



**Board of Trustees
Finance and Facilities Committee Meeting
May 31, 2016
11:15 a.m. – 12:00 p.m
FAIRWINDS Alumni Center
Conference call in phone number 800-442-5794, passcode 463796**

REVISED AGENDA

- | | |
|--|--|
| I. CALL TO ORDER | Alex Martins
<i>Chair, Finance and Facilities Committee</i> |
| II. ROLL CALL | Tracy D. Slavik
<i>Coordinator of Administrative Services
for Administration and Finance Division</i> |
| III. NEW BUSINESS | Chair Martins |
| <ul style="list-style-type: none">• Amendments to University Tuition and Fee Regulation UCF-9.001 (FFC-1) | William F. Merck II
<i>Vice President for Administration and Finance and Chief Financial Officer</i>
Tracy Clark
<i>Associate Provost for Budget, Planning, and Administration and Associate Vice President for Finance</i> |
| <ul style="list-style-type: none">• University Operating Budget Report Quarter Ended March 31, 2016 (INFO-1) | William F. Merck II
Tracy Clark |
| <ul style="list-style-type: none">• 2016-17 University Operating Budget (FFC-2) | William F. Merck II
Tracy Clark |
| <ul style="list-style-type: none">• 2016-17 Capital Outlay Budget (FFC-3) | William F. Merck II
Lee Kernek
<i>Associate Vice President
for Administration and Finance</i> |

- Revision to UCF-7.130 Administration And Finance; Purchasing (FFC-4)
William F. Merck II
W. Scott Cole
Vice President and General Counsel
Youndy C. Cook
Deputy General Counsel
- Revision to UCF-7.203 Real Property Leasing (FFC-5)
William F. Merck II
W. Scott Cole
Youndy C. Cook
- Use of Bright House Networks Stadium for 2017 Florida Cup (FFC-6)
William F. Merck II
Danny White
Vice President and Director of Athletics
- UCF Investments Quarterly Report Ended March 31, 2016 (INFO-2)
William F. Merck II
Tracy Clark

IV. OTHER BUSINESS

Chair Martins

V. CLOSING COMMENTS

Chair Martins

ITEM: FFC-1

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

SUBJECT: Amendments to University Tuition and Fee Regulation UCF-9.001

DATE: May 31, 2016

PROPOSED COMMITTEE ACTION

Approve amendments to university regulation UCF-9.001 Schedule of Tuition and Fees.

BACKGROUND INFORMATION

The regulation reflects the tuition and fees for the 2016-17 academic year. There are no proposed tuition and fees changes for 2016-17 except for the repeat course fee. Pursuant to Section 1009.285 F.S., the repeat course fee is adjusted annually by the Florida Board of Governors. This fee was updated for Fall 2016.

Supporting Documentation: Attachment A: UCF-9.001 Schedule of Tuition and Fees

Prepared by: Tracy Clark, Associate Provost for Budget, Planning, and Administration and
Associate Vice President for Finance
Christy Tant, Director for Budget, Planning, and Administration

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

ATTACHMENT A

UCF-9.001 Schedule of Tuition and Fees

- (1) All students shall pay resident or non-resident tuition, as applicable, and associated fees. Tuition shall be defined as the basic fee charged to a student for instruction in credit courses at the University of Central Florida. Non-resident tuition shall be defined as the basic fee and the out-of-state fee assessed to non-resident students for instruction in credit courses at the University of Central Florida. Only those students who qualify as a Florida resident as defined in BOG Regulation 7.005 shall not be assessed the out-of-state fee.
- (2) Associated fees shall include the following:
 - (a) Tuition differential (applied to undergraduate courses only);
 - (b) Student Financial Aid Fee;
 - (c) Non-resident Student Financial Aid Fee (if student is not a Florida resident);
 - (d) Capital Improvement Trust Fund Fee;
 - (e) Transportation Access Fee;
 - (f) Activity and Service Fee;
 - (g) Athletic Fee;
 - (h) Health Fee; and
 - (i) Technology Fee.
- (3) In addition to the fees listed above, a Distance Learning Course Fee of \$18.00 per credit hour will be assessed for online Web-based courses.
- (4) Registration shall be defined as consisting of two components:
 - (a) Formal enrollment in one or more credit courses approved and scheduled by the university; and
 - (b) Payment or other appropriate arrangement for payment (installment, deferment, or third party billing) of tuition and associated fees for the courses in which the student is enrolled as of the end of the drop and add period.
- (5) Tuition and associated fees liability shall be defined as the liability for the payment of tuition and associated fees incurred at the point at which the student has completed registration.

(6) The following tuition and associated fees shall be levied and collected effective the fall semester indicated for each student regularly enrolled, unless provided otherwise by law or in this chapter.

(a) Students will be assessed the following tuition and associated fees per credit hour:

FALL 2015~~6~~

For All Programs Except Doctor of Physical Therapy, Doctor of Medicine, Florida Interactive Entertainment Academy, and UCF Online (amounts per credit hour):

Fee	Undergraduate		Graduate	
	Resident	Non-Resident	Resident	Non-Resident
Tuition	\$105.07	\$105.07	\$288.16	\$288.16
Tuition Differential	\$44.20	\$44.20		
Out-of-State Fee		\$511.06		\$785.15
Student Financial Aid Fee	\$5.16	\$5.16	\$14.40	\$14.40
Non-Resident Financial Aid Fee		\$25.55		\$39.25
Capital Improvement Trust Fund Fee	\$6.76	\$6.76	\$6.76	\$6.76
Transportation Access Fee	\$9.10	\$9.10	\$9.10	\$9.10
Activity and Service Fee	\$11.67	\$11.67	\$11.67	\$11.67
Athletic Fee	\$14.32	\$14.32	\$14.32	\$14.32
Health Fee	\$10.84	\$10.84	\$10.84	\$10.84
Technology Fee	\$5.16	\$5.16	\$14.40	\$14.40
Total	\$212.28	\$748.89	\$369.65	\$1,194.05

Doctor of Physical Therapy (amounts per credit hour):

Graduate

Fee	Resident	Non-Resident
Tuition	\$494.50	\$494.50
Out-of-State Fee		\$785.15
Student Financial Aid Fee	\$14.40	\$14.40
Non-resident Financial Aid Fee		\$39.25
Capital Improvement Trust Fund Fee	\$6.76	\$6.76
Transportation Access Fee	\$9.10	\$9.10
Activity and Service Fee	\$11.67	\$11.67
Athletic Fee	\$14.32	\$14.32
Health Fee	\$10.84	\$10.84

Technology Fee	\$14.40	\$14.40
Total	\$575.99	\$1,400.39

Doctor of Medicine (annual amounts):

Graduate

Fee	Resident	Non-Resident
Tuition	\$25,490.80	\$25,490.80
Out-of-State Fee		\$25,594.00
Student Financial Aid Fee	\$1,274.40	\$1,274.40
Non-resident Financial Aid Fee		\$1,279.60
Capital Improvement Trust Fund Fee	270.40	\$270.40
Transportation Access Fee	\$364.00	\$364.00
Activity and Service Fee	\$466.80	\$466.80
Athletic Fee	\$572.80	\$572.80
Health Fee	\$433.60	\$433.60
Technology Fee	\$206.40	\$206.40
Equipment Fee	\$601.00	\$601.00
Total	\$29,680.20	\$56,553.80

Florida Interactive Entertainment Academy (FIEA) (Fall 2015~~6~~ cohort¹ amounts):

Graduate

Fee	Resident	Non-Resident
Tuition	\$1,016.51	\$1,016.51
Out-of-State Fee		\$785.15
Student Financial Aid Fee	\$14.40	\$14.40
Non-resident Financial Aid Fee		\$39.25
Capital Improvement Trust Fund Fee	\$6.76	\$6.76
Transportation Access Fee	\$9.10	\$9.10
Activity and Service Fee	\$11.67	\$11.67
Athletic Fee	\$14.32	\$14.32
Health Fee	\$10.84	\$10.84
Technology Fee	\$14.40	\$14.40
Total	\$1,098.00	\$1,922.40

¹ FIEA cohort requires thirty student credit hours obtained in four consecutive semesters.

Graduates receive a Master of Science degree in Interactive Entertainment.

UCF Online (amounts per credit hour):

Fee	Undergraduate		Graduate	
	Resident	Non-Resident	Resident	Non-Resident
Tuition	\$105.07	\$105.07	\$288.16	\$288.16
Tuition Differential	\$44.20	\$44.20		
Out-of-State Fee		\$194.93		\$785.15
Student Financial Aid Fee	\$5.16	\$5.16	\$14.40	\$14.40
Non-Resident Financial Aid Fee		\$9.74		\$39.25
Capital Improvement Trust Fund Fee	\$6.76	\$6.76	\$6.76	\$6.76
Distance Learning Course Fee	18.00	18.00	18.00	18.00
Total	\$179.19	\$383.86	\$327.32	\$1,151.72

(b) Pursuant to Section 1009.285 F.S., each student enrolled in the same undergraduate course more than twice shall be assessed an additional \$177.~~94~~⁵⁷ per credit hour charge, in addition to the fees outlined above for each such course.

