



University of Central Florida

Finance and Accounting

12424 Research Pkwy, Suite 300

Orlando, FL 32826-3249

[christy.tant@ucf.edu](mailto:christy.tant@ucf.edu)

Phone 407.882.1029

Fax 407.882.1102



Budget Transfer  
#

14075

Date 04/30/14

Requesting Department A&E

[illegible]

Temp Incr - Colburn Hall renovation

Recommended Christy Tant

4/30/2014

Date \_\_\_\_\_

Approved

Dean / Director

---

Date \_\_\_\_\_

## **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

2013-14 End of year total budget, including all allocations

### PERMANENT Beginning of Year Allocations

	University Divisions					University Reserves					
	Academic Affairs	Admin & Finance	Presidents Division	SMCA	Marketing and Communications	University Relations	Total Divisions	Recurring	Institutional Investments	Non-Recurring	Total Central Reserve
2013-14 End of year total budget, including all allocations	\$ 432,320,401	\$ 95,833,155	\$ 19,831,181	\$ 2,056,541	\$ 5,006,714	\$ 2,353,224	\$ 538,407,216	\$ 41,112,860	\$ 738,648	\$ 11,163,370	\$ 53,033,078
<b>PERMANENT BEGINNING OF YEAR ALLOCATIONS</b>											
<b>State Funding</b>											
Performance based funding	\$ 719,615	\$ 197,646	\$ 25,629	\$ 47,078	\$ -	\$ 2,902	\$ 997,174	\$ 21,880,156	\$ -	\$ -	\$ 21,880,156
Competitive pay adjustment (annualization)	119,422	377	-	188	-	-	116,987	264,193	-	-	264,193
Graduate assistant competitive pay adjustment (annualization)	244,751	49,106	2,967	2,967	-	-	250,691	1,133,979	-	-	1,133,979
OPS state group health insurance (annualization)	2,042,187	442,731	81,872	46,016	-	8,000	2,620,806	38,391	-	-	39,391
Health insurance premium increase (annualization)	-	-	-	-	-	-	-	81,612	-	-	81,612
FRS retiree health insurance subsidy	-	-	-	-	-	-	-	834,732	-	-	834,732
Retirement system normal costs	-	-	-	-	-	-	-	-	-	-	-
Downtown Presence	2,000,000	-	-	-	-	-	2,000,000	-	-	-	-
Center for Reading - Station	2,500,000	-	-	-	-	-	2,500,000	-	-	-	-
Medical School - Year 7 phase in funds	-	737,541	-	-	-	-	737,541	-	-	-	-
<b>University designated</b>											
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)	489,567	137,181	50,001	26,176	-	6,422	598,327	(698,327)	-	-	(698,327)
2013-14 Salary increase-2% (unit faculty)	1,152,561	-	1,415	-	-	-	1,133,979	(1,133,979)	-	-	(1,133,979)
Market adjustment for lower paid employees	891,516	110,217	463	-	484	-	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	(5,184,257)	(1,985,243)	-	(7,165)
Faculty promotional increases (annualization)	7,185	-	-	-	-	-	7,185	(883)	-	-	(883)
Instructor promotional increases (annualization)	1,500,000	-	-	-	-	-	1,500,000	(1,500,000)	-	-	(1,500,000)
National Ment and Provost Scholars Program	(400,000)	-	-	-	-	-	(400,000)	400,000	-	-	400,000
Permanent reduction for rent savings	335,276	-	-	-	-	-	335,276	(335,276)	-	-	(335,276)
Library materials/electronic journal subscription	-	2,045	-	-	-	-	2,045	(2,045)	-	-	(2,045)
University fine arts insurance policy	-	-	78,000	-	-	-	78,000	(78,000)	-	-	(78,000)
New chief succ executive	-	-	-	-	-	75,000	75,000	(75,000)	-	-	(75,000)
Legal Scholars' BRAC	-	1,496,200	-	-	-	-	1,496,200	(1,496,200)	-	-	(1,496,200)
Environmental Health & Safety/Emergency Management	-	328,456	-	-	-	-	328,456	(328,456)	-	-	(328,456)
Police payroll/operating shortfall	-	178,000	-	-	-	-	178,000	(178,000)	-	-	(178,000)
Police- 3 new officers	-	134,065	-	-	-	-	134,065	(134,065)	-	-	(134,065)
Police- 2013-14 special pay increase	-	95,550	-	-	-	-	95,550	(95,550)	-	-	(95,550)
HR position for Affordable Health Care Act	-	12,375	-	-	-	-	12,375	(12,375)	-	-	(12,375)
E-Verify	-	-	-	-	-	-	-	(32,500)	-	-	(32,500)
KRM salary market adjustment	32,500	-	-	-	-	-	32,500	(350,000)	-	-	(350,000)
Pegasus Magazine	-	-	-	267,500	350,000	-	267,500	(267,500)	-	-	(267,500)
SWCA support	-	-	-	-	-	21,135	21,135	(21,135)	-	-	(21,135)
University relations promotion	-	-	-	-	-	-	-	-	-	-	-
Reverse 2010-11 transfer	25,991	-	-	-	-	-	25,991	(35,391)	-	-	(35,391)
Technical transfer- OPS state group health insurance (annualization)	-	-	-	-	-	-	-	-	-	-	-
<b>Tuition and Fees</b>											
Revenue union budget held in reserve	-	-	-	-	-	-	-	(1,416,476)	-	-	(1,416,476)
Reserve unallocated 2013-14 tuition budget held in reserve	-	-	-	-	-	-	-	1,416,476	-	-	1,416,476
2014-15 union 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 161414	-	-	-	-	-	-	-	1,016,546	-	-	1,016,546
Decrease in projected interest	-	-	-	-	-	-	-	(1,000,000)	-	-	(1,000,000)
Increase in 2012-13 union rate increase	-	-	-	-	-	-	-	(11,389,313)	-	-	(11,389,313)
Downtown union adjustment	10,104,674	959,695	167,345	11,179	-	25,808	11,389,313	1,265,479	-	-	1,265,479
Medical school increase in tuition	(76,073)	-	-	-	-	-	(76,073)	76,073	-	-	76,073
Total permanent allocations	\$ 30,337,250	\$ 4,942,908	\$ 464,112	\$ 533,739	\$ 350,494	\$ 142,939	\$ 36,977,442	\$ 1,446	\$ (2,219,784)	\$ -	\$ (2,218,318)

# University of Central Florida 2014-15 E&G Budget, Summary of Allocations and Reserve

## TEMPORARY Beginning of Year Allocations

Revenue 2013-14 temporary allocations and carryforward  
PO follow-up - ESTIMATE  
Carryforward - ESTIMATE

State funding  
2013-14 BOC Amendment \$600 Bonus  
Center for Reading - ISator  
Dual Enrollment  
Anti-hazing online education initiative  
STEM Instructional Enhancement  
Evans Community School  
Lou Frey Institute  
Cohn's and Collins Research

### University designated

#### Recurring allocations from non-recurring funds:

Development - Enhancement Plan  
Foundation support  
Convocation Center rent  
Non-recurring allocations:  
Creative Village project launch and coordinator  
OEM - new key/cameralist positions  
Academic advising (DARS/PS conversion)  
Research support  
Semaltel (Year 3 of 5)  
PBS partnership  
Development - Enhancement Plan  
Conference entrance fees  
Total temporary allocations (including change in carry forward)

