Board of Trustees Retreat  
May 21, 2020  
Virtual Meeting  
8:30 a.m. – 3 p.m.  
Conference call in number 1-408-418-9388, access code 790 565 321 #

AGENDA

1. Welcome Beverly Seay, Chair, UCF Board of Trustees

2. Chair Remarks Chair Seay

3. Reports (45 minutes) President Alexander Cartwright
   INFO – 1 Information President’s Action Report

4. Planning Session (90 minutes)
   Discussion COVID-19 and Re-opening UCF  
   President Cartwright
   Discussion Fiscal Year 2021 Planning and Priorities  
   Chair Seay and President Cartwright

5. Break (15 minutes)

6. Presentations (90 minutes)
   INFO – 2 Information Financial Overview  
   Trustee: Beverly Seay  
   Presenters: Joseph Trubacz, Interim CFO  
   Kathy Mitchell, Associate Vice President for  
   Financial Initiatives  
   Kristie Harris, Associate Vice President for  
   Financial Affairs

7. Break (30 minutes)
8. Presentations continued *(60 minutes each)*

INFO – 3  Information

**Budget Model Redesign**
*Trustee: Alex Martins*
*Presenters: Michael Johnson, Interim Provost*
*Joseph Trubacz*
*Kristie Harris*
*Paul Jarley, Dean, College of Business*
*Administration*
*Huron Consultants*

INFO – 4  Information

**Enterprise ERP Upgrade**
*Trustee: Harold Mills*
*Presenters: Mike Sink, Associate Vice President*
*and IT Chief Operating Officer*

9. Closing Remarks

Chair Seay
Planning for Repopulation of Campus

Focus on Safety Using a Phased Approach
## Planning
- Planning for a phased repopulation of campus
- Moving forward consistent with the BOG plans and request for systemwide consistency
- Scenario planning continues for preparedness in case of the need to reverse course

## Key Deadlines
- **June 12, 2020** – UCF plan due to BOG
- **June 18, 2020** – UCF plan presented to BOT for approval
- **June 23, 2020** – UCF plan presented at BOG meeting
Guiding Principles

- Focus on the health and well-being of our faculty, staff, students and visitors across all planning.
- Design a phased approach that will allow us to hold steady, tighten restrictions or make changes to reflect new guidance.
- Do not force employees or students to return to campus if they are at risk, and where possible allow remote work and remote learning opportunities.
- Support work and course schedules that maintain social distancing and consider hybrid schedules that blend both on-campus and online options.
- Remain flexible and quickly adjust as new data become available or conditions in our region change.
Planning

- Return to Work
- Return to Research
- Return to On-campus Instruction
- Return to Housing and Student Affairs Services
- Testing and Tracing
Health and Well-being Measures
Following CDC and OSHA COVID-19 Guidelines

- Require face coverings
- Practice 6-feet physical distancing
- Encourage high-risk individuals to continue remote work and study
- Require education for all faculty, staff and students
- Increase cleaning of common touchpoints and bathrooms
- Establish testing and tracing with a readiness to respond to possible cases
- Promote good hygiene and personal responsibility
PROTECT OUR UCF COMMUNITY
PREVENT AND AVOID THE SPREAD OF COVID-19 WITH THESE TIPS

- Wash hands often
- Avoid touching your face
- Wear protective mask
- Disinfect touched items
- Keep 6ft physical distance

ucf.edu/coronavirus

ARMOR UP, KNIGHTS

REPORT A CONCERN AT
bit.ly/ucf-integrity-line
Return to Work

Charge – Prepare the campus and employees for returning to in-person work through policy and protocol development, education and development of a phased approach for repopulation

- Provide flexibility for employees requesting to continue remote work
- Adhere scheduling to capacity limits and social distancing
- Prepare facilities with installation of touchless devices and hand sanitizer stations
- Identify resource needs and use central management of supply chain to purchase face coverings, hand sanitizer, disinfecting wipes and cleaning supplies
- Implement new cleaning protocols and testing and tracing practices
- Develop policies and appropriate procedures for enforcement and educate employees on expectations
- Provide ongoing communication regarding safety measures and expectations
- Install visual signage across campus
- Coordinate timeline for repopulation with local, state and federal guidelines
Return to Research

Charge – Develop a phased approach for returning faculty, staff and students to labs and other research areas

- Provided shared research principles
- Developed research tiers
- Established laboratory cleaning and disinfecting protocols
- Developed education specific to research laboratories
- Created laboratory ramp-up check list and daily health check questionnaire
- Approve occupancy plans prior to returning
- Distribute PPE and ethanol for cleaning
Return to On-campus Instruction

Charge – Develop a plan to resume face-to-face instruction and academic affairs services

- Plan for a hybrid scenario with a mix of face-to-face, mixed mode and online courses
- Develop contingency plans in case a change occurs after fall plans are announced
- Prioritize experiential courses for face-to-face instruction
- Focus on in-person experiences and learning opportunities for FTICs
- Increase training for faculty on hybrid and online learning
- Identify what will move to online learning
- Establish capacity planning for classrooms
- Develop a plan for quarantined students to continue studies
Classrooms
Observe Distancing and Capacity Protocols

MATH SCIENCES — 121

BUSINESS ADMIN I — 119
Return to Housing and Student Affairs Services

Charge – Develop a plan for the operational, education and well-being needs for students and staff returning to all housing communities and provide a plan to safely engage and support returning and prospective students’ campus experiences

- Develop occupancy guidelines
- Reserve residential space for quarantine use
- Prepare housing facilities for social distancing
- Adjust move-in time period to promote social distancing
- Develop communications for students and parents
- Reconfigure common areas and establish enhanced cleaning protocols
- Restrict social events and activities
- Develop online activities for residents
- Provide “welcome back” kits with face covering and hand sanitizer and share new safety protocols
Charge – Develop a plan for testing, screening, contact tracing and surveillance in coordination with the Florida Department of Health, Orange County

- Include members from DOH on task force
- Develop testing and tracing protocols
- Create protocols for the care and quarantine of students in on-campus and managed housing
- Develop an application to promote illness detection and safety measures
- Establish Student Health triage line as the point of contact during initial phase of reopening
Financial Overview
May 21, 2020

Joseph Trubacz, Interim Vice President & CFO
Kathy Mitchell, Associate Vice President for Finance
Kristie Harris, Associate Vice President for Finance
Agenda

• Education & General Funds
• Local Funds
• Contracts & Grants Funds
• Auxiliary Funds
• Internal Loan Update
• Direct Support Organization Funds
UCF FY20 Operating Budget

- **E&G ($655M)**
  - General Revenue, lottery and tuition appropriations

- **Local Funds ($771M)**
  - Financial Aid, Athletics, Student Activities, Concessions, Technology

- **Auxiliary ($302M)**
  - Housing, parking, student health services, bookstores, food services, and other auxiliary units that support the university

- **Contracts & Grants ($186M)**
  - Federal, state, and local grants

- **E&G Medical ($47M)**
Education and General
What are Education & General Funds?

- Include general revenue funds and educational enhancement trust funds (from the Florida Lottery) appropriated by the Legislature, student tuition and matriculation payments, and certain student fees (e.g., out-of-state fees).

