



October 18, 2022 Budget and Finance Committee
Board of Trustees
Virtual Meeting/President's Boardroom, Millican Hall, third floor
Oct 18, 2022 4:00 PM - 5:00 PM EDT

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**Board of Trustees Meeting
Budget and Finance Committee
October 18, 2022 | 4:00 p.m. – 5:00 p.m.
President's Boardroom, Millican Hall, Third Floor**

Livestream: <https://ucf.zoom.us/j/99056613291?pwd=MFBtZzNEWGdMZ3I0UzZNNNGZGaFgyUT09>

Meeting ID: 990 5661 3291; Passcode: 898760

Conference call number: 929-205-6099; Meeting ID: 990 5661 3291

AGENDA

- | | |
|---|--|
| 1. Call to Order and Welcome | Harold Mills, <i>Chair, Budget and Finance Committee</i> |
| 2. Roll Call | Carmen Jarquin, <i>Administrative Coordinator, Administration and Finance</i> |
| 3. Minutes of the May 19, 2022, meeting | Chair Mills |
| 4. Action (45-minutes) | Chair Mills |
| BUDC – 1 | 2022-23 Carryforward Spending Plan
Gerald Hector, <i>Senior Vice President for Administration and Finance</i>
Misty Shepherd, <i>Senior Associate Vice President for Financial Affairs</i> |
| BUDC – 2 | Proposed 2022-23 University Operating Budget
Gerald Hector
Misty Shepherd |
| BUDC – 3 | 2022-23 Fixed Capital Outlay Budget
Gerald Hector
Jon Varnell, <i>Vice President for Facilities and Business Operations</i> |
| 5. Information | |
| INFO – 1 | FY23 Work Plan and Charter Review
Chair Mills |
| INFO – 2 | University Investment Report – 4 th Quarter, Ended June 30, 2022
Gerald Hector
Bert Francis, <i>Assistant Vice President for Debt Management and University Treasurer</i> |



Board of Trustees

Meeting Agenda

INFO – 3

University Operating Budget Report – 4th
Quarter, Ended June 30, 2022
Gerald Hector
Misty Shepherd

INFO – 4

2021-22 Fixed Capital Outlay Budget Update
Gerald Hector
Jon Varnell

7. New Business

Chair Mills

8. Adjournment

Chair Mills



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees Meeting
Budget and Finance Committee
May 19, 2022
Virtual Meeting

MINUTES

CALL TO ORDER

Trustee Harold Mills, chair of the Budget and Finance Committee, called the meeting to order at 11:00 a.m. Committee members Tiffany Altizer, Joseph Conte, and Michael Okaty were present.

Other trustees attending included Danny Gaekwad, Stephen King, John Miklos, and Beverly Seay.

MINUTES

The minutes of the February 15, 2022, Budget and Finance Committee meeting were unanimously approved as submitted.

REPORTS

DISC – 1 SVP Update

Gerald Hector, Senior Vice President for Administration and Finance, provided the committee with an update on major accomplishments since the last meeting.

- Launched “Dollars & \$ense” forums and a monthly blog entitled “From the CFO.”
- A new carryforward policy was adopted for July 1, 2022, which traces the sources of annual carryforward as a way of understanding year over year carryforward spending plans and their execution.
- A comprehensive deferred maintenance compendium was established.
- Jonathan Bates was hired as AVP for Real Estate.
- Kathleen Winningham was hired as Senior Director for the kNEXT Administrative Service Center.
- The Sources and Uses budgeting process has been completed.
- A vendor has been selected for the first phase of work toward “What does it cost to educate a Knight?”

- Sources of opportunity costs within the budget have been identified. Further discussions with deans, vice presidents, and the campus are needed. Future budgets will continue to be data driven.
- Conversations to address the student to faculty ratio have begun. Further discussions will be a part of how implement the new strategic plan.
- Searches have been launched to hire the Senior Assistant Vice President for Budget, Planning, and Analysis as well as University Budget Analyst III.
- Facilities is working to fill two key roles: Assistant Vice President for Planning, Design and Construction and Senior Director for Utilities and Energy Services.
- A full review of the Facilities and IT charge back methodology and the proper funding for these two major areas is currently underway.
- EBS license sales project is still in the due diligence phase with the assistance of a subject matter expert.

Hector reviewed the educational and general seven-year allocation data and the educational and general expenditures data.

Hector then gave an update on KnightVision. “Go Live” is scheduled for July 1, 2022. The KnightVision team and implementation partners have high confidence that the project is on schedule and within budget. Unexpected expenses are on the horizon as more resources from our implementation partners are brought in because of key-personnel turn-over.

Hector next shared an update on HEERF (Higher Education Emergency Relief Fund.) An extension was granted through June 2023 by the Department of Education . All dollars have been allocated but not spent, but there are still challenges with supply chain and project completion matters. Approximately \$74 million will need to be spent by December 2022. If funds cannot be spent on the allocated projects by December 2022, the funding will be utilized as a part of the support for student financial aid efforts for the spring semester of 2023.