2014-15 Beginning of year total budget

## PLANNED MID-YEAR ALLOCATIONS

Notes: 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  
Retirement system normal costs - ESTIMATE  
E&G interest allocation  
2014-15 Salary increase (to be allocated among divisions)  
Faculty promotional increases  
Instructor promotional increases  
TIP, RUA, SOTL  
Pegasus Magazine  
CS&T Information Security Risk Audit  
OEM - new key/cameralist positions  
Police payroll/operating shortfall  
Total to be allocated from recurring funds

University Divisions										University Reserves			Total Central Reserve
Academic Affairs	Admin. & Finance	President's Division	SMCA	Marketing and Communications	University Relations	Total Divisions	Recurring	Instatutinal Investments	Non-Recurring				
\$ (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)			
3,655,993 4,254,257 673,075 18,153 385,132 142,044 9,528,652							-	-	-	688,662			
66,559,878 7,480,591 5,304,354 1,425,888 16,296 386,020 81,174,537							-	-	55,047,240	55,047,240			
552,890 113,033 21,561 1,938 5,167 2,584 697,573							-	-	(697,573)	(697,573)			
1,500,000 - - - - - 1,500,000							-	-	15,724	15,724			
1,000,000 - - - - - 1,000,000							-	-	-	-			
1,000,000 - - - - - 1,000,000							-	-	-	-			
885,000 - - - - - 885,000							-	-	-	-			
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# University of Central Florida

## 2014-15 E&G Budget, Summary of Allocations and Reserve

	University Divisions				University Reserves			Total Central Reserve
	Academic Affairs	Admin & Finance	President's Division	SMCA	Marketing and Communications	University Relations	Total Divisions	
	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ (100,000)
	1,000,000	-	-	-	-	-	1,000,000	(1,000,000)
	150,000	-	-	-	-	-	150,000	(150,000)
	-	-	500,000	-	-	-	500,000	(500,000)
	-	-	90,000	-	-	-	90,000	(90,000)
	-	2,500,000	-	-	-	-	2,500,000	(2,500,000)
	-	45,000	-	-	-	-	45,000	(45,000)
	-	3,000	-	-	-	-	3,000	(3,000)
	-	252,836	-	-	-	-	252,836	(252,836)
	-	373,000	-	-	-	-	373,000	(373,000)
	-	150,000	-	-	-	-	150,000	(150,000)
	-	-	1,200,000	-	-	-	1,200,000	(1,200,000)
	\$ 1,250,000	\$ 3,323,836	\$ 1,790,000	\$ -	\$ -	\$ -	\$ 6,363,836	\$ (6,363,836)
	-	18,000,000	-	-	-	-	18,000,000	(18,000,000)
	-	13,000,000	-	-	-	-	13,000,000	(13,000,000)
	2,000,000	-	-	-	-	-	2,000,000	(2,000,000)
	32,250	-	-	-	-	-	32,250	(32,250)
	3,500,000	-	-	-	-	-	3,500,000	(3,500,000)
	895,000	-	-	-	-	-	895,000	(895,000)
	270,000	-	-	-	-	-	270,000	(270,000)
	190,000	-	-	-	-	-	190,000	(190,000)
	320,000	-	-	-	-	-	320,000	(320,000)
	250,000	-	-	-	-	-	250,000	(250,000)
	188,500	-	-	-	-	-	188,500	(188,500)
	195,500	-	-	-	-	-	195,500	(195,500)
	7,292,250	\$ 33,510,000	\$ 40,500	\$ 45,000	\$ -	\$ -	\$ 40,687,750	\$ (40,687,750)
	\$ 8,342,250	\$ 36,833,836	\$ 1,830,500	\$ 45,000	\$ -	\$ -	\$ 47,051,586	\$ (47,051,586)

### TEMPORARY allocations to be recorded during the year

#### Recurring allocations from non-recurring funds:

UCF Knight Success Grant  
Undergraduate education pilot projects  
Academic advising costs  
President's Office support  
EOAA position  
Health Sciences Campus chilled water expenses  
Health Sciences Campus Boggy Creek assessment  
Health Sciences Campus property taxes  
Health Sciences Campus PO&M  
PO&M - FSEC  
O&M camera annual maintenance  
Foundation support  
Subtotal recurring items

#### Non-recurring allocations:

Colburn Hall renovations  
Investment in research (seed)  
Financial aid audit  
Lead testing performance tuning (DARS/PS conversion)  
Project Surface  
Graduate fellowships  
Organizational structure review  
Re-key building  
IQ project- Florida Hospital & Tavistock  
Creative Village project liaison and coordinator  
Performance plan payments  
Subtotal non-recurring items  
Total to be allocated from non-recurring funds

### COMPOSITION OF CENTRAL RESERVE

2014-15 projected union held in reserve  
Permanent allocations to be recorded during the year  
Available recurring reserve  
2013-14 carryforward funds (estimate)  
Subtotal  
Permanent allocations to be recorded during the year  
Recurring reserves as of July 1, 2014  
Non-recurring allocations to be recorded during the year  
Total available reserves as of July 1, 2014

	Recurring		Non-recurring	
	Reserve	Institutional Investments	Central Carryforward	
	\$ 5,787,724	\$ -	\$ -	
	14,372,793	-	-	
	27,107,940	-	-	
	47,268,457	-	37,752,638	
	(14,372,793)	-	37,752,638	
	32,895,664	-	(47,051,586)	
	\$ 32,895,664	\$ -	\$ (9,298,948)	

Recommended for approval: *A. Dale Whitman*  
 Approval: *John C. Hill*  
 Date: 8-8-14  
 Date: 8/11/14





# **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&F's reserve department (and then to department 02800703). This amount was included in the "Future Allocations from reserve" section of the 2014-15 allocation document and brings the total funding transferred to date up to \$28,000,000 (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 transferred 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*



University of Central Florida  
Finance and Accounting  
12424 Research Pkwy, Suite 300  
Orlando, FL 32826-3249  
[christy.tant@ucf.edu](mailto: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 department (and then to department 02800703). This amount plus the \$700,000 transferred earlier this fiscal year (\$10,000,000) exceeds the \$8,000,000 estimated in the "Future Allocations from reserve" section of the 2013-14 allocation document. 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 the 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*



University of Central Florida

Finance and Accounting

12424 Research Pkwy, Suite 300

Orlando, FL 32826-3249

[christy.tant@ucf.edu](mailto:christy.tant@ucf.edu)

Phone 407.882.1029

Fax 407.882.1102





# **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 Colburn Hall/Trevor Colburn project. Please transfer this to the E&G department that received the previous transfers and then IDI 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*



University of Central Florida  
Finance and Accounting  
12424 Research Pkwy, Suite 300  
Orlando, FL 32826-3249  
[christy.tant@ucf.edu](mailto:christy.tant@ucf.edu)  
Phone 407.882.1029  
Fax 407.882.1102

## Donna DuBuc

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**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](mailto: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](mailto:Tracy.Clark@ucf.edu)

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**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 the renovation of Colbourn Hall in conjunction with the construction of Trevor Colbourn Hall. He told the president that combining the projects would add about \$10 million to the \$28 million we had originally set aside in budget for the new construction. This additional amount to the budget is a combination of the savings identified in the original budget for

the new building plus the renovation cost for the old, helped by combining of the two projects. Original estimates were \$28 million for Trevor Colbourn, and \$20 million for Colbourn renovation. The new budget is \$23 million for Trevor Colbourn and \$15 million for Colbourn, for a total of \$38 million for both. Bill