(7) Students are required to pay an excess hours surcharge for each credit hour in excess of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled. The excess hour surcharge shall become effective for students who enter a state university for the first time and maintain continuous enrollment as follows:

- (a) For students who enter a state university for the first time in the Fall 2009 semester or any academic term thereafter up to and including Summer 2011, the University shall require the student to pay an excess hour surcharge equal to 50 percent of the tuition rate for each credit hour in excess of 120 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.
- (b) For students who enter a state university for the first time in the Fall 2011 semester or any academic term thereafter up to and including Summer 2012, the University shall require the student to pay an excess hours surcharge equal to 100 percent of the tuition rate for each credit hour in excess of 115 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.
- (c) For students who enter a state university for the first time in the Fall 2012 semester or thereafter, the University shall require the student to pay an excess hours

surcharge equal to 100 percent of the tuition rate for each credit hour in excess of 110 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.

Authority: BOG Regulations 1.001 and 7.001; General Appropriations Act, 2011. History—New 9-25-02, Amended 12-8-03, 11-22-05, 6-27-06, 8-27-07, 12-07-07, 8-19-08, Formerly 6C7-9.001, Amended 6-22-09, 8-12-10, 7-6-11, 9-15-11, 7-3-12, 8-12-13, 7-17-14, 7-17-15, 4-1-16.

ITEM: INFO-1

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

SUBJECT: UCF Operating Budget Report Quarter Ended March 31, 2016

DATE: May 31, 2016

For information only.

Supporting documentation: Attachment A: UCF Operating Budget Quarterly Report

Prepared by: Tracy Clark, Associate Provost for Budget, Planning, and
Administration and Associate Vice President for Finance

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

Attachment A

ITEM: INFO-1

**University of Central Florida
Operating Budget Status**

March 31, 2016

Year-to-Date Activity and Variances

The attached reports include revenues and expenditures for the nine months ended March 31, 2016, compared to the operating budget and prior year. Student credit hours are higher than the enrollment plan by 2 percent and are higher than the prior year by 3 percent. Revenues and expenditures as a percentage of budget are consistent with prior year. Overall, revenues and expenditures as a percent of the operating budget are 71 percent and 66 percent, respectively. Specific activities and variances in certain budget categories are described below.

Educational & General

E&G revenues increased \$23.6 million. Tuition and fees increased \$10.8 million, which is primarily due to growth in student credit hours and an increase in out-of-state fees. State appropriations increased \$11 million, which is primarily due to additional performance-based funding.

E&G expenditures increased by \$48.4 million. Salaries and benefits increased \$20.3 million due to new faculty hires and other headcount and pay rate increases. Other operating expenses increased \$23.7 million due primarily to an increase in repairs and renovations and an increase in student financial aid, which includes the impact of timing differences for funding.

Medical School

Medical school revenues increased by \$1.3 million due to increased student fees and state appropriations.

Total medical school expenditures increased by \$1.8 million primarily due to compensation and benefits, which includes headcount, pay rate, and related increases in employer contributions for benefits.

Auxiliary Enterprises

Auxiliary revenues increased by \$8 million. Enrollment increased for Global UCF, market rate graduate programs, and continuing education programs, causing revenue to increase by \$4.7 million. Local fees including transportation, health, and equipment fees increased \$1.2 million. Funding from College of Medicine partnerships increased \$0.9 million.

Expenditures increased by \$3.9 million primarily due to increases in salaries and benefits and expenses related to Global UCF.

ITEM: INFO-1

**University of Central Florida
Operating Budget Status**

March 31, 2016

Sponsored Research

Revenues to date decreased by \$6.5 million primarily related to reductions in federal and private grant funds of \$4.9 million and \$1.5 million, respectively.

Expenditures to date decreased \$10 million. Expenditures unique to the prior year include \$9 million to support 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 \$14.4 million. Federal funding increased \$5.3 million for grants and \$2.8 million for loans. State funding for the Bright Futures Program decreased by \$4.1 million, partially offset by increases in other state programs. Private funding for loans and scholarships increased \$2.5 million. Institutional funding for merit-based scholarships and differential tuition to be used for need-based financial aid increased by \$4.8 million.

Expenditures increased \$9 million. Federal-funded awards increased \$7.6 million. State-funded awards decreased \$3.4 million. Private awards increased \$2.5 million. Institutional grants increased \$2.3 million.

Student Activities

Revenues increased \$0.4 million primarily related to activity and service fees due to growth in student credit hours. Expenses increased \$0.9 million due to current year transfers for intramural field upgrades.

Concessions

Revenues and expenses were consistent with the prior year.

Technology Fee

Technology fee revenues increased \$0.2 million. Technology fee expenditures increased \$0.8 million due to timing differences in the progress of the various projects. Approximately 14 percent of 2015-16 and 70 percent of 2014-15 awarded funds and 92 percent of 2013-14 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, 2016 (75% of year)

2015-16

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 471,106,951	\$ 415,737,708	\$ 709,837,313	58.6%	66.4%	\$ 55,369,243	\$ 171,602,281
Medical School	31,506,465	28,225,687	61,564,339	45.8%	51.2%	3,280,778	23,520,276
Auxiliary Enterprises	150,216,790	135,483,625	236,260,851	57.3%	63.6%	14,733,165	169,828,744
Sponsored Research	96,970,450	94,777,393	155,283,000	61.0%	62.4%	2,193,057	27,239,596
Student Financial Aid	433,409,261	432,217,899	507,419,674	85.2%	85.4%	1,191,362	27,646,086
Student Activities	17,563,497	14,885,370	20,500,000	72.6%	85.7%	2,678,127	9,020,033
Concessions	464,731	270,509	500,000	54.1%	92.9%	194,223	1,283,179
Technology Fee	7,771,197	4,500,724	9,100,000	49.5%	85.4%	3,270,472	7,347,815
	\$ 1,209,009,341	\$ 1,126,098,914	\$ 1,700,465,177	66.2%	71.1%	\$ 82,910,427	\$ 437,488,009

2014-15

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 447,466,167	\$ 367,352,181	\$673,355,376	54.6%	66.5%	\$ 80,113,985	\$ 153,440,388
Medical School	30,221,264	26,447,291	57,083,903	46.3%	52.9%	3,773,972	20,535,923
Auxiliary Enterprises	142,235,572	131,567,195	206,596,893	63.7%	68.8%	10,668,377	168,016,144
Sponsored Research	103,435,568	104,814,754	152,584,000	68.7%	67.8%	(1,379,186)	34,148,458
Student Financial Aid	418,997,516	423,259,926	503,923,681	84.0%	83.1%	(4,262,410)	28,901,462
Student Activities	17,126,080	13,977,993	20,000,000	69.9%	85.6%	3,148,088	8,312,809
Concessions	480,415	222,943	460,000	48.5%	104.4%	257,472	1,103,762
Technology Fee	7,582,992	3,702,702	9,100,000	40.7%	83.3%	3,880,291	4,518,932
	\$ 1,167,545,574	\$ 1,071,344,984	\$ 1,623,103,853	66.0%	71.9%	\$ 96,200,590	\$ 418,977,877

University of Central Florida Operating Expenditure Report

as of March 31, 2016 (75% of year)

2015-16

	Expenditures - Amount					Expenditures - Percent of Total				
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	\$ 274,518,670	\$ 133,131,974	\$ 8,087,063	\$ -	\$ 415,737,708	66.0%	32.0%	1.9%	-	100.0%
Medical School	19,603,973	7,300,695	1,321,018	-	28,225,687	69.5%	25.9%	4.7%	-	100.0%
Auxiliary Enterprises	43,252,220	81,440,074	1,075,239	9,716,092	135,483,625	31.9%	60.1%	0.8%	7.2%	100.0%
Sponsored Research	41,995,392	47,781,472	5,000,529	-	94,777,393	44.3%	50.4%	5.3%	-	100.0%
Student Financial Aid	3,150,575	429,067,323	-	-	432,217,899	0.7%	99.3%	-	-	100.0%
Student Activities	7,115,095	7,746,633	23,642	-	14,885,370	47.8%	52.0%	0.2%	-	100.0%
Concessions	3,023	267,485	-	-	270,509	1.1%	98.9%	-	-	100.0%
Technology Fee	663	3,288,930	1,211,131	-	4,500,724	0.0%	73.1%	26.9%	-	100.0%
	\$ 389,639,613	\$ 710,024,587	\$ 16,718,622	\$ 9,716,092	\$ 1,126,098,914	34.6%	63.1%	1.5%	0.9%	100.0%

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	Total
Educational & General	\$ 254,167,049	\$ 109,369,992	\$ 3,815,140	\$ -	\$ 367,352,181	69.2%	29.8%	1.0%	-	100.0%
Medical School	17,437,195	8,551,190	458,906	-	26,447,291	65.9%	32.3%	1.7%	-	100.0%
Auxiliary Enterprises	41,331,820	79,548,362	900,132	9,786,881	131,567,195	31.4%	60.5%	0.7%	7.4%	100.0%
Sponsored Research	41,394,389	58,829,106	4,591,260	-	104,814,754	39.5%	56.1%	4.4%	-	100.0%
Student Financial Aid	2,607,262	420,652,663	-	-	423,259,926	0.6%	99.4%	-	-	100.0%
Student Activities	6,932,974	7,041,468	3,551	-	13,977,993	49.6%	50.4%	0.0%	-	100.0%
Concessions	1,646	221,297	-	-	222,943	0.7%	99.3%	-	-	100.0%
Technology Fee	987	1,936,598	1,765,116	-	3,702,702	0.0%	52.3%	47.7%	-	100.0%
	\$ 363,873,322	\$ 686,150,676	\$ 11,534,105	\$ 9,786,881	\$ 1,071,344,984	34.0%	64.0%	1.1%	0.9%	100.0%