Trustees had the following comments:

- Mills noted that custom applications for KnightVision will continue through June 2023. He stated that the university should be mindful to lead with out-of-box applications and only exploring the possibility of custom applications if necessary. Hector said that Cherie Herrin, Interim Associate Vice President and Deputy Chief Information Officer, oversees and monitors this and the plan is to minimize customization. There are systems on the academic side that management would like to maintain and, as such, conversations are on-going. Mills requested a list of these systems.

DISC - 2 University Operating Budget Report – 3rd Quarter, Ended March 31, 2022

Hector provided an overview of the university’s third quarter operating budget report. The university is trending well to end the fiscal year with a balanced budget. Hector praised Danta White, Assistant Vice President and University Controller, and his team as these reports are close to automation on a quarterly basis. White noted that due to questions

surrounding carryforward at the last meeting, carryforward data has been included. He and his team are exploring ways to incorporate this information into future reports.

Trustees had the following comments:

- Mills requested a plan written by the deans, to help the board understand their current process and more importantly, what their new process will be to ensure E&G funds are spent first. He would also like to see a dashboard to monitor this.
- Conte asked what the target was for the availability of these reports after the end of a quarter. Hector stated that the goal is to have the finished product the last week of the succeeding month after quarter-end. Conte asked about the possibility of getting the reports a month after. Hector stated that he can answer this more definitively once Workday has been implemented. It is a utopian goal to some extent given where the university is in its ERP implementation, but it is a best practice for organizations to manage their finances effectively.

ACTION

No conflict-of-interest disclosures were received for this meeting.

BUDC – 1 Proposed 2022-23 University Operating Budget

Hector presented for approval the Proposed 2022-23 University Operating Budget. He stated this is a preliminary budget and shows the economics of the university for the budget model. He also noted that the Board of Governors (BOG) only requires board approval for the proposed spending authority, presented to the committee as BUDC-2. Misty Shepherd, Senior Associate Vice President for Financial Affairs, stated that the spending authority document will be sent to the BOG in June, in accordance with state regulation.

Trustees had the following comments:

- Mills requested a comparison of the proposed operating budget to fiscal year 2021-22. Hector stated that when the final budget is presented in September the line by line comparison will be presented.

Trustee Okaty made a motion to approve the Proposed 2022-23 University Operating Budget. Trustee Altizer seconded the motion. The motion was unanimously approved.

BUDC – 2 Proposed 2022-23 University Spending Authority

Hector presented for approval the Proposed 2022-23 University Spending Authority.

Trustees had no questions or comments.

Trustee Conte made a motion to approve the Proposed 2022-23 University Spending Authority. Trustee Altizer seconded the motion. The motion was unanimously approved.

BUDC – 3 Proposed 2022-23 Direct Support Organization/Related Entity Operating Budgets

Hector presented for approval the Proposed 2022-23 Direct Support Organization/Related Entity Operating Budgets. The proposed budgets have been approved by the respective DSO boards.

Christina Tant, Assistant Vice President for DSO Accounting and Reporting, provided an overview of the budget reports. She noted that DSOs are budgeting at break even or at surplus, except for the Central Florida Clinical Practice Organization (CFCPO), which is budgeting at a \$1.9M deficit primarily due to one-time investments in the Lake Nona Cancer Center. Those investments will be funded by their cash reserves. All debt service requirements are expected to be met.

Terry Donovan, Executive Senior Associate Athletics Director and Chief Financial Officer for UCFAA, stated that the athletics budget is balanced and has a \$2.5M reserve.

Trustees had the following questions:

- Mills requested a report forecasting the expected increase in support operations and overhead as the athletics department moves to the Big 12 Conference. Donovan stated that he will provide this to the committee at the next meeting.
- Okaty expressed his appreciation regarding the uniform process and consistency between the DSOs operating budget reports.

Trustee Altizer made a motion to approve the Proposed 2022-23 Direct Support Organization/Related Entity Operating Budgets. Trustee Okaty seconded the motion. The motion was unanimously approved.

BUDC – 4 Renewal of Reducing Revolving Line of Credit – Fifth Third Bank

Hector and Donovan presented the Renewal of Reducing Revolving Line of Credit – Fifth Third Bank for approval

Trustees had no questions or comments.

Trustee Conte made a motion to approve the Renewal of Reducing Revolving Line of Credit – Fifth Third Bank. Trustee Altizer seconded the motion. The motion was unanimously approved.

BUDC – 5 UCF Stadium Corporation Release of Unrestricted Surplus for Fiscal Year Ending June 30, 2023

Hector provided an overview of the UCF Stadium Corporation Release of Unrestricted Surplus for Fiscal Year Ending June 30, 2023, and requested approval for the release of funds to UCF Athletics.

Trustees had no questions or comments.

Trustee Altizer made a motion to approve the UCF Stadium Corporation Release of Unrestricted Surplus for Fiscal Year Ending June 30, 2023. Trustee Okaty seconded the motion. The motion was unanimously approved.