- E&G funds may be used for general instruction, research, public service, plant operations and maintenance, furniture, fixtures, equipment, student services, libraries, administrative support, and other enrollment-related operations of the university.
FY 20 Education and General Budget

E&G Funding Sources

State Appropriations 53%
- General Revenue 46%
- Lottery 7%

Student Tuition and Fees 47%

Scenario Planning

Each 1% increase or decrease in State Appropriations is approximately $3.5 million.
FY 20 Projected Student Tuition and Fee Revenue

<table>
<thead>
<tr>
<th>Main and Online</th>
<th>Budget</th>
<th>Projected</th>
<th>Excess/(Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base and Differential Tuition</td>
<td>$262,339,981</td>
<td>$265,702,609</td>
<td>$3,362,628</td>
</tr>
<tr>
<td>Out of State Fees</td>
<td>$63,901,635</td>
<td>$67,708,317</td>
<td>$3,806,682</td>
</tr>
<tr>
<td>Waivers</td>
<td>$(32,073,564)</td>
<td>$(32,115,055)</td>
<td>$(41,491)</td>
</tr>
<tr>
<td>Repeat Course, Late Registration, Excess Hour Fees</td>
<td>$6,300,000</td>
<td>$7,092,434</td>
<td>$792,434</td>
</tr>
<tr>
<td><strong>Total Collections, Net of Waivers</strong></td>
<td><strong>$300,468,052</strong></td>
<td><strong>$308,388,305</strong></td>
<td><strong>$7,920,253</strong></td>
</tr>
</tbody>
</table>

- UCF collected $7.9 million (2.6%) more than was budgeted over Summer and Fall 2019 and Spring 2020.
- Each 1% increase or decrease in Tuition and Fees is approximately $3.1 million.
FY 21 State Appropriation

Adjustments

$7.3 million non-recurring cut due to excess carryforward
$1.6 million recurring cut to state investment portion of performance-based funding

Funded Projects

Chron’s & Colitis Research in College of Medicine $337,000
Advanced Manufacturing Sensor Project $5,000,000
Florida Center For Nursing (HB 4417) $500,000
WUCF-TV, Orlando - Replace Failing Studio to Transmitter Link $333,531
WUCF-TV, Orlando - Replace Studio Cameras and Teleprompter System $692,000
University of Central Florida Autism Center (CARD) $1,721,639
## FY 21 Fiscal Impact of Enrollment Trends

<table>
<thead>
<tr>
<th></th>
<th>Summer 2020 Credit Hours</th>
<th>Rate per SCH</th>
<th>Financial Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5/20/2019</td>
<td>5/18/2020</td>
<td>SCH Diff</td>
</tr>
<tr>
<td><strong>FTIC</strong></td>
<td>104,536</td>
<td>123,496</td>
<td>18,960</td>
</tr>
<tr>
<td><strong>Transfer</strong></td>
<td>138,277</td>
<td>149,470</td>
<td>11,193</td>
</tr>
<tr>
<td><strong>Graduate</strong></td>
<td>32,020</td>
<td>33,537</td>
<td>1,517</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>274,833</td>
<td>306,503</td>
<td>31,670</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Fall 2020 Credit Hours</th>
<th>Rate per SCH</th>
<th>Financial Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5/20/2019</td>
<td>5/18/2020</td>
<td>SCH Diff</td>
</tr>
<tr>
<td><strong>FTIC</strong></td>
<td>216,275</td>
<td>211,889</td>
<td>(4,386)</td>
</tr>
<tr>
<td><strong>Transfer</strong></td>
<td>174,605</td>
<td>151,084</td>
<td>(23,521)</td>
</tr>
<tr>
<td><strong>Graduate</strong></td>
<td>18,323</td>
<td>19,069</td>
<td>746</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>409,203</td>
<td>382,042</td>
<td>(27,161)</td>
</tr>
</tbody>
</table>
FY 21 Additional Information

- Projected $65.4 MM carryforward from prior years related to the two-year plans previously approved by the BOT and BOG (excluding statutory reserve and amounts restricted by appropriation)
- Projected $47.8 million newly-generated carryforward from unspent FY20 operating funds
- Monitor revenues and consider continuation of freezes on hiring, travel, and spending
- Each division engaged in scenario planning for reopening
## E&G Carryforward

<table>
<thead>
<tr>
<th>Division</th>
<th>Projected New Carryforward*</th>
<th>Existing Carryforward less DLI and FY21 BOT Approved Commitments</th>
<th>Total Projected Carryforward</th>
<th>Faculty DLI Carryforward **</th>
<th>FY21 BOT Approved Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>2,494,451</td>
<td>822,961</td>
<td>3,317,412</td>
<td>-</td>
<td>332,000</td>
</tr>
<tr>
<td>Administration</td>
<td>3,305,503</td>
<td>20,805,757</td>
<td>24,111,260</td>
<td>-</td>
<td>21,800,000</td>
</tr>
<tr>
<td>Finance</td>
<td>-</td>
<td>821,541</td>
<td>821,541</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>Communications &amp; Marketing</td>
<td>702,933</td>
<td>577,398</td>
<td>1,280,331</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Academic Affairs</td>
<td>35,451,702</td>
<td>26,810,331</td>
<td>62,262,033</td>
<td>19,895,691</td>
<td>27,198,448</td>
</tr>
<tr>
<td>Central Reserve</td>
<td>5,886,269</td>
<td>15,519,142</td>
<td>21,405,411</td>
<td>-</td>
<td>10,186,760</td>
</tr>
<tr>
<td>Statutory Reserve</td>
<td>-</td>
<td>45,828,077</td>
<td>45,828,077</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>47,840,857</td>
<td>111,185,207</td>
<td>159,026,064</td>
<td>19,895,691</td>
<td>59,542,208</td>
</tr>
</tbody>
</table>

**Restricted by appropriation to the entity**

<table>
<thead>
<tr>
<th>Division</th>
<th>Projected New Carryforward*</th>
<th>Existing Carryforward less DLI and FY21 BOT Approved Commitments</th>
<th>Total Projected Carryforward</th>
<th>Faculty DLI Carryforward **</th>
<th>FY21 BOT Approved Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Medicine</td>
<td>3,500,000</td>
<td>1,257,318</td>
<td>4,757,318</td>
<td>2,727,693</td>
<td>585,350</td>
</tr>
<tr>
<td>College of Medicine-Statutory Reserve</td>
<td>-</td>
<td>3,280,769</td>
<td>3,280,769</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Florida Center for Students with Unique Abilities</td>
<td>6,503,958</td>
<td>15,561,987</td>
<td>22,065,946</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*The impact of Covid-19 was considered by comparing operating expenses incurred during periods 9 and 10 to the previous three years. Current year expenses fall in line with the previous three years in total and as a percentage of expenses incurred through period 8.

**Faculty DLI Funds have been awarded and contractually committed to faculty.
What are Local Funds?

• Local funds come from university operating units that, prior to devolution of the state universities from the State’s central accounting system, were allowed to be deposited into the university’s local bank account (i.e., the funds did not have to be sent to the State Treasury).