University of Central Florida Operating Budget Report

as of March 31, 2016 (75% of year)

Statistical Information

Student Credit Hours¹

Actual Compared to UCF Plan

Summer
Fall
Spring²

2015-16			
Actual	Plan	Difference	% Variance
233,465	229,982	3,483	1.5%
673,558	659,726	13,832	2.1%
644,212	631,585	12,627	2.0%
1,551,235	1,521,293	29,942	2.0%

2014-15			
Actual	Plan	Difference	% Variance
225,671	238,120	(12,449)	-5.2%
651,023	644,740	6,283	1.0%
629,415	621,811	7,604	1.2%
1,506,109	1,504,671	1,438	0.1%

Current Year Compared to Prior Year

Summer
Fall
Spring²

2015-16	2014-15	Difference	% Variance
233,465	225,671	7,794	3.5%
673,558	651,023	22,535	3.5%
644,212	629,415	14,797	2.4%
1,551,235	1,506,109	45,126	3.0%

2014-15	2013-14	Difference	% Variance
225,671	228,164	(2,493)	-1.1%
651,023	644,246	6,777	1.1%
629,415	619,437	9,978	1.6%
1,506,109	1,491,847	14,262	1.0%

Additional Statistical Information

Student headcount - Fall 2015 and 2014
Percent in-state students - Fall 2015 and 2014

Foundation endowment - June 30, 2015, and 2014
Foundation assets - June 30, 2015, and 2014

On-campus housing, including Greek housing³
Rosen Campus housing³
Affiliated housing³
Managed housing³
Gross square footage - Orlando Campus³
Acreage - Orlando Campus³

	2015-16	2014-15	Difference	% Variance
Student headcount - Fall 2015 and 2014	63,016	60,821	2,195	3.6%
Percent in-state students - Fall 2015 and 2014	93.3%	94.1%	-0.8%	
Foundation endowment - June 30, 2015, and 2014	\$ 148,880,171	\$ 152,717,147	\$ (3,836,976)	-2.5%
Foundation assets - June 30, 2015, and 2014	\$ 289,918,298	\$ 287,433,906	\$ 2,484,392	0.9%
On-campus housing, including Greek housing ³	6,905			
Rosen Campus housing ³	384			
Affiliated housing ³	3,757			
Managed housing ³	594			
Gross square footage - Orlando Campus ³	8,217,095			
Acreage - Orlando Campus ³	1,415			

¹ Medical students are not included in student credit hours.

² Spring 2016 is preliminary data.

³ As of Fall 2015.

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.

ITEM: FFC-2

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

SUBJECT: 2016-17 University Operating Budget

DATE: May 31, 2016

PROPOSED COMMITTEE ACTION

Approve the university's 2016-17 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.

Supporting Documentation: Attachment A: 2016-17 Proposed Operating Budget
Attachment B: Changes in E&G Funding
Attachment C: Auxiliary Enterprises Proposed Operating Budget
Attachment D: Summary of 2015-16 Expenditures

Prepared by: Tracy Clark, Associate Provost for Budget, Planning, and Administration and Associate Vice President for Finance
Christy Tant, Director for Budget, Planning, and Administration

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

Attachment A

University of Central Florida 2016-17 Proposed Operating Budget

	<u>2016-17 Proposed Budget</u>	<u>2015-16 Operating Budget</u>	<u>% Increase (Decrease)</u>	<u>\$ Increase (Decrease)</u>
Educational & General (E&G) ¹				
General Revenue	\$ 323,700,633	\$ 288,060,162	12%	\$ 35,640,471
Student Tuition and Fees	270,952,196	253,232,726	7%	17,719,470
Total Educational and General	<u>594,652,829</u>	<u>541,292,888</u>	10%	<u>53,359,941</u>
Medical School (E&G) ¹				
General Revenue	26,017,366	26,027,664	0%	(10,298)
Student Tuition and Fees	15,654,240	14,863,096	5%	791,144
Total Educational and General	<u>41,671,606</u>	<u>40,890,760</u>	2%	<u>780,846</u>
Auxiliary Enterprises ²	251,990,997	236,260,851	7%	15,730,146
Sponsored Research	160,694,000	155,283,000	3%	5,411,000
Student Financial Aid	513,219,163	507,419,674	1%	5,799,489
Student Activities	23,750,000	20,500,000	16%	3,250,000
Technology Fee	9,100,000	9,100,000	0%	-
Concessions	750,000	500,000	50%	250,000
Total Operating Budget	<u><u>\$ 1,595,828,595</u></u>	<u><u>\$ 1,511,247,173</u></u>	6%	<u><u>\$ 84,581,422</u></u>

¹ See Attachment B for detail of the change in budget.

² See Attachment C for detail of the change in budget.

Attachment B

**University of Central Florida
Changes in E&G Funding**

Changes in University E&G Funding	State		Total
	Appropriations	Tuition and Fees	
2015-16 approved budget	\$ 288,525,798	\$ 253,232,726	\$ 541,758,524
Risk management premium decrease	(465,636)		(465,636)
2015-16 adjusted budget	288,060,162	253,232,726	541,292,888
2015-16 excess tuition and fees (estimated)		12,029,946	12,029,946
Reversal of non-recurring items:			
Evans Community School	(900,000)		(900,000)
Lou Frey Institute	(250,000)		(250,000)
Net increase (decrease)	(1,150,000)	12,029,946	10,879,946
2016-17 projected credit hour growth		5,689,524	5,689,524
Performance Funding - net effect of state investment ¹	16,204,414		16,204,414
Retirement adjustments	597,117		597,117
Plant operations and maintenance annualization	85,373		85,373
<u>Unique University issues</u>			
Dr. Phillips Center for Performing Arts - (\$1,147,744 non-recurring)	5,048,043		5,048,043
Emerging Preeminent University	5,000,000		5,000,000
Advanced Manufacturing Sensor Project	5,000,000		5,000,000
Center for Reading - Istation	2,000,000		2,000,000
Evans Community School (non-recurring)	1,500,000		1,500,000
Incubator (non-recurring)	1,000,000		1,000,000
Lou Frey Institute - Support for Civics Education (non-recurring)	500,000		500,000
University Security Management Technology (non-recurring)	300,000		300,000
Urban Teacher Institute	250,000		250,000
Florida FIRST Robotics Team Grant (non-recurring)	100,000		100,000
Florida Center for Nursing	(450,000)		(450,000)
Permanent transfer to UCF Medical School	(344,476)		(344,476)
Subtotal	19,903,567	-	19,903,567
Net increase	35,640,471	17,719,470	53,359,941
2016-17 beginning budget	\$ 323,700,633	\$ 270,952,196	\$ 594,652,829

¹ Subject to approval by the Board of Governors in June.

Changes in Medical School Funding	State		Total
	Appropriations	Tuition and Fees	
2015-16 approved budget	\$ 26,027,664	\$ 14,863,096	\$ 40,890,760
Enrollment increase		791,144	791,144
Reversal of non-recurring item:			
Crohn's and Colitis Research	(500,000)		(500,000)
Net increase (decrease)	(500,000)	791,144	291,144
Retirement adjustments	45,226		45,226
<u>Unique University issues</u>			
Permanent transfer from University	344,476		344,476
Crohn's and Colitis Research (non-recurring)	100,000		100,000
Subtotal	444,476	-	444,476
Net increase (decrease)	(10,298)	791,144	780,846
2016-17 beginning budget	\$ 26,017,366	\$ 15,654,240	\$ 41,671,606

Attachment C

University of Central Florida Auxiliary Enterprises Proposed Operating Budget

	2016-17 Proposed Budget	2015-16 Operating Budget	% Increase (Decrease)	\$ Increase (Decrease)
Housing	\$ 28,928,592	\$ 28,039,809	3%	\$ 888,783
Parking Services ¹	18,639,860	26,443,168	-30%	(7,803,308)
Student Health Services	23,424,523	20,561,848	14%	2,862,675
Business Services ²	20,481,625	9,923,922	106%	10,557,703
Computer Store, Telecommunications	33,385,000	33,000,000	1%	385,000
Academic Support - Colleges ³	21,595,344	13,678,093	58%	7,917,251
Academic Support - Other ⁴	25,580,124	23,416,103	9%	2,164,021
Continuing Education, EMBA	13,207,415	13,249,456	0%	(42,041)
Material and Supply, Equipment Fees	5,728,001	5,562,944	3%	165,057
Energy Management and Sustainability	18,870,284	20,370,284	-7%	(1,500,000)
Other Auxiliaries ⁵	42,150,229	42,015,224	0%	135,005
Total Auxiliary Enterprises	<u>\$ 251,990,997</u>	<u>\$ 236,260,851</u>	<u>7%</u>	<u>\$ 15,730,146</u>

¹ Decrease in Parking Services budget is primarily due to the Garage C expansion during fiscal 2016.

² Increase in Business Services budget is due to expansion of the Student Union as a result of the food services contract with Aramark. Funding will be provided by Aramark for the project.

³ Increase in Academic Support - Colleges budget is primarily due to expansion of the College of Medicine's residency program. Funding will be provided through partnerships with hospitals.

⁴ The Academic Support Other budget primarily includes various auxiliaries in the Student Development and Enrollment Services area, Distance Learning, and the Florida Solar Energy Center.