BUDC – 6 UCF Convocation Corporation and Spectra Management Agreement Renewal

Hector presented for approval the UCF Convocation Corporation and Spectra Management Agreement Renewal. This agreement provides a favorable fee structure, an additional scope of responsibilities for Spectra to book additional revenue generating events, capital investment from Spectra to UCF, and an enhanced revenue share model. Terry Mohajir, Vice President and Athletics Director, and Chris McFarlane, Deputy Athletics Director for External Relations and Business Development, highlighted various points of the contract.

Trustees had the following comments:

- Mills questioned a 12-year extension to the contract and if any other options have been explored. Mohajir replied that he and his team had conversations with Spectra, who agreed to a 10-year term with 2 optional years, at the same terms, if the board felt that was more appropriate. McFarlane went on to state that there are additional safeguards in the contract to mitigate the risk.
- Okaty said that he had the same observations during the UCF Convocation Corporation meeting but ultimately got comfortable with the renewal at a 12-year term.

Trustee Altizer made a motion to approve the UCF Convocation Corporation and Spectra Management Agreement Renewal. Trustee Conte seconded the motion. The motion was unanimously approved.

BUDC – 7 UCF Convocation Series 2018A Bond Interest Rate Reduction

Hector and Bert Francis, Assistant Vice President for Debt Management and University Treasurer, presented UCF Convocation Series 2018A Bond Interest Rate Reduction for approval.

Trustees had no comments or questions.

Trustee Okaty made a motion to approve the UCF Convocation Corporation and Spectra Management Agreement Renewal. Trustee Altizer seconded the motion. The motion was unanimously approved.

INFORMATION

INFO – 1 University and Direct Support Organizations Debt Report

Francis presented the University and Direct Support Organizations Debt Report. The debt series that was used to pay for the construction costs for the UCF Downtown campus has been paid off. The university is now going through its annual rating surveillance. Last week, Fitch affirmed UCF's rating with no changes. Meetings with Moody and S&P are scheduled for next week and the same outcome is expected.

Trustees had no comments or questions.

INFO – 2 University Investment Report – 3rd Quarter, Ended March 31, 2022

Hector provided the committee with an update on this informational item. Francis shared information regarding the current stock market issues. Francis also stated that the ITN decisions regarding new investment advisors are being finalized.

Trustees had the following comments:

- Mills asked when the decision on the new investment advisors will be brought before the committee. Hector stated that the Working Capital Advisory Board will present their recommendation to him, and the board will be informed of the decision in a subsequent meeting.

NEW BUSINESS

There was no new business to come before the committee.

Trustee Altizer thanked and congratulated Hector, Shepherd, White, Francis and their teams for their hard work. Mills also thanked Hector and his team.

ADJOURNMENT

Chair Mills adjourned the Budget and Finance Committee meeting at 12:15 p.m.

Reviewed by:

_____ Harold Mills Chair, Budget and Finance Committee	_____ Date
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Respectfully submitted:

_____ Mike Kilbride Associate Corporate Secretary	_____ Date
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Board of Trustees
Budget and Finance Committee | October 18, 2022

BUDC-1: 2022-23 Carryforward Spending Plan

☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: October 20, 2022

Purpose and Issues to be Considered:

Provide approval of the University's 2022-2023 E&G carryforward spending plan. This plan totals \$161.8 million. Proposed use details are included in Attachment C.

Due to Hurricane Ian, UCF submitted the 2022-23 Carryforward Spending Plan ahead of the October 1, 2022 deadline, pending Board of Trustees approval.

Background Information:

The Board of Governors submission requirements memo states the University's 2022-23 E&G carryforward spending plan to be submitted on, or before, October 1, 2022 (Attachment A). Board of Governors regulation 9.007, State University Operating Budgets, (Attachment B) requires each board of trustees to adopt an operating budget, including an E&G Carryforward Spending Plan, for the general operation of the university on or before September 30 in a format prescribed by the Board of Governors.

The university board of trustees-ratified operating budget and E&G Carryforward Spending Plan must be presented to the Board of Governors by October 1.

The Board of Governors also requires the universities to obtain written certification of the E&G Carryforward expenditure plan, along with the university operating budget and university fixed capital outlay budget, by the President, Chief Financial Officer, and Board of Trustees Chair (Attachment D). The operating budget (BUDC-2) and the university fixed capital outlay budget (BUDC-3) are also agenda items for this committee meeting.

Recommended Action:

1. Recommend to the Board of Trustees approval of the use of \$161.8 million in carryforward funds as described in Attachment C.
2. Recommend to the Board of Trustees certification of the fixed capital outlay, operating, and carryforward budget information to be provided to the Board of Governors (Attachment D).

Alternatives to Decision:

1. Not approve the E&G carryforward spending plan for 2022-23.
2. Recommend alternatives for spending E&G carryforward funds for 2022-23.

Fiscal Impact and Source of Funding:

Approximately \$195.3 million in E&G carryforward funds will be used for these initiatives.

**Authority for Board of Trustees Action:**

Senate Bill 190 and Board of Governors regulation 9.007 require universities to obtain approval of annual E&G carryforward expenditure plans by their Board of Trustees and the Board of Governors.