# **EXHIBIT H**



## Mitz, Carine

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**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](mailto:Scott.Cole@ucf.edu)>  
**Date:** July 28, 2014 at 9:08:27 AM EDT  
**To:** Margaret Jarrell-Cole <[Margaret.Cole@ucf.edu](mailto: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](mailto:Scott.Cole@ucf.edu)>  
**Date:** Thursday, July 24, 2014 at 5:04 PM  
**To:** Kaseema Rhue <[Kaseema.Rhue@ucf.edu](mailto: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, and 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&Tab=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=1000-1099/1001/1001PartIVContentsIndex.html&StatuteYear=2013&Title=-%3E2013-%3EChapter%201001-%3EPart%20IV](http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&URL=1000-1099/1001/1001PartIVContentsIndex.html&StatuteYear=2013&Title=-%3E2013-%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](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**



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 Oml; 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 a few weeks ago when he was on campus and gave him our opinion at that time, so I thought that was the 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 use 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](mailto:Tracy.Clark@ucf.edu)

**From:** David Noel  
**Sent:** Tuesday, December 02, 2014 11:25 AM

**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 efforts 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 this 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 Medicine 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**





**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

2015-16 Operating Budget  
2014-15 End of year total budget, including all allocations

## PERMANENT Beginning of Year Allocations

### State funding

Performance funding  
Center for Reading-Isolation  
Florida Center for Nursing  
Institute for Human and Machine Cognition  
Plant, operators, and maintenance for new space  
Risk management insurance  
Pension and health adjustments  
Chronic and Collis Research  
Technical transfer

### University designated

2014-15 Salary increase (annualized)  
CS&T Information security risk audit (annualized)  
2014-15 Faculty/instructor promotional increases (annualized)  
OBM camera and access control systems  
OBM new key/camera/alert positions (annualized)  
President's Office support  
EOAA position  
Promote's budget office salary  
New 100 faculty funding (2 lines) - COM  
Permanent division to division transfers

### Tuition and fees

Allocate 2014-15 differential for need-based aid held in reserve  
National Merit (scholarship replacement)  
2015-16 tuition budget increase held in reserve  
2015-16 projected differential for need-based aid held in reserve  
Projected increase in interest  
Projected increase in DPT tuition  
Projected increase in FIEA tuition  
Medical school increase in enrollment  
Total permanent allocations

## University

### University

### University

### University

## University

### University

### University

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### University

### University

### University

### University

### University

Academic Affairs	Admin & Finance	President's Division	SMCA	Communications and Marketing	University Relations	All Divisions	Recurring	Non-Recurring	Medical School	Grand Total
\$ 495,607,658	\$ 117,416,054	\$ 22,335,459	\$ 1,446,979	\$ 7,140,093	\$ 2,534,917	\$ 646,475,780	\$ 26,576,519	\$ -	\$ 57,083,904	\$ 730,439,283
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
500,000						500,000	14,717,871			14,717,871
450,000						450,000				500,000
(440,000)						(440,000)				(440,000)
	297,472					297,472				297,472
	(465,636)					(465,636)				(465,636)
							55,451		(8,809)	46,648
							73,878		337,000	410,878
									(73,878)	
518,147	151,451	47,794		17,787	5,554	740,743	(740,743)			
53,257						53,257				
15,053						15,053				
	208,810					208,810	(208,810)			
	54,742					54,742				
		500,000				500,000	(500,000)			
		90,000				90,000				
(375,188)	373,188	(20,000)				(20,000)			270,800	
(270,600)						(270,600)				
20,000										
1,016,546						1,016,546	(1,016,546)			
1,001,500						1,001,500	(1,001,500)			
							5,311,068			5,311,068
							396,512			396,512
							1,000,000			1,000,000
(100,000)						(100,000)				(100,000)
88,454						88,454				88,454
\$ 2,479,159	\$ 618,037	\$ 617,794	\$ -	\$ 17,787	\$ 5,554	\$ 3,739,341	\$ 17,876,128	\$ -	\$ 1,432,189	\$ 23,294,573

# University of Central Florida

## TEMPORARY Beginning of Year Allocations

Reverse 2014-15 temporary allocations and carry forward  
Encumbrances (PO rollovers)  
8/30/15 carryover (including reallocation collection)

### State funding

Evans Community School  
Lou Frey Institute  
Citron's and Coffis Research

### University designated

#### Recurring allocations from non-recurring funds:

Development - Enhancement Plan  
Foundation support  
athletics compliance positions  
Finance & Accounting operations  
Communication Center rent  
Conference fees  
Health Sciences Campus Boggy Creek assessment  
Communications and Marketing support

#### Non-recurring allocations:

PBS partnership  
Communications and Marketing support  
Development salary  
University Innovation Alliance salary support  
Contract management software (legal)  
Sennatech (Year 4 of 5)  
Creative Village coordinator  
Oracle/CSco contract payroll (Year 1 of 5)  
Predictive analytics software agreement with EAB payback

#### University Budget Committee allocations:

GOOP - Phase II of CREDL additional expenses  
SDES - Low Income SCH Enhancement Scholarships  
Regional - Web course support  
BHC - Additional honors courses & science labs  
SDES - Predictive analytics software agreement with EAB (Years 1 - 3)  
ITR - Data center hardware/maintenance  
COS - GTA stipends  
CRC - STOKES upgrade  
ITR - Recurring library resource cost inflation  
CRC - New Faculty Hires - IST  
CSS - Master of Interdisciplinary Studies  
Recent annual maintenance and capital improvements  
Mitt. Vans (2) for Scholars to Scholars/legislative internship  
Total temporary allocations (including change in carry forward)

2015-16 Beginning of year total budget

## 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
\$ (102,399,479)	\$ (41,062,374)	\$ (11,002,053)	\$ (1,445,878)	\$ (3,082,813)	\$ (505,615)	\$ (196,528,313)	\$ 4,430,753	\$ -	\$ (18,379,647)	\$ (173,477,207)
13,508,850	21,316,882	350,452	-	273,318	142,473	35,591,553	-	-	1,724,760	37,316,313
75,768,737	7,207,888	3,982,800	-	1,841,323	351,817	86,340,345	-	43,957,001	18,604,342	161,301,888
900,000	-	-	-	-	-	900,000	-	-	-	900,000
250,000	-	-	-	-	-	250,000	-	-	500,000	250,000
-	-	-	-	-	-	-	-	-	-	-
-	-	2,000,000	-	-	-	2,000,000	-	(2,000,000)	-	-
-	-	1,500,000	-	-	-	1,500,000	-	(1,500,000)	-	-
-	-	350,000	-	-	-	350,000	-	(350,000)	-	-
-	2,500,000	-	-	-	-	2,500,000	-	(2,500,000)	-	-
-	1,000,000	-	-	-	-	1,000,000	-	(1,000,000)	-	-
-	600,000	-	-	-	-	600,000	-	(600,000)	-	-
-	47,000	-	-	-	-	47,000	-	(47,000)	-	-
-	-	-	-	1,059,500	-	1,059,500	-	(1,059,500)	-	-
-	-	-	-	2,012,186	-	2,012,186	-	(2,012,186)	-	-
-	-	-	-	1,000,000	-	1,000,000	-	(1,000,000)	-	-
-	-	238,000	-	-	-	238,000	-	(238,000)	-	-
-	-	48,080	-	-	-	48,080	-	(48,080)	-	-
-	-	46,878	-	-	-	46,878	-	(46,878)	-	-
500,000	-	-	-	-	-	500,000	-	(500,000)	-	-
61,500	-	-	-	-	-	61,500	-	(61,500)	-	-
(2,328,154)	-	-	-	-	-	(2,328,154)	-	2,328,154	-	-
(166,200)	-	-	-	-	-	(166,200)	-	166,200	-	-
4,000,000	-	-	-	-	-	4,000,000	-	(4,000,000)	-	-
2,025,000	-	-	-	-	-	2,025,000	-	(2,025,000)	-	-
775,000	-	-	-	-	-	775,000	-	(775,000)	-	-
940,000	-	-	-	-	-	940,000	-	(940,000)	-	-
456,700	-	-	-	-	-	456,700	-	(456,700)	-	-
308,000	-	-	-	-	-	308,000	-	(308,000)	-	-
282,160	-	-	-	-	-	282,160	-	(282,160)	-	-
282,150	-	-	-	-	-	282,150	-	(282,150)	-	-
270,000	-	-	-	-	-	270,000	-	(270,000)	-	-
225,000	-	-	-	-	-	225,000	-	(225,000)	-	-
110,700	-	-	-	-	-	110,700	-	(110,700)	-	-
-	270,000	-	-	-	-	270,000	-	(270,000)	-	-
-	-	-	-	-	94,500	94,500	-	(94,500)	-	-
-	-	-	-	-	82,975	82,975	-	(82,975)	-	-
-	-	-	-	3,480,512	-	3,480,512	-	-	-	-
-	-	-	-	10,838,402	-	10,838,402	-	-	-	-
-	-	-	-	2,623,048	-	2,623,048	-	-	-	-
-	-	-	-	638,870,784	-	638,870,784	-	-	-	-
-	-	-	-	23,856,803	-	23,856,803	-	-	-	-
-	-	-	-	2,448,455	-	2,448,455	-	-	-	-
-	-	-	-	61,490,462	-	61,490,462	-	-	-	-
-	-	-	-	188,782,482	-	188,782,482	-	-	-	-
-	-	-	-	771,401,658	-	771,401,658	-	-	-	-
\$ (4,775,246)	\$ (8,060,844)	\$ (2,827,735)	\$ (1,445,878)	\$ 3,480,512	\$ 82,975	\$ (13,346,317)	\$ 4,430,753	\$ 23,856,803	\$ 2,448,455	\$ 188,782,482
\$ 483,311,571	\$ 108,972,247	\$ 20,325,618	\$ -	\$ 10,838,402	\$ 2,623,048	\$ 638,870,784	\$ 48,163,501	\$ 23,856,803	\$ 61,490,462	\$ 771,401,658