⁵ The Other Auxiliaries budget includes the use of cash balances primarily accumulated from investment earnings for the Interdisciplinary Research and Incubator Facility. This also includes auxiliary overhead to support administrative units and a budget reserve for the auxiliaries.

Attachment D

University of Central Florida Summary of 2015-16 Expenditures

(as of March 31, 2016 - 75% of year)

Total Operating Budget Expenditures vs. Budget

	Expenditures as of March 31, 2016	2015-16 Operating Budget	Percent Spent	2014-15 Full Year Percent Spent
Educational & General¹	\$ 415,737,708	\$ 709,837,313	58.6%	76.4%
Medical School¹	28,225,687	61,564,339	45.8%	64.9%
Auxiliary Enterprises	135,483,625	236,260,851	57.3%	88.7%
Sponsored Research	94,777,393	155,283,000	61.0%	98.3%
Student Financial Aid	432,217,899	507,419,674	85.2%	92.4%
Student Activities	14,885,370	20,500,000	72.6%	96.7%
Technology Fee	4,500,724	9,100,000	49.5%	68.3%
Concessions	270,509	500,000	54.1%	71.8%
Total Operating Budget	<u>\$1,126,098,915</u>	<u>\$1,700,465,177</u>	<u>66.2%</u>	<u>84.8%</u>

¹ The 2015-16 Operating Budget includes carryforward funds for which spending authority was approved in a previous year.

ITEM: FFC-3

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

SUBJECT: 2016-17 Capital Outlay Budget

DATE: May 31, 2016

PROPOSED COMMITTEE ACTION

Approve the university's 2016-17 capital outlay budget and authorize the president to make necessary adjustments as necessary to the 2016-17 capital outlay budget.

BACKGROUND INFORMATION

Pursuant to Florida Statute 1013.61, each university's Board of Trustees must adopt an annual capital outlay budget that designates proposed expenditures by project. The attached University of Central Florida 2016-17 capital outlay budget lists the projects approved during the legislative session and by the governor. Approval is sought for the attached budget along with authorization for the president to make changes to this budget as necessary during the year.

Supporting documentation: Attachment A: 2016-17 Capital Outlay Budget

Prepared by: Lee Kernek, Associate Vice President for Administration and Finance

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

**2016-17 Capital Outlay Budget
Projects By Funding Source**

Projects funded by Public Education Capital Outlay (PECO)	2016-17	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
TOTAL	\$ 114,668,500	\$ 34,000,000

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	Courtelis
Laboratory Instructional Building	\$ 15,372,777	-
Morgridge International Reading Center	2,297,170	-
Burnett Bio-Medical Science Center	2,528,605	-
Career Services and Experiential Learning	196,950	-
College of Optics and Photonics	69,735	-
Engineering III	2,384,463	-
Psychology Building	86,540	-
Arts Complex II Enhancement	500,000	-
Physical Sciences Building	1,162	-
Alumni Center, John and Martha Hitt Library	8,249	-
TOTAL	\$ 23,445,651	-

Maintenance, repair, renovation, and remodeling projects	2016-17	
		\$ 4,762,185
TOTAL		\$ 4,762,185

Capital Improvement Trust Fund	2016-17	Funded
John C. Hitt Library Phase I	\$ 13,688,709	\$ -
TOTAL	\$ 13,688,709	\$ -

Projects constructed or acquired with proceeds from non-state sources, including debt	2016-17	
Rosen Storage Shed	225,000	-
Rosen Educational Facility	17,000,000	
District Energy IV Plant	13,000,000	
UCF Downtown Campus Academic Building	40,000,000	
UCF Downtown Campus Combined Heat and Power Plant	15,118,758	
Interdisciplinary Research and Incubator Facility	27,000,000	
Institute For Hospitality In Healthcare at Lake Nona	15,300,000	
UCF Downtown Campus Garage I	15,300,000	
UCF Downtown Campus Garage II	15,300,000	
USTA American Tennis at Lake Nona - Collegiate Tennis	5,100,000	
Hotel and Conference Center	76,500,000	
Special Purpose Housing and Parking Garage	25,500,000	
Special Purpose Housing II	8,160,000	
Parking Decks	17,340,000	
Graduate Housing	51,000,000	
Refinance UCF Foundation Properties	37,410,000	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	
TOTAL	\$ 722,940,959	\$ 50,466,000

ITEM: FFC-4

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

SUBJECT: Revision to UCF-7.130 Administration and Finance; Purchasing

DATE: May 31, 2016

PROPOSED COMMITTEE ACTION

Approve the attached amendments to existing university regulation UCF-7.130 Administration and Finance; Purchasing.

BACKGROUND INFORMATION

Florida Board of Governors Regulation 1.001 provides that “Each Board of Trustees is authorized to promulgate University Regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors.”

Regulation UCF-7.130 is being amended to add language in (6)(a) to ensure that any procurement actions occur before the contract is signed. This is to reduce university risk.

Supporting documentation: Attachment A: University Regulation UCF-7.130

Prepared by: Youndy C. Cook, Deputy General Counsel

Submitted by: W. Scott Cole, Vice President and General Counsel

Attachment A

UCF-7.130 Administration and Finance; Purchasing.

(1) The University Board of Trustees (BOT) has authority to establish a system of coordinated procurement policies, procedures, and practices to be used in acquiring commodities and contractual services required by the University. The University Purchasing Department has the duty to:

- (a) Develop purchasing procedures.
- (b) Canvass sources of supply and contracting for the purchase or lease of all commodities and contractual services for the University, in any manner, including purchase by installment- or lease-purchase contracts. Installment- or lease-purchase contracts may provide for the payment of interest on unpaid portions of the purchase price.
- (c) Recommend or advise the suspension or debarment of a contractor, in accordance with University Regulation UCF-7.124, from doing business with the University for demonstrated cause, including previous unsatisfactory performance.
- (d) Plan and coordinate purchases in volume and negotiate and execute agreements and contracts for commodities and contractual services under which the University may make purchases.
- (e) Develop an Annual Certification List to serve as a waiver of the competitive solicitation requirement for commodities/services that are frequently purchased and are available from a single source.
- (f) Evaluate and approve contracts let by the Federal Government, other states, political subdivisions, or any independent college or university or purchasing cooperative or consortium for the procurement of commodities and contractual services, when it is determined to be cost-effective and in the best interest of the University to make purchases under contracts let by such other entities.
- (g) Elect as an alternative to any provision in Board of Governor's (BOG) Regulation 18.002 to proceed with a bid solicitation or contract award process when it is set forth, in writing, that the particular facts and circumstances which demonstrate that the delay due to staying the solicitation or contract award process would be detrimental to the interests of the University. After the award of a contract resulting from a competitive solicitation in which a timely protest was received

and in which the University did not prevail, the contract may be canceled and re-awarded to the prevailing party.

- (h) Award contracts for commodities and contractual services to multiple suppliers, if it is determined to be in the best interest of the University. Such awards may be on a university, regional or multiple state university-wide basis and the contracts may be for multiple years.
 - (i) Reject or cancel any or all competitive solicitations when determined to be in the best interest of the Institution.
 - (j) Inspect the part of the plant or place of business to determine the capability of contract performance of a contractor or any subcontractor which is related to the performance of any contract awarded or to be awarded by the University, when specified in the agreement.
- (2) Competitive Solicitations Required.
- (a) All contracts for the purchase of commodities or contractual services exceeding \$75,000 shall be awarded pursuant to a competitive solicitation, unless otherwise authorized herein.
 - (b) When only one response is received to a competitive solicitation for commodities or contractual services exceeding \$75,000 the University shall review the solicitation responses to determine if a second call for a competitive solicitation is in the best interest of the University. If it is determined that a second call would not serve a useful purpose, the University shall proceed with the acquisition or cancel the acquisition.
 - (c) When multiple responses that are equal in all respects are received to a competitive solicitation, the University will give preference to responses that include commodities manufactured in the state, Florida businesses, or foreign manufacturers located in the state to determine the contract award, or, if these conditions do not exist, will use toss of the coin.
 - (d) The purchase of commodities and contractual services shall not be divided to avoid the requirement of competitive solicitation.
 - (e) The Purchasing Department, in issuing an Invitation to Bid, Request for Proposal or Invitation to Negotiate, shall provide notice of a decision or intended decision

concerning a solicitation, or contract award by electronic posting for 72 hours, which is interpreted as three business days. (Business days do not include Saturdays, Sundays, State or University holidays, or any other days when the University is otherwise closed for business.) This notice shall contain the following statement: “Failure to file a protest in accordance with BOG regulation 18.002, or failure to post the bond or other security as required in BOG regulation 18.003, shall constitute a waiver of protest proceedings.”