• These units include Financial Aid, Student Activities, Concessions, Technology Fee, other Board-Approved Fees, and university Self-Insurance Plans.
## FY 20 Local Fund Budgets

<table>
<thead>
<tr>
<th>Budgets (in millions)</th>
<th>Primary Source of Funds</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Financial Aid</td>
<td>Federal, State, Local Allocations</td>
<td>$ 659.9</td>
</tr>
<tr>
<td></td>
<td>Student Fee per Credit Hour</td>
<td></td>
</tr>
<tr>
<td>Athletics</td>
<td>Student Fee per Credit Hour</td>
<td>64.8</td>
</tr>
<tr>
<td></td>
<td>Ticket Sales, Sponsorships</td>
<td></td>
</tr>
<tr>
<td>Student Activities</td>
<td>Student Fee per Credit Hour</td>
<td>24.8</td>
</tr>
<tr>
<td>Faculty Practice Plan</td>
<td>Patient Visits and Insurance Reimbursements</td>
<td>9.6</td>
</tr>
<tr>
<td>Technology Fee</td>
<td>Student Fee per Credit Hour</td>
<td>10.0</td>
</tr>
<tr>
<td>Concessions</td>
<td>Commissions on Vending</td>
<td>0.8</td>
</tr>
<tr>
<td>Self-Insurance Plan</td>
<td>Contributions from COM, Nursing, Student Health, &amp; Psychology</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Total Local Funds</strong></td>
<td></td>
<td>$ 770.5</td>
</tr>
<tr>
<td>Student Financial Aid Budget</td>
<td>2019-20</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>----------</td>
<td></td>
</tr>
<tr>
<td>Federal Student Aid</td>
<td>$ 447,829,362</td>
<td></td>
</tr>
<tr>
<td>State Grants primarily Bright Futures</td>
<td>98,304,006</td>
<td></td>
</tr>
<tr>
<td>Transfers</td>
<td>59,896,434</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Receipts</td>
<td>38,840,534</td>
<td></td>
</tr>
<tr>
<td>Student Financial Aid Fees (per Credit Hour)</td>
<td>14,837,144</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>169,724</td>
<td></td>
</tr>
<tr>
<td><strong>Total Student Financial Aid Budget</strong></td>
<td>$ 659,877,204</td>
<td></td>
</tr>
</tbody>
</table>
Contracts and Grants
What are Contract and Grant (C&G) Funds?

• C&G funds consist of research and work study awards from federal, state, local, and private sponsors. Also includes Direct Support Organization (DSO) reimbursements for use of university resources.

• Research Overhead funds (Facilities and Administrative Costs) include funds received for overhead or indirect costs and other funds not required for the payment of direct research costs (residual funds at the end of fixed cost research project).
  • These funds are be applied to the cost of operating the division of sponsored research.
  • Any surplus funds are used to support other research or sponsored training programs in any area of the university.
## FY 20 Contracts and Grants

### Historical Research Facilities and Administrative Costs

By Fiscal Year

|---------|------------|------------|------------|------------|------------|------------|------------|

### Graph

- The graph shows an upward trend in historical research facilities and administrative costs from 2014 to 2020.
- The data points represent the costs for each fiscal year, with projections for 2020.

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Board of Trustees Virtual Retreat - New Business
Auxiliaries
What is an Auxiliary?

- Auxiliary revenue comes from university business operations that support the operation of the university.
- These operations are self-supporting through user fees, payments, and charges, including housing, parking, student health, computer store, telecommunications, printing, dining, postal, office supply, and bookstore operations.
- They also include revenues from continuing education, participant fees, and market rate tuition programs.
- Each institution may determine whether its auxiliary operations will be self-supporting on an individual or collective basis, except for athletics, which shall be a self-supporting entity.
- No General Revenue funds may be used to support Auxiliary operations.
Enterprise Auxiliaries

- Parking & Transportation Services
- Business Services
- UCFIT
- Housing & Residence Life
- Student Health Services
- Distance Learning
- Energy Management & Sustainability
- Administrative Auxiliaries
Parking & Transportation Services Administration

Overview
Parking services is responsible for the registration of vehicles for faculty, staff, students, and commercial organizations, as well as giving citations and parking tags. They are also responsible for the coordination and operation of the campus shuttle-bus system and parking accommodations (i.e. event parking, park and ride, and parking garages/ lots).

Impacts of COVID-19
Revenue losses of $3.4m in FY20 and potential FY21 losses of $2.8m.

Response to COVID-19
Implemented cost reduction, such as shuttle service and other operating reductions, resulting in cost savings of $2.4m in FY20. These cost reductions activities will potentially provide an additional savings of $2.3m in FY21.
Business Services

Overview
UCF Business Services includes UCF card services, The SPOT (printing and passport services), the Skate Shop, Office Plus, the Print Shop, copier services, food services, the bookstore, and the UCF trademark and licensing program.

Impacts of COVID-19
Revenue losses of $1.4 million, which are offset by corresponding savings of $340,000 as a result from not providing services in FY20. Potential loss revenues of $840,000 offset by corresponding savings of $291,000 in FY21.

Response to COVID-19
Identified and implemented costs reductions of $435k, reduced OPS hours to zero, hiring freezes, and other operational expense reductions.

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>FY20 (thru 4/30)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Cash</strong></td>
<td>$6,203,712</td>
<td>$4,178,326</td>
<td>$5,514,754</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$8,885,245</td>
<td>$14,770,656</td>
<td>$10,752,665</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td>$(10,910,631)</td>
<td>$(13,434,228)</td>
<td>$(8,658,371)</td>
</tr>
<tr>
<td><strong>Debt Service</strong></td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Net Gain/(Loss)</strong></td>
<td>$(2,025,386)</td>
<td>$1,336,428</td>
<td>$2,094,294</td>
</tr>
<tr>
<td><strong>Year End Cash</strong></td>
<td>$4,178,326</td>
<td>$5,514,754</td>
<td>$7,609,048</td>
</tr>
</tbody>
</table>
UCFIT

Overview

UCF IT is the enterprise provider of core information technology services, resources, and policies that support the academic, research, and business functions of the university and its employees and students. The unit’s auxiliary functions include network services, telephony, shared services, document imaging, and retail IT sales.

Impacts of COVID-19

The Technology Product Center is projecting to breakeven and anticipating increase in TPC sales of laptops and mobile devices due to the trend toward mobile work, and telecom orders in FY21. No financial impact to Telecommunications for FY20 and FY21.

Response to COVID-19

Reduced OPS staff and hours, hiring freeze, travel restrictions and possible outsourcing.

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>FY20 (thru 4/30)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Cash</td>
<td>$12,659,344.83</td>
<td>$16,740,934.44</td>
<td>$17,400,441.98</td>
</tr>
<tr>
<td>Revenue</td>
<td>$30,377,566.94</td>
<td>$37,075,977.14</td>
<td>$32,060,080.98</td>
</tr>
<tr>
<td>Expense</td>
<td>$(26,295,977.33)</td>
<td>$(36,416,469.60)</td>
<td>$(31,669,000.52)</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Net Gain/(Loss)</td>
<td>$4,081,589.61</td>
<td>$659,507.54</td>
<td>$391,080.46</td>
</tr>
<tr>
<td>Year End Cash</td>
<td>$16,740,934.44</td>
<td>$17,400,441.98</td>
<td>$17,791,522.44</td>
</tr>
</tbody>
</table>

Board of Trustees Virtual Retreat - New Business
# Housing & Residence Life

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>FY20 (thru 4/30)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Cash</strong></td>
<td>$15,410,191</td>
<td>$12,206,349</td>
<td>$8,660,026</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$30,844,090</td>
<td>$30,285,449</td>
<td>$30,592,230</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td>$(25,267,659)</td>
<td>$(25,205,769)</td>
<td>$(18,639,822)</td>
</tr>
<tr>
<td><strong>Debt Service</strong></td>
<td>$(8,780,273)</td>
<td>$(8,626,004)</td>
<td>$(8,344,704)</td>
</tr>
<tr>
<td><strong>Net Gain/(Loss)</strong></td>
<td>$(3,203,842)</td>
<td>$(3,546,324)</td>
<td>$3,607,704</td>
</tr>
<tr>
<td><strong>Year End Cash</strong></td>
<td>$12,206,349</td>
<td>$8,660,026</td>
<td>$12,267,730</td>
</tr>
</tbody>
</table>

## Overview

Housing and Residence Life provides students living in university housing with safe, well-maintained facilities and programs that are conducive to student learning and success.