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: Board of Governors Submission Requirements Memo

Attachment B: BOG Regulation 9.007, State University Operating Budgets and Requests

Attachment C: 2022-23 University Carryforward Spending Plan

Attachment D: Certification of Operating Budget, E&G Carryforward Spending Plan, and Fixed Capital Outlay Budget

Facilitators/Presenters:

Misty Shepherd, Senior Associate Vice President for Financial Affairs



MEMORANDUM

DATE: June 16, 2022

TO: Institutional Data Administrators

FROM: Tim Jones, Vice Chancellor for Finance & Administration

THROUGH: Jason Jones, Chief Data Officer

SUBJECT: Submission Requirements for the 2022-2023 E&G Carryforward Spending Plan, Fixed Capital Outlay Budget, and Related Certification

DUE DATE: **October 1, 2022**

Pursuant to section 1011.45(2) Florida Statute, each university that retains a state operating fund carryforward balance in excess of the 7 percent minimum shall submit a Carryforward Spending Plan to the Board of Governors. The Carryforward Spending Plan must have been approved by the universities' board of trustees on or before September 30, 2020. In addition, Board of Governors Regulation 14.003 requires each university to prepare and submit an annual Fixed Capital Outlay (FCO) budget approved by the university board of trustees. Guidelines for these submissions are provided in Board Regulations 9.007 and 14.003.

The dates are as follows:

- University E&G Carryforward Spending Plans (Regulation 9.007) – due date **October 1, 2022**
 - Submission via SUS Data Request System (templates provided and available via the SUS Data Request System)
- University Fixed Capital Outlay Budget (Regulation 14.003) – due date **October 1, 2022**
 - Submission via the SUS Data Request System (templates provided and available via the SUS Data Request System)
- Certification Document for University Operating, Carryforward Spending Plan and Fixed Capital Outlay budgets – due date **October 1, 2022**
 - Certification template provided by Board of Governors' Office of Finance and Administration and available via the SUS Data Request System
 - This certification may be used to comply with section 1011.45 Florida Statute which requires the CFO to certify unexpended funds by September 30

The Carryforward Spending Plan and Fixed Capital Outlay Budget will be considered at the November Board of Governors' meeting.

Please submit all completed forms to the Data Request System at <https://prod.flbog.net:4445/pls/apex/f?p=760>.

Questions regarding the fixed capital outlay budget reporting requirements should be directed to Mr. Kevin Pichard, Director of Finance and Facilities at 850-245-0059 or Kevin.Pichard@flbog.edu.

Questions regarding the carryforward spending plan reporting requirements should be directed to Mr. Dale Bradley, Director, University Budgets at 850-294-9392 or dale.bradley@flbog.edu or Chrissy Rojas, Budget Analyst, University Budgets at 850-246-0680 or Chrissy.Rojas@flbog.edu.

Thank you.

cc:
CAFA
SUS Budget Directors
Facilities Planners
CAVP
University Trustee Liaisons

9.007 State University Operating Budgets and Requests

- (1) Each university president shall prepare an operating budget, including an Education & General (E&G) Carryforward Spending Plan, for approval by the university board of trustees in accordance with instructions, guidelines and standard formats provided by the Board of Governors.
- (2) Each university board of trustees shall adopt an operating budget, including an E&G Carryforward Spending Plan, for the general operation of the university as prescribed by the regulations of the Board of Governors. The university board of trustees-ratified operating budget and E&G Carryforward Spending Plan must be presented to the Board of Governors for approval by a date established by the Chancellor. Each university president shall implement the operating budget and E&G Carryforward Spending Plan of the university as prescribed by Florida Statutes, regulations of the Board of Governors, policies of the university board of trustees, provisions of the General Appropriations Act, and data reflected within the State University System Allocation Summary and Workpapers publication.
- (3) The operating budgets of each state university shall consist of the following budget entities:
 - (a) Education and General (E&G)– reports actual and estimated fiscal year operating revenues and expenditures for all E&G funds, including: General Revenue, Student and Other Fees Trust Fund, Educational Enhancement Trust Fund (Lottery), Phosphate Research Trust Fund, – and including the following previously-appropriated trust funds: Experiment Station Federal Grant, Experiment Station Incidental, Extension Service Federal Grant, Extension Service Incidental, UF-HSC Incidental, and UF-Health Science Center Operations and Maintenance. In addition, expenditures from university E&G carryforward funds (unexpended balances from all prior-period E&G appropriations) shall be included in the actual history fiscal year reporting. University budgeted E&G carryforward funds shall be reported in the E&G Carryforward Spending Plan Report.
 1. Otherwise by law, E&G funds are to be used for E&G activities only, such as, but not limited to, general instruction, research, public service, plant operations and maintenance as defined in Board of Governors guidelines, furniture, fixtures, and equipment, student services, libraries, administrative support, minor capital projects not to exceed \$1 million per individual project, and other enrollment-related and stand-alone operations of the universities.

