Board of Trustees Financial Workshop
Board of Trustees
Jun 3, 2021 2:00 PM - 5:00 PM EDT

Table of Contents
I. Agenda..................................................................................................................................2
II. Discussion
   A. INFO – 1 Information Financial Reports and Dashboards ........................................3
   B. INFO – 2 Information Financial Update: Strategic Realignment of Operations and Resources.................................................................13
III. Adjournment
Board of Trustees Financial Workshop
Virtual Meeting
June 3, 2021
2:00 p.m. – 5:00 p.m.

Livestream: https://ucf.zoom.us/j/99049281700?pwd=SlpKZGZmcHRvQm5JMCtOZyt5Y1FIQT09
Webinar ID: 990 4928 1700
Passcode: 975842

Conference Call number: 1-929-205-6099; meeting ID 990 4928 1700

AGENDA

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

2. Roll Call
   Karen Monteleone, Assistant Vice President, Board Relations

3. Chair Remarks
   Chair Seay

4. Discussion
   INFO – 1 Information
   Gerald Hector, Senior Vice President for Administration and Finance
   Financial Reports and Dashboards

   INFO – 2 Information
   Gerald Hector, Senior Vice President for Administration and Finance
   Financial Update: Strategic Realignment of Operations and Resources

5. Adjournment
   Chair Seay
Title: Financial Reports and Dashboards

Meeting Date for Upcoming Action: June 16, 2021

Purpose and Issues to be Considered:
This information item will provide the Board with an overview of the university’s current financial operations, including operating financial information for the quarter ending March 31, 2021, the UCF 2021-2022 Proposed Operating Budget, a summary and update of Sources and Uses, and the May 2021 Financial Dashboard.

Background Information:
Over the past 12 months, while the university managed through a pandemic, management also remained focused on assessing and improving the overall financial management, reporting and oversight processes of the institution. This information item presents materials for the board’s review that reflect where management is in terms of inventorying issues for resolution, and a new way of recording, summarizing and reporting financial information.

The attachments include:

1. **Attachment A:** An updated draft of the new “Sources and Uses” projection schedule that was debuted for the Board of Trustees in February of 2021. This is still a work in progress and due to current system limitations, it is assembled manually.
2. **Attachment B:** Updated draft of the new “Sources and Uses” color of money schedule that was debuted for the Board of Trustees in February of 2021.
3. **Attachment C:** Updated draft of a “Financial Dashboard” that is designed to capture Key Performance Indicators (KPIs) monthly. This dashboard along with both “Sources and Uses” documents will become part of a financial management packet that will be shared with the management and the Board of Trustees monthly. While our system limitations continue to present a challenge, the team in Finance and Accounting is committed to getting it done.
4. **Attachment D:** Draft 2020-2021 Amended Operating Budget (BOG Template which focuses on Spending Authority) to be voted on at the June 16, 2021 Board of Trustees meeting.
5. **Attachment E:** Draft 2021-2022 Proposed Operating Budget (BOG Template which focuses on Spending Authority) to be voted on at the June 16, 2021 meeting based on Board of Governors regulations.
6. **Attachment F:** 3rd Quarter Budget to Actual Report as of March 31, 2021.
7. **Attachment G:** Draft of the new “Sources and Uses” cash-based budget model. This model will draw a clear distinction between operating and capital budgets and will be used to serve our new incentive-based budget model (RCM). Once implemented, this template will provide a more holistic look at the budget and will be presented to the BOT (in addition to the BOG mandated spending authority) in June of each year.

Recommended Action:
N/A – Information Only.

Alternatives to Decision:
N/A – Information Only.

Fiscal Impact and Source of Funding:
N/A – Information Only.
Authority for Board of Trustees Action:
Specific trustee request.

Contract Reviewed/Approved by General Counsel  □  N/A  ☒

Committee Chair or Chair of the Board has approved adding this item to the agenda  ☒

Submitted by:
Gerald Hector, Senior Vice President for Administration and Finance

Supporting Documentation:
Attachment A: “Sources and Uses” Projection Schedule
Attachment B: “Sources and Uses” Color of Money Schedule
Attachment C: Financial Dashboard
Attachment D: Draft 2020-2021 Amended BOG Operating Budget
Attachment E: Draft 2021-2022 Proposed BOG Operating Budget
Attachment F: Budget to Actual Report as of March 31, 2021 (3rd Quarter)
Attachment G: Draft New “Sources and Uses” Cash-Based Budget Model

Facilitators/Presenters:
Gerald Hector, Senior Vice President for Administration and Finance
## UNIVERSITY OF CENTRAL FLORIDA
### ANNUAL CASH FLOW AND LIQUIDITY PROJECTIONS
#### FISCAL YEAR 2020-2021

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>July ACTUAL (000s)</th>
<th>August ACTUAL (000s)</th>
<th>September ACTUAL (000s)</th>
<th>October ACTUAL (000s)</th>
<th>November ACTUAL (000s)</th>
<th>December ACTUAL (000s)</th>
<th>January ACTUAL (000s)</th>
<th>February ACTUAL (000s)</th>
<th>March ACTUAL (000s)</th>
<th>April ACTUAL (000s)</th>
<th>May PROJECTED (000s)</th>
<th>June PROJECTED (000s)</th>
<th>Total (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPENING BALANCE</td>
<td>$572,648</td>
<td>$566,444</td>
<td>$634,950</td>
<td>$675,255</td>
<td>$659,526</td>
<td>$591,989</td>
<td>$606,761</td>
<td>$648,054</td>
<td>$616,533</td>
<td>$608,060</td>
<td>$588,449</td>
<td>$603,413</td>
<td></td>
</tr>
</tbody>
</table>

- **Student Tuition and Fees (gross)**
  - $32,699
- **Federal and State Student Financial Aid**
  - $26,468
- **State Non-Capital Appropriations**
  - $24,552
- **Federal Grants and Contracts**
  - $13,571
- **State and Grants Contracts**
  - $2,273
- **Non-Capital Grants, Contracts and Gifts**
  - $1,553
- **Housing**
  - $1,258
- **Sales and Services Auxiliary Enterprises**
  - $8,175
- **Commissions and Royalty Income**
  - $214
- **Investment Income (Realized)**
  - $10
- **Interest on Bank and other investments**
  - $1,292
- **State Capital Appropriations**
  - $2,236
- **Capital Grants, Contracts and Donations**
  - $0
- **Bond Proceeds**
  - $0
- **Sale of Bonds Revenue Certificates**
  - $0
- **Other Income and changes in receivables**
  - ($4,538)

**TOTAL SOURCES**
$109,803 $169,515 $327,562 $548,122 $42,054 $113,068 $248,432 $93,477 $115,289 $85,145 $149,770 $168,801 $1,817,038

- **Compensation and Benefits**
  - $44,063
- **Services and supplies**
  - $24,973
- **Utilities**
  - $2,365
- **Communications**
  - $888
- **Scholarships, Fellowships and Waivers**
  - $37,114
- **Capital Outlays**
  - $7,975
- **Debt Service**
  - $101
- **Other Expenses and changes in liabilities**
  - $131
- **Reconcilable items**
  - ($1,602)

**TOTAL USES**
$116,008 $101,011 $287,256 $109,856 $109,391 $98,297 $307,139 $124,998 $123,762 $104,756 $134,806 $117,913 $1,735,388

**SURPLUS/(DEFICIT)**
$6,205 $66,425 $55,706 $91,355 $16,964 $14,811 $58,976 $13,910 $11,944 $14,050 $6,898 $81,907

**CLOSING BALANCE**
$556,443 $624,948 $675,256 $659,527 $591,989 $506,760 $648,054 $616,533 $608,060 $588,449 $603,413 $654,300

---

**Note:** The table above includes detailed financial information for various categories of revenue and expenditure, highlighting the university's fiscal year operations from July 2020 to June 2021. The data includes sources such as student tuitions, federal and state grants, and other income, along with uses like compensation, utilities, and other expenses. The surplus or deficit is calculated at the end of each period, and the closing balance represents the final financial position for the fiscal year.
## UNIVERSITY OF CENTRAL FLORIDA
### ANNUAL CASH FLOW AND LIQUIDITY PROJECTIONS
### As of April 2021