- (f) Advertisement. Invitations to Bid, Requests for Proposals, and Invitations to Negotiate for commodities expected to be in excess of \$150,000 and for contractual services expected to be in excess of \$75,000 shall be advertised in the Florida Administrative Weekly or the State of Florida’s VBS System. The Director of Purchasing shall have the authority to waive this advertisement requirement when the number of potential bidders or proposers is limited and can otherwise be solicited, when the availability of funding so requires, or where delivery is urgent.
- (g) Bids and proposals shall remain sealed (with the exception of typical information revealed at the Bid/Proposal opening for the tabulation sheet) until notice of final contract award is given or in accordance with Florida Statute as appropriate.
- (h) In the case of extension errors, the unit price will prevail.
- (i) Withdrawal. A vendor may withdraw his or her bid or proposal in writing if done within seventy-two (72) hours of the bid or proposal opening, if the bid or proposal is clearly erroneous and it is withdrawn prior to final award or the purchase order being issued.
- (j) Bid/Proposal Evaluations – Bids/Proposals shall be evaluated based on the requirements set forth in the Invitation to Bid/ Request for Proposal, which may include criteria to determine acceptability such as inspection, testing quality, workmanship; delivery and suitability for a particular purpose. Those criteria that will affect the bid/proposal price and be considered in evaluation for award shall be objectively measured, such as all or none, discounts, transportation costs and total or life cycle costs. The Invitation to Bid or Request for Proposal shall set

forth the criteria to be used. No criteria may be used in bid/proposal evaluation that is not set forth in the Invitation to Bid or Request for Proposal.

(3) Purchase of Commodities or Contractual Services.

- (a) Purchase of Products with Recycled Content. The University encourages the purchase and use of products and materials with recycled content and post consumer recovered material.
- (b) Purchase of Private Attorney Services. Written approval from the Attorney General is not required for private attorney services acquired by the University.
- (c) Purchase of Insurance. The University has the authority to purchase insurance as deemed necessary and appropriate for the operation and educational mission of the University. Examples of insurance coverage that may be acquired by the University include (but are not limited to) insurance coverage for:
 - 1. Physical damage on vehicles and boats;
 - 2. Inland marine on property owned, leased, or loaned to or by the University;
 - 3. Building and property damage;
 - 4. Equipment losses due to theft;
 - 5. Loss of rental income;
 - 6. Excess general liability coverage;
 - 7. Professional liability;
- (d) Purchase of Printing. Printing shall be purchased in accordance with the requirements of these rules. The University may refer to the requirements of Chapter 283, F.S., and rules promulgated thereto for guidance with respect to the purchase of printing services.
- (e) Purchases from Small, Minority and Woman-Owned Business Enterprises (SMWBE). The University is an equal opportunity institution and encourages procurement contracting with SWMBE.
- (f) Purchases from Contractors Convicted of Public Entity Crimes. The University shall not accept a competitive solicitation from, or purchase commodities or contractual services from, a person or affiliate who has been convicted of a public entity crime and has been placed on the State of Florida's convicted vendor list

for a period of 36 months from the date of being added to the convicted vendor list.

- (g) Preferences for Florida-Based Vendors when Purchasing Personal Property: For purchases of tangible personal property, the Florida Legislature enacted economic development laws establishing certain conditions and circumstances which, when applicable, require the granting of price preferences to businesses whose principal place of business is the State of Florida. Pursuant to §287.084 Florida Statute, award recommendations shall make appropriate adjustments to Resident Vendor pricing when considering solicitations from Bidders having a principal place of business outside the State of Florida. Refer to Florida Statute 287.084 and BOG Regulation 18.001 for additional information regarding applicability and implementation of this section.
- (h) Purchasing actions that are not subject to the competitive solicitation process include but are not limited to:
 1. Emergency Purchases. When the President or his or her designee determines, in writing, that a condition exists that threatens the health or safety of person(s) or animal(s) or the preservation or protection of property or the continuance of a vital University function, the University may proceed with an emergency purchase without a competitive solicitation. The emergency purchase shall be limited to the purchase of only the type of items and quantities or for a time period sufficient to meet the immediate threat and shall not be used to meet long-term requirements.
 2. Sole Source Purchases. Commodities or contractual services available from a single source shall be exempted from the competitive solicitation process. Sole Source document shall be publicly posted by the Purchasing Department for three working days. Working days do not include Saturdays, Sundays, or State or University Holidays.
 3. Purchases from competitively bid Contracts and Negotiated Annual Price Agreements established by the State, other governmental entities, other public or private educational institutions, and any purchasing cooperative or consortium are not subject to competitive solicitation.

4. Construction Direct Purchase Program. Commodities to be incorporated into any public work (as that term is defined in Rule 12A-1.094, F.A.C.) which are procured by the University in accordance with the requirements of the University's direct purchase program are not subject to any further competitive solicitation.
- (i) Commodities and contractual services that are not subject to the competitive solicitation process include:
1. Artistic services;
 2. Academic reviews;
 3. Lectures;
 4. Accountant services, including auditor services;
 5. Legal services, including attorney, paralegal, expert witness, appraisal, lobbyist, arbitrator or mediator services;
 6. Health services, including related equipment and supplies, involving examination, diagnosis, treatment, prevention, consultation or administration of physical or mental conditions or the provision of developmental or vocational rehabilitation;
 7. Medicaid services delivered to an eligible Medicaid recipient by a health care provider who has not previously applied for and received a Medicaid provider number from the Department of Children and Family Services. This exception will be valid for a period not to exceed 90 days after the date of delivery to the Medicaid recipient and shall not be renewed;
 8. Training and education services;
 9. Advertising;
 10. Services or commodities provided by governmental agencies, another university in the State of Florida or other independent colleges and universities;
 11. Programs or continuing education events that are offered to the general public for which fees have been collected to pay all expenses associated with the program or event;

12. Purchases from firms or individuals that are prescribed by state or federal law or specified by a granting agency;
 13. Regulated utilities and government franchised services;
 14. Regulated public communications, except long distance telecommunication services or facilities;
 15. Extension of an existing contract;
 16. Renewal of an existing contract if the terms of the contract specify renewal option(s);
 17. Purchases from the Annual Certification List developed by the University;
 18. Purchases for resale;
 19. Contracts or services provided by not-for-profit support and affiliate organizations of the University, direct support organizations, health support organizations and faculty practice plans;
 20. Implementation/programming/training services available from the owner of copyrighted software or its contracted vendor;
 21. Purchases of materials, supplies, equipment, or services for instructional or sponsored research purposes when a director of sponsored research or designee certifies that, in a particular instance, it is necessary for the efficient or expeditious prosecution of a research project in accordance with sponsored research procedures or to attain the instructional objective. Sponsored research documents shall be publicly posted by the Purchasing Department for three business days.
 22. Purchases for the Florida High Tech Corridor initiative; and
 23. The acquisition of commodities or contractual services that are specifically provided for in an existing contract, grant, subcontract, letter of agreement, etc.
- (j) Participants in Contract Awards Not Subject to Competitive Solicitations.
1. No person or firm who receives a contract to perform a feasibility study for potential implementation of a subsequent contract, participates in the drafting of a competitive solicitation or specifications, or designs or

develops a program for future implementation shall be eligible to contract with the University dealing with the specific subject matter.

2. The individuals taking part in the development or selection of criteria for evaluation, the evaluation process and the contract award in any purchase shall be independent of, and have no conflict of interest in, the entities evaluated and selected and may be required to so attest in writing.

(4) Bonds.

- (a) Solicitation Security. A certified, cashier's or treasurer's check, bank draft or bid bond may be required as a condition for participating in a competitive solicitation where the University is reasonably uncertain about the contractor's ability to perform, and the expected value of the contract is in excess of \$100,000.
- (b) Payment and Performance Bonds for Commodities and Services Contracts. The Purchasing Director is authorized to require any contractor contracting with the University to provide services or commodities (including installation) to furnish a payment and performance bond, with good and sufficient securities, to the University prior to the issuance of the contract when the total contract amount is greater than \$100,000 and the University is uncertain about the contractor's ability to perform.
- (c) A bond or security required pursuant to paragraphs (a) or (b) above must be in an amount equal to 100% of the response submitted to the competitive solicitation.
- (d) Solicitation Protest Bond. Any contractor that files a formal protest pursuant to the protest procedures of BOG Regulation 18.002 and this regulation protesting a decision or intended decision pertaining to a solicitation, shall at the time of filing of the formal protest, post with the University a bond payable to the University in an amount equal to: 10% of the estimated value of the protestor's bid or proposal; 10% of the estimated expenditure during the contract term; \$10,000; or whichever is less. The bond shall be conditioned upon the payment of all costs which may be adjudged against the contractor filing the protest action. In lieu of a bond, the University may accept a cashier's check or money order in the amount of the bond.

(5) Notice and Protest Procedures for Protests Related to a University's Contract Procurement Process

- (a) The procedures set forth in BOG Regulation 18.002 shall apply exclusively to any protest that arises from any university contract procurement processes for the purchase of goods, services, leases and for construction-related competitive solicitations.
- (b) Any qualified offeror who is adversely affected by the university's decision may file a written notice of intent to protest within 72 hours after university posting of award or intent to award notice. The protesting firm must reduce its complaint to a written petition and file it with the department that issued the solicitation within ten (10) calendar days from registration of the original complaint. Failure to timely file a protest or failure to timely deliver the required bond or other security in accordance with the Board of Governors' (BOG) Regulations 18.002 and 18.003 shall constitute a waiver of protest proceedings. Additional information on protest procedures can be viewed in the above referenced BOG Regulations.

(6) Contracts.