## Impacts of COVID-19

Revenue losses of $4.8m in FY20 due to lost spring and summer rent revenues, as well as, summer conferences. Anticipating $2.5m in revenue losses in FY21 due to lost summer rent revenue, conferences and other miscellaneous revenues.

## Response to COVID-19

DHRL has generated costs savings in FY20 of $421k in FY20. Additionally, identified potential savings of $2.6m in FY21.
## Student Health Services

### Overview
Student Health Services provides a variety of primary and specialty care services to students and employees. The operation is primarily funded from health fees charged to students, with additional revenues from ancillary services such as x-rays, laboratory services, prescriptions, and specialty visits.

### Impacts of COVID-19
Student Health Services (SHS) is estimating a $1.4m shortfall in sales in FY20. SHS is expecting a similar or worse impact in FY21 if there is a decrease in credit hours or delayed campus opening. Counseling and Psychological Services continues to provide services remotely.

### Response to COVID-19
Costs savings by both SHS and CAPS from hiring and travel freeze. Additionally, SHS has managed the hours of 82 OPS staff members.

### Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>FY20 (thru 4/30)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Cash</strong></td>
<td>$13,853,458.08</td>
<td>$14,841,748.08</td>
<td>$15,694,870.22</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$21,861,677.90</td>
<td>$21,854,066.95</td>
<td>$20,970,656.29</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td>$(20,873,387.90)</td>
<td>$(21,000,944.81)</td>
<td>$(21,333,951.86)</td>
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<tr>
<td><strong>Debt Service</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Gain/(Loss)</strong></td>
<td>$988,290.00</td>
<td>$853,122.14</td>
<td>$(363,295.57)</td>
</tr>
<tr>
<td><strong>Year End Cash</strong></td>
<td>$14,841,748.08</td>
<td>$15,694,870.22</td>
<td>$15,331,574.65</td>
</tr>
</tbody>
</table>

---

---
## Distance Learning

<table>
<thead>
<tr>
<th>FY18</th>
<th>FY19</th>
<th>FY20 (thru 4/30)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Cash</strong></td>
<td>$11,534,315.98</td>
<td>$10,120,669.84</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$8,594,053.99</td>
<td>$9,623,872.71</td>
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<tr>
<td><strong>Expense</strong></td>
<td>$(10,007,700.13)</td>
<td>$(10,812,445.42)</td>
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<tr>
<td><strong>Debt Service</strong></td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Net Gain/(Loss)</strong></td>
<td>$(1,413,646.14)</td>
<td>$(1,188,572.71)</td>
</tr>
<tr>
<td><strong>Year End Cash</strong></td>
<td>$10,120,669.84</td>
<td>$8,932,097.13</td>
</tr>
</tbody>
</table>

### Overview

The Division of Digital Learning provides faculty training, support services, and resources in the delivery of online courses, in addition to support services and resources for online students. The use of these funds is restricted to the development and delivery of distance learning courses.

### Impacts of COVID-19

DDL is not seeing a direct impact to revenue for FY20 based on university projections in summer SCH. However, due to direct support provided for online teaching and learning, DDL costs were increased.

### Response to COVID-19

Planned costs savings through travel restrictions, purchasing restrictions, non-essential hiring restrictions, negotiation of vendor pricing and no-cost uplifts on multi-year contracts where applicable.
Overview

UCF Energy Management and Sustainability is in charge of providing the utilities to the university and strengthening the university’s ability to secure reliable, affordable, and sustainable energy.

Impacts of COVID-19
None stated

Response to COVID-19
Electric cost reduction due to setting higher temperatures in buildings.

Energy Management & Sustainability Administration

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>FY20 (thru 4/30)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Cash</td>
<td>$ 1,207,701.83</td>
<td>$ 3,536,691.39</td>
<td>$ (656,369.29)</td>
</tr>
<tr>
<td>Revenue</td>
<td>$ 32,398,799.21</td>
<td>$ 31,260,326.48</td>
<td>$ 35,050,076.88</td>
</tr>
<tr>
<td>Expense</td>
<td>$ (30,069,809.65)</td>
<td>$ (35,453,387.16)</td>
<td>$ (31,890,505.94)</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Net Gain/(Loss)</td>
<td>$ 2,328,989.56</td>
<td>$ (4,193,060.68)</td>
<td>$ 3,159,570.94</td>
</tr>
<tr>
<td>Year End Cash</td>
<td>$ 3,536,691.39</td>
<td>$ (656,369.29)</td>
<td>$ 2,503,201.65</td>
</tr>
</tbody>
</table>
## Administrative Auxiliaries

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>FY20 (thru 4/30)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Cash</strong></td>
<td>$ 9,820,200.65</td>
<td>$ 27,624,863.30</td>
<td>$ (34,918,765.24)</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$ 61,756,002.28</td>
<td>$ 22,825,697.56</td>
<td>$ 18,761,368.43</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td>$ (43,951,339.63)</td>
<td>$ (85,369,326.10)</td>
<td>$ (21,831,913.72)</td>
</tr>
<tr>
<td><strong>Debt Service</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Net Gain/(Loss)</strong></td>
<td>$ 17,804,662.65</td>
<td>$ (62,543,628.54)</td>
<td>$ (3,070,545.29)</td>
</tr>
<tr>
<td><strong>Year End Cash</strong></td>
<td>$ 27,624,863.30</td>
<td>$ (34,918,765.24)</td>
<td>$ (37,989,310.53)</td>
</tr>
</tbody>
</table>

### Overview
This activity primarily consists of auxiliary investments, central services funded from auxiliary overhead revenue, the university composite fringe benefit pool, late payment fees from students, and the athletic sponsorship program. Additionally, internal loans are included in these auxiliaries, causing the negative FY19 year-end cash.

### Impacts of COVID-19
The Building Code Office who has seen a substantial reduction in permitted projects. Additionally, the Building Code Office is estimating a 15% reduction in permit fee revenue in FY21. The UCF Alumni Center experienced approximately $106k in losses.