<table>
<thead>
<tr>
<th>Category</th>
<th>Construction (000s)</th>
<th>Contracts &amp; Grants (000s)</th>
<th>DSO and Agency Funds (000s)</th>
<th>E&amp;G (000s)</th>
<th>Financial Aid (000s)</th>
<th>Restricted Aux (000s)</th>
<th>Restricted Local Fees (000s)</th>
<th>Unrestricted Aux - Loans (000s)</th>
<th>Total (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPENING BALANCE</td>
<td>47,209</td>
<td>18,203</td>
<td>31,152</td>
<td>314,170</td>
<td>74,629</td>
<td>79,652</td>
<td>74,629</td>
<td>25,567</td>
<td>608,062</td>
</tr>
<tr>
<td>Student Tuition and Fees (gross)</td>
<td>$0</td>
<td>$0</td>
<td>$331</td>
<td>$4,566</td>
<td>$0</td>
<td>$1,680</td>
<td>$2,367</td>
<td>$651</td>
<td>$9,595</td>
</tr>
<tr>
<td>Federal and State Student Financial Aid</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$4,829</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$4,829</td>
</tr>
<tr>
<td>State Non-Capital Appropriations</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$37,205</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$37,205</td>
</tr>
<tr>
<td>Federal Grants and Contracts</td>
<td>$0</td>
<td>$11,690</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$11,690</td>
<td></td>
</tr>
<tr>
<td>State Grants and Contracts</td>
<td>$0</td>
<td>$3,562</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$3,562</td>
<td></td>
</tr>
<tr>
<td>Non-Capital Grants, Contracts and Gifts</td>
<td>$0</td>
<td>$3,276</td>
<td>$0</td>
<td>$5,745</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$9,021</td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>$0</td>
<td>$0</td>
<td>$172</td>
<td>$0</td>
<td>$0</td>
<td>$122</td>
<td>$0</td>
<td>$294</td>
<td></td>
</tr>
<tr>
<td>Sales and Services Auxiliary Enterprises</td>
<td>$0</td>
<td>$0</td>
<td>$3</td>
<td>$0</td>
<td>$0</td>
<td>$122</td>
<td>$0</td>
<td>$294</td>
<td></td>
</tr>
<tr>
<td>Commissions and Royalty Income</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$4,829</td>
<td>$0</td>
<td>$0</td>
<td>$4,829</td>
<td></td>
</tr>
<tr>
<td>Investment Income (Realized)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$124</td>
<td>$46</td>
<td>$0</td>
<td>$124</td>
<td></td>
</tr>
<tr>
<td>Interest on Bank and other investments</td>
<td>$0</td>
<td>$0</td>
<td>$1</td>
<td>$228</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$228</td>
<td></td>
</tr>
<tr>
<td>State Capital Appropriations</td>
<td>$869</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$869</td>
<td></td>
</tr>
<tr>
<td>Capital Grants, Contracts and Donations</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Sale of Bonds Revenue Certificates</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>$277</td>
<td>($2,374)</td>
<td>$299</td>
<td>$453</td>
<td>$124</td>
<td>$276</td>
<td>$19</td>
<td>($463)</td>
<td>($1,389)</td>
</tr>
<tr>
<td>TOTAL SOURCES</td>
<td>$1,146</td>
<td>$16,154</td>
<td>$808</td>
<td>$42,422</td>
<td>$10,703</td>
<td>$2,748</td>
<td>$2,591</td>
<td>$8,574</td>
<td>$85,146</td>
</tr>
<tr>
<td>Compensation and Benefits</td>
<td>$0</td>
<td>$6,016</td>
<td>($1,760)</td>
<td>$43,002</td>
<td>$361</td>
<td>$2,070</td>
<td>$1,068</td>
<td>$6,724</td>
<td>$57,481</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>$415</td>
<td>$9,787</td>
<td>$33</td>
<td>$4,640</td>
<td>($75)</td>
<td>$1,732</td>
<td>$2,841</td>
<td>$3,654</td>
<td>$23,027</td>
</tr>
<tr>
<td>Utilities</td>
<td>$0</td>
<td>$14</td>
<td>$13</td>
<td>$40</td>
<td>$0</td>
<td>$28</td>
<td>$77</td>
<td>$1,522</td>
<td>$1,694</td>
</tr>
<tr>
<td>Communications</td>
<td>$2</td>
<td>$37</td>
<td>$29</td>
<td>$316</td>
<td>$3</td>
<td>$44</td>
<td>$158</td>
<td>$59</td>
<td>$648</td>
</tr>
<tr>
<td>Scholarships, Fellowships and Waivers</td>
<td>$0</td>
<td>$21</td>
<td>$0</td>
<td>$288</td>
<td>$17,282</td>
<td>$483</td>
<td>$946</td>
<td>$53</td>
<td>$19,073</td>
</tr>
<tr>
<td>Capital Outlays</td>
<td>$2,668</td>
<td>$508</td>
<td>$0</td>
<td>$1,321</td>
<td>$0</td>
<td>$5</td>
<td>$176</td>
<td>$0</td>
<td>$4,678</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$3</td>
<td>$3</td>
<td>$6</td>
</tr>
<tr>
<td>Other Expenses and changes in liabilities</td>
<td>$(478)</td>
<td>$(469)</td>
<td>$(2,085)</td>
<td>$(541)</td>
<td>$(3)</td>
<td>$(48)</td>
<td>$(374)</td>
<td>$(10)</td>
<td>$(2,360)</td>
</tr>
<tr>
<td>Reconciliable items</td>
<td>$(4,480)</td>
<td>$(7,229)</td>
<td>$455</td>
<td>$12,171</td>
<td>$(2,708)</td>
<td>$599</td>
<td>$1,025</td>
<td>$638</td>
<td>$471</td>
</tr>
<tr>
<td>TOTAL USES</td>
<td>$(1,973)</td>
<td>$9,085</td>
<td>$(3,315)</td>
<td>$61,777</td>
<td>$14,860</td>
<td>$4,913</td>
<td>$6,668</td>
<td>$12,043</td>
<td>$104,758</td>
</tr>
<tr>
<td>SURPLUS/DEFICIT</td>
<td>$3,019</td>
<td>$7,069</td>
<td>$4,123</td>
<td>$(19,355)</td>
<td>$14,157</td>
<td>$(2,185)</td>
<td>$(4,077)</td>
<td>$(4,069)</td>
<td>$(19,612)</td>
</tr>
<tr>
<td>CLOSING BALANCE</td>
<td>$50,228</td>
<td>$25,272</td>
<td>$35,275</td>
<td>$294,815</td>
<td>$13,323</td>
<td>$77,487</td>
<td>$70,552</td>
<td>$21,498</td>
<td>$588,450</td>
</tr>
</tbody>
</table>
CASH FLOW SOURCES: April

- Student Tuition and Fees (gross): $9,595
- Federal and State Student Financial Aid: $4,829
- State Non-Capital Appropriations: $37,205
- Federal Grants and Contracts: $11,690
- State Grants and Contracts: $3,562
- Non-Capital Grants, Contracts and Gifts: $9,020
- Housing: $294
- Sales and Services Auxiliary Enterprises: $7,401
- Commissions and Royalty Income: $343
- Investment Income (Realized): $832
- Interest on Bank and other Investments: $869
- State Capital Appropriations: $0
- Capital Grants, Contracts and Donations: $0
- Bond Proceeds: $0
- Sale of Bonds Revenue Certificates: $0
- Other Income: $0

CASH FLOW USES: April

- Compensation and Benefits: $23,028
- Services and Supplies: $1,693
- Utilities: $648
- Communications: $19,073
- Scholarships, Fellowships and Waivers: $4,678
- Capital Outlays: $45
- Debt Service: $0

Working Capital As of April 2021

- Construction: $70,552
- Contracts & Grants: $21,498
- DSO and Agency Funds: $50,228
- E&G: $25,272
- Financial Aid: $25,272
- Restricted Aux: $35,275
- Restricted Local Fees: $77,487
- Unrestricted Aux: $13,323
- Other Income: $294,815
- Sale of Bonds Revenue Certificates: $0

Choose Month: April
## Cash Position

<table>
<thead>
<tr>
<th>Financial Indicator</th>
<th>April 2021</th>
<th>April 2020</th>
<th>Change from PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash and Investments(^1)</td>
<td>$588,447,406</td>
<td>$551,621,644</td>
<td>7%</td>
</tr>
</tbody>
</table>

\(^1\)UCF’s cash and investment book balances, including DSO funds held by the University. Balances do not include include unrealized market gains.

## Working Capital Bank Balances

<table>
<thead>
<tr>
<th>Financial Indicator</th>
<th>April 2021</th>
<th>April 2020</th>
<th>Change from PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNY Mellon</td>
<td>$347,273,062</td>
<td>$304,273,530</td>
<td>14%</td>
</tr>
<tr>
<td>SPIA</td>
<td>$295,782,047</td>
<td>$261,894,914</td>
<td>13%</td>
</tr>
<tr>
<td>Bank of America</td>
<td>$1,190,030</td>
<td>$2,922,255</td>
<td>-59%</td>
</tr>
</tbody>
</table>

## Sponsored Research

<table>
<thead>
<tr>
<th>Financial Indicator</th>
<th>FY 2021(^2)</th>
<th>FY 2020(^2)</th>
<th>Change from PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Proposals Submitted - Amount</td>
<td>$1,012,116,555</td>
<td>$764,944,224</td>
<td>32%</td>
</tr>
<tr>
<td>New Proposals Submitted - Count</td>
<td>1,507</td>
<td>1,627</td>
<td>-7%</td>
</tr>
<tr>
<td>New Awards Received - Amount</td>
<td>$185,115,269</td>
<td>$174,259,885</td>
<td>6%</td>
</tr>
<tr>
<td>New Awards Received - Count</td>
<td>1,193</td>
<td>956</td>
<td>25%</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$157,793,458</td>
<td>$129,993,576</td>
<td>21%</td>
</tr>
<tr>
<td>F&amp;A Earned</td>
<td>$20,538,379</td>
<td>$20,201,647</td>
<td>2%</td>
</tr>
<tr>
<td>Active Awards</td>
<td>1,782</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


## Gifts

<table>
<thead>
<tr>
<th>Financial Indicator</th>
<th>April 2021</th>
<th>April 2020</th>
<th>Change from PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Proposals Submitted - Amount</td>
<td>$24,000,176</td>
<td>$3,734,360</td>
<td>543%</td>
</tr>
<tr>
<td>New Proposals Submitted - Count</td>
<td>62</td>
<td>36</td>
<td>72%</td>
</tr>
<tr>
<td>Proposals Funded - Amount(^3)</td>
<td>$904,500</td>
<td>$423,885</td>
<td>113%</td>
</tr>
<tr>
<td>Proposals Funded - Count(^3)</td>
<td>27</td>
<td>21</td>
<td>29%</td>
</tr>
<tr>
<td>Pledges Receivable - Old(^4)</td>
<td>$214,230</td>
<td>$1,048,545</td>
<td>-80%</td>
</tr>
<tr>
<td>Pledges Receivable - New(^5)</td>
<td>$447,790</td>
<td>$104,284</td>
<td>329%</td>
</tr>
<tr>
<td>New Unique Donors - Amount(^6)</td>
<td>$157,480</td>
<td>$138,571</td>
<td>14%</td>
</tr>
<tr>
<td>New Unique Donors - Count(^7)</td>
<td>810</td>
<td>888</td>
<td>-9%</td>
</tr>
</tbody>
</table>

\(^3\)Proposals funded includes all proposals solicited at the $1,000 level or above. Proposals may have been solicited in a prior fiscal year; report is based on the date that the proposal was funded by the donor. Amount includes pledges, planned gifts, and outright cash gifts.

\(^4\)Old pledges are pledges created in a previous Fiscal Year of the reporting month.

\(^5\)New pledges are pledges created in the current Fiscal Year of the reporting month.

\(^6\)Donors and Amounts follow Lifetime Attainment definition:

Donor’s legal gifts (Hard Credit): Outright gifts of cash; Stocks; Fair Market Value; Pledges; Recurring Gift Payments; Gift-In-Kind (except Software and Services); Planned Gifts at face value for donors 60+ and present value for 59 and under; Company matching gifts (once match pledge is confirmed; Research Foundation funds; Athletics Non-Charitable funds (80/20 component); Event Registrations; Excludes funds or other resources that are derived from a governmental agency or source (State, Federal or Municipal matching funds or land).