2. Universities shall accumulate ending E&G fund balances for activities such as those outlined in section 3(a)(4). The ending E&G carryforward balances can only be used for nonrecurring expenditures. At any time the unencumbered available balance in the E&G fund of the university board of trustees approved operating budget falls below seven (7) percent of the approved total, the university shall provide a written notification and plan to the Board of Governors to attain a seven (7) percent balance of state operating funds within the next fiscal year.
3. Each university that retains a state operating fund carryforward balance in excess of the seven (7) percent minimum shall submit an E&G Carryforward Spending Plan for its excess carry forward balance. The Carryforward Spending Plan shall be submitted to the university's board of trustees for review, approval, or if necessary, amendment by September 30, 2020, and each September 30 thereafter. The Board of Governors shall review, approve, and amend, if necessary, each university's E&G Carryforward Spending Plan by November 15, 2020, and each November 15 thereafter.
4. A university's E&G Carryforward Spending Plan shall include the estimated cost per planned expenditure and a projected timeline for completion of the expenditure. Authorized expenditures in an E&G Carryforward Spending Plan may include:
 - a. Commitment of funds to a public education capital outlay project for which an appropriation has previously been provided that requires additional funds for completion and which is included in the list required by section 1001.706(12)(d);
 - b. Completion of a renovation, repair, or maintenance project (as defined in Board Regulation 14.001) that is consistent with the provisions of section 1013.64(1), up to \$5 million per project and replacement of a minor facility that does not exceed 10,000 gross square feet in size up to \$2 million;
 - c. Completion of a remodeling or infrastructure project (as defined in Board Regulation 14.001), including a project for a developmental research school, up to \$10 million per project, if such project is survey recommended pursuant to section 1013.31;
 - d. Completion of a repair or replacement project necessary due to damage caused by a natural disaster for buildings included in the inventory required pursuant to section 1013.31;
 - e. Operating expenditures that support the university mission and that are nonrecurring;
 - f. Any purpose specified by the university board of trustees or in the General Appropriations Act; and

- g. A commitment of funds to a contingency reserve for expenses incurred as a result of a state of emergency declared by the Governor pursuant to s. 252.36.
 - 5. Annually, by September 30, the chief financial officer of each university shall certify the unexpended amount of funds appropriated to the university from the General Revenue Fund, the Educational Enhancement Trust Fund, and the Student and Other Fees Trust Fund as of June 30 of the previous fiscal year.
 - 6. A University may spend the minimum carry forward balance of seven (7) percent if a demonstrated emergency exists and the plan is approved by the university's board of trustees and the Board of Governors.
 - 7 Expenditures from any source of funds by any university shall not exceed the funds available. No expenditure of funds, contract, or agreement of any nature shall be made that requires additional appropriation of state funds by the Legislature unless specifically authorized in advance by law or the General Appropriations Act.
 - 8. The following units are required to report under this budget entity:
 - State Universities
 - UF - Institute of Food and Agricultural Sciences
 - UF Health Science Center
 - USF Medical Center
 - FSU Medical School
 - UCF Medical School
 - FIU Medical School
 - FAU Medical School
 - FAMU-FSU College of Engineering
 - Florida Postsecondary Comprehensive Transition Program (UCF)
- (b) Contracts and Grants – reports actual and estimated year revenues, expenditures, and positions for university functions which are supported by foundations, various state and federal agencies, local units of governments, businesses, and industries. Universities shall comply with all applicable federal, state, local, and university regulations and guidelines as they relate to grants, contracts, and sponsored research programs.
- (c) Auxiliary Enterprises – reports actual and estimated year revenues, expenditures, and positions for self-supporting functions such as, but not limited to, parking services, housing, bookstore operations, and food services.

(d) Local Funds – reports actual and estimated year revenues, expenditures, and positions for the following specific areas:

1. Student Activities – revenues generated primarily from the activity and service fee each university is authorized to charge its students as a component of the mandatory fee schedule. Activities commonly supported by these revenues include student government, cultural events, student organizations, and intramural/club events.
2. Intercollegiate Athletics – revenues generated from the student athletic fee that each university is authorized to collect as a component of the mandatory fee schedule, and from other sources including ticket sales, radio/TV, bowl games, and tournament revenues.
3. Concession Fund – revenues generated from various vending activities located around the campuses. The university's budget must reflect the various departments/activities on each campus which benefit from receipt of these funds.
4. Student Financial Aid – revenues received by the university for loans, grants, scholarships, and other student financial aid. Expenditures of these funds must be reported by activities such as externally-funded loans, student scholarships, need-based financial aid, academic-based financial aid, and athletic grants/scholarships.
5. Technology Fee – revenues generated from the technology fee that a university is authorized to charge its students as a component of the mandatory fee schedule. Proceeds from this fee shall be used to enhance instructional technology resources for students and faculty.
6. Board-Approved Fees – student fees presented to the Board of Governors for approval by a university board of trustees that is intended to address a student need not currently being met through existing university services, operations, or another fee.
7. Self-Insurance Programs – revenues received by the university from entities and individuals protected by the self-insurance programs. This budget must reflect expenditures related to the administration of the self-insurance programs and the judgments or claims arising out of activities for which the self-insurance program was created.