## University Reserves

**PLANNED MID-YEAR ALLOCATIONS**

**PERMANENT allocations to be recorded during the year 2015-16 salary increase (to be allocated across divisions)**

**TEMPORARY allocations to be recorded during the year**

**Recurring allocations from non-recurring funds:**  
 I understand that allocations will not be made to the following projects: Quality Enhancement

UCF Knights Success Grant

**Non-recurring allocations:**

Investment in research (Osceola)  
2015-16 Merit based scholarships

**Graduate health insurance**

2015-16 Total budget after mid-year allocations

2015-16 Total budget after mid-year allocations

**Academic**

Approval: John C. Hill Date 8/19/15  
John C. Hill, President

2013-14 Estimate per allocation Document	32,895,964	(9,298,948)	23,596,716
2012-13 Estimate per allocation Document	28,298,433	6,114,964	35,413,297
2011-12 Estimate per allocation Document	11,266,268	34,377,698	45,643,966

	Recurring	Non-recurring	Total
\$	49,183,501	\$ 23,850,903	
	(20,068,582)	(16,708,496)	
	(14,717,871)		
\$	13,787,068	\$ 7,142,407	\$ 20,915,475



# **EXHIBIT L**



University of Central Florida  
Central Reserve - Planned E&G Budget Allocations  
Fiscal 2016-17

UPDATED - 8/1/16

			5-Year Plan						
	XREF	UBC?	Original 2016-17	To-Date 2016-17	Revised 2016-17	2017-18	2018-19	2019-20	2020-21
A. <u>Recurring allocations from recurring funds</u>									

## E&amp;G Commitments

UPDATED - 8/1/16

			5-Year Plan					
			Original	To-Date	Revised			
			2016-17	2016-17	2016-17	2017-18	2018-19	2019-20
								2020-21
	XREF	UBC?						
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 Innovation 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)	(1,529,401)
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)			-	-	?	?	?	?
<b>Total nonrecurring allocations</b>			<b>26,740,684</b>	<b>14,196,084</b>	<b>26,740,684</b>	<b>6,922,048</b>	<b>5,540,164</b>	<b>3,470,599</b>
<b>D. Total Recurring and Non-recurring Allocations:</b>								
Recurring allocations (A)			37,424,249	4,538,226	37,424,249	2,000,000	2,000,000	2,000,000
Non-recurring allocations (B + C)			39,939,120	23,933,084	39,939,120	20,120,484	18,738,600	16,669,035
Total allocations			<b>77,363,369</b>	<b>28,471,310</b>	<b>77,363,369</b>	<b>22,120,484</b>	<b>20,738,600</b>	<b>18,669,035</b>

# **EXHIBIT M**





## 2016-17 E&amp;G Budget, Summary of Allocations and Reserve

	University Divisions					University Reserves			Medical School	Grand Total	
	Academic Affairs	Admin & Finance	President's Division	Communications and Marketing	University Relations	Total Divisions	Recurring	Recurring for Facility Needs			Non-Recurring
C&M - UCF Branding Campaign	-	-	-	510,000	-	510,000	(\$10,000)	-	-	(\$10,000)	-
UR - Divisional discretionary funds	-	-	-	-	16,500	16,500	(16,500)	-	-	(16,500)	-
Reserve for facility needs	-	-	-	-	-	-	-	1,500,000	-	-	-
UBC allocations funded from Emerging Preeminence Funds:											
Faculty Excellence- National Academy Members											
AA - Trustee chairs (5)	1,187,000					1,187,000	(1,187,000)	-	-	(1,187,000)	-
ORC - Research administration process & technology implementation	250,000					250,000	(250,000)	-	-	(250,000)	-
CGS - Doctoral & post-doctoral fellowships	585,800					585,800	(585,800)	-	-	(585,800)	-
Preeminence supporting initiatives	1,900,000					1,900,000	(1,900,000)	-	-	(1,900,000)	-
Tuition and fees:	1,077,400					1,077,400	(1,077,400)	-	-	(1,077,400)	-
Allocate 2015-16 increases in differential for need-based aid	386,512					386,512	(386,512)	-	-	(386,512)	-
2015-16 tuition excess collections available to UBC	-					-	12,000,000	-	-	12,000,000	-
2016-17 projected tuition growth held in reserve	162,253					162,253	5,023,195	-	-	5,023,195	-
2016-17 projected increase in differential for need-based aid	(126,733)					(126,733)	660,756	-	-	660,756	-
Projected decrease in FIEA tuition	513,824					513,824	(513,824)	-	-	(513,824)	-
College of Engineering Graduate SCH Growth							-	-	-	-	-
Medical school increase in enrollment							-	-	-	-	-
Total permanent allocations	\$ 39,803,594	\$ 2,205,540	\$ 349,860	\$ 2,013,105	\$ 31,655	\$ 44,403,744	\$ 12,402,650	\$ 1,500,000	\$ -	\$ 13,902,650	\$ 791,144
TEMPORARY BEGINNING of Year Allocations											
Reverses 2015-16 temporary allocations and carryforward	\$ (106,176,754)	\$ (48,926,765)	\$ (10,185,124)	\$ (6,707,488)	\$ (676,326)	\$ (173,548,455)	\$ -	\$ -	\$ 2,777,032	\$ 2,777,032	\$ (181,600,525)
Encumbrances (PO rollovers)	11,753,507	2,827,967	993,475	585,261	62,371	16,142,781	-	-	-	-	1,764,386
8/30/16 carryforward	89,483,937	7,050,239	2,037,729	2,183,543	398,592	101,162,090	-	-	36,326,012	36,326,012	152,811,225
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
Low 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
Chron's and Callis research	100,000					-	-	-	-	-	-
University designated											
Allocating 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		900,000				900,000	-	-	(900,000)	(900,000)	-
Finance & Accounting operations		2,500,000				2,500,000	-	-	(2,500,000)	(2,500,000)	-
Health Sciences Campus Bloggy 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 other 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 (Ovoca)	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			Medical School	Grand Total	
	Academic Affairs	Admin & Finance	President's Division	Communications and Marketing	University Relations	Total Divisions	Recurring	Recurring for Faculty Needs			Non-Recurring
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	-	-	-	2,148,654	-	2,148,654	-	-	(2,148,654)	(2,148,654)	-
University Innovation Alliance liaison	-	-	48,080	-	-	48,080	-	-	(48,080)	(48,080)	-
Contract management software (legal)	-	-	53,934	-	-	53,934	-	-	(53,934)	(53,934)	-
Oracle/Cisco contract payback (Year 2 of 5)	(2,328,154)	-	-	-	-	(2,328,154)	-	-	2,328,154	2,328,154	-
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)	84,400	-	55,000	-	84,400	-	-	(84,400)	(84,400)	-
Lab decontamination (BSBS)	-	-	-	-	-	-	-	-	-	-	-
<b>University Budget Committee allocations:</b>											
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	565,680	-	-	-	-	565,680	-	-	(565,680)	(565,680)	-
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)	\$ 10,466,440	\$ (35,110,159)	\$ (2,107,886)	\$ (1,354,028)	\$ (127,173)	\$ (28,232,816)	\$ -	\$ -	\$ 15,639,960	\$ 15,639,960	\$ (3,621,626)
2016-17 Beginning of year total budget	\$ 574,338,004	\$ 94,477,903	\$ 20,533,198	\$ 11,488,022	\$ 2,528,161	\$ 703,367,248	\$ 38,553,478	\$ 1,590,000	\$ 52,818,404	\$ 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.