### Response to COVID-19
Hiring freezes, reduced subscription fees, and elimination of non-essential expenses.
Internal Loans
Internal Loans Recap

- In FY 19, the university restored $84.7 million in E&G carryforward funds back to the carryforward fund account from the capital projects account.
- Restoring $84.7 million to carryforward caused a deficit in the capital projects account by that amount.
- An additional $7.3 million in capital project cost overruns recognized and added to the $84.7 million deficit, with a total deficit of $92 million in capital projects.
- $52.3 million in non-E&G unrestricted auxiliary funds transferred to the capital projects account
  - $39.7 million internal loan established to support the remaining deficit; collateralized against non-E&G unrestricted auxiliary funds sitting in the bank
- In FY 20, the university anticipated an additional $21.3 million in final invoices related to existing capital projects. Therefore, a second internal loan was established for this amount.
- Total amount of $61 million in internal loans established to support the deficit.
- In FY 20, the university determined that $17.3 million in E&G carryforward funds originally used to support furniture, fixtures, and equipment for the Downtown Academic Building needed to be restored back to the carryforward fund.
  - $5 million of the $17.3 million has been restored to the carryforward fund
  - The remaining $12.3 million is expected to be restored within the next two years
- Total obligation to support the deficit AND to restore E&G carryforward funds is $78.3 million.
### Internal Loans Payback Schedule

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Original Schedule</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>$39,716,298</td>
<td>$39,716,298</td>
<td>$47,061,296</td>
<td>$44,039,935</td>
</tr>
<tr>
<td>Second Internal Loan Established</td>
<td>$21,360,231</td>
<td>$21,360,231</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restoration of E&amp;G carryforward funds for furniture, fixtures, and equipment/Downtown Academic Building</td>
<td>$5,000,000</td>
<td>$5,000,000</td>
<td>$7,328,639</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Less: Return of internal loan overfunding of Downtown Academic Building</td>
<td>(5,132,316)</td>
<td>(5,132,316)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less: Cost Savings Realized from Capital Projects</td>
<td>(3,532,917)</td>
<td>(3,532,917)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Estimated non-E&amp;G interest earnings</td>
<td>(2,500,000)</td>
<td>(2,500,000)</td>
<td>(2,500,000)</td>
<td>(2,500,000)</td>
</tr>
<tr>
<td>Estimated auxiliary contribution (1.5% auxiliary OH)</td>
<td>(1,250,000)</td>
<td>(1,250,000)</td>
<td>(1,250,000)</td>
<td>(1,250,000)</td>
</tr>
<tr>
<td>Estimated auxiliary late fees</td>
<td>(1,500,000)</td>
<td>(1,500,000)</td>
<td>(1,500,000)</td>
<td>(1,500,000)</td>
</tr>
<tr>
<td>Additional research overhead (E&amp;G fund exchange)</td>
<td>(3,350,000)</td>
<td>(3,350,000)</td>
<td>(3,350,000)</td>
<td>(264,076)</td>
</tr>
<tr>
<td>Estimated research overhead for Research I &amp; CREOL expansion (3% research OH)</td>
<td>(600,000)</td>
<td>(600,000)</td>
<td>(600,000)</td>
<td>(600,000)</td>
</tr>
<tr>
<td>Additional research overhead for Research I &amp; CREOL expansion (E&amp;G fund exchange)</td>
<td>(1,150,000)</td>
<td>(1,150,000)</td>
<td>(1,150,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ending Balance</strong></td>
<td>$50,594,213</td>
<td>$47,061,296</td>
<td>$44,039,935</td>
<td>$42,925,859</td>
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</table>
## Recognized Receipts as of May 2020

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 1</th>
<th>Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursements</td>
<td>-</td>
<td>2,500,000</td>
<td>-</td>
</tr>
<tr>
<td>Estimated non-E&amp;G interest earnings</td>
<td>(2,500,000)</td>
<td>2,500,000</td>
<td>-</td>
</tr>
<tr>
<td>Estimated auxiliary contribution</td>
<td>(1,250,000)</td>
<td>944,218</td>
<td>(305,782)</td>
</tr>
<tr>
<td>Estimated auxiliary late fees</td>
<td>(1,500,000)</td>
<td>1,500,000</td>
<td>-</td>
</tr>
<tr>
<td>Additional research overhead</td>
<td>(3,350,000)</td>
<td>3,350,000</td>
<td>-</td>
</tr>
<tr>
<td>Estimated research overhead for Research I &amp; CREOL expansion</td>
<td>(600,000)</td>
<td>301,791</td>
<td>(298,209)</td>
</tr>
<tr>
<td>Additional research overhead for Research I &amp; CREOL expansion</td>
<td>(1,150,000)</td>
<td>1,150,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total for FY 20</strong></td>
<td>$ (10,350,000)</td>
<td>$ 9,746,009</td>
<td>$ (603,991)</td>
</tr>
</tbody>
</table>
Internal Loans Dashboard

Current Unrestricted Cash Balance
$62,193,553
Sum Total Amt

Current Auxiliary Loan Balance
$47,665,286
AUX Loan Amount

Unrestricted Cash in Excess of Collateral
$14,528,266

Unrestricted Cash in Excess of Collateral
$15M

5/18/2020
Last Refresh Date
Direct Support Organizations
## DSO Summary

### Direct Support Organizations

#### Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>UCF Foundation</th>
<th>UCF Research Foundation</th>
<th>UCF Convocation Corporation</th>
<th>UCF Athletics Association</th>
<th>UCF Stadium Corporation</th>
<th>UCF Finance Corporation</th>
<th>Limbitless Solutions, Inc.</th>
<th>UCF Academic Health</th>
<th>Central Florida Clinical Practice Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$30,571,060</td>
<td>$11,925,000</td>
<td>$33,255,286</td>
<td>$59,419,935</td>
<td>$4,614,864</td>
<td>$4,005,235</td>
<td>$562,306</td>
<td>-</td>
<td>$7,262,469</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td>(25,373,348)</td>
<td>(11,708,201)</td>
<td>(19,630,990)</td>
<td>(60,171,165)</td>
<td>(778,757)</td>
<td>(16,595)</td>
<td>(127,807)</td>
<td>-</td>
<td>(10,846,437)</td>
</tr>
<tr>
<td><strong>Debt Service</strong></td>
<td>(2,786,786)</td>
<td>-</td>
<td>(14,424,555)</td>
<td>(778,617)</td>
<td>(3,871,587)</td>
<td>(3,988,640)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Gain/(Loss)</strong></td>
<td>2,410,926</td>
<td>216,799</td>
<td>(800,259)</td>
<td>(1,529,847)</td>
<td>(35,480)</td>
<td>-</td>
<td>434,499</td>
<td>-</td>
<td>(3,583,968)</td>
</tr>
<tr>
<td><strong>Year End Cash</strong></td>
<td>$8,472,573</td>
<td>$12,634,664</td>
<td>$4,106,194</td>
<td>$161,536</td>
<td>$2,093,816</td>
<td>$1,967,559</td>
<td>$190,518</td>
<td>$3,925,770</td>
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</table>

### FY 2019

**Q3 Revenue**

<table>
<thead>
<tr>
<th></th>
<th>$21,434,319</th>
<th>$10,138,947</th>
<th>$26,006,499</th>
<th>$48,370,401</th>
<th>$2,824,861</th>
<th>$14,203,619</th>
<th>$418,504</th>
<th>$202,052</th>
<th>$5,770,475</th>
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</thead>
<tbody>
<tr>
<td><strong>Q3 Expense</strong></td>
<td>(17,686,200)</td>
<td>(9,889,853)</td>
<td>(11,977,306)</td>
<td>(50,954,345)</td>
<td>(419,993)</td>
<td>(7,017,224)</td>
<td>(386,978)</td>
<td>(83,344)</td>
<td>(7,585,418)</td>
</tr>
<tr>
<td><strong>Q3 Debt Service</strong></td>
<td>(1,888,931)</td>
<td>-</td>
<td>(10,964,387)</td>
<td>(546,594)</td>
<td>(3,625,888)</td>
<td>(6,961,559)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Q3 Net Gain/(Loss)</strong></td>
<td>1,859,188</td>
<td>249,094</td>
<td>3,064,806</td>
<td>(2,230,538)</td>
<td>(381,034)</td>
<td>224,836</td>
<td>31,526</td>
<td>118,708</td>
<td>(1,814,943)</td>
</tr>
</tbody>
</table>