(e) Faculty Practice Plan – related to the activities for the state universities' medical schools and health centers. This budget must be designed to report the monetary level of clinical activity regarding the training of students, post-graduate health professionals, and medical faculty.

(4) The operating budgets of each university shall represent the following:

- (a) The university's plan for utilizing the resources available through direct or continuing appropriations by the Legislature, allocation amendments, or from local sources including student tuition and fees. The provisions of

- the General Appropriations Act and the State University System Allocation Summary and Workpapers publication will be taken into consideration in the development and preparation of the E&G data.
- (b) Actual prior-year revenues, expenditures (including E&G carryforward amounts expended), and positions, as well as current-year estimated revenues, expenditures, and positions. University E&G carryforward funds shall be budgeted in the E&G Carryforward Spending Plan.
 - (c) Assurance that the universities are in compliance with general legislative intent for expenditure of the appropriated state funds and with the Board of Governors' regulations, guidelines and priorities for all funding sources

(5) Any earnings (interest, investment, or other) resulting from the investment of current-year E&G appropriations are considered to be of the same nature as the original appropriations, and are subject to the same expenditure regulations as the original appropriations. E&G earnings are not to be utilized for non-E&G related activities or for fixed capital outlay activities except as provided by law. Earnings resulting from invested E&G carryforward funds are considered to be additions to the university's E&G carryforward balance and shall be expended in accordance with section (3)(a) of this regulation.

Anticipated earnings for the estimated year from invested E&G funds should not be included when building the detailed operating budget schedules. Estimated-year E&G earnings and planned expenditures of these funds should only be reported on the manually-prepared E&G Schedule I and Summary Schedule I reports.

(6) Any unexpended E&G appropriation carried forward to the fund balance in a new fiscal year shall be utilized in support of nonrecurring E&G activities only unless otherwise provided by law.

(7) E&G non-recurring is defined as an expenditure that is not expected to be needed or available after a point in time. Non-recurring expenditures have distinct elements:

- (a) Time limited in nature, where an end date to a given contract or activity is known,
- (b) There is no promise or guarantee of future funding,
- (c) May cross multiple years, but the above two provisions apply,
- (d) May address financial challenges resulting from external factors (examples could include, but are not limited to, federal government shutdown, drop in state revenue resulting in a mid-year reduction)

(8) Any amendments to the approved E&G Carryforward Spending Plan during the fiscal year shall be reported to the Board of Governors for a time period and in a format as prescribed by the Chancellor.

(9) Each university board of trustees may submit to the Chancellor's Office annually a Legislative Budget Request for operations. Such requests shall be made in accordance with the fiscal policy guidelines, formats, instructions, and schedule provided by the Chancellor.

Authority: Section 7(d), Art. IX, Fla. Const., History: New 12-6-07, Amended 11-21-13, 9-22-16, 10-30-19, 9-16-20

Attachment C

University of Central Florida
Education and General
Carryforward Spending Plan Summary
Approved by University Board of Trustees
Balances and Spending Plans as of July 1, 2022