<b>PERMANENT allocations to be recorded during the year</b>									
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	870,598	133,600	-	-	-	1,004,198	(1,004,198)	-	(1,004,198)
2016-16 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	-	-	2,547,300	-	-	2,547,300	-	(2,547,300)	(2,547,300)
POBAM - FSEC	-	373,000	-	-	-	373,000	-	(373,000)	(373,000)
Health Sciences Campus FQAM	-	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	\$ 2,547,300	\$ -	\$ 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			Medical School	Grand Total
	Academic Affairs	Admin & Finance	President's Division	Communications and Marketing	University Relations	Total Divisions	Recurring	Recurring for Facility Needs	Total Central Reserve
<b>Non-recurring allocations:</b>									
Furniture for Interdisciplinary Research Building	1,500,000					1,500,000			(3,000,000)
Pipe repair at Biology Animal Center			900,000			900,000			(1,500,000)
Development Enhancement Plan									(800,000)
Re-key building		300,000				300,000			(300,000)
Generator for Biology Building		928,000				928,000			(928,000)
Band Building	300,000					300,000			(300,000)
Strategic planning initiatives	200,000					200,000			(200,000)
Chiller Plant		5,000,000				5,000,000			(5,000,000)
HR Consulting		300,000				300,000			(300,000)
Lab decontamination (BSBS)	115,600					115,600			(115,600)
Subtotal non-recurring items	2,115,600	9,528,000	900,000			12,544,600			(12,544,600)
Total to be allocated from non-recurring funds	2,265,800	10,154,836	3,447,000			15,867,636			(15,867,636)
2016-17 Total budget after mid-year allocations	598,655,985	409,873,539	24,222,158	11,891,022	2,825,821	798,898,325	21,858,435	1,500,000	68,774,185
									815,052,837

**COMPOSITION OF CENTRAL RESERVE**

Central reserve after beginning of year allocations  
 Facility reserve after beginning of year allocations  
 Allocations to be recorded during the year  
 Projected tuition growth to be allocated to colleges through College Budget Model  
 Total available reserves as of July 1, 2016

Recurring	Non-recurring	Total
\$ 38,553,476	\$ 12,852,928	\$ 51,416,404
1,500,000	(1,500,000)	-
(17,495,041)	(14,506,099)	(32,001,077)
22,558,435	(3,143,108)	19,415,327
(5,023,185)	5,023,185	-
\$ 17,533,240	\$ 1,890,087	\$ 19,415,327

Recommended for approval:	<i>John C. Hill</i>	Date: 8/31/16
A. Dale Whitaker, Provost & Vice President for Academic Affairs		
Approval:	<i>John C. Hill</i>	Date: 8/31/16
John C. Hill, President		

# **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](mailto:Kathryn.Mitchell@ucf.edu)>  
**Date:** September 18, 2018 at 5:07:49 PM EDT  
**To:** Dale Whittaker <[Dale.Whittaker@ucf.edu](mailto:Dale.Whittaker@ucf.edu)>  
**Cc:** Tracy Clark <[Tracy.Clark@ucf.edu](mailto:Tracy.Clark@ucf.edu)>, Grant Heston <[Grant.Heston@ucf.edu](mailto:Grant.Heston@ucf.edu)>, Scott Cole <[Scott.Cole@ucf.edu](mailto: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 the 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 from 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](mailto: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 Account	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			
<b>Grand Total:</b>			\$	<b>13,816,816</b>			



# **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



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

Office of the Chancellor  
325 West Gaines Street, Suite 1614  
Tallahassee, FL 32399  
Phone 850.245.0466  
Fax 850.245.9685  
www.flbog.edu

## 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

Florida A&M University | Florida Atlantic University | Florida Gulf Coast University | Florida International University  
Florida Polytechnic University | Florida State University | New College of Florida | University of Central Florida  
University of Florida | University of North Florida | University of South Florida | University of West Florida

# **EXHIBIT Q**





## Mitz, Carine

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**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; additional corrections to state funding decisions; Summary of Projects with EG Funding 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 20, 2018 BOT 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 November 2, 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 project cost or gross square footage) that, at the time, I believed was possibly unallowable from E&G sources. This was done with a very conservative reading of the applicable statutes and regulations.

Later, the BOG asked a different question. The attached *BOG Capital Projects Certification* form was provided by BOG staff to clarify the intent of the BOG's *Funding Source Review* email request. The BOG asked universities to certify the appropriateness of funding sources for capital projects "adding more than 10,000 gross square feet of space or exceeding \$2M in cost." The projects identified as having misspent E&G cash at our BOT on September 20, 2018, did not meet these criteria.

The table below summarizes the attached *Summary of Projects with E&G Funding Corrections* presented to the BOT on September 20, 2018, and I've included an extra column that states specifically why each project was excluded from the BOG certification.

Project Name	Project Description	Cash Replacement Needed	Reason Not Included on BOG Certification
Band Building	New building	727,906	Building was less than 10,000 gross square feet
Facilities Surplus Showroom	New building	1,724,490	Building was less than 10,000 gross square feet
Research I Building	Furniture, Fixtures, & Equipment (FF&E)	3,000,000	E&G funds were not used for new construction of a new building, only for FF&E
	Lab Buildout/Renovation for Individual Faculty	4,573,456	E&G funds were not used for construction of a new building, only for buildout and renovation of 54 individual labs for faculty later hired in the facility.
Center for Emerging Media	Repair & Renovations	115,802	E&G funds were not used for construction of a new building,

			only for repair and renovation of existing facility.
Downtown Campus Infrastructure	Utilities/Infrastructure	158,380	E&G funds were not used for construction of a new building, only for FF&E.
The Venue	HVAC Replacement	788,263	E&G funds were not used for construction of a new building, only for repair and renovation of existing facility.
Main Campus District Energy Plant	Utilities/Infrastructure	1,101,931	Building was less than 10,000 gross square feet
Global UCF Building	Furniture, Fixtures, & Equipment (FF&E)	1,626,588	E&G funds were not used for construction of a new building, 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

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[kathryn.mitchell@ucf.edu](mailto: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 let me know 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 carryforward funds for capital projects.
27. A complete explanation as to the other purposes for which \$46.5 million was transferred to replenish E&G funds (\$13.8 million spent on 11 projects and another \$32.7 million previously transferred but not yet spent) (see page 4 of the final audit)

28        An explanation as to why the 11 other construction projects identified in the September 20, 2018 BOT meeting 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 emails for this one too. I'm going to send Theresa another request so she can search Tracy's emails now that she has access – lucky 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

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**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.