\(^7\)Number of Unique New Donors and New Donors Amount are donors who had not donated prior to the reporting month.
### University of Central Florida
#### 2020-21 Proposed Operating Budget Amendment
For Board of Trustees (BOT) Approval

<table>
<thead>
<tr>
<th>Budget Entity</th>
<th>2020-21 BOT-approved Budget(^1)</th>
<th>+ 2020-21 State/University Adjustments</th>
<th>+ 2020-21 Proposed Amendment(^2)</th>
<th>= 2020-21 Revised Budget</th>
<th>Percent Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and General (E&amp;G), Main</td>
<td>644,101,818</td>
<td>(7,389,632)</td>
<td></td>
<td>636,712,186</td>
<td>-1.15%</td>
</tr>
<tr>
<td>Education and General (E&amp;G), College of Medicine</td>
<td>46,782,551</td>
<td>221,248</td>
<td></td>
<td>47,003,799</td>
<td>0.47%</td>
</tr>
<tr>
<td>Education and General (E&amp;G), Fl. Center for Students with Unique Abilities</td>
<td>8,984,565</td>
<td>-</td>
<td></td>
<td>8,984,565</td>
<td>0.00%</td>
</tr>
<tr>
<td>Contracts and Grants (C&amp;G)</td>
<td>188,528,000</td>
<td></td>
<td>82,472,000</td>
<td>271,000,000</td>
<td>43.75%</td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>302,385,900</td>
<td></td>
<td></td>
<td>302,385,900</td>
<td>0.00%</td>
</tr>
<tr>
<td>Local Funds</td>
<td>760,454,854</td>
<td>(2,039,731)</td>
<td></td>
<td>758,415,123</td>
<td>-0.27%</td>
</tr>
<tr>
<td>Non-add Local Funds Detail</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Financial Aid (SFA)</td>
<td>659,877,204</td>
<td></td>
<td></td>
<td>659,877,204</td>
<td>0.00%</td>
</tr>
<tr>
<td>Intercollegiate Athletics (ICA)</td>
<td>64,811,544</td>
<td>(2,039,731)</td>
<td></td>
<td>62,771,813</td>
<td>-3.15%</td>
</tr>
<tr>
<td>Student Activities</td>
<td>24,760,828</td>
<td></td>
<td></td>
<td>24,760,828</td>
<td>0.00%</td>
</tr>
<tr>
<td>Technology Fee</td>
<td>10,028,400</td>
<td></td>
<td></td>
<td>10,028,400</td>
<td>0.00%</td>
</tr>
<tr>
<td>Concession Funds</td>
<td>400,000</td>
<td></td>
<td></td>
<td>400,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>Self Insurance Plan (SIP)</td>
<td>576,878</td>
<td></td>
<td></td>
<td>576,878</td>
<td>0.00%</td>
</tr>
<tr>
<td>Faculty Practice Plan</td>
<td>9,603,362</td>
<td></td>
<td></td>
<td>9,603,362</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total Operating Expenditures</strong></td>
<td><strong>1,960,841,050</strong></td>
<td><strong>(9,208,115)</strong></td>
<td><strong>82,472,000</strong></td>
<td><strong>2,034,104,935</strong></td>
<td><strong>3.74%</strong></td>
</tr>
</tbody>
</table>

**Highlights**

1. On June 18, 2020, the Board of Trustees approved a FY 2021 continuation operating budget (OB) equal to FY 2020 for all budget entities. The OB was exclusive of possible revenue increases/decreases, such as, but not limited to, research awards, state appropriations, and tuition and fees.

2. The proposed C&G amendment is due to the following anticipated year-end expenditures:
   - CARES Act Higher Education Emergency Relief Fund (HEERF) grant ($10M for HEERFI estimated expenditure reimbursements) + $32M estimated transfers for lost revenues.
   - One-time National Science Foundation (NSF) funds for The Arecibo Observatory cleanup.
   - Office of Research estimated FY 2021 increase in C&G award expenditures.

\(^1\) On June 18, 2020, the Board of Trustees approved a FY 2021 continuation operating budget (OB) equal to FY 2020 for all budget entities. The OB was exclusive of possible revenue increases/decreases, such as, but not limited to, research awards, state appropriations, and tuition and fees.

\(^2\) The proposed C&G amendment is due to the following anticipated year-end expenditures:

- CARES Act Higher Education Emergency Relief Fund (HEERF) grant ($10M for HEERFI estimated expenditure reimbursements + $32M estimated transfers for lost revenues).
- One-time National Science Foundation (NSF) funds for The Arecibo Observatory cleanup.
- Office of Research estimated FY 2021 increase in C&G award expenditures.
### University of Central Florida

#### 2021-22 Proposed Operating Budget

**All Budget Entities**

### Education and General (E&G) Budget Entities

<table>
<thead>
<tr>
<th>2020-21 BOT Approved Operating Budget</th>
<th>2020-21 Final Revised</th>
<th>2021-22 Proposed Operating Budget</th>
<th>% Increase (Decrease)</th>
<th>$ Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>E&amp;G, Main</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations</td>
<td>$336,391,302</td>
<td>$329,001,670</td>
<td>$335,794,312</td>
<td>2.1%</td>
</tr>
<tr>
<td>Student Tuition and Fees</td>
<td>304,640,516</td>
<td>304,640,516</td>
<td>318,133,474</td>
<td>4.4%</td>
</tr>
<tr>
<td>Interest and Other Revenue</td>
<td>3,070,000</td>
<td>3,070,000</td>
<td>3,070,000</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total E&amp;G Main</strong></td>
<td>644,101,818</td>
<td>636,712,186</td>
<td>656,997,786</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>E&amp;G, College of Medicine</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations</td>
<td>30,773,894</td>
<td>30,995,142</td>
<td>30,781,275</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Student Tuition and Fees</td>
<td>15,708,657</td>
<td>15,708,657</td>
<td>16,024,899</td>
<td>2.0%</td>
</tr>
<tr>
<td>Interest and Other Revenue</td>
<td>300,000</td>
<td>300,000</td>
<td>300,000</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total E&amp;G, College of Medicine</strong></td>
<td>46,782,551</td>
<td>47,003,799</td>
<td>47,106,174</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>E&amp;G, Florida Center for Students with Unique Abilities (FCSUA)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations</td>
<td>8,984,565</td>
<td>8,984,565</td>
<td>8,984,565</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total E&amp;G, FCSUA</strong></td>
<td>8,984,565</td>
<td>8,984,565</td>
<td>8,984,565</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total E&amp;G Budget Entities</strong></td>
<td>699,886,934</td>
<td>692,700,550</td>
<td>713,088,525</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

### Non-E&G Budget Entities

<table>
<thead>
<tr>
<th>Non-E&amp;G Budget Entities</th>
<th>2020-21</th>
<th>2021-22 Proposed Operating Budget</th>
<th>% Increase (Decrease)</th>
<th>$ Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auxiliary Enterprises</td>
<td>302,385,900</td>
<td>302,385,900</td>
<td>305,999,077</td>
<td>1.2%</td>
</tr>
<tr>
<td>Contracts and Grants</td>
<td>188,522,000</td>
<td>271,000,000</td>
<td>319,991,191</td>
<td>18.1%</td>
</tr>
<tr>
<td>Local Funds</td>
<td>659,877,204</td>
<td>659,877,204</td>
<td>727,540,204</td>
<td>10.3%</td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>64,811,544</td>
<td>62,771,813</td>
<td>71,381,380</td>
<td>13.7%</td>
</tr>
<tr>
<td>Intercollegiate Athletics</td>
<td>24,760,828</td>
<td>24,760,828</td>
<td>24,197,328</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Student Activities</td>
<td>10,028,400</td>
<td>10,028,400</td>
<td>11,863,810</td>
<td>18.3%</td>
</tr>
<tr>
<td>Self-Insurance Plan</td>
<td>576,878</td>
<td>576,878</td>
<td>963,167</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Concessions</td>
<td>400,000</td>
<td>400,000</td>
<td>800,000</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Total Local Funds</strong></td>
<td>760,454,854</td>
<td>758,415,123</td>
<td>836,345,889</td>
<td>10.3%</td>
</tr>
<tr>
<td>Faculty Practice Plan</td>
<td>9,603,362</td>
<td>9,603,362</td>
<td>8,246,368</td>
<td>-14.1%</td>
</tr>
<tr>
<td><strong>Total Non-E&amp;G Budget Entities</strong></td>
<td>1,260,972,116</td>
<td>1,341,404,385</td>
<td>1,470,582,525</td>
<td>9.63%</td>
</tr>
<tr>
<td><strong>Total Proposed FY 2021-22 Budget</strong></td>
<td>1,960,841,050</td>
<td>2,034,104,335</td>
<td>2,183,671,050</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

### Note:

1 Excludes E&G carryforward funds. Per Board of Governors (BOG) Regulation 9.007, State University Operating Budgets and Requests, university budgeted E&G carryforward funds shall be reported separately in the E&G Carryforward Spending Plan Report. This report will be due for submission to the BOG for approval by a date established by the Chancellor of the State University System after the upcoming fiscal year.
### University of Central Florida
#### 2020-21 Budget to Actuals
**Through March 31, 2021 and End of Year Projections**

<table>
<thead>
<tr>
<th>Budget Entities</th>
<th>Q3 (Through March 31, 2021)</th>
<th>Full Year (Through June 30, 2021)</th>
<th>Variances Full Year FY2021 Budget vs. Actuals thru Q3 ($)</th>
<th>% of Full Year Budget Utilized thru Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue</td>
<td>Expense</td>
<td>Net</td>
<td>Revenue</td>
</tr>
<tr>
<td>Education and General (E&amp;G), Main</td>
<td>473,956,309</td>
<td>441,980,397</td>
<td>31,975,912</td>
<td>636,712,186</td>
</tr>
<tr>
<td>E&amp;G, College of Medicine</td>
<td>34,748,530</td>
<td>29,375,075</td>
<td>5,373,455</td>
<td>47,003,799</td>
</tr>
<tr>
<td>E&amp;G, Fl. Center for Students with Unique Abilities</td>
<td>6,334,138</td>
<td>1,714,378</td>
<td>4,619,760</td>
<td>8,984,565</td>
</tr>
<tr>
<td>Contracts and Grants (C&amp;G)</td>
<td>161,961,196</td>
<td>154,977,664</td>
<td>6,983,532</td>
<td>276,805,783</td>
</tr>
<tr>
<td>Auxiliaries 2</td>
<td>195,595,319</td>
<td>183,552,404</td>
<td>12,042,915</td>
<td>288,227,216</td>
</tr>
<tr>
<td>Local Funds</td>
<td>621,572,654</td>
<td>599,226,961</td>
<td>22,345,693</td>
<td>753,226,552</td>
</tr>
<tr>
<td>Faculty Practice Plan 3</td>
<td>13,308,815</td>
<td>3,976,125</td>
<td>9,332,690</td>
<td>9,603,362</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,507,476,961</td>
<td>1,414,803,004</td>
<td>92,673,957</td>
<td>2,020,563,463</td>
</tr>
</tbody>
</table>

1. Revenue and expenditures include the 2020-21 Continuation Budget and Adjustments to Contracts and Grants (C&G) and Intercollegiate Athletics.
2. The budgeted loss of $14.1M for Auxiliaries is primarily related to the correction of projects associated with the Trevor Colbourn Hall investigation.
3. The Faculty Practice Plan revenue exceeds the Continuation Budget due to internal transfers from Auxiliary to pay off the Pegasus Health Quadrangle Building.
<table>
<thead>
<tr>
<th>Category</th>
<th>Central</th>
<th>Fiscally</th>
<th>Undergraduate &amp;</th>
<th>Postdoc</th>
<th>Other</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td>Central</td>
<td>Fiscally</td>
<td>Undergraduate &amp;</td>
<td>Postdoc</td>
<td>Other</td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>Resources</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Training and Tuition Fees (Grant)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Reimbursement of Unintegrated Tuition</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Federal and State Student Financial Aid</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Non-Capital Appropriations</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>State Grants and Contracts</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Unrestricted Support from Foundations</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Research Support from Foundation</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other DSG Support</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Non-Capital Grants, Contracts and Gifts</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Housing</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Sales and Services Auxiliary Enterprises</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Scholarships, Fellowships and Awards</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Capital Assets</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other Income and Changes in Liabilities</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Reconcilable Items</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total Sources</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Use of Resources</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Compensation and Benefits</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Utilities</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Communications</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Scholarships, Fellowships and Awards</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Capital Assets</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other Income and Changes in Liabilities</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Reconcilable Items</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total Use</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Reconciliation**

- **University Support Functions**
- **Redistributed Resources**
- **Net from Operations - Before Transfers**
- **Net from Operations - After Transfers**
Title: Financial Update: Strategic Realignment of Operations and Resources

Purpose and Issues to be Considered:
This information item will provide the Board with an overview of the university’s current and future financial operations prior to the June Finance and Facilities Committee meeting. The alignment of strategy and resources and consistent financial reporting will allow the university to reach its goal of being a top Metropolitan Research University and top 50 Public University.