Grand Total :				
	University E&G	FCSWUA	UCF College of Medicine	University Summary
A. Beginning E&G Carryforward Balance - July 1, 2022 :				
Cash	\$ 236,767,405	\$ 13,400,227	\$ 14,112,564	\$ 264,280,196
Investments	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	\$ 29,785,634	\$ 730,493	\$ 901,877	\$ 31,418,004
Less: Accounts Payable	\$ 10,241,786	\$ -	\$ 765,001	\$ 11,006,787
Less: Deferred Student Tuition & Fees	\$ 33,158,157	\$ -	\$ 937,502	\$ 34,095,659
B. Beginning E&G Carryforward Balance (Net of Payables/Receivables/Deferred Fees) :	\$ 223,153,096	\$ 14,130,720	\$ 13,311,938	\$ 250,595,754
C. Fiscal Year 2021-2022 E&G Carryforward Encumbrances Brought Forward	\$ 34,635,110	\$ 131,800	\$ 1,681,374	\$ 36,448,284
D. 7% Statutory Reserve Requirement (1011.45(1) F.S.):	\$ 48,250,313	\$ 628,920	\$ 3,511,313	\$ 52,390,546
E. E&G Carryforward Balance Less 7% Statutory Reserve Requirement (Amount Requiring Approved Spending Plan) :	\$ 140,267,673	\$ 13,370,000	\$ 8,119,251	\$ 161,756,924
F. Annual Contribution to Reserves for New FCO Projects (per s. 1001.706(12) F.S. and Board Reg 14.002) (Should agree with the "Total Facilities Reserves as of July 1, 2022" on the "Details - FCO Reserves" tab)				
	\$ -	\$ -	\$ -	\$ -
G. * Restricted / Contractual Obligations				
Restricted by Appropriations	\$ 2,171,340	\$ 12,639,507	\$ -	\$ 14,810,847
University Board of Trustees Reserve Requirement	\$ -	\$ -	\$ -	\$ -
Restricted by Contractual Obligations :				
Compliance, Audit, and Security				
Compliance Program Enhancements	\$ 16,105	\$ -	\$ -	\$ 16,105
Audit Program Enhancements	\$ -	\$ -	\$ -	\$ -
Campus Security and Safety Enhancements	\$ -	\$ -	\$ -	\$ -
Academic and Student Affairs				
Student Services, Enrollment, and Retention Efforts	\$ 1,434,743	\$ -	\$ -	\$ 1,434,743
Student Financial Aid	\$ 6,040,000	\$ 730,493	\$ -	\$ 6,770,493
Faculty/Staff, Instructional and Advising Support and Start-up Funding	\$ 8,218,637	\$ -	\$ -	\$ 8,218,637
Faculty Research and Public Service Support and Start-Up Funding	\$ 30,141,525	\$ -	\$ 7,850,456	\$ 37,991,981
Library Resources	\$ 20,000	\$ -	\$ -	\$ 20,000
Facilities, Infrastructure, and Information Technology				
Utilities	\$ -	\$ -	\$ -	\$ -
Information Technology (ERP, Equipment, etc.)	\$ 12,921,425	\$ -	\$ -	\$ 12,921,425
Minor Carryforward Fixed Capital Outlay Projects (Board of Governors Regulation 14.003(2))	\$ 3,155,356	\$ -	\$ -	\$ 3,155,356
Major Carryforward Fixed Capital Outlay Projects (Board of Governors Regulation 14.003(2))	\$ 7,158,869	\$ -	\$ -	\$ 7,158,869
Other UBOT Approved Operating Requirements				
Other Operating Requirements (University Board of Trustees-Approved That Support the University Mission)	\$ 8,322,927	\$ -	\$ 219,360	\$ 8,542,287
Contingencies for a State of Emergency Declared by the Governor (Section 1011.45(3)(g))	\$ -			\$ -
Operating Restricted : (Should agree with restricted column totals on "Details-Operating" tab)				
	\$ 69,286,702	\$ 13,370,000	\$ 8,069,816	\$ 90,726,518
FCO Restricted : (Should agree with restricted column totals on "Details-Fixed Capital Outlay" tab)				
	\$ 10,314,225	\$ -	\$ -	\$ 10,314,225
Grand Total Restricted / Contractual Funds :				
	\$ 79,600,927	\$ 13,370,000	\$ 8,069,816	\$ 101,040,743
H. * Commitments				
Compliance, Audit, and Security				
Compliance Program Enhancements	\$ -	\$ -	\$ -	\$ -
Audit Program Enhancements	\$ -	\$ -	\$ -	\$ -
Campus Security and Safety Enhancements	\$ 85,000	\$ -	\$ -	\$ 85,000
Academic and Student Affairs				
Student Services, Enrollment, and Retention Efforts	\$ 201,394	\$ -	\$ -	\$ 201,394
Student Financial Aid	\$ 301,075	\$ -	\$ -	\$ 301,075
Faculty/Staff, Instructional and Advising Support and Start-up Funding	\$ 11,891,168	\$ -	\$ -	\$ 11,891,168
Faculty Research and Public Service Support and Start-Up Funding	\$ 9,208,294	\$ -	\$ -	\$ 9,208,294
Library Resources	\$ -	\$ -	\$ -	\$ -
Facilities, Infrastructure, and Information Technology				
Utilities	\$ -	\$ -	\$ -	\$ -
Information Technology (ERP, Equipment, etc.)	\$ 6,567	\$ -	\$ -	\$ 6,567
Minor Carryforward Fixed Capital Outlay Projects (Board of Governors Regulation 14.003(2))	\$ 11,662,660	\$ -	\$ -	\$ 11,662,660
Major Carryforward Fixed Capital Outlay Projects (Board of Governors Regulation 14.003(2))	\$ 16,494,694	\$ -	\$ -	\$ 16,494,694
Other UBOT Approved Operating Requirements				
Other Operating Requirements (University Board of Trustees-Approved That Support the University Mission)	\$ 10,815,894	\$ -	\$ 49,435	\$ 10,865,329
Contingencies for a State of Emergency Declared by the Governor (Section 1011.45(3)(g))	\$ -			\$ -
Operating Commitments : (Should agree with committed column total on "Details-Operating" tab)				
	\$ 32,509,392	\$ -	\$ 49,435	\$ 32,558,827
FCO Commitments : (Should agree with committed column total on "Details-Fixed Capital Outlay" tab)				
	\$ 28,157,354	\$ -	\$ -	\$ 28,157,354
Grand Total Commitments :				
	\$ 60,666,746	\$ -	\$ 49,435	\$ 60,716,181
I. Available E&G Carryforward Balance as of July 1, 2022:				
	\$ -	\$ -	\$ -	\$ -

* Please provide supplemental detailed descriptions for these multiple-item categories in sections F, G, and H for operating, fixed capital outlay, and FCO Reserves spending plans using Board of Governors templates provided (use worksheet tabs for "Details" included with this file).