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**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	Funded
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	20,000,000
Arts Complex Phase II (Performance)		5,993,328	-
Partnership IV		14,000,000	14,000,000
<b>TOTAL</b>		<b>\$ 114,668,500</b>	<b>\$ 34,000,000</b>
Projects funded by Department of Economic Opportunity		2016-17	Funded
ICAMR - International Consortium for Advanced Manufacturing Research		-	\$ 9,386,569
Projects funded by State Economic Enhancement and Development Trust Fund		2016-17	Funded
ICAMR - International Consortium for Advanced Manufacturing Research		-	\$ 613,431
Project funded by Recurring for Operations		2016-17	Funded
ICAMR - International Consortium for Advanced Manufacturing Research			\$ 5,000,000
			\$ 15,000,000
Projects funded by donations and the Courtelis Facility Matching Grant Program		Cumulative 2016-17	
		Donations	Courtellis
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	-
<b>TOTAL</b>		<b>\$ 23,445,651</b>	<b>-</b>
Maintenance, repair, renovation, and remodeling projects		2016-17	
			\$ 4,762,185
<b>TOTAL</b>			<b>\$ 4,762,185</b>
Capital Improvement Trust Fund		2016-17	Funded
John C. Hitt Library Phase I		\$ 13,688,709	\$ -
<b>TOTAL</b>		<b>\$ 13,688,709</b>	<b>\$ -</b>
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	37,410,000
Student Housing		51,000,000	
Garage Expansion		11,000,000	



**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	13,056,000
Outpatient Center	76,500,000	
Campus Entryways	4,590,000	
<b>TOTAL</b>	<b>\$ 722,940,959</b>	<b>\$ 50,466,000</b>



**ITEM: FF-4**

**University of Central Florida  
Board of Trustees**

**SUBJECT:** 2017-18 Capital Outlay Budget

**DATE:** May 18, 2017

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**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

Board of Trustees Meeting - Reports

Attachment A

**2017-18 Capital Outlay Budget  
Projects By Funding Source**

<b>Projects funded by Public Education Capital Outlay (PECO)</b>	<b>2017-18</b>	<b>Funded</b>
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	-
<b>TOTAL</b>	<b>\$ 94,999,826</b>	<b>\$ -</b>

<b>Projects funded by donations and the Courtelis Facility Matching Grant Program</b>	<b>Cumulative 2017-18</b>	
	<b>Donations</b>	<b>Courtelis</b>
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	-
<b>TOTAL</b>	<b>\$ 27,948,753</b>	<b>\$ -</b>

<b>Maintenance, repair, renovation, and remodeling projects</b>	<b>2017-18</b>	
		\$ 3,854,367
<b>TOTAL</b>		<b>\$ 3,854,367</b>

<b>Capital Improvement Trust Fund</b>	<b>2017-18</b>	<b>Funded</b>
John C. Hitt Library Phase I	\$ 6,854,569	\$ 6,854,569
John C. Hitt Library Phase II	-	1,710,066
<b>TOTAL</b>	<b>\$ 6,854,569</b>	<b>\$ 8,564,635</b>

<b>Projects constructed or acquired with proceeds from other state sources</b>	<b>2017-18</b>	<b>Funded</b>
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
<b>TOTAL</b>	<b>\$ 43,517,834</b>	<b>\$ 43,517,834</b>

<b>Projects constructed or acquired with proceeds from non-state sources, including debt</b>	<b>2017-18</b>	<b>Funded</b>
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	-
<b>TOTAL</b>	<b>\$ 801,848,669</b>	<b>\$ 198,180,000</b>

**2017-18 Capital Outlay Budget  
Projects By Funding Source**

<b>Plant Operations and Maintenance</b>	<b>2017-18</b>	<b>Funded</b>
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	\$ -
<b>TOTAL</b>	<b>\$ 8,364,572</b>	<b>\$ -</b>



**ITEM: FF-2**

**University of Central Florida  
Board of Trustees**

**SUBJECT:** 2018-19 Capital Outlay Budget

**DATE:** May 24, 2018

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**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.

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**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	Funded
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	-
<b>TOTAL</b>	<b>\$ 119,149,021</b>	<b>\$ -</b>

Projects funded by donations and the Courtelis Facility Matching Grant Program	Cumulative 2018-19	
	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	-
<b>TOTAL</b>	<b>\$ 27,948,753</b>	<b>\$ -</b>

Maintenance, repair, renovation, and remodeling projects	2018-19	Funded
		\$ 5,529,784
<b>TOTAL</b>		<b>\$ 5,529,784</b>

Capital Improvement Trust Fund	2018-19	Funded
John C. Hitt Library Phase II	\$ 41,268,246	\$ 7,701,673
<b>TOTAL</b>	<b>\$ 41,268,246</b>	<b>\$ 7,701,673</b>

Projects constructed or acquired with proceeds from non-state sources, including debt	2018-19	Funded
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	-
<b>TOTAL</b>	<b>\$ 45,337,598</b>	<b>TBD</b>

Plant Operations and Maintenance	2016-18	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	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	\$ -
<b>TOTAL</b>	<b>\$ 7,729,614</b>	<b>\$ -</b>



**2018-19 Capital Outlay Budget  
Projects By Funding Source**

<b>Plant Operations and Maintenance</b>	<b>2018-19</b>	<b>Funded</b>
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	\$ -
<b>TOTAL</b>	<b>\$ 4,575,189</b>	<b>\$ -</b>



# **EXHIBIT S**



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**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 Kernek. If 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](mailto:Christy.Tant@ucf.edu)>  
**Date:** March 22, 2016 at 4:54:21 PM EDT  
**To:** Tracy Clark <[Tracy.Clark@ucf.edu](mailto: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**

	Central Funding Source					
	Estimated Project Cost	Funding to be Identified	Division/ Unit Resources	Interest & Other	Auxiliary	E&G
<b><u>Academic/ Research Space</u></b>						
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/ Modularity	?	?	-	-	-	-
<b><u>UCF Downtown</u></b>						
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	?	?	-	-	-	-
<b><u>Other Facilities</u></b>						
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	?	?	-	-	-	-
<b><u>Infrastructure, HVAC and Other</u></b>						
OUC Buy-out for Lake Nona	15,000,000	15,000,000	-	-	-	-
Alafaya Pedestrian Safety Maintenance	4,000,000	4,000,000	-	-	-	-
<b>Unfunded Projects</b>	<b>\$ 146,800,000</b>	<b>\$ 145,375,000</b>	<b>\$ 1,425,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Academic/ Research Space</u></b>						
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
<b><u>UCF Downtown</u></b>						
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
<b><u>Other Facilities</u></b>						
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
<b><u>Infrastructure, HVAC and Other</u></b>						
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	-	-	-
<b>Funded Projects</b>	<b>\$ 184,616,250</b>	<b>\$ -</b>	<b>\$ 45,440,000</b>	<b>\$ 53,000,000</b>	<b>\$ 29,800,000</b>	<b>\$ 56,376,250</b>