Background Information:
The Financial Workshop will include three informational segments, followed by comments and next steps from Senior Vice President Hector, and Q&A with Trustees.

The three informational segments will highlight the following:

Part I: What Are We Doing?
This segment will provide the Board with an overview of the university’s current financial operations, including an inventory of current culture and practices.

Part II: Why Should We Change?
This segment will include a discussion of the challenges presented by current financial and operational practices.

Part III: How Will We Change?
The final segment will outline the process and timeline for change, including immediate, intermediate, and long-term actions.

For more information, please visit https://www.southerneducation.org/publications/navigatingthenewnormal/, which has a video, trustee quiz, and a white paper authored by SVP Hector in 2014 concerning the need for a more focused attention on “net tuition revenue” and enrollment management for colleges and universities. The white paper was written with trustees as the audience.

Recommended Action:
N/A – Information Only.

Alternatives to Decision:
N/A – Information Only.

Fiscal Impact and Source of Funding:
N/A – Information Only.

Authority for Board of Trustees Action:
Specific trustee request.
Contract Reviewed/Approved by General Counsel □ N/A ✗

Committee Chair or Chair of the Board has approved adding this item to the agenda □

Submitted by:
Gerald Hector, Senior Vice President for Administration and Finance

Supporting Documentation:
Attachment A: UCF Board of Trustees Financial Workshop PowerPoint Presentation

https://www.southerneducation.org/publications/navigatingthenewnormal/
Links to a video, trustee quiz, and a white paper by SVP Hector on “net tuition revenue” and enrollment management for colleges and universities.

Facilitators/Presenters:
Gerald Hector, Senior Vice President for Administration and Finance
“Sit No Longer At Your Dusty Window
I Urge You To Break The Gaze
From your Oh So Cherished Glass”

– Gian Torrano Jacobs
“Journeys Through the Windows of Perception”
Financial Update
The BOT approved a Continuation Operating Budget of $1,960,841,050 for FY 2020-21 that was equal to the approved amount for FY 2019-20.

The continuation budget includes Contracts and Grants (C&G) spending authority of $188.5 million that requires an amendment to $271 million (an $82.5 million increase).

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-time National Science Foundation (NSF) funds for Arecibo Observatory cleanup</td>
<td>20,000,000</td>
</tr>
<tr>
<td>FY 2021 increases in C&amp;G award expenditures</td>
<td>20,472,000</td>
</tr>
<tr>
<td>CARES Act Higher Education Emergency Relief Fund (HEERF) grants</td>
<td>42,000,000</td>
</tr>
<tr>
<td><strong>Total Anticipated C&amp;G Expenditure Increase</strong></td>
<td><strong>82,472,000</strong></td>
</tr>
</tbody>
</table>
# 2020-21 C&G Proposed Budget Amendment

## For BOT Approval

<table>
<thead>
<tr>
<th>Budget Entity</th>
<th>2020-21 BOT-approved Budget¹</th>
<th>+</th>
<th>2020-21 State/University Adjustments</th>
<th>+</th>
<th>2020-21 Proposed Amendment²</th>
<th>=</th>
<th>2020-21 Revised Budget</th>
<th>Percent Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and General (E&amp;G), Main</td>
<td>644,101,818</td>
<td>(7,389,632)</td>
<td></td>
<td></td>
<td>636,712,186</td>
<td>-1.15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and General (E&amp;G), College of Medicine</td>
<td>46,782,551</td>
<td>221,248</td>
<td></td>
<td></td>
<td>47,003,799</td>
<td>0.47%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and General (E&amp;G), Fl. Center for Students with Unique Abilities</td>
<td>8,984,565</td>
<td>-</td>
<td></td>
<td></td>
<td>8,984,565</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracts and Grants (C&amp;G)</td>
<td>188,528,000</td>
<td></td>
<td>82,472,000</td>
<td>271,000,000</td>
<td>43.75%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>302,385,900</td>
<td></td>
<td></td>
<td></td>
<td>302,385,900</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>760,454,854</td>
<td>(2,039,731)</td>
<td></td>
<td></td>
<td>758,415,123</td>
<td>-0.27%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-add Local Funds Detail</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Financial Aid (SFA)</td>
<td>659,877,204</td>
<td></td>
<td></td>
<td></td>
<td>659,877,204</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercollegiate Athletics (ICA)</td>
<td>64,811,544</td>
<td>(2,039,731)</td>
<td></td>
<td></td>
<td>62,771,813</td>
<td>-3.15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Activities</td>
<td>24,760,828</td>
<td></td>
<td></td>
<td></td>
<td>24,760,828</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology Fee</td>
<td>10,028,400</td>
<td></td>
<td></td>
<td></td>
<td>10,028,400</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concession Funds</td>
<td>400,000</td>
<td></td>
<td></td>
<td></td>
<td>400,000</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self Insurance Plan (SIP)</td>
<td>576,878</td>
<td></td>
<td></td>
<td></td>
<td>576,878</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faculty Practice Plan</td>
<td>9,603,362</td>
<td></td>
<td></td>
<td></td>
<td>9,603,362</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Expenditures</strong></td>
<td><strong>1,960,841,050</strong></td>
<td><strong>(9,208,115)</strong></td>
<td><strong>82,472,000</strong></td>
<td><strong>2,034,104,935</strong></td>
<td><strong>3.74%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# 2020-21 Quarter 3 Operating Budget Update

## Budget to Actuals for Period Ending March 31, 2021

<table>
<thead>
<tr>
<th>Budget Entities</th>
<th>Q3 (Through March 31, 2021)</th>
<th>Full Year (Through June 30, 2021)</th>
<th>Variances Full Year FY2021 Budget vs. Actuals thru Q3 ($)</th>
<th>% of Full Year Budget Utilized thru Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue</td>
<td>Expense</td>
<td>Net</td>
<td>Revenue</td>
</tr>
<tr>
<td>Education and General (E&amp;G), Main</td>
<td>473,956,309</td>
<td>441,980,397</td>
<td>31,975,912</td>
<td>636,712,186</td>
</tr>
<tr>
<td>E&amp;G, College of Medicine</td>
<td>34,748,530</td>
<td>29,375,075</td>
<td>5,373,455</td>
<td>47,003,799</td>
</tr>
<tr>
<td>E&amp;G, Fl. Center for Students with Unique Abilities</td>
<td>6,334,138</td>
<td>1,714,378</td>
<td>4,619,760</td>
<td>8,984,565</td>
</tr>
<tr>
<td>Contracts and Grants (C&amp;G)</td>
<td>161,961,196</td>
<td>154,977,664</td>
<td>6,983,532</td>
<td>276,805,783</td>
</tr>
<tr>
<td>Auxiliaries ¹</td>
<td>195,595,319</td>
<td>183,552,404</td>
<td>12,042,915</td>
<td>288,227,216</td>
</tr>
<tr>
<td>Local Funds</td>
<td>621,572,654</td>
<td>599,226,961</td>
<td>22,345,693</td>
<td>753,226,552</td>
</tr>
<tr>
<td>Faculty Practice Plan ³</td>
<td>13,308,815</td>
<td>3,976,125</td>
<td>9,332,690</td>
<td>9,603,362</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,507,476,961</strong></td>
<td><strong>1,414,803,004</strong></td>
<td><strong>92,673,957</strong></td>
<td><strong>2,020,563,463</strong></td>
</tr>
</tbody>
</table>

1. Revenue and expenditures include the 2020-21 Continuation Budget and Adjustments to Contracts and Grants (C&G) and Intercollegiate Athletics.
2. The budgeted loss of $14.1M for Auxiliaries is primarily related to the correction of projects associated with the Trevor Colbourn Hall investigation.
3. The Faculty Practice Plan revenue exceeds the Continuation Budget due to internal transfers from Auxiliary to pay off the Pegasus Health Quadrangle Building.
2021-22 Proposed Operating Budget

**Background**

- Florida Board of Governors regulation 9.007(1) states that each university president shall prepare an operating budget for approval by the university board of trustees in accordance with instructions, guidelines, and standard formats provided by the BOG.

- FY 2021-22 total operating budget of $2.184 billion represents a $149.6 million (7.4 percent) increase over the current year revised budget of $2.034 billion.

- This includes a UCF-Main tuition and fees budget increase of $13.5 million to the BOG-approved maximum authority.

- Other major changes in Contracts and Grants and Student Financial Aid due primarily to CARES and HEERF funding.

- Proposed budget excludes carryforward funds. Per BOG regulation 9.007, university budgeted E&G carryforward funds are reported separately in the E&G Carryforward Spending Plan Report.
## 2021-22 Proposed Operating Budget

**For BOT Approval**

### Education and General (E&G) Budget Entities

<table>
<thead>
<tr>
<th>E&amp;G, Main</th>
<th>2020-21 Final Revised</th>
<th>2021-22 Proposed Operating Budget</th>
<th>% Increase (Decrease)</th>
<th>$ Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>$336,391,302</td>
<td>$329,001,670</td>
<td>$335,794,312</td>
<td>2.1%</td>
</tr>
<tr>
<td>Student Tuition and Fees</td>
<td>304,640,516</td>
<td>304,640,516</td>
<td>318,133,474</td>
<td>4.4%</td>
</tr>
<tr>
<td>Interest and Other Revenue</td>
<td>3,070,000</td>
<td>3,070,000</td>
<td>3,070,000</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total E&amp;G Main</strong></td>
<td><strong>644,101,818</strong></td>
<td><strong>636,712,186</strong></td>
<td><strong>656,997,786</strong></td>
<td><strong>2.0%</strong></td>
</tr>
</tbody>
</table>

### E&G, College of Medicine

<table>
<thead>
<tr>
<th>E&amp;G, College of Medicine</th>
<th>2020-21 Final Revised</th>
<th>2021-22 Proposed Operating Budget</th>
<th>% Increase (Decrease)</th>
<th>$ Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>$30,773,894</td>
<td>$30,995,142</td>
<td>$30,781,275</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Student Tuition and Fees</td>
<td>15,708,657</td>
<td>15,708,657</td>
<td>16,024,899</td>
<td>2.0%</td>
</tr>
<tr>
<td>Interest and Other Revenue</td>
<td>300,000</td>
<td>300,000</td>
<td>300,000</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total E&amp;G, College of Medicine</strong></td>
<td><strong>46,782,551</strong></td>
<td><strong>47,003,799</strong></td>
<td><strong>47,106,174</strong></td>
<td><strong>0.2%</strong></td>
</tr>
</tbody>
</table>