- (a) ~~Contracts-Acquisitions~~ for the purchase of commodities or contractual services or licenses shall consist of ~~a purchase orders, except for purchases using a pCard, or prior verbal approval from the Purchasing Department, to obligate the necessary funds or bilateral agreement signed by the President of the University or designee~~ prior to the ~~contractor being provided a notice to proceed or said contractor rendering the goods or services being rendered by the contractor. All necessary procurement actions (i.e. competition, competition exemptions, approvals, etc.) must take place prior to signing a contract that will obligate university funds.~~
- (b) Any contract for the purchase of services or tangible personal property for a period in excess of one fiscal year shall include the following or an equivalent statement: "The State of Florida's and University's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Legislature."
- (c) Extension of a contract shall be for a period not to exceed 12 months, shall be in writing, shall be signed by both parties, and shall be subject to the same terms and

conditions set forth in the initial contract. There shall be only one extension of a contract.

- (d) A contract may contain provisions for renewal. If the commodity or contractual service is purchased as a result of a competitive solicitation, the cost of any contemplated renewal must be included in the competitive solicitation. All contract renewals are subject to sufficient annual appropriations.
- (e) When any commodity contract requires deferred payments and the payment of interest, such contract may be submitted to the State of Florida Comptroller for the purpose of pre-audit review and approval prior to acceptance by the University. The President shall have the authority to enter into deferred payment agreements utilizing the State of Florida Comptroller's Consolidated Equipment Financing Program. No agreement shall establish a debt of the state or shall be a pledge of the faith and credit of the state; nor shall any agreement be a liability or obligation of the state except from appropriated funds.
- (f) In order to promote cost-effective procurement of commodities and contractual services, the University may enter into contracts that limit the liability of a vendor consistent with Section 672.719, F.S.
- (g) The total value of the contract is, for purposes of this regulation and university procedures, the purchase price for the initial term plus all renewal costs.
- (h) If a contractor does not furnish proof of payment to subcontractors, suppliers, or laborers within 60 days after the project is certified to be finally complete by the University, the University will pay any retainage, on a pro-rata basis, directly to the subcontractors, suppliers or laborers. In order to obtain payment, subcontractors, suppliers, or laborers who have not been paid after the 60 days have passed have an additional 30 days to submit documentation satisfactory to the University showing that they have performed work on the project, the amount due, and certifying that they have not been paid. If a contractor does not complete a project, the University will use any retainage to complete the work and then pay any balance of the retainage, on a pro-rata basis, to subcontractors, suppliers, or laborers who provide the above required documentation within 30 days after the completion of the project.

(7) Standard of Conduct. It shall be a breach of ethical standards: (a) for any employee of the University to accept, solicit, or agree to accept a gratuity of any kind, form or type in connection with any contract for commodities or services; (b) for any potential contractor to offer an employee of the University a gratuity of any kind, form or type to influence the development of a contract or potential contract for commodities or services; or (c) for any University or University direct support organization employee participating on a procurement selection committee to solicit donations from responding vendors during the selection process, except for donations or benefits expressly stated in the procurement document.

(8) Purchase of Motor Vehicles.

- (a) The term “motor vehicle” includes any automobile, truck, watercraft or other vehicle designed primarily for transporting persons, and construction vehicles or farm equipment.
- (b) The University has authority to:
 - 1. Establish standard classes of motor vehicles to be leased, purchased or used by University personnel;
 - 2. Obtain the most cost effective and efficient motor vehicles for state purposes;
 - 3. Establish and operate facilities for the acquisition, disposal, operation, maintenance, repair, storage, control and regulation of University-owned motor vehicles. Acquisition may be by purchase, lease, installment-purchase, loan or by any other legal means and may include a trade-in. All motor vehicles purchased or leased shall be of a class that will safely transport University personnel and adequately meet the minimum requirements of the University.
 - 4. Contract for specialized maintenance services.
- (c) Motor vehicles owned, leased or operated by the University shall be available for official University business only.

(9) Public Records.

- (a) Agreements may be canceled unilaterally by the University for refusal by the vendor/contractor to allow public access to all papers, documents, letters or other

material subject to the provisions of Chapter 119, Florida Statutes, and made or received by the vendor/contractor in conjunction with the Agreement.

- (b) The University is subject to the Florida Public Records laws.
- (c) Contract for Services. To the extent that Payee meets the definition of “contractor” under Section 119.0701, Florida Statutes, in addition to other contract requirements provided by law, Payee must comply with public records laws, including the requirements of Section 119.0701, Florida Statutes.

(10) Vendors Excluded from Competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, Invitations to Bid, Request for Proposals and/or Invitations to Negotiate shall be excluded from competing for such procurements.

Authority: BOG Regulations 1.001, 18.001, 18.002 and 18.003. History—New 4-23-03, Amended 4-17-06, 8-6-07, 10-19-07, Formerly 6C7-7.130, Amended 7-6-09, 8-8-14, 10-29-15, _____-16..

ITEM: FFC-5

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

SUBJECT: Revision to UCF-7.203 Real Property Leasing

DATE: May 31, 2016

PROPOSED COMMITTEE ACTION

Approve the attached amendments to existing university regulation UCF-7.203 Real Property Leasing.

BACKGROUND INFORMATION

Florida Board of Governors Regulation 1.001 provides that “Each Board of Trustees is authorized to promulgate University Regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors.”

The paragraph in regulation UCF-7.203, which addresses approval of lease agreements is being amended to add language clarifying that the purchasing director may give administrative approval for leases up to \$100,000. Unchanged are the requirements that all leases above the \$100,000 level require the administrative approval of the university president or the vice president of Administration and Finance, and all leases in excess of \$1,000,000 require the approval of the Board of Trustees.

Supporting documentation: Attachment A: University Regulation UCF-7.203

Prepared by: Youndy C. Cook, Deputy General Counsel

Submitted by: W. Scott Cole, Vice President and General Counsel

Attachment A

UCF-7.203 Real Property Leasing.

- (1) The University of Central Florida may lease real property for the use and benefit of approved programs of the University, according to this and other related regulations.
- (2) Exceptions. These regulations shall not apply to leases for less than 21 consecutive days.
- (3) Lease. A lease is an agreement containing the terms and conditions establishing the relationship of landlord and tenant for real property, including land and any improvement thereon. A lease agreement must be in writing and executed by an authorized university official.
- (4) Approval of Leases. Before leasing a building or any part thereof and occupying such space, a lease agreement shall be approved by the University's attorney and the President or Vice President for Administration and Finance or, for leases up to \$100,000, by the Purchasing Director. ~~the President's designee~~. All lease agreements in excess of \$1,000,000 shall be approved also by the Board of Trustees or designee.
- (5) Nothing contained in these regulations shall be interpreted as circumventing any applicable statutory or regulatory requirements for life safety, construction, or disabled access
- (6) Standard Lease Agreement Terms. The University has certain standard lease agreement terms that it requires where the university leases space from a third party and where the university is the landlord. All lease agreements must have the prior approval of the Office of the General Counsel or shall be considered null and void.
- (7) Escalation Clauses Prohibited. A lease shall not contain a rental escalation clause or an open rental rate that permits an adjustment in the amount paid by the University based on the happening of a future event, such as a change in the Consumer Price Index. Any such clause in a lease shall be null and void and unenforceable. The final cost to the University for the complete term of a

lease, including the projected costs for all renewal periods, must be clearly set forth in the lease or calculable based on the terms of the lease.

(8) Right-to-Terminate Clause Required. A right-to-terminate clause shall be a part of any lease for a term exceeding one fiscal year and may not be omitted from any University lease. To comply with this provision, each lease for a term exceeding one fiscal year shall contain the following clause; “The State of Florida’s performance and obligation to pay under this lease is contingent upon an annual appropriation by the legislature.”

(9) Renewal of Leases. Any lease may contain an option to renew. Any such renewal shall be made according to the terms and conditions of the lease.

(10) Code Compliance in Leased Space.

- (a) Any privately owned building or any part thereof to be leased to the University shall comply with those portions of Chapters 553 and 633, F.S., applicable to University buildings, including but not limited to fire safety, life safety and disabled access standards.
- (b) Before construction or renovation of any state-leased building is commenced, the University shall ascertain that the proposed construction or renovation plan complies with those applicable portions of Chapters 553 and 633, F.S.
- (c) The cost of all modifications or renovations made for the purpose of bringing lease property into compliance with applicable fire safety, life safety, and disabled access standards shall be borne by the lessor unless otherwise agreed in writing by the University.

(11) Space Measurement. The measurement of leased space shall be based on the method of measurement used by the State University System for gross square feet as described in BOG Regulation 17.001.

Authority: BOG Regulations 1.001 and 17.001. History—Renumbered and Amended 8-4-82, 3-16-03; Renumbered and Amended 8-31-09; Amended _____-16.

ITEM: FFC-6

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

SUBJECT: Use of Bright House Networks Stadium for 2017 Florida Cup

DATE: May 31, 2016

PROPOSED COMMITTEE ACTION

Approve the negotiations for and use of Bright House Networks Stadium for the 2017 Florida Cup on January 11 or 12, 15, and 21, 2017.

BACKGROUND INFORMATION

To minimize disruptions to the surrounding community during events at Bright House Networks Stadium, use of the stadium that might have a significant impact on the surrounding community should be reviewed and approved by the Board of Trustees. The Florida Cup is an international soccer event showcasing the best German professional teams against the best Brazilian professional teams. Games traditionally have been played at various venues around Florida, including Disney's Wide World of Sports. Bright House Network Stadium provides the best stadium and grass surface in central Florida, which is the main reason for the request. This provides a significant revenue opportunity for UCF Athletics.