**FY 2020 Estimated Revenue**

<table>
<thead>
<tr>
<th></th>
<th>$26,928,750</th>
<th>$13,368,596</th>
<th>$27,441,470</th>
<th>$8,925,854</th>
<th>$424,696</th>
<th>(376)</th>
<th>(33,522)</th>
<th>(20,219)</th>
<th>(463,819)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2020 Estimated Expense</strong></td>
<td>(11,708,201)</td>
<td>(15,185,296)</td>
<td>(8,580,199)</td>
<td>(422,378)</td>
<td>(5,112)</td>
<td>(1,500,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Q4 Estimated Net Gain/(Loss)</strong></td>
<td>(1,552,281)</td>
<td>16,204</td>
<td>(4,860,478)</td>
<td>3,373,361</td>
<td>381,034</td>
<td>-</td>
<td>16,974</td>
<td>58,995</td>
<td>452,912</td>
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### FY 2020 Projections

<table>
<thead>
<tr>
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<th>$26,928,750</th>
<th>$13,368,596</th>
<th>$27,441,470</th>
<th>$8,925,854</th>
<th>$424,696</th>
<th>(376)</th>
<th>(33,522)</th>
<th>(20,219)</th>
<th>(463,819)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY20 Estimated Revenue</strong></td>
<td>(11,708,201)</td>
<td>(15,185,296)</td>
<td>(8,580,199)</td>
<td>(422,378)</td>
<td>(5,112)</td>
<td>(1,500,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>FY20 Estimated Expense</strong></td>
<td>(11,708,201)</td>
<td>(15,185,296)</td>
<td>(8,580,199)</td>
<td>(422,378)</td>
<td>(5,112)</td>
<td>(1,500,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>FY20 Estimated Debt Service</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>FY20 Estimated Net Gain/(Loss)</strong></td>
<td>306,907</td>
<td>265,298</td>
<td>(1,795,672)</td>
<td>1,142,823</td>
<td>-</td>
<td>224,836</td>
<td>48,500</td>
<td>177,703</td>
<td>(1,362,031)</td>
</tr>
<tr>
<td><strong>Estimated Year End Cash</strong></td>
<td>$8,779,480</td>
<td>$12,899,962</td>
<td>$2,310,522</td>
<td>$1,304,359</td>
<td>$2,093,816</td>
<td>$2,192,395</td>
<td>$239,018</td>
<td>$177,703</td>
<td>$2,563,739</td>
</tr>
</tbody>
</table>

### FY 2021 Proposed Budget

<table>
<thead>
<tr>
<th></th>
<th>$29,771,300</th>
<th>$11,925,000</th>
<th>$24,636,327</th>
<th>$59,419,935</th>
<th>$4,614,864</th>
<th>$4,005,235</th>
<th>$562,306</th>
<th>-</th>
<th>$7,262,469</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estimated Expense</strong></td>
<td>(25,925,262)</td>
<td>(11,708,201)</td>
<td>(19,630,990)</td>
<td>(60,171,165)</td>
<td>(778,757)</td>
<td>(16,595)</td>
<td>(127,807)</td>
<td>-</td>
<td>(10,846,437)</td>
</tr>
<tr>
<td><strong>Estimated Debt Service</strong></td>
<td>(4,080,078)</td>
<td>-</td>
<td>(14,424,555)</td>
<td>(778,617)</td>
<td>(3,871,587)</td>
<td>(3,988,640)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Estimated Net Gain/(Loss)</strong></td>
<td>(234,040)</td>
<td>216,799</td>
<td>(3,213,808)</td>
<td>(1,529,847)</td>
<td>(35,480)</td>
<td>-</td>
<td>434,499</td>
<td>-</td>
<td>(3,583,968)</td>
</tr>
<tr>
<td><strong>Estimated Year End Cash</strong></td>
<td>$8,545,440</td>
<td>$13,116,761</td>
<td>(903,286)</td>
<td>$6,448,114</td>
<td>$2,093,816</td>
<td>$2,102,395</td>
<td>$467,149</td>
<td>-</td>
<td>$2,563,739</td>
</tr>
</tbody>
</table>

1. Includes funds held by University on behalf of the DSOs and any funds available for current operations in trustee accounts. Excludes R&R reserves.
2. UCF Athletics uses a $5 million line of credit to manage cash flows needs at certain times of the year.
Summary

- **Education & General Funds** - at this point in time, tuition looks stable, we’re closely monitoring; we're monitoring state revenue and planning at all levels
- **Local Funds** - looks stable, we're monitoring enrollment, Bright Futures
- **Contracts & Grants Funds** - trying to continue to grow research to increase OH funding
- **Auxiliary Funds** - Sales-driven auxiliaries at risk and all auxiliaries require closer monitoring
- **Direct Support Organization Funds** - Good oversight, with some DSOs' financial position at risk
Thank you.
The new budget model provides transparent and clear financial information to empower university leadership to engage in meaningful conversations and enhance overall fiscal accountability. The model hopes to bring transformational change that, over time, will impact university culture and the way business is conducted.

### Understanding the New Budget Model

- **Deans**
  - Understands complete revenue generation and expense picture for own college, other colleges, and administrative support units
  - Identifies opportunities to improve departmental financial margins, and balance educational and economic considerations
  - Creates opportunities to partner with central support units to increase efficiency and quality of central services

- **Vice Presidents**
  - Helps identify and halt low-value activities and replace them with high-value results
  - Pushes business process redesign with a focus on enhanced service delivery
  - Creates a customer service mentality as recipients explicitly become customers; prompts discussions around needs and strategy for service delivery

- **Senior Leadership**
  - Manages finances of colleges and central support areas, supporting revenue growth, increased efficiencies, and priorities
  - Improves financial oversight, including budget vs. actuals, the use of carry-forward and reserve funds, and planning
  - Creates a pool of available resources to invest in strategically identified areas

- **Board of Trustees**
  - Helps provide transparency: all revenues and spending in the full breadth of activities occurring across the enterprise
  - Provides insights in spending on colleges and central support areas and alignment with strategic priorities
  - Permits clarity about soundness of financial practices, including budget vs. actuals, and the use of carry-forward and reserve funds
The Budget Model Redesign initiative was launched Fall 2019 at the request of Interim President Seymour. Dr. Paul Jarley and Kristie Harris have co-chaired the project, with sponsorship from Interim Provost Johnson and Interim CFO Trubacz, with support from Huron.

### Budget Model Redesign Timeline

<table>
<thead>
<tr>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
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<tr>
<td></td>
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</tr>
</tbody>
</table>

**Proposed Implementation Timeline**

- Budget Model Development
- Parallel Year
- "Live" Model Year 1 / Hold Harmless
- "Live" Model Year 2

**Month**

<table>
<thead>
<tr>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
</tr>
</thead>
</table>

- Phase 1: Due Diligence and Visioning
- Phase 2: Financial Model Development
- Phase 3: Consensus Building
- Phase 4: Infrastructure Development

- = Steering Committee
- = Deans Meetings
- = Dean’s Retreat
Learnings from the Budget Redesign Process

• This budget structure is designed to give transparency as to how money is spent – this helps (1) stakeholders understand our financial choices and (2) management make informed decisions about strategic and operational investments

• The new budget model structure permits strategic and operational decisions but does not in itself cause such decisions to happen—that is the role of leadership

• The Deans support this model—it puts the academic enterprise and student success first; this upends UCF’s traditional view

• This framework is a necessary but not sufficient condition for success—it needs to be complemented by an effective ERP system, reasonable benchmarking, and a leadership team that will take accountability for it.
Benefits of the Budget Process Redesign Framework

The budget process redesign framework allows financial resources to more freely flow based on unit-activity levels compared to historical incremental budgeting practices.