# **EXHIBIT T**





University of Central Florida  
Structured Portfolio Realized/Unrealized Gain & Losses

	OLD ALLOCATION METHODOLOGY				CURRENT ALLOCATION METHODOLOGY					
	BNY + SPFA As of 6/30/2014	BNY + SPFA As of 6/30/2015	BNY + SPFA As of 6/30/2016	BNY + SPFA 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	\$ 13,531,565	\$ 12,857,075	\$ 18,210,262	\$ 19,618,081	\$ 28,607,551	\$ -	\$ -	\$ -	\$ 1,220,794	\$ -
Unrealized Gain/(Losses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Realized Gain/(Losses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Amount to be Distributed	\$ 13,531,565	\$ 12,857,075	\$ 18,210,262	\$ 19,618,081	\$ 28,607,551	\$ -	\$ 3,078,312	\$ 2,758,899	\$ (671,386)	\$ 32,832,884
							(61,468)	(81,930)	(18,998)	(250,419)
							\$ 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	\$ (1,064,365)	\$ (1,341,836)	\$ 373,711	\$ (12,973,597)
E&G COM (funds 10008, 10009)	(551,267)	(576,806)	(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										
Unrealized 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	1,126,265	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 %:										
E&G Main (funds 10001, 10003)	37.4%	38.4%	35.3%	38.6%	39.7%	39.9%	35.3%	50.1%	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-1

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** University Operating Budget Report Ended March 31, 2015

**DATE:** May 21, 2015

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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

Educational & General  
Medical School  
Auxiliary Enterprises  
Sponsored Research  
Student Financial Aid  
Student Activities  
Concessions  
Technology Fee

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
	\$ 447,466,167	\$ 367,352,181	\$ 673,355,376	54.6%	66.5%	\$ 80,113,985	\$ 153,440,388
	30,221,264	26,447,291	57,083,903	46.3%	52.9%	3,773,972	20,535,923
	142,235,572	131,567,194	206,596,893	63.7%	68.8%	10,668,377	168,016,144
	103,435,569	104,814,754	152,584,000	68.7%	67.8%	(1,379,186)	34,148,458
	418,997,516	423,259,926	503,923,681	84.0%	83.1%	(4,262,410)	28,901,462
	17,126,080	13,977,993	20,000,000	69.9%	85.6%	3,148,088	8,312,809
	480,415	222,943	460,000	48.5%	104.4%	257,472	1,103,762
	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

Educational & General  
Medical School  
Auxiliary Enterprises  
Sponsored Research  
Student Financial Aid  
Student Activities  
Concessions  
Technology Fee

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
	\$ 426,971,944	\$ 328,084,578	\$ 611,434,294	53.7%	69.8%	\$ 98,887,365	\$ 121,024,562
	26,875,329	21,139,083	48,249,923	43.8%	55.7%	5,736,246	14,496,365
	134,560,696	114,854,643	188,545,104	60.9%	71.4%	19,706,053	159,498,886
	107,047,538	87,284,258	150,912,000	57.8%	70.9%	19,763,279	23,797,770
	408,623,831	410,356,738	521,544,307	78.7%	78.3%	(1,732,907)	28,560,028
	15,292,716	13,195,029	21,945,080	60.1%	69.7%	2,097,687	8,954,497
	468,151	170,103	420,000	40.5%	111.5%	298,048	884,687
	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					Expenditures - Percent of Total			
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total	Salaries and Benefits	Expenses	Capital Purchases	Debt Service
Educational & General	\$254,167,049	\$ 109,369,992	\$ 3,815,140	\$ -	\$ 367,352,181	69.2%	29.8%	1.0%	-
Medical School	17,437,195	8,551,190	458,906	-	26,447,291	65.9%	32.3%	1.7%	-
Auxiliary Enterprises	41,147,913	79,732,268	900,132	9,786,881	131,567,194	31.3%	60.6%	0.7%	7.4%
Sponsored Research	41,394,389	58,829,106	4,591,260	-	104,814,754	39.5%	56.1%	4.4%	-
Student Financial Aid	2,607,262	420,652,664	-	-	423,259,926	0.6%	99.4%	-	-
Student Activities	6,932,974	7,041,468	3,551	-	13,977,993	49.6%	50.4%	0.0%	-
Concessions	1,646	221,297	-	-	222,943	0.7%	99.3%	-	-
Technology Fee	987	1,936,598	1,765,116	-	3,702,702	0.0%	52.3%	47.7%	-
	\$363,689,415	\$ 686,334,583	\$ 11,534,105	\$ 9,786,881	\$ 1,071,344,985	33.9%	64.1%	1.1%	0.9%

## 2013-14

	Expenditures - Amount					Expenditures - Percent of Total			
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total	Salaries and Benefits	Expenses	Capital Purchases	Debt Service
Educational & General	\$233,711,688	\$ 89,317,772	\$ 5,055,119	\$ -	\$ 328,084,578	71.2%	27.2%	1.5%	-
Medical School	14,770,405	5,858,030	510,647	-	21,139,083	69.9%	27.7%	2.4%	-
Auxiliary Enterprises	33,765,325	70,957,160	1,081,625	9,050,533	114,854,643	29.4%	61.8%	0.9%	7.9%
Sponsored Research	41,837,247	41,961,019	3,485,992	-	87,284,258	47.9%	48.1%	4.0%	-
Student Financial Aid	2,899,735	407,457,002	-	-	410,356,738	0.7%	99.3%	-	-
Student Activities	6,786,837	6,370,689	37,503	-	13,195,029	51.4%	48.3%	0.3%	-
Concessions	645	169,458	-	-	170,103	0.4%	99.6%	-	-
Technology Fee	46,427	3,048,229	2,845,511	-	5,940,167	0.8%	51.3%	47.9%	-
	\$333,818,309	\$ 625,159,359	\$ 13,016,398	\$ 9,050,533	\$ 981,024,599	34.0%	63.7%	1.3%	0.9%

# University of Central Florida Operating Budget Report

as of March 31, 2015 (75% of year)

## Statistical Information

### Student Credit Hours<sup>1</sup>

#### Actual Compared to UCF Plan

	Actual	Plan	Difference	% Variance
Summer <sup>2</sup>	225,671	238,120	(12,449)	-5.2%
Fall	651,023	644,740	6,283	1.0%
Spring <sup>3</sup>	629,415	621,811	7,604	1.2%
	1,506,109	1,504,671	1,438	0.1%

#### 2013-14

	Actual	Plan	Difference	% Variance
	228,164	228,060	104	0.0%
	644,246	643,743	503	0.1%
	619,437	616,987	2,450	0.4%
	1,491,847	1,488,790	3,057	0.2%

#### Current Year Compared to Prior Year

	2014-15	2013-14	Difference	% Variance
Summer <sup>2</sup>	225,671	228,164	(2,493)	-1.1%
Fall	651,023	644,246	6,778	1.1%
Spring <sup>3</sup>	629,415	619,437	9,978	1.6%
	1,506,109	1,491,847	14,263	1.0%

	2013-14	2012-13	Difference	% Variance
	228,164	235,805	(7,641)	-3.2%
	644,246	649,923	(5,678)	-0.9%
	619,437	622,636	(3,199)	-0.5%
	1,491,847	1,508,364	(16,518)	-1.1%

### Additional Statistical Information

Student headcount - Fall 2014 and 2013

Percent in-state students - Fall 2014 and 2013

	2014-15	2013-14	Difference	% Variance
	60,821	59,770	1,051	1.8%
	94.1%	94.7%	-0.6%	

Foundation endowment - June 30, 2014, and 2013

Foundation assets - June 30, 2014, and 2013

	\$152,717,147	\$133,827,336	\$ 18,889,811	14.1%
	\$287,546,289	\$263,770,330	\$ 23,775,959	9.0%

On-campus Housing, including Greek Housing<sup>2</sup>

Rosen Campus housing<sup>4</sup>

Affiliated housing<sup>4</sup>

Managed housing<sup>4</sup>

Gross square footage - Orlando Campus<sup>4</sup>

Acreage - Orlando Campus<sup>4</sup>

	6,896
	380
	3,723
	594
	7,862,933
	1,415

<sup>1</sup> Medical students are not included in student credit hours.