### E&G, Florida Center for Students with Unique Abilities (FCSUA)

<table>
<thead>
<tr>
<th>E&amp;G, Florida Center for Students with Unique Abilities (FCSUA)</th>
<th>2020-21 Final Revised</th>
<th>2021-22 Proposed Operating Budget</th>
<th>% Increase (Decrease)</th>
<th>$ Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>8,984,565</td>
<td>8,984,565</td>
<td>8,984,565</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total E&amp;G, FCSUA</strong></td>
<td><strong>8,984,565</strong></td>
<td><strong>8,984,565</strong></td>
<td><strong>8,984,565</strong></td>
<td><strong>0%</strong></td>
</tr>
</tbody>
</table>

### Total E&G Budget Entities

<table>
<thead>
<tr>
<th>Total E&amp;G Budget Entities</th>
<th>2020-21 Final Revised</th>
<th>2021-22 Proposed Operating Budget</th>
<th>% Increase (Decrease)</th>
<th>$ Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>699,868,934</strong></td>
<td><strong>692,700,550</strong></td>
<td><strong>713,088,525</strong></td>
<td><strong>2.9%</strong></td>
<td><strong>19,887,975</strong></td>
</tr>
</tbody>
</table>

### Non-E&G Budget Entities

<table>
<thead>
<tr>
<th>Non-E&amp;G Budget Entities</th>
<th>2020-21 Final Revised</th>
<th>2021-22 Proposed Operating Budget</th>
<th>% Increase (Decrease)</th>
<th>$ Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auxiliary Enterprises</td>
<td>302,385,900</td>
<td>302,385,900</td>
<td>305,999,077</td>
<td>1.2%</td>
</tr>
<tr>
<td>Contracts and Grants</td>
<td>188,528,000</td>
<td>271,000,000</td>
<td>319,991,191</td>
<td>18.1%</td>
</tr>
<tr>
<td>Local Funds</td>
<td>659,877,204</td>
<td>659,877,204</td>
<td>727,540,204</td>
<td>10.3%</td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>64,811,544</td>
<td>62,771,813</td>
<td>71,381,380</td>
<td>13.7%</td>
</tr>
<tr>
<td>Intercollegiate Athletics</td>
<td>24,760,828</td>
<td>24,760,828</td>
<td>24,197,328</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Technology Fee</td>
<td>10,028,400</td>
<td>10,028,400</td>
<td>11,863,810</td>
<td>18.3%</td>
</tr>
<tr>
<td>Self-Insurance Plan</td>
<td>576,878</td>
<td>576,878</td>
<td>563,167</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Concessions</td>
<td>400,000</td>
<td>400,000</td>
<td>800,000</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Total Local Funds</strong></td>
<td><strong>760,454,854</strong></td>
<td><strong>756,415,123</strong></td>
<td><strong>836,345,889</strong></td>
<td><strong>10.3%</strong></td>
</tr>
<tr>
<td>Faculty Practice Plan</td>
<td>9,603,362</td>
<td>9,603,362</td>
<td>8,246,368</td>
<td>-14.1%</td>
</tr>
</tbody>
</table>

### Total Non-E&G Budget Entities

<table>
<thead>
<tr>
<th>Total Non-E&amp;G Budget Entities</th>
<th>2020-21 Final Revised</th>
<th>2021-22 Proposed Operating Budget</th>
<th>% Increase (Decrease)</th>
<th>$ Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1,260,972,116</strong></td>
<td><strong>1,341,404,385</strong></td>
<td><strong>1,470,582,525</strong></td>
<td><strong>9.63%</strong></td>
<td><strong>129,178,140</strong></td>
</tr>
</tbody>
</table>

### Total Proposed FY 2021-22 Budget

<table>
<thead>
<tr>
<th>Total Proposed FY 2021-22 Budget</th>
<th>2020-21 Final Revised</th>
<th>2021-22 Proposed Operating Budget</th>
<th>% Increase (Decrease)</th>
<th>$ Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1,960,841,050</strong></td>
<td><strong>2,034,104,935</strong></td>
<td><strong>2,183,671,050</strong></td>
<td><strong>7.4%</strong></td>
<td><strong>149,566,115</strong></td>
</tr>
</tbody>
</table>
# Financial Dashboard

## Cash Position

<table>
<thead>
<tr>
<th>Financial Indicator</th>
<th>April 2021</th>
<th>April 2020</th>
<th>Change from PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash and Investments</td>
<td>$ 588,447,406</td>
<td>$ 551,621,644</td>
<td>7%</td>
</tr>
</tbody>
</table>

1. UCF's cash and investment book balances, including DSO funds held by the University. Balances do not include unrealized market gains.

## Working Capital Bank Balances

<table>
<thead>
<tr>
<th>Financial Indicator</th>
<th>April 2021</th>
<th>April 2020</th>
<th>Change from PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNY Mellon</td>
<td>$ 347,273,062</td>
<td>$ 334,273,530</td>
<td>4%</td>
</tr>
<tr>
<td>SPIA</td>
<td>$ 295,782,047</td>
<td>$ 261,894,914</td>
<td>13%</td>
</tr>
<tr>
<td>Bank of America</td>
<td>$ 1,195,035</td>
<td>$ 2,922,255</td>
<td>-59%</td>
</tr>
</tbody>
</table>

## Sponsored Research

<table>
<thead>
<tr>
<th>Financial Indicator</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>Change from PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Proposals Submitted - Amount</td>
<td>$ 1,012,116,555</td>
<td>$ 764,944,224</td>
<td>32%</td>
</tr>
<tr>
<td>New Proposals Submitted - Count</td>
<td>1,507</td>
<td>1,827</td>
<td>-17%</td>
</tr>
<tr>
<td>New Awards Received - Amount</td>
<td>$ 185,115,269</td>
<td>$ 174,259,885</td>
<td>6%</td>
</tr>
<tr>
<td>New Awards Received - Count</td>
<td>1,193</td>
<td>956</td>
<td>25%</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$ 157,793,458</td>
<td>$ 129,953,576</td>
<td>21%</td>
</tr>
<tr>
<td>F&amp;A Earned</td>
<td>$ 20,538,379</td>
<td>$ 20,201,647</td>
<td>2%</td>
</tr>
<tr>
<td>Active Awards</td>
<td>1,782</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


## Gifts

<table>
<thead>
<tr>
<th>Financial Indicator</th>
<th>April 2021</th>
<th>April 2020</th>
<th>Change from PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Proposals Submitted - Amount</td>
<td>$ 24,000,176</td>
<td>$ 3,734,360</td>
<td>543%</td>
</tr>
<tr>
<td>New Proposals Submitted - Count</td>
<td>62</td>
<td>36</td>
<td>72%</td>
</tr>
<tr>
<td>Proposals Funded - Amount</td>
<td>$ 904,500</td>
<td>$ 423,885</td>
<td>113%</td>
</tr>
<tr>
<td>Proposals Funded - Count</td>
<td>27</td>
<td>21</td>
<td>29%</td>
</tr>
<tr>
<td>Pledges Receivable - Old</td>
<td>$ 214,230</td>
<td>$ 1,048,545</td>
<td>-80%</td>
</tr>
<tr>
<td>Pledges Receivable - New</td>
<td>$ 447,790</td>
<td>$ 104,284</td>
<td>329%</td>
</tr>
<tr>
<td>New Unique Donors - Amount</td>
<td>$ 157,480</td>
<td>$ 138,571</td>
<td>14%</td>
</tr>
<tr>
<td>New Unique Donors - Count</td>
<td>810</td>
<td>888</td>
<td>-9%</td>
</tr>
</tbody>
</table>

3. Proposals funded includes all proposals solicited at the $1,000 level or above. Proposals may have been solicited in a prior fiscal year; report is based on the date that the proposal was funded by the donor. Amount includes pledges, planned gifts, and outright cash gifts.

4. Old pledges are pledges created in a previous Fiscal Year of the reporting month.

5. New pledges are pledges created in the current Fiscal Year of the reporting month.

6. Donors and Amounts follow Lifetime Attainment definition:
   - Donor’s legal gifts (Hard Credit): Outright gifts of cash; Stocks; Fair Market Value; Pledges; Recurring Gift Payments; Gift-In-Kind (except Software and Services); Planned Gifts at face value for donors 60+ and present value for 59 and under; Company matching gifts (once match pledge is confirmed; Research Foundation funds; Athletics Non-Charitable funds (80/20 component); Event Registrations; Excludes funds or other resources that are derived from a governmental agency or source (State, Federal or Municipal matching funds or land).
   - Number of Unique New Donors and New Donors Amount are donors who had not donated prior to the reporting month.
UCF’s current resource allocation model is a hybrid approach based on incremental budgeting (rolling budgets forward from one year to the next—adding or subtracting a small percent) and performance funding to reward mission delivery.
What Are We Doing?
“If your outflow is more than your intake, your downfall will be your upkeep, and your assets will be in a bind.”

– E. Dean Montgomery
Overarching Themes

What Are We Doing?

Campus, stakeholders and friends do not have a full appreciation for what is necessary to pivot to a new reality.

Amazing growth in academics, research and service, but support and administrative services are lagging behind.

Education, Empowerment and Execution (E3)

Tremendous accomplishments in the last year to inventory, understand and bring to light items that must be addressed before strategic initiatives can be launched.

Trustees have seen only a portion of the picture.
## Nomenclature is Key for Future Success

<table>
<thead>
<tr>
<th>Current Terminology</th>
<th>Current Meaning</th>
<th>Future Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Budget</td>
<td>BOG Reporting: E&amp;G revenue estimates and non-E&amp;G spending authority Excludes carryforward, capital, Foundation, DSOs except Athletics</td>
<td>Expenses to operate the entire university regardless of fund source</td>
</tr>
<tr>
<td>Fixed Capital Outlay</td>
<td>Annual submission to BOG requesting PECO funds for eligible new construction, renovation or remodeling projects that meet statutory criteria</td>
<td>PECO funding request</td>
</tr>
<tr>
<td>Budget Request (Capital Improvement Plan)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Capital Outlay</td>
<td>Annual submission to BOG that provides a spending plan for fixed capital outlay projects for the next year. Includes projects funded from PECO, along with projects funded from any other eligible source</td>
<td>A component piece of the university’s comprehensive Five-Year Capital Plan</td>
</tr>
<tr>
<td>Current Terminology</td>
<td>Current Meaning</td>
<td>Future Meaning</td>
</tr>
<tr>
<td>--------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Waivers</td>
<td>Reduction of sticker price based on enrollment management plan</td>
<td>Tuition discounting (inclusive of both funded and unfunded institutional aid)</td>
</tr>
<tr>
<td>Negative Cash Accounts</td>
<td>Holding account for cash accounts pushed to the departmental level</td>
<td>This terminology will be removed with the implementation of Workday</td>
</tr>
<tr>
<td>Auxiliary Internal Loans</td>
<td>Loans of cash from auxiliary units to another. Terms are specific to each loan</td>
<td>Due To/From between units and the center that are tracked with both agreements and accounts established in the general ledger</td>
</tr>
<tr>
<td>Overhead Internal Loans</td>
<td>Research F&amp;A cash loaned to academic and research units of the university</td>
<td>Due To/From between units and the center that are tracked with both agreements and accounts established in the general ledger</td>
</tr>
</tbody>
</table>
What Are We Doing?