<table>
<thead>
<tr>
<th>Component</th>
<th>Benefit(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Operating Units</td>
<td>• Creates transparency into the financial performance and expectations of the different units across campus</td>
</tr>
<tr>
<td>2 Funds</td>
<td>• Helps understand full resource envelope available at unit budgetary disposal</td>
</tr>
<tr>
<td>3 Direct/Allocated Revenues</td>
<td>• Promotes transparency in university-wide funds flow before central administration</td>
</tr>
<tr>
<td>4 Direct Expenses</td>
<td>• Allows dollars to flow to the revenue generating areas of campus before central administration</td>
</tr>
<tr>
<td>5 Central Support Unit Allocations</td>
<td>• Aligns resource allocation with performance funding metrics to help achieve preeminence</td>
</tr>
<tr>
<td>6 Central Funding Mechanism</td>
<td>• Provides continuity of previous reporting</td>
</tr>
<tr>
<td></td>
<td>• Provides transparency into central support unit expenses to help ensure services are meeting their desired level of service</td>
</tr>
<tr>
<td></td>
<td>• Provides discipline on the need to identify resources for strategic investment compared to year-end cobbling of limited resources</td>
</tr>
</tbody>
</table>
## Understanding the New Model: A College’s Viewpoint

Using the College of Business Administration as an example in FY19, the discussed model recognizes transparency in the revenue generated by the College and indirect costs of central support units.

<table>
<thead>
<tr>
<th>Component</th>
<th>Current Model</th>
<th>Proposed Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$6.0 MM</td>
<td>$74.3 MM</td>
</tr>
<tr>
<td>Direct Expenses</td>
<td>($37.9 MM)</td>
<td>($37.9 MM)</td>
</tr>
<tr>
<td>Direct Margin</td>
<td>($31.9 MM)</td>
<td>$36.4 MM</td>
</tr>
<tr>
<td>Central Support Unit Allocations (e.g. Finance, HR, IT, etc.)</td>
<td>(paid centrally)</td>
<td>($25.6 MM)</td>
</tr>
<tr>
<td>Net University Contribution</td>
<td>(N/A)</td>
<td>($10.8 MM)</td>
</tr>
<tr>
<td>Margin Post Central Support &amp; University Contribution</td>
<td>N/A</td>
<td>$0</td>
</tr>
</tbody>
</table>
Implementation Considerations

The budget model redesign is the first step in a journey to build out a robust institutional financial management framework. The following set of considerations remains top of mind for continued financial systematic progress:

• Implement **effective** budget model **governance**
• Provide ongoing **education and communication** regarding the new budget model
• **Review historical spending levels** for administrative and academic units
• Identify opportunities to **increase revenues** (research, change in student mix, etc.), **reduce expenses** (duplicative expense, reallocations, etc.), and **enhance service delivery**
• **Leverage technology** to **increase data accuracy and availability** across campus (ERP)
• **Integrate budgeting** into the larger financial context (e.g. scenario planning, balance sheet, cash flows, etc.)
Looking at the Broader Picture: Financial Management Framework

**Mission-Based Strategic Plan**
- Reflect mission and values
- Set metrics-based performance goals for divisions and center

**Financial Model**
- Balance financial abilities to strategy over 10 years
- Build cash and debt capacity
- SWOT Assessments and Scenario Modeling

**Capital Plan**
- Institution-based approach
- Quantitative rigor, NPV
- Monitoring of results

**Operating Budget**
- Full integration with strategic plan, financial plan and capital budget
- High-level, multi-year targets driven from strategic plan
- Annual targets in multi-year context
Enhancing UCF’s Financial Strategy

The new budget model serves as a critical foundation to support investment prioritization discussions.
Next Steps

The new model is nearing completion but will not be used for budgeting for FY21 during which it will run in parallel while being refined. Several key steps remain:

- Determine and socialize governance structure, roles, and responsibilities
- Deploy educational outreach for campus community including campus forums, departmental meetings, faculty senate, etc.
- Review and update budget process development to provide appropriate level of detail for financial forecasts and model alignment
- Identify opportunities for central support unit/administrative unit benchmarking and budget setting before hold-harmless year commences
Thank you.
Emerging Issues: ERP

Board of Trustees - May 21, 2020
Business Case for ERP
The Why & Why Now

**Why?**

<table>
<thead>
<tr>
<th>TRANSPARENCY</th>
<th>MODERNIZATION</th>
<th>PROCESS IMPROVEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>We need to arm staff with data, allow for financial transparency, and hold our people accountable.</td>
<td>Our systems are unsupported, disparate, and duplicative. They don't meet current and future needs of UCF.</td>
<td>We need to move away from paper and inefficient processes. Staff should focus on activities that align with our mission.</td>
</tr>
</tbody>
</table>

**Why now?**

<table>
<thead>
<tr>
<th>OPTIMAL TIMING</th>
<th>FUTURE INVESTMENT</th>
<th>CAMPUS ENGAGEMENT</th>
<th>LEADERSHIP SUPPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCF has a need to move into more data-driven culture; external forces such as COVID-19 force UCF to change or be left behind.</td>
<td>Shifting away from unsupported technology (i.e. Peoplesoft) and moving to modernized systems will allow UCF to prepare for growth and innovation.</td>
<td>Campus community has demonstrated strong participation and readiness for undergoing significant change needed.</td>
<td>Executive and senior leadership recognizes the important of undertaking this effort and has invested into moving ahead thoughtfully and strategically.</td>
</tr>
</tbody>
</table>
# Business Case for ERP

## Scope of Current State Analysis

### Workshops

- **110** Core Workshops
- **5** Voice of the Campus Sessions
- **6** Workstreams (FIN, HCM, Reporting, Student, Technical, Communications)
- **356** Attendees
- **11** Weeks

### Technical Scope

- **225** Applications Identified
- **179** ERP Impacted Applications
- **70** Replacement Candidates
- **183** Interfaces Identified
- **75** Conversion Areas
- **1213** Current Reports
Business Case for ERP

Our Current Landscape

Data-Driven Culture
Time spent on data collection is so great, there is little time left for analysis.

Robust analytics tools and training are needed to support a focus on data analysis and better decision-making.

Business Process
Manual and disparate processes across the university create inefficiencies and a lack of consistency.

There is a strong desire to develop standard policies and adhere to best practices.

Technology
Units have purchased or custom-developed their own tools due to a rapid need for technology.

There is a redundancy across tools, inflated spend, and inefficiencies that arise from lacking a common toolset.

Modernization is needed.

Single Source of Truth
Today's disparate systems and lack of data governance make it challenging to report on data in a timely fashion, and to trust the accuracy of the data.

A single source of truth with clear Master Data Management is critical for providing better service.

Chart of Accounts
The current Chart of Accounts structure does not support all reporting needs and is not shared by all UCF organizations, creating reporting inefficiencies and a lack of visibility.

Common chart of accounts is critical across all direct service organizations.

Governance
A lack of organization-wide oversight and accountability have resulted in departmental autonomy.