Supporting documentation: None

Prepared by: Danny White, Vice President and Director of Athletics

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

ITEM: INFO-2

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

SUBJECT: UCF Investments Quarterly Report Ended March 31, 2016

DATE: May 31, 2016

For information only.

Supporting documentation: Attachment A: UCF Investments Quarterly Report

Prepared by: Tracy Clark, Associate Provost for Budget, Planning, and
Administration and Associate Vice President for Finance

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

Attachment A

University of Central Florida
Total Operating Portfolio Summary⁽¹⁾
As of March 31, 2016

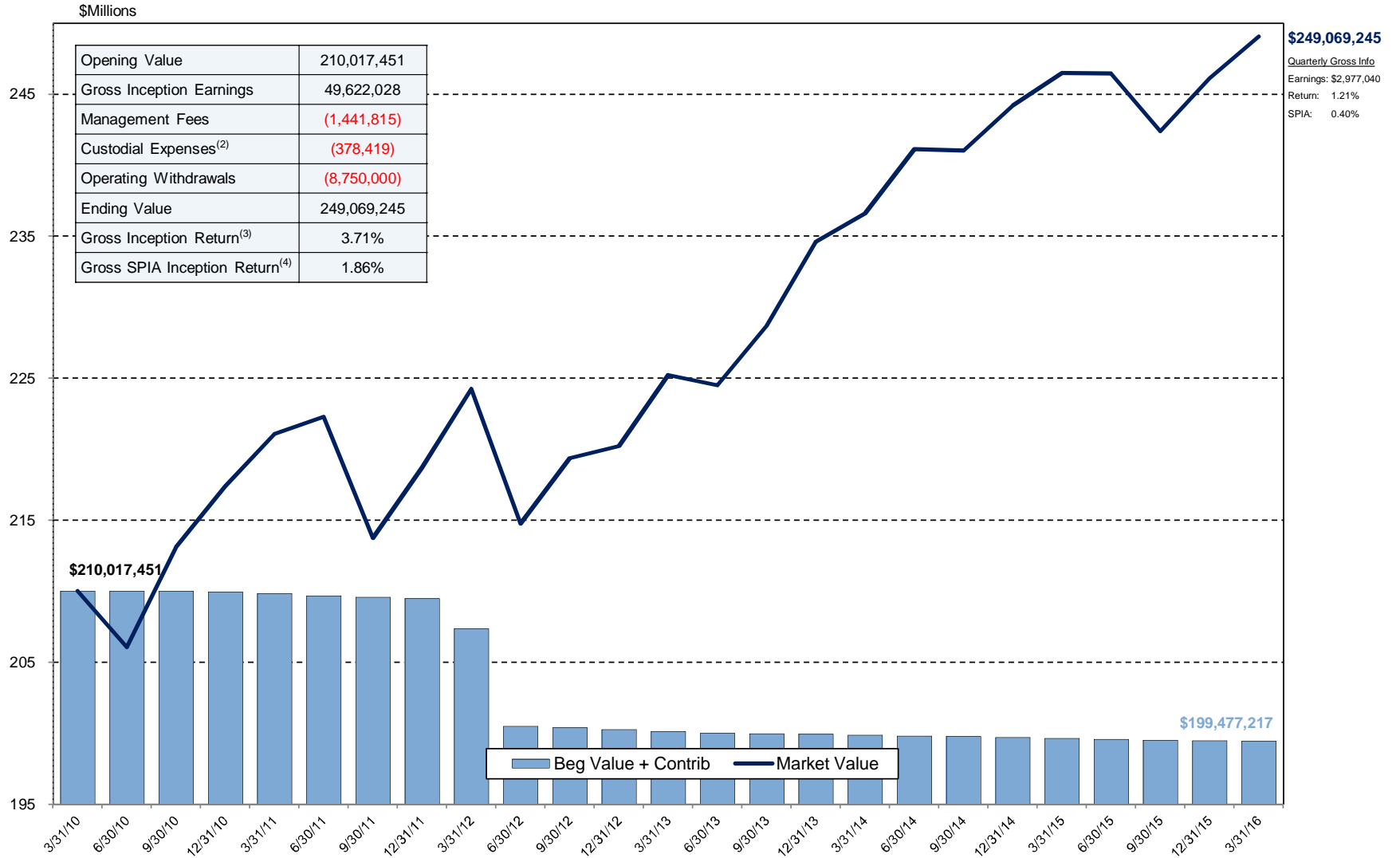
Cash & Non-Investment Portfolio	9/30/2015 Reported Value	12/31/2015 Reported Value	3/31/2016 Reported Value
Bank of America	\$2,200,735	\$13,259,126	\$854,779
Valley National Bank - Money Market (formerly CNL)	\$5,008	\$5,009	\$5,009
SPIA	\$412,012,879	\$322,396,004	\$374,383,646
UCF Parking Bonds (SPIA)	\$886,950	\$807,928	\$139,655
UCF Housing Bonds (SPIA)	\$275,963	\$173,616	\$0
Total Cash & Non-Investment Portfolio	\$415,381,535	\$336,641,684	\$375,383,090

Structured Investment Portfolio (BNY)	9/30/2015 Market Value	12/31/2015 Market Value	4 th Quarter Gain/(Loss)	3/31/2016 Market Value	1 st Quarter Gain/(Loss)	Inception Gain/(Loss) ⁽²⁾
Pool I	\$29,989,988	\$29,988,862	\$748	\$29,999,414	\$10,552	\$44,500
Pool II	\$20,233,346	\$20,218,207	(\$8,506)	\$20,308,161	\$95,012	\$452,752
Fixed Income (Pool III) ⁽³⁾	\$102,035,870	\$101,635,064	(\$370,720)	\$103,170,294	\$1,547,646	\$10,783,764
Domestic Equity (Pool III)	\$18,771,872	\$20,094,691	\$1,322,819	\$20,363,931	\$269,240	\$10,466,168
Total Pool III	\$120,807,742	\$121,729,755	\$952,099	\$123,534,225	\$1,816,886	\$21,249,932
Fixed Income (Pool IV) ⁽⁴⁾	\$25,409,353	\$25,339,673	(\$57,044)	\$26,076,884	\$746,262	\$5,406,173
Domestic Equity (Pool IV)	\$36,847,269	\$39,443,829	\$2,596,560	\$39,972,319	\$528,490	\$20,950,125
International Equity (Pool IV)	\$9,128,912	\$9,398,404	\$269,492	\$9,178,242	(\$220,162)	\$1,518,545
Total Pool IV	\$71,385,534	\$74,181,906	\$2,809,008	\$75,227,445	\$1,054,590	\$27,874,843
Total Structured Investment Portfolio	\$242,416,610	\$246,118,730	\$3,753,349	\$249,069,245	\$2,977,040	\$49,622,027

Total Operating Portfolio	\$657,798,145	\$582,760,414	\$624,452,335	Total Equity Allocation	11.13%
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1. The portfolio gain/(loss) data is presented gross of management fees and portfolio expenses but net of physical cash flows.
 2. The inception date for analysis is 3/31/10. The actual funding of the various portfolios occurred during March 2010.
 3. Pool III's fixed Income market value includes the \$6,354 cash balance held in the Pool III mutual fund account.
 4. Pool IV's fixed Income market value includes the \$15,405 cash balance held in the Pool IV mutual fund account.

University of Central Florida
Structured Investment Portfolio vs. Net Contributions⁽¹⁾
 As of March 31, 2016



1. Net contributions include cash flows associated with management fees, portfolio expenses and physical cash flows
 2. Custodial expense figure is reduced by commission recapture income received
 3. Annualized performance number. Net of management fees inception earnings = \$48,180,213. Net inception return = 3.60%
 4. The gross SPIA inception return corresponds with the 3/31/10 inception of UCF's investment portfolio. Net inception SPIA return = 1.74%

University of Central Florida
Structured Investment Portfolio Investment Policy Compliance Checklist⁽¹⁾
 As of March 31, 2016

Pool I:	Yes	No	N/A
Investments limited to registered 2a-7 mutual funds, CDARS, and or/SPIA.	✓		

Pool II:	Yes	No	N/A
All fixed income investments shall maintain a minimum rating of "A-" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "AA+" or higher.	✓		
Duration of the fixed income portfolio shall not exceed the effective duration of the Merrill Lynch 1-Year Treasury index by 25%.	✓		
The maximum average effective maturity of any single security shall not exceed 3 years.	✓		
Operating Pool II shall maintain a dollar-weighted average effective maturity of 1 years or less.	✓		

Pool III Equity:	Yes	No	N/A
Investments in equity securities shall not exceed twenty percent (20%) of the market value of Operating Pool III's assets.	✓		

Pool III Fixed:	Yes	No	N/A
All fixed income investments shall maintain a minimum rating of "A-" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "AA-" or higher.	✓		
The duration of the fixed income portfolio shall not exceed the effective duration of the benchmark by 50%.	✓		
Operating Pool III shall maintain a dollar-weighted average effective maturity of 7 years or less.	✓		

Pool IV Equity:	Yes	No	N/A
Investment in equity securities shall not exceed seventy-five percent (75%) of the market value of Operating Pool IV's assets.	✓		
Foreign securities shall not exceed twenty-percent (20%) of the market value of Operating Pool IV's assets.	✓		

Pool IV Fixed:	Yes	No	N/A
All fixed income investments shall maintain a minimum rating of "investment grade" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "A-" or higher.	✓		
Duration of the fixed income portfolio shall not exceed the effective duration of the benchmark by 50%.	✓		

1. Taken as an excerpt from the UCF quarterly performance evaluation report. Individual managers are also measured on an ongoing basis against a combination of 15 quantitative and qualitative criteria.