01 Financial Reporting
- Annual Financial Statements
  - Fully close the books annually; including coordinating closing across the campus community and DSOs.
  - Review and implement new governmental accounting standards
- Special Reports
  - Prepare 30+ recurring requests for financial information

02 Budget-to-Actuals Reporting
- Prior to FY21, prepared current year-to-prior year actuals-to-actuals comparisons
- Starting in FY21, started preparing budget-to-actuals reports

03 Financial Monitoring
- Annually, prior to year-end, we perform fund statement reviews
- General accounting reviews 5,000+ community journal entries annually
- Maintain and update the current chart of accounts
04 Direct Support Organizations
- Operations
  - Utilizing separate and distinct financial systems
  - Central Accounting and DSO are not aligned in terms of financial management
  - Funds flow and expenses management is between the DSOs and Central

05 Auxiliary Enterprises
- Must be self-supporting
- Conservatively accounting for debt financed auxiliaries has resulted in limited funds flowing back to the university to cover expenses

06 UCF Downtown
- Nascent stages of operations
- Operational needs still being assessed
- Funding is still somewhat in start up mode through an allocation
What Are We Doing?

Operational Budget Management

**E&G**
- Recurring revenue allocation
- Not an expenditure projection
- Tuition revenue projections developed centrally
- Units receive historical allocations with incremental changes based on state budget and tuition changes

**Non-E&G**
- Based on revenue and expense projections
- Auxiliary developed by individual units
- C&G, financial aid, etc. developed centrally
**What Are We Doing?**

- **Limited reporting capabilities with PeopleSoft**
- **Financial reporting and analysis varies among units**
- **Capital planning separate from the operating budget**
- **Limited universitywide and all funds financial reporting**
- **Sub-system support left up to individual units to manage**
- **Chart of accounts supports state reporting requirements**
- **Vice presidents and deans decide how to best utilize revenue allocations**

---

**Operational Budget Management**

- Vice presidents and deans decide how to best utilize revenue allocations.
- Capital planning separate from the operating budget.
- Limited universitywide and all funds financial reporting.
- Sub-system support left up to individual units to manage.
- Chart of accounts supports state reporting requirements.
- Financial reporting and analysis varies among units.
- Limited reporting capabilities with PeopleSoft.
What Are We Doing?

UCF Investments

- Cash and investments are split between BOA, SPIA, and BNY Investment Pools
- Four investment pools were originally established in 2008

**Pool I**
Immediately available operating funds limited to only mutual funds, CDARS, and SPIA.

**Pool II**
Quickly available operating funds limited to 75% of highly rated short term fixed income and 25% of mutual funds and cash and cash equivalents.

**Pool III**
Structured for moderate growth and reasonable safety of principal while generating an above benchmark total rate of return. Limited to 10-20% of domestic equities, 75-95% intermediate fixed income, and up to 15% in cash and cash equivalents.

**Pool IV**
Structured to maximize long-term growth. Limited to 40-50% domestic equity, 10-20% international equity, 0-10% alternative assets, 25-35% broad market fixed income, and up to 10% in TIPS and cash and cash equivalents.

- E&G Funds are currently invested in BOA, SPIA, and a portion of Pool II
- Pool I was underperforming SPIA and was closed in September 2016
- All Pool I funds were reinvested across other pools
- Pool II has been underperforming SPIA in recent years
Debt Management

- Semi-annual debt updates are provided to the board outlining current year debt service, debt ratings, and outstanding principal balances.
- Any new debt issuance and refinancing is presented to both the DSO and UCF boards for approval.
- The UCF debt management guidelines were created in 2006 and have not been recently updated.
- Budgeted coverage ratios are not being presented to the UCF BOT at the time DSO budgets are approved.
- Internal loans and other internal debt arrangements have not previously required board approval and lacked formal documentation.
Capital Budgeting and Planning

**Five-Year Capital Improvement Plan (CIP)**
- State request for PECO and CITF funding
- Only includes top 3-5 projects
- Also known as Fixed Capital Outlay Budget Request

**Fixed Capital Outlay Budget**
- Board of Governors submission providing a capital plan for upcoming year
- Only includes capital projects with secured funding
- Includes projects funded from PECO, donations, and other sources

**Facilities Operating Budget**
- Recurring E&G budget allocation from the university
- Supports regular maintenance, utilities, and other operations
- Not increased in response to rising costs of materials, labor, and rates
**Capital Budgeting and Planning**

**Operations Funding**

- 2016-17: $9.0
- 2017-18: $10.1
- 2018-19: $10.6
- 2019-20: $12.3
- 2020-21: $13.1

45% Increase in Gross Sq. Ft.

**Capital Renewal Funding**

- 2016-17: $50.8
- 2017-18: $50.9
- 2018-19: $51.7
- 2019-20: $52.1
- 2020-21: $49.7

-2% Reduction in Budget

- **2018-19**: $25
- **2020-21**: $15

---

- E&G Recurring Operating Budget per division allocation document.
- Gross Square Feet includes Main Campus, UCF Downtown, Florida Solar Energy Center, Rosen Hospitality Management, and Health Sciences Campus per UCF Facts Website.
- Represents funding received by facilities for capital renewal on E&G buildings.
- Non-E&G units, such as auxiliaries, must self-fund capital needs.
Employee Growth vs. Student Growth at UCF 2016-2020

- **Student Growth**
  - 2015: 0%
  - 2016: 2%
  - 2017: 4%
  - 2018: 6%
  - 2019: 8%
  - 2020: 14.1%

- **Employee FTE Growth**
  - 2015: 0%
  - 2016: 2%
  - 2017: 4%
  - 2018: 6%
  - 2019: 7.1%
  - 2020: 14.1%
Total FTE for all UCF Employee Groups, March 2017-21

- A&P
- Faculty
- Medical Residents
- Post Docs
- USPS
- OPS Hourly
- Students
- Adjuncts

What Are We Doing?
Why Should We Change?
“However, now is the time for higher education institutions to reconsider their value propositions and operating models if they are committed to successfully and sustainably delivering their mission in the years to come. In these uncertain times, discerning “what is next” for the higher education sector will likely require calculated speculation and some risk taking.”

TIAA/EY
The New Normal: Higher Education in a Post COVID-19 World
October 2020
Who wants change?

Who wants to change?
University Budget Model

Why Should We Change?

- Lack of “All Funds” Budgeting Approach
- Hybrid Approach of Incremental and Centralized Budgeting
- Financial Modeling and Reporting Limitations
- Outdated Enterprise Resources Planning (ERP) System
- Lack of “All Funds” Budgeting Approach
Operational Budget Management

Why Should We Change?

- Sub-optimal use of colors of money
- E&G cash reserves continue to grow
- Inability to properly re-invest resources
  - Student-to-faculty ratio
  - Administrative support
  - Maintenance and capital renewal
- Inability to make data-driven funding decisions
- Limited operational reporting capabilities in ERP
- No collective view of ALL funds including Foundation
- Lack of long-term planning
- Capital planning and maintenance inadequately funded
Financial Challenges

01 Annual Financial Statements
- Extensive manual processes
- Complete statements not produced from accounting system
- Stale data since published 8 to 9 months after year-end

02 Quarterly Budget-to-Actuals Reporting
- Extensive manual processes
- Multiple reports in varying formats and levels can be confusing

03 Financial Monitoring
- General accounting task taking away from financial monitoring task (insufficient personnel)
- Atypical account balances (negative debits; positive credits)
- No forecasting
Financial Challenges

04 Direct Support Organizations
• Operations
  • Financial operations of DSOs go through “fits and starts”
  • Lack of Central oversight despite having to rely on it for
    operational support allowed by the BOG
  • Cash flow timing becomes a challenge
  • Cannot close books monthly which is optimal going forward

05 Auxiliary Enterprises
• Auxiliaries are created to provide a fungible source of cash to the
  institution that is currently not happening in a robust way
• Our current interpretation does not allow for auxiliaries to plan better

06 UCF Downtown
• UCF Downtown is now a fully functioning campus that should be
  integrated into our base operations
• The campus is an anchor for the Parramore section of Orlando
• There are deferred maintenance needs that must be funded soon
Facilities Operations

- Underfunded operations
- Data and reporting ability does not align
- Segmented building management strategy
- Segmented long-term capital funding strategy
Building Management Portfolio

Why Should We Change?

Maintenance

89%

226 out of 254 buildings

Capital Reserves

51%

130 out of 254 buildings
Capital Budgeting and Planning

Why Should We Change?

Lack of comprehensive capital data and reporting for decision-making and planning

Inadequate funding to support facilities maintenance and capital renewal
10-Year Capital Renewal Needs in millions

- Deferred Renewal: $117.9 (37%)
- Nonrecurring: $17.4 (5%)
- Projected Renewal: $187.7 (58%)

Total: $323 million

Source: Facilities Condition Assessment May 2021
Inflationary Costs in Facilities

Raw Material and Freight Costs (May 2020 to May 2021)

<table>
<thead>
<tr>
<th>Material</th>
<th>May 2020</th>
<th>Mar 2021</th>
<th>Feb 2021</th>
<th>May 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td>52%</td>
<td>36%</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>Aluminum (includes MWP)</td>
<td>88%</td>
<td>54%</td>
<td>14%</td>
<td>22%</td>
</tr>
<tr>
<td>Polyethylene</td>
<td>170%</td>
<td>170%</td>
<td>116%</td>
<td>116%</td>
</tr>
<tr>
<td>PVC</td>
<td>17%</td>
<td>17%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Lumber</td>
<td>29%</td>
<td>34%</td>
<td>34%</td>
<td>116%</td>
</tr>
<tr>
<td>Freight</td>
<td>29%</td>
<td>29%</td>
<td>29%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Graphic from Prysmian Group
How Will We Change?
“Culture will eat strategy for breakfast.”

– Peter Drucker
Financial Management Framework

**How Will We Change?**

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

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

**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

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

How Will We Change?

Require decision makers and budget owners to examine and justify all costs

Assess existing activities and budgets of “Central Support Units” to recommend the appropriate level of service and budget

Align budgets with strategic goals through zero-based budgeting exercise
Categorization of units as revenue generating or central support

University administration costs (central support) are allocated to the revenue generating units

Aligns authority and accountability

Expenditures are tied to strategic priorities

Uses reliable data to facilitate strategic decision making and enable enhanced forecasting and planning

Incentive-Based Budget Model
Operational Budget Management

- Level-set funding with zero-based budgeting
- Budgets based on cost projections rather than revenue allocations
- Sustainable funding plan for capital planning and maintenance
- Reporting and analysis to include ALL funds
- Adaptive Planning and Workday
- Long-term financial planning
Revenue Diversification

How Will We Change?

