J. BEN WATKINS III
DIRECTOR

STATE OF FLORIDA
DIVISION OF BOND FINANCE

RON DESANTIS
GOVERNOR

JAMES UTHMEIER
ATTORNEY GENERAL

BLAISE INGOGLIA
CHIEF FINANCIAL OFFICER

WILTON SIMPSON
COMMISSIONER OF AGRICULTURE

MEMORANDUM

To: Board of Governors

From: J. Ben Watkins III

Date: November 4, 2026

Re: New College of Florida

As required by Section 1010.62, Florida Statutes, the Division of Bond Finance ("DBF") has reviewed and analyzed the information provided in connection with the New College of Florida ("New College") Development Corporation's proposed financing to effectuate the transfer of the University of South Florida Sarasota/Manatee campus to New College in accordance with Chapter 2026-27 (a) Laws of Florida, which includes a mixed-use facility consisting of a 200-bed residence hall and student union ("Atala Hall") and the refinancing of New College's outstanding housing system debt (the "Financing"). DBF has also reviewed the Board of Governors ("BOG") staff analysis of the Financing.

The BOG staff analysis of the Financing effectively summarizes the relevant elements of the proposed financing and its deviations from the BOG's Debt Management Guidelines (the "Guidelines"). The proposed deviations, including the issuance of a portion of the debt on a taxable basis, a senior and subordinate lien structure, deferral of principal, and projected debt service coverage below 1.20x appear reasonably necessary to satisfy the statutory conditions mandated by the legislature to effectuate the transfer of the USF Sarasota/Manatee campus to New College.

As a small liberal arts college in transition with a limited operating history, New College does not have a credit rating or access to the public markets. The financial viability of the Financing is largely dependent on the continued success of New College, which has benefitted from extraordinary financial support from the legislature. New College has arranged financing from a commercial bank and private individual, limiting the risk of adverse consequences of a default and workout if the occupancy, housing revenues or operating performance are insufficient to service the debt. It has also incorporated several positive structural features to enhance the security for the debt including a housing system pledge, a debt service reserve fund, and financial support from its Foundation. These strengthen but do not eliminate the credit risk of the financing. Additionally, the mandatory six-year put on the Financing creates uncertainty in the medium term because of the refinancing or rollover risk associated with the mandatory tender.

cc: Raymond Rodrigues, Chancellor, Board of Governors
Kevin Pichard, Director, Finance and Facilities, Board of Governors
Christie Fitz-Patrick, V.P., Finance & Administration, New College of Florida