<sup>2</sup> Summer 2014 data. Summer 2015 will be included in 2015-16 reporting.

<sup>3</sup> Spring 2015 is preliminary data.

<sup>4</sup> As of Fall 2014.

## 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**



**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** 2018-19 University Operating Budget

**DATE:** May 24, 2018

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**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.

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**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)
<b>Educational &amp; General (E&amp;G) <sup>1</sup></b>				
General Revenue <sup>2</sup>	\$ 350,793,697	\$ 348,955,320	1%	\$ 1,838,377
Student Tuition and Fees	296,811,834	288,814,929	3%	7,996,905
<b>Total Educational and General</b>	<b>647,605,531</b>	<b>637,770,249</b>	<b>2%</b>	<b>9,835,282</b>
<b>Medical School (E&amp;G) <sup>1</sup></b>				
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)
<b>Total Educational and General</b>	<b>45,515,158</b>	<b>42,220,323</b>	<b>8%</b>	<b>3,294,835</b>
<b>Auxiliary Enterprises <sup>3</sup></b>	293,773,689	275,887,508	6%	17,886,181
<b>Sponsored Research <sup>4</sup></b>	171,988,000	163,703,000	5%	8,285,000
<b>Student Financial Aid <sup>5</sup></b>	620,465,788	515,975,644	20%	104,490,144
<b>Student Activities <sup>6</sup></b>	23,729,718	28,217,277	-16%	(4,487,559)
<b>Technology Fee</b>	9,100,000	9,100,000	0%	-
<b>Concessions</b>	750,000	750,000	0%	-
<b>Total Operating Budget</b>	<b>\$ 1,812,927,884</b>	<b>\$ 1,673,624,001</b>	<b>8%</b>	<b>\$ 139,303,883</b>

<sup>1</sup> See Attachment B for detail of the change in budget.

<sup>2</sup> 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.

<sup>3</sup> See Attachment C for detail of the change in budget.

<sup>4</sup> Increase in Sponsored Research is primarily due to the Arecibo Observatory award.

<sup>5</sup> 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.

<sup>6</sup> 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

<b>Changes in University E&amp;G Funding</b>	State Appropriations	Tuition and Fees	Total
<b>2017-18 adjusted operating budget</b>	<b>\$ 348,955,320</b>	<b>\$ 288,814,929</b>	<b>\$ 637,770,249</b>
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 <sup>1</sup>	(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
<b><i>Unique University issues:</i></b>			
<b><i>Non-recurring allocations:</i></b>			
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
<b>2018-19 beginning budget</b>	<b>\$ 350,793,697</b>	<b>\$ 296,811,834</b>	<b>\$ 647,605,531</b>

<sup>1</sup> 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
<b>2017-18 adjusted operating budget</b>	<b>\$ 26,502,271</b>	<b>\$ 15,718,052</b>	<b>\$ 42,220,323</b>
Out of state enrollment decrease		(89,406)	(89,406)
Permanent transfer from University <sup>1</sup>	3,307,764		3,307,764
Florida retirement system adjustments	76,477		76,477
Net increase	3,384,241	(89,406)	3,294,835
<b>2018-19 beginning budget</b>	<b>\$ 29,886,512</b>	<b>\$ 15,628,646</b>	<b>\$ 45,515,158</b>

<sup>1</sup> 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 <sup>1</sup>	\$ 33,805,278	\$ 34,267,850	-1%	\$ (462,572)
Parking Services <sup>1,2</sup>	23,062,903	27,131,654	-15%	(4,068,751)
Student Health Services <sup>1</sup>	22,045,222	22,207,331	-1%	(162,109)
Business Services <sup>2</sup>	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 <sup>3</sup>	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 <sup>4</sup>	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 <sup>5</sup>	19,105,609	21,576,001	-11%	(2,470,392)
Central Reserves <sup>6</sup>	37,261,600	16,960,553	120%	20,301,047
<b>Total Auxiliary Enterprises</b>	<b>\$ 293,773,689</b>	<b>\$ 275,887,508</b>	<b>6%</b>	<b>\$ 17,886,181</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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
<b>Educational &amp; General<sup>1</sup></b>	\$ 461,272,557	\$ 803,711,405	57.4%	79.0%
<b>Medical School<sup>1</sup></b>	32,556,826	55,816,257	58.3%	78.2%
<b>Auxiliary Enterprises</b>	155,734,913	275,887,508	56.4%	86.8%
<b>Sponsored Research</b>	99,229,322	163,703,000	60.6%	93.3%
<b>Student Financial Aid</b>	481,139,380	515,975,644	93.2%	92.4%
<b>Student Activities</b>	13,406,750	28,217,277	47.5%	88.7%
<b>Technology Fee</b>	5,975,404	9,100,000	65.7%	93.0%
<b>Concessions</b>	514,333	750,000	68.6%	87.5%
<b>Total Operating Budget</b>	<u>\$ 1,249,829,485</u>	<u>\$ 1,853,161,091</u>	<u>67.4%</u>	<u>85.5%</u>

<sup>1</sup> 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**

	<u>University E&amp;G</u>	<u>Medical E&amp;G</u>
<b>A. Beginning E&amp;G Carryforward Fund Balance - July 1, 2013 :</b>		
Cash	\$ 134,029,145	\$ 12,915,508
Investments	\$ --	
Accounts Receivable	\$ 57,636	
Less: Accounts Payable	\$ 15,847,559	\$ 514,727
Less: Deferred Fees	\$ -	
<b>Beginning E&amp;G Fund Balance Before Encumbrances :</b>	<b>\$ 118,239,222</b>	<b>\$ 12,400,781</b>
<b>B. Expenditures to Date :</b>	<b>\$ 2,426,748</b>	<b>\$ 74,839</b>
<b>C. Encumbrances to Date :</b>	<b>\$ 12,261,597</b>	<b>\$ 1,620,371</b>
<b>D. E&amp;G Carryforward Fund Balance - as of August 19, 2013 :</b>	<b>\$ 103,550,877</b>	<b>\$ 10,705,571</b>
<b>E. <u>Restricted / Contractual Obligations</u></b>		
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	\$ -
<b>Total Restricted Funds :</b>	<b>\$ 45,065,143</b>	<b>\$ 1,778,856</b>
<b>F. <u>Commitments</u></b>		
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
<b>Total Commitments :</b>	<b>\$ 58,485,734</b>	<b>\$ 8,926,715</b>
<b>G. Available E&amp;G Carryforward Balance as of August 19, 2013 :</b>	<b>\$ 0</b>	<b>\$ -</b>

\* 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				
			<u>University E&amp;G</u>	<u>Medical E&amp;G</u>
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.	<u>Restricted / Contractual Obligations</u>			
	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.	<u>Commitments</u>			
	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			
			Special Unit or
		University E&G	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.	<u>Restricted / Contractual Obligations</u>		
	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.	<u>Commitments</u>		
	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	