- Innovative academic programs
- Non-traditional uses for campus resources
- Fundraising and strategic partnerships
# Cash Flow & Liquidity Projections FY 2020-2021

## Sources

<table>
<thead>
<tr>
<th></th>
<th>July Actual</th>
<th>August Actual</th>
<th>September Actual</th>
<th>October Actual</th>
<th>November Actual</th>
<th>December Actual</th>
<th>January Actual</th>
<th>February Actual</th>
<th>March Actual</th>
<th>April Actual</th>
<th>May Actual</th>
<th>June Actual</th>
<th>Total Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Tuition and Fees (gross)</td>
<td>$32,699</td>
<td>$37,311</td>
<td>$55,170</td>
<td>$19,732</td>
<td>$9,895</td>
<td>$13,877</td>
<td>$164,037</td>
<td>$29,890</td>
<td>$12,904</td>
<td>$9,595</td>
<td>$49,171</td>
<td>$12,453</td>
<td>$547,236</td>
</tr>
<tr>
<td>Federal and State Student Financial Aid</td>
<td>$26,468</td>
<td>$68,979</td>
<td>$110,331</td>
<td>$24,153</td>
<td>$6,196</td>
<td>$53,583</td>
<td>$121,099</td>
<td>$13,016</td>
<td>$17,780</td>
<td>$4,829</td>
<td>$35,623</td>
<td>$17,528</td>
<td>$499,585</td>
</tr>
<tr>
<td>State Non-Capital Appropriations</td>
<td>$26,787</td>
<td>$27,913</td>
<td>$25,570</td>
<td>$13,880</td>
<td>$24,559</td>
<td>$25,898</td>
<td>$24,734</td>
<td>$24,516</td>
<td>$37,782</td>
<td>$38,074</td>
<td>$40,574</td>
<td>$6,149,650</td>
<td>$371,777</td>
</tr>
<tr>
<td>Federal Grants and Contracts</td>
<td>$13,571</td>
<td>$7,885</td>
<td>$9,903</td>
<td>$7,877</td>
<td>$9,298</td>
<td>$9,062</td>
<td>$11,557</td>
<td>$10,391</td>
<td>$8,508</td>
<td>$11,690</td>
<td>$8,498</td>
<td>$10,760</td>
<td>$119,000</td>
</tr>
<tr>
<td>State Grants and Contracts</td>
<td>$2,273</td>
<td>$1,311</td>
<td>$191</td>
<td>$354</td>
<td>$653</td>
<td>$333</td>
<td>$759</td>
<td>$688</td>
<td>$213</td>
<td>$3,562</td>
<td>$1,249</td>
<td>$1,221</td>
<td>$12,807</td>
</tr>
<tr>
<td>Non-Capital Grants, Contracts and Gifts</td>
<td>$1,553</td>
<td>$6,064</td>
<td>$5,546</td>
<td>$1,423</td>
<td>$5,401</td>
<td>$1,291</td>
<td>$2,158</td>
<td>$1,555</td>
<td>$20,157</td>
<td>$9,020</td>
<td>$1,813</td>
<td>$31,950</td>
<td>$87,931</td>
</tr>
<tr>
<td>Housing</td>
<td>$1,258</td>
<td>$3,281</td>
<td>$7,032</td>
<td>$1,022</td>
<td>$861</td>
<td>$614</td>
<td>$10,894</td>
<td>$1,078</td>
<td>$523</td>
<td>$294</td>
<td>$274</td>
<td>$659</td>
<td>$26,790</td>
</tr>
<tr>
<td>Sales and Services Auxiliary Enterprises</td>
<td>$8,175</td>
<td>$8,550</td>
<td>$6,249</td>
<td>$7,150</td>
<td>$7,156</td>
<td>$6,183</td>
<td>$6,766</td>
<td>$8,150</td>
<td>$8,378</td>
<td>$7,401</td>
<td>$7,381</td>
<td>$8,574</td>
<td>$90,373</td>
</tr>
<tr>
<td>Commissions and Royalty Income</td>
<td>$214</td>
<td>$132</td>
<td>$456</td>
<td>$425</td>
<td>$22</td>
<td>$189</td>
<td>$916</td>
<td>$525</td>
<td>$301</td>
<td>$343</td>
<td>$462</td>
<td>$623</td>
<td>$4,608</td>
</tr>
<tr>
<td>Investment Income (Realized)</td>
<td>$50</td>
<td>$91</td>
<td>$12</td>
<td>$6</td>
<td>$6</td>
<td>$16</td>
<td>$1,265</td>
<td>($7)</td>
<td>($9)</td>
<td>$833</td>
<td>($15)</td>
<td>$9,346</td>
<td>$111,802</td>
</tr>
<tr>
<td>Interest on Bank and other investments</td>
<td>$1,292</td>
<td>$889</td>
<td>$842</td>
<td>$1,303</td>
<td>($27,772)</td>
<td>$816</td>
<td>$1,203</td>
<td>$784</td>
<td>$672</td>
<td>$892</td>
<td>$610</td>
<td>$10,270</td>
<td>($7,199)</td>
</tr>
<tr>
<td>State Capital Appropriations</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Capital Grants, Contracts and Donations</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Sale of Bonds Revenue Certificates</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other income and changes in receivables</td>
<td>($4,372)</td>
<td>$8,183</td>
<td>$8,634</td>
<td>$4,100</td>
<td>$4,753</td>
<td>$1,262</td>
<td>$7,744</td>
<td>$3,021</td>
<td>$8,271</td>
<td>($1,546)</td>
<td>$4,084</td>
<td>$4,902</td>
<td>$43,245</td>
</tr>
</tbody>
</table>

### Total Sources

$109,965 | $169,489 | $327,636 | $94,116 | $42,088 | $113,274 | $348,122 | $93,607 | $115,480 | $84,987 | $149,770 | $770,801 | $1,819,335 |

## Uses

<table>
<thead>
<tr>
<th></th>
<th>July Actual</th>
<th>August Actual</th>
<th>September Actual</th>
<th>October Actual</th>
<th>November Actual</th>
<th>December Actual</th>
<th>January Actual</th>
<th>February Actual</th>
<th>March Actual</th>
<th>April Actual</th>
<th>May Actual</th>
<th>June Actual</th>
<th>Total Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation and Benefits</td>
<td>$44,063</td>
<td>$50,936</td>
<td>$58,008</td>
<td>$58,174</td>
<td>$74,675</td>
<td>$64,101</td>
<td>$64,187</td>
<td>$60,627</td>
<td>$61,941</td>
<td>$57,482</td>
<td>$59,419</td>
<td>$59,419</td>
<td>$713,033</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>$24,973</td>
<td>$18,479</td>
<td>$21,699</td>
<td>$17,905</td>
<td>$20,795</td>
<td>$17,342</td>
<td>$25,917</td>
<td>$19,364</td>
<td>$27,045</td>
<td>$23,028</td>
<td>$16,663</td>
<td>$24,256</td>
<td>$257,466</td>
</tr>
<tr>
<td>Utilities</td>
<td>$2,365</td>
<td>$1,672</td>
<td>$2,279</td>
<td>$2,233</td>
<td>$2,162</td>
<td>$1,721</td>
<td>$2,058</td>
<td>$1,573</td>
<td>$1,746</td>
<td>$1,693</td>
<td>$1,622</td>
<td>$2,772</td>
<td>$24,126</td>
</tr>
<tr>
<td>Communications</td>
<td>$888</td>
<td>$535</td>
<td>$584</td>
<td>$664</td>
<td>$608</td>
<td>$523</td>
<td>$587</td>
<td>$729</td>
<td>$744</td>
<td>$648</td>
<td>$486</td>
<td>$525</td>
<td>$7,521</td>
</tr>
<tr>
<td>Scholarships, Fellowships and Waivers</td>
<td>$37,114</td>
<td>$23,312</td>
<td>$20,963</td>
<td>$16,984</td>
<td>$8,720</td>
<td>$13,105</td>
<td>$218,806</td>
<td>$22,454</td>
<td>$22,507</td>
<td>$19,073</td>
<td>$51,297</td>
<td>$12,057</td>
<td>$647,476</td>
</tr>
<tr>
<td>Capital Outlays</td>
<td>$7,975</td>
<td>$7,039</td>
<td>$5,038</td>
<td>$6,945</td>
<td>$3,844</td>
<td>$2,472</td>
<td>$6,700</td>
<td>$3,900</td>
<td>$4,612</td>
<td>$4,678</td>
<td>$10,018</td>
<td>$15,002</td>
<td>$77,863</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$101</td>
<td>$6,971</td>
<td>$46</td>
<td>$48</td>
<td>$390</td>
<td>$47</td>
<td>$42</td>
<td>$1,596</td>
<td>$657</td>
<td>$45</td>
<td>$927</td>
<td>$2,820</td>
<td>$13,636</td>
</tr>
<tr>
<td>Other Expenses and changes in liabilities</td>
<td>$131</td>
<td>($342)</td>
<td>$3,129</td>
<td>($2,060)</td>
<td>$914</td>
<td>($1,055)</td>
<td>($12,734)</td>
<td>$11,474</td>
<td>$3,551</td>
<td>($2,359)</td>
<td>($2,723)</td>
<td>$1,062</td>
<td>($4,095)</td>
</tr>
<tr>
<td>Reconcilable items</td>
<td>($1,439)</td>
<td>($4,480)</td>
<td>($5,415)</td>
<td>$8,951</td>
<td>($2,122)</td>
<td>$248</td>
<td>$1,265</td>
<td>$3,411</td>
<td>$720</td>
<td>$310</td>
<td>($2,278)</td>
<td>($5)</td>
<td>($1,336)</td>
</tr>
</tbody>
</table>

### Total Uses

$116,171 | $100,985 | $287,331 | $109,844 | $109,626 | $98,504 | $306,828 | $125,128 | $123,953 | $104,598 | $134,806 | $117,913 | $1,735,688 |

### Surplus/(Deficit)

($6,206) | $68,504 | $40,305 | ($19,720) | ($67,538) | $14,770 | $41,294 | ($31,521) | ($8,473) | ($19,611) | $14,964 | $52,888 | $83,647 |

### Closings Balance

$566,442 | $634,948 | $675,255 | $659,527 | $591,988 | $606,759 | $648,055 | $616,533 | $608,060 | $588,449 | $603,413 | $656,300 |
## Cash Flow & Liquidity Projections – April 2021