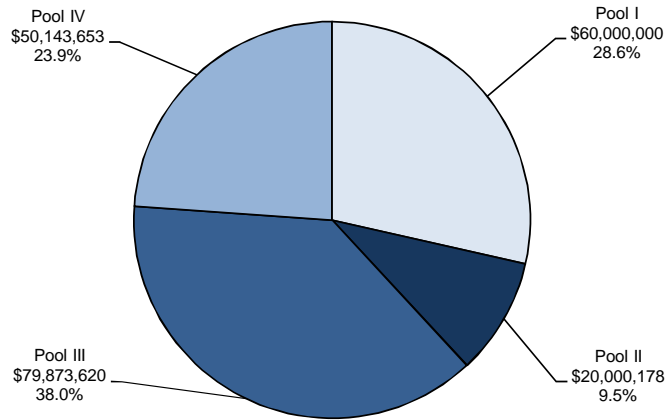
Target Policy Summary	
Pool I	100% 90 Day US T-Bills
Pool II	75% ML 1-Year Treasury + 25% 90 Day US T-bills
Pool III	85% ML 1-5 Year G/C A or Better + 15% S&P 500
Pool IV	35% Barclays Agg + 50% S&P 500 + 15% MSCI-ACWxUS

<table border="1"> <thead> <tr> <th>Pool I</th> <th>\$29,999,414</th> <th>Current Allocation</th> </tr> </thead> <tbody> <tr> <td>Cash & Equivalents</td> <td>\$29,999,414</td> <td>100.0%</td> </tr> <tr> <td>Fidelity Money Market</td> <td>\$29,999,414</td> <td></td> </tr> </tbody> </table>	Pool I	\$29,999,414	Current Allocation	Cash & Equivalents	\$29,999,414	100.0%	Fidelity Money Market	\$29,999,414		<table border="1"> <thead> <tr> <th>Pool II</th> <th>\$20,308,161</th> <th>Current Allocation</th> </tr> </thead> <tbody> <tr> <td>Short-Term Fixed Income</td> <td>\$20,308,161</td> <td>100.0%</td> </tr> <tr> <td>Galliard Capital Management</td> <td>\$20,308,161</td> <td></td> </tr> </tbody> </table>	Pool II	\$20,308,161	Current Allocation	Short-Term Fixed Income	\$20,308,161	100.0%	Galliard Capital Management	\$20,308,161																									
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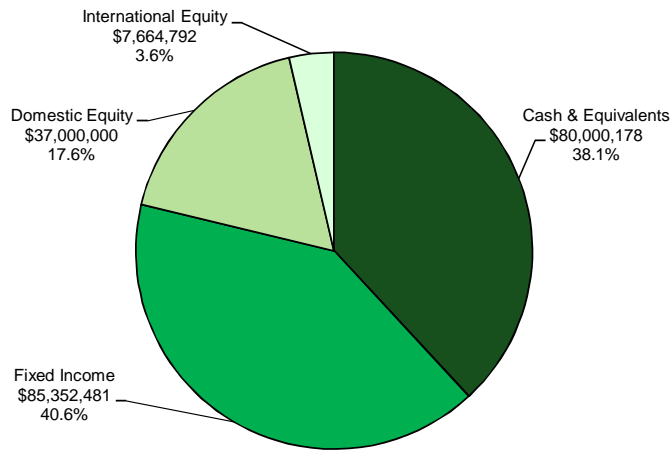
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 2. Pool IV's Dodge & Cox Income market value includes the \$15,405 cash balance held in the Pool IV mutual fund account.

University of Central Florida
Initial Pool & Asset Allocation vs. Current Structured Investment Portfolio
 As of March 31, 2016

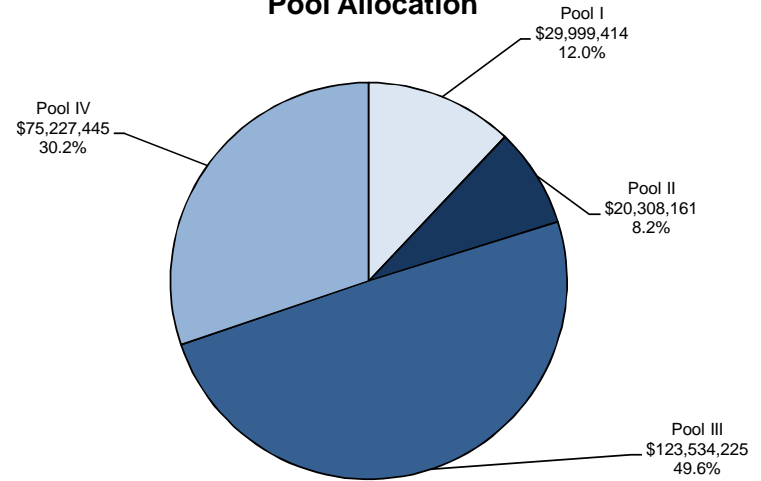
3/31/2010: \$210,017,451
Pool Allocation



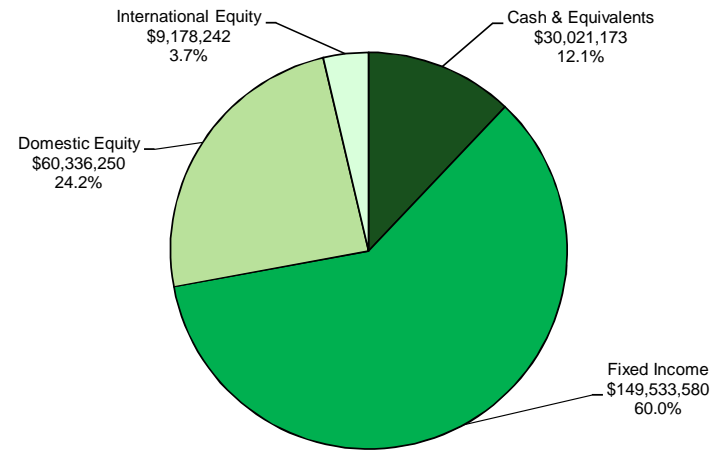
Asset Allocation



3/31/2016: \$249,069,245
Pool Allocation



Asset Allocation



Fixed Income - Separate Account Concentration Review

University of Central Florida	Pool II		Pool III			Pool IV	
March 31, 2016	% of Galliard	% of Benchmark ⁽¹⁾	% of Galliard	% of Sawgrass	% of Benchmark ⁽²⁾	% of Galliard	% of Benchmark ⁽³⁾
Sector Distribution							
U.S. Government/Agency Debentures	33.9%	100.0%	17.1%	50.6%	73.9%	7.5%	39.4%
Other U.S. Government	0.7%	0.0%	7.5%	0.0%	0.0%	16.2%	0.6%
Taxable Municipal	3.8%	0.0%	3.8%	0.0%	0.5%	7.3%	1.2%
Corporates	29.5%	0.0%	27.4%	49.1%	18.8%	31.5%	24.5%
Asset Backed Securities (ABS)	27.7%	0.0%	17.8%	0.0%	0.0%	8.0%	0.5%
Commercial Mortgage Backed Securities (CMBS)	1.2%	0.0%	7.5%	0.0%	0.0%	8.4%	1.1%
Mortgage Backed Securities (MBS)	0.0%	0.0%	18.8%	0.0%	0.0%	20.3%	28.3%
Sovereign / Supranationals	0.0%	0.0%	0.0%	0.0%	6.8%	0.0%	4.2%
Cash / Equivalents	3.2%	0.0%	0.0%	0.3%	0.0%	0.9%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Quality Distribution							
AAA	69.4%	100.0%	74.4%	50.9%	77.6%	67.3%	71.7%
AA	10.5%	0.0%	8.9%	11.6%	7.9%	9.2%	4.3%
A	20.1%	0.0%	16.8%	37.5%	14.5%	15.8%	11.1%
BBB	0.0%	0.0%	0.0%	0.0%	0.0%	7.6%	12.9%
< BBB	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NR/NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Maturity Distribution							
0-1 yrs	62.2%	100.0%	13.0%	21.2%	2.8%	3.3%	0.0%
1-3 yrs	37.8%	0.0%	41.6%	41.5%	56.2%	9.9%	21.7%
3-5 yrs	0.0%	0.0%	31.7%	36.0%	40.9%	23.3%	25.9%
5-10 yrs	0.0%	0.0%	13.7%	1.3%	0.0%	52.0%	37.4%
10+ yrs	0.0%	0.0%	0.0%	0.0%	0.0%	11.5%	14.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Portfolio Characteristics							
Weighted Average Quality	AA+	AAA	AA+	AA-	AAA	AA	AA
Effective Maturity	1.0 year	0.7 years	3.0 years	2.5 years	2.7 years	7.2 years	7.8 years
Effective Duration	0.8 years	0.7 years	2.6 years	1.9 years	2.6 years	5.5 years	5.4 years

(1) 75% The BofA Merrill Lynch 1 Year US Treasury Index, 25% The BofA Merrill Lynch US 3-Month Treasury Bill Index

(2) BofA Merrill Lynch 1-5 Year US Corp & Govt Index A Rated & Above

(3) Barclays U.S. Aggregate Bond Index