There is a need to shift to a “university first” mindset.
Business Case for ERP
Not Just a New Engine

The implementation of a modern ERP will focus on **people**, **process**, and **technology**. We will **transform** the way UCF does business.

- Limit manual processes, follow best practices
- Refine enterprise-wide policies and procedures
- Use modern tools, consolidate tools
- Establish data governance
- Improve adherence to compliance rules
Business Case for ERP
Answering Our Critical Questions

- Are we managing funding effectively? What is our forecasted research funding?
- Are we progressing UCF to align with our long-term strategy? What does our financial health look like?
- Are we targeting the right donor mix? Are we achieving our innovation goals?
- Are we meeting the needs of the broader Florida community?
- How do we continue to improve the student lifecycle: pre-admission through employment? Do we have the right course offerings?
- Are we offering the right benefits packages to attract talent? How are we progressing to our budgets?
- Are we achieving our innovation goals?
- Are we progressing UCF to align with our long-term strategy?
Business Case for ERP
Our Current Landscape (not all-inclusive)

Financial Tracking & Management
- PeopleSoft
- Great Plains
- Quickbooks
- NetSuite
- Great Signature
- ABM
- Blackbaud
- Microsoft Excel *
- Google Sheets *

HR Systems
- PeopleSoft
- PageUp
- Service Now
- SDES BPS HR
- Gideon Taylor
- Think HR
- Handshake

Payroll Systems
- PeopleSoft
- PayCor
- Kronos
- Oasis PEO

Student Systems
- PeopleSoft
- Gideon Taylor
- PegasusPath
- eAwards
- Faculty Promotion & Tenure
- EAB Advising
- College Schedule

Reporting & Analytics
- PeopleSoft
- DataMart
- Aurora
- Paris
- Faculty Activity
- Faculty Activity
- Crystal Reports

Simplified Technology Architecture

Key
- Subset of systems which may be reduced in usage or absorbed by Cloud ERP applications
- Under consideration for scope inclusion
- * Will not be replaced by ERP
University community strongly believes in the need for a new ERP system and willing to embrace the change.

I personally believe that today there is a high probability of successfully implementing strategic change with our ERP system.

I view my peers and work colleagues as willing and able to embrace a move to the cloud.
Business Case for ERP

Financial Summary | Capital Required

<table>
<thead>
<tr>
<th></th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
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</thead>
<tbody>
<tr>
<td>FIN &amp; HCM, Reporting, Budgeting, Service Delivery</td>
<td></td>
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</tr>
<tr>
<td>Low Range</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>High Range</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student, Reporting, Service Delivery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 months*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Nov '22</td>
<td></td>
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<tr>
<td>Aug '24</td>
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<tr>
<td>Oct / Nov '20</td>
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</tbody>
</table>

ERP IMPLEMENTATION EXPENSE:

- Low Range
- High Range

<table>
<thead>
<tr>
<th>MILLIONS</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td>$16</td>
<td>$20</td>
<td>$17</td>
<td>$15</td>
<td>$1</td>
<td>$20</td>
</tr>
<tr>
<td>$42</td>
<td>$32</td>
<td>$23</td>
<td>$19</td>
<td>$1</td>
<td>$19</td>
</tr>
</tbody>
</table>

IN SCOPE
- Finance (Core, Supply Chain, Research)
- Planning & Budgeting (new CoA)
- Human Capital Management
- Reporting & Analytics
- Service Delivery
- Student

COST LEVERS
- Implementation Partner Rate
- UCF Backfill %
- Contingency %

$80 – 105M
Total implementation expense across 5 years

* Immediate post go-live support not shown and included in estimate
Business Case for ERP

Financial Summary | Capital Required

Phased Approach

<table>
<thead>
<tr>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fin &amp; HCM, Reporting, Budgeting, Service Delivery</strong>&lt;br&gt;6 months&lt;br&gt;Aug '20</td>
<td><strong>Budgeting</strong>&lt;br&gt;6 months&lt;br&gt;Nov '20</td>
<td><strong>Feb '21</strong></td>
<td><strong>Nov '22</strong></td>
<td></td>
</tr>
</tbody>
</table>

Leverages existing Workday Adaptive Insights application with current Chart of Accounts

**ERP IMPLEMENTATION EXPENSE: PHASED**

- **Low Range**
  - FY21: $15
  - FY22: $18
  - FY23: $15

- **High Range**
  - FY21: $18
  - FY22: $34
  - FY23: $15

- **FY24**
- **FY25**

**IN SCOPE**
- Planning & Budgeting (current CoA)
- Finance (Core, Supply Chain, Research)
- Planning & Budgeting (new CoA)
- Human Capital Management
- Reporting & Analytics
- Service Delivery
- Student
- 25% reduction in target business processes for Service Delivery
- 25% reduction in Data Governance scope

**OUT OF SCOPE**
- Leverages existing Workday Adaptive Insights application with current Chart of Accounts

**COST LEVERS**
- Implementation Partner Rate
- Contingency %
- UCF Backfill %

**$63 – 73M**
Total implementation expense across 5 years
Business Case for ERP
Financial Summary | Change in Operating Expense

KEY TAKEAWAYS
• Operating expenditures will reduce by ~$5.4M as a result of Cloud implementation in FY23 regardless of option selected
• FY22 and FY25+ differences explained by Planning & Budgeting and Student differences

CONSIDERATIONS
• Expenses reflected are estimates and subject to change
• Hardware infrastructure will vary depending on on-premise app needs beyond FY25
• PeopleSoft Student paid for via bundle, potential negotiation may result in increased expense
Business Case for ERP
Financial Summary | Break Even Analysis

Break Even Analysis

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Potential Efficiency Realization</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY23</td>
<td></td>
</tr>
<tr>
<td>FY24</td>
<td></td>
</tr>
<tr>
<td>FY25</td>
<td></td>
</tr>
<tr>
<td>FY26</td>
<td></td>
</tr>
<tr>
<td>FY27</td>
<td></td>
</tr>
</tbody>
</table>

KEY TAKEAWAYS
- Soft break even achieved in 7 years via realization of efficiencies
- Hard break even achieved in 15 years due to reduction in operating expense
- Conservatively assumes only 20% realization of identified potential inefficiencies
Business Case for ERP
5 Year Vision

OLD WORLD

DATA COLLECTION
Time was spent downloading, translating, and formatting data across disparate systems.

MANUAL PROCESSES
100% paper timecards…100% AP invoices keyed manually…travel reimbursement in 8+ weeks…

DISJOINTED UNITS
We operated as many disjointed units, each with our own tools, processes, and policies (including several Chart of Account structures).

NEW WORLD

DATA ANALYSIS
Analytics are available at the fingertips of staff and faculty. Dashboards allow for immediate insights to support good decision-making.

INCREASED EFFICIENCY
100% electronic timecards, 90% automated invoice processing, travel reimbursements in ~2 weeks

ONE UCF
We operate as one UCF and share a common set of tools, a primary way of doing things, and a clear set of policies and procedures. We use one Chart of Accounts structure.
Business Case for ERP

Next Steps

- With feedback and concurrence from Board of Trustees and Senior Executive Leadership, move from pre-launch planning to drafting of the ITN.
- With support from Moran Consulting, complete detailed specifications for ITN to select ERP vendor and implementation partners. Initiate posting of the ITN no later than June 30.
- Confirm funding sources which may include carryforward dollars and savings from operational efficiencies. Funding plans will be submitted to the board for approval.
Discussion