**Category** | **Construction** (000s) | **Contracts & Grants** (000s) | **DSO and Agency Funds** (000s) | **E&G** (000s) | **Financial Aid** (000s) | **Restricted Aux** (000s) | **Restricted Local Fees** (000s) | **Unrestricted Aux - Loans** (000s) | **Unrestricted Aux** (000s) | **Total** (000s)
---|---|---|---|---|---|---|---|---|---|---
**OPENING BALANCE** | 47,209 | 18,203 | 31,152 | 314,170 | 17,480 | 79,652 | 74,629 | 25,567 | 608,062 | 108,466
Student Tuition and Fees (gross) | $0 | $0 | $331 | $4,566 | $0 | $1,680 | $2,367 | $651 | $9,595 | 349
Federal and State Student Financial Aid | $0 | $0 | $0 | $0 | $4,629 | $0 | $0 | $0 | $4,629 | 236
State Non-Capital Appropriations | $869 | $0 | $37,205 | $0 | $0 | $0 | $0 | $0 | $38,074 | 37
Federal Grants and Contracts | $0 | $11,690 | $0 | $0 | $0 | $0 | $0 | $0 | $11,690 | 0
State Grants and Contracts | $0 | $3,562 | $0 | $0 | $0 | $0 | $0 | $0 | $3,562 | 0
Non-Capital Grants, Contracts and Gifts | $0 | $3,276 | $0 | $0 | $5,745 | $0 | $0 | $0 | $9,021 | 0
Housing | $0 | $172 | $0 | $0 | $122 | $0 | $0 | $0 | $294 | 0
Sales and Services Auxiliary Enterprises | $0 | $3 | $0 | $0 | $461 | $0 | $25 | $69 | $7,402 | 0
Commissions and Royalty Income | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $344 | 0
Investment Income (Realized) | $0 | $2 | ($30) | $3 | $124 | $46 | $688 | $833 | 0 | 0
Interest on Bank and other investments | $0 | $1 | $228 | $2 | $95 | $35 | $530 | $891 | 0 | 0
State Capital Appropriations | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | 0
Capital Grants, Contracts and Donations | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | 0
Bond Proceeds | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | 0
Sale of Bonds Revenue Certificates | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | 0
Other Income | $277 | ($2,374) | $295 | $453 | $124 | $276 | $19 | ($617) | ($1,547) | 0
**TOTAL SOURCES** | $1,146 | $16,154 | $804 | $42,422 | $10,703 | $2,748 | $2,591 | $8,420 | $84,988 | 0
Compensation and Benefits | $0 | $6,016 | ($1,760) | $43,002 | $361 | $2,070 | $1,068 | $6,724 | $57,481 | 0
Services and supplies | $415 | $9,787 | $33 | $4,640 | ($75) | $1,122 | $2,841 | $3,654 | $23,027 | 0
Utilities | $0 | $14 | $13 | $40 | $0 | $28 | $77 | $1,522 | $1,694 | 0
Communications | $2 | $37 | $29 | $316 | $3 | $44 | $158 | $59 | $648 | 0
Scholarships, Fellowships and Waivers | $0 | $21 | $0 | $288 | $17,282 | $483 | $946 | $53 | $19,073 | 0
Capital Assets | $2,668 | $508 | $0 | $1,321 | $0 | $5 | $176 | $0 | $4,678 | 0
Debt Service | $0 | $0 | $0 | $0 | $0 | $0 | $3 | $3 | $46 | 0
Other Expenses and changes in liabilities | ($478) | ($69) | ($2,085) | ($41) | ($3) | ($48) | $374 | ($10) | ($2,360) | 0
Reconciliable items | ($4,480) | ($7,229) | $451 | $12,171 | ($2,708) | $579 | $1,025 | $483 | $312 | 0
**TOTAL USES** | ($5,958) | $9,085 | ($3,919) | $61,777 | $14,660 | $4,913 | $6,668 | $12,488 | $104,599 | 0
**SURPLUS/(DEFICIT)** | $3,019 | $7,069 | $4,123 | ($19,355) | ($4,157) | ($2,165) | ($4,077) | ($4,068) | ($19,611) | 0
**CLOSING BALANCE** | $50,228 | $25,272 | $35,275 | $294,815 | $13,323 | $77,487 | $70,552 | $21,499 | $588,451 | 0
Financial Changes

How Will We Change?

01 Financial Reporting
- Audited Financial Statements within 6 months of year-end
  - Including Key Financial Ratios
- Leverage New Technology
  - Adaptive:
    - Consistent board level monthly budget-to-actuals reporting
    - Sources and Uses Reporting
    - Forecasting
  - Workday:
    - Revised chart of accounts for more automated reporting
    - Monthly financial statements

02 Financial Monitoring
- Process reviews and changes to streamline and automate processes
  (Workday will allow for more automation and process realignments)
- Sources and Uses
- Back to Basics Accounting
Financial Changes

How Will We Change?

03 Financial Monitoring
• Created the inaugural CFO Council
  • The Chief Financial Officers from all DSOs, major auxiliaries, and select staff from administration and finance will serve on this Council
  • The CFOs of the DSOs and others will have a dotted reporting line to the UCF SVP/CFO
  • Primary goal is to have synergies across all financial operations of the university
  • Council is being seated and will start its official meetings July 1, 2021
  • In the interim, the SVP/CFO will continue to meet one on one with DSO CFOs as issues arise

04 Continuous Improvements
• Adoption of Composite Financial Index Ratios and modeling for future management and communication about the finances of the university
• Educate the campus in transparent ways about how the university is performing (i.e., Dollars and Sense, SVP/CFO Blog on website, etc.)
• Revamp the entire budget building and adoption timeline
UCF Investments

How Will We Change?

Should all BNY pools be rebalanced and reclassified?

Is Pool II still necessary or should these funds be moved into SPIA or spread across the remaining pools?

Investment manager contracts, custodial contracts, and consulting contracts have not been renewed via RFP since inception.

Reevaluation of previous polices and procedures.
Debt Management

- Overview of debt outstanding
- Detailed rating updates
- Historical investment results in comparison to benchmarks
- Future forecasting and strategic plans

Annual Treasury Update to BOT

- Should be included with each budget submission from a debt issuing entity

Projected Coverage Ratios

- Should include updated regulations and procedures required by the Florida Board of Governors

University Debt Policy

How Will We Change?
Governance Changes

- University Budget Committee: Co-chaired by Provost and SVP, Administration and Finance
- Central Support Unit Allocations Committee: Chaired by SVP, Administration and Finance
- University President: Funding Decisions
- Senior Leadership: i.e., President's Cabinet/Executive Leadership Team
- Provost
- College Deans
- Specific College Advisory Committees

*where applicable
Clearly written and communicated policies are necessary:

- To set expectations of employees
- To set the “tone at the top”
- To bring accuracy and consistency to operations
- To ensure compliance with the law
- To let employees know where to go for help

Policies currently under development or revision include:

- Budgets
- Carryforward
- Signature Authority
- Travel
Redesign Finance and HR processes, looking at who is involved, what services are provided, and how and when services are delivered.

Increase efficiency by concentrating Finance and HR resources into specialized and dedicated FTE.

Reduce administrative burden and handoffs during processes.

Develop streamlined, efficient end-to-end processes that are aligned to new Workday functionality.

Establish a governance model to ensure quality, consistency, and customer service.

Provide targeted training and new career paths for employees.
Service Enhancement Transformation

How Will We Change?

- Customer Service-Oriented
- Improved Quality & Compliance
- Clear Accountability
- Universitywide Consistency
- Clear Career Paths
- Enhanced Use of Technology

Improving the Customer Experience

Improving the Employee Experience
**SET project recommended improvements:** specialization, standardization, collaboration, ownership, and accountability

**Current Distributed HR Model:**

<table>
<thead>
<tr>
<th>Human Resources</th>
<th>Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>550\text{HC} = 195.5\text{FTE}</td>
<td>383\text{HC} = 51.4\text{FTE}</td>
</tr>
<tr>
<td>Total people involved</td>
<td>Total people involved</td>
</tr>
<tr>
<td>Total amount of effort</td>
<td>Total amount of effort</td>
</tr>
<tr>
<td>70%</td>
<td>93%</td>
</tr>
<tr>
<td>Involved employees dedicating less than 50% of effort</td>
<td>Involved employees dedicating less than 50% of effort</td>
</tr>
<tr>
<td>$17.8M</td>
<td>$3.8M</td>
</tr>
<tr>
<td>Total labor cost</td>
<td>Total labor cost</td>
</tr>
</tbody>
</table>
### Finance Operational Efficiencies

**SET project recommended improvements:** specialization, standardization, collaboration, ownership, and accountability

#### Current Distributed Finance Model:

<table>
<thead>
<tr>
<th></th>
<th>HC</th>
<th>=</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance</strong></td>
<td>640</td>
<td>=</td>
<td>327.5</td>
</tr>
<tr>
<td>Total people involved</td>
<td>640</td>
<td></td>
<td>327.5</td>
</tr>
<tr>
<td>Total amount of effort</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of employees dedicating less than 50% of effort</td>
<td>46%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total labor cost</td>
<td>$26.4 M</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>HC</th>
<th>=</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Procurement</strong></td>
<td>465</td>
<td>=</td>
<td>71.1</td>
</tr>
<tr>
<td>Total people involved</td>
<td>465</td>
<td></td>
<td>71.1</td>
</tr>
<tr>
<td>Total amount of effort</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of employees dedicating less than 50% of effort</td>
<td>93%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total labor cost</td>
<td>$5.4 M</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Position vacancies are currently managed locally by departments.

Number of Vacant Positions by Employee Group, for March 2017-21
UCF HR recommends **strategic investment** to:

- Address issues with **salary compression**
- Ensure **pay equity**
"We need to get from the Flinstones to the Jetsons, fast. Things that would have taken years to get done, we’re now having to get them done in months, even weeks."

-@Morehouse #CFO, G. Hector on back office #highered investments in the COVID-era. @FaithWalking3 #eliveonline20
“In God we trust, everyone else bring data.”

– Unknown
Knight Vision Roadmap

Begin Workday Student

Workday Phase 2 HR Functions, Adaptive, Prism
January 2023

Workday HCM & Finance Phase 1 Go-Live
July 2022

SailPoint Identity & Access Management
Phase 1 - June 2022*
Phase 2 – August 2023*

Service Enhancement Transformation Assessment
Recommendations – June 2021

Adaptive Planning
Phase 1 Go-Live April 2021

How Will We Change?

HR & Finance SET Implementation
Phase 2
January 2023*

Enterprise Reporting & Analytics
December 2022*

HR & Finance SET Implementation
Phase 1
July 2022*

Informatica Integrations Platform
June 2022*

Service Enhancement Transformation (SET) Implementation Kick-Off
September 2021*

Custom Apps Replacement
Planning Kick-Off June 2021*

*Dates are estimated; planning underway
Capital Budgeting and Planning

How Will We Change?

- Reset Facilities Operating Budget
- Holistic Management Strategy
- ISES Reports for Housing and Auxiliary
- Research Space Maintenance Costs
- Develop Capital Project Intake Process
- Training and Workorder Accountability
- Chargeback Reduction

Comprehensive Capital Portfolio Data
Capital Budgeting and Planning

- Asset Management System
  - Required for average per square foot cost for budget model
- Dashboards and KPIs
- Long-Term Capital Plan

How Will We Change?
“Sunlight is said to be the best of disinfectants.”

– Justice Louis Brandeis