Notes :

- Florida Polytechnic University amounts include the Phosphate Research Trust Fund.
- 2019 Senate Bill 190 amended 1011.45 F.S. regarding university Education & General carryforward minimum reserve balances, reporting requirements, and allowable uses. 1011.45(2) states that "Each university that retains a state operating fund carry forward balance in excess of the 7 percent minimum shall submit a spending plan for its excess carry forward balance. The spending plan shall be submitted to the university's board of trustees for review, approval, or if necessary, amendment by September 1, 2020, and each September 1 thereafter. The Board of Governors shall review, approve, and amend if necessary, each university's carry forward spending plan by October 1, 2020, and each October 1 thereafter." 1011.45(3) adds "A university's carry forward spending plan shall include the estimated cost per planned expenditure and a timeline for completion of the expenditure." Three additional tabs are provided with this file to allow reporting of university detailed expenditure plans for each planned expenditure or project, a completion timeline, and amount budgeted for expenditure during the reporting fiscal year.

University of Central Florida
2022-2023 University E&G Carryforward Spending Plans - Supplemental Details (Operating Plans)
Pursuant to 1011.45, Florida Statutes
July 1, 2022

Line Item #	Carryforward Spending Plan Category	Specific Expenditure/Project Title	Total Amount to be Funded from Current Year E&G Carryforward Balance	Budget			Project Timeline			Comments/Explanations
				RESTRICTED Restricted Balance as of July 1, 2022	COMMITTED Committed Balance as of July 1, 2022	E&G Carryforward Amount Budgeted for Expenditure During FY23	Total # Years of Expenditure per Project	Current Expenditure Year #	Estimated Completion Date (Fiscal Year)	
1	Campus Security and Safety Enhancements	Facilities Renovations	85,000		85,000	85,000	1	1	2023	
2	Compliance Program Enhancements	Equipment Purchases	5,468	5,468		5,468	2	2	2023	
3	Compliance Program Enhancements	Legal Fees	10,638	10,638		10,638	2	2	2023	
4	Faculty Research and Public Service Support and Start-Up Funding	Academic and Student Support	756,443	688,490	67,953	756,443	1	1	2023	
5	Faculty Research and Public Service Support and Start-Up Funding	Equipment Purchases	200,000		200,000	200,000	1	1	2023	
6	Faculty Research and Public Service Support and Start-Up Funding	Equipment Purchases - Research Equipment	149,691	15,000	134,691	149,691	1	1	2023	
7	Faculty Research and Public Service Support and Start-Up Funding	Equipment Purchases - Technology	8,540,678	8,540,678		8,540,678	1	1	2023	
8	Faculty Research and Public Service Support and Start-Up Funding	Facilities Renovations	72,506		72,506	72,506	1	1	2023	
9	Faculty Research and Public Service Support and Start-Up Funding	Facilities Renovations	5,728	5,728		5,728	2	2	2023	
10	Faculty Research and Public Service Support and Start-Up Funding	Faculty Awards	250,000	200,000	50,000	250,000	1	1	2023	
11	Faculty Research and Public Service Support and Start-Up Funding	Faculty Awards	150,000		150,000	100,000	2	1	2024	
12	Faculty Research and Public Service Support and Start-Up Funding	Faculty Awards	492,829		492,829	100,000	3	1	2025	
13	Faculty Research and Public Service Support and Start-Up Funding	Faculty Professional Development	50,500	15,500	35,000	50,500	1	1	2023	
14	Faculty Research and Public Service Support and Start-Up Funding	Faculty Search/Relocation Expenditures	54,760	12,960	41,800	54,760	1	1	2023	
15	Faculty Research and Public Service Support and Start-Up Funding	Faculty Search/Relocation Expenditures	2,042,500		2,042,500		2	1	2024	
16	Faculty Research and Public Service Support and Start-Up Funding	Faculty Start-Up / Seed Funding	26,097,856	23,554,168	2,543,688	26,097,856	1	1	2023	
17	Faculty Research and Public Service Support and Start-Up Funding	Faculty Start-Up / Seed Funding	1,829,523	248,146	1,581,377	180,690	2	1	2024	
18	Faculty Research and Public Service Support and Start-Up Funding	Faculty Start-Up / Seed Funding	2,981,184	2,981,184		2,981,184	2	2	2023	
19	Faculty Research and Public Service Support and Start-Up Funding	Faculty Start-Up / Seed Funding	1,462,353	30,000	1,432,353	10,000	3	1	2025	
20	Faculty Research and Public Service Support and Start-Up Funding	Furniture	20,000		20,000	20,000	1	1	2023	
21	Faculty Research and Public Service Support and Start-Up Funding	Furniture - Classroom, Office, Conference	8,972	8,972		8,972	1	1	2023	
22	Faculty Research and Public Service Support and Start-Up Funding	Information Technology	34,972		34,972	34,972	1	1	2023	
23	Faculty Research and Public Service Support and Start-Up Funding	Information Technology - Software	200,000	200,000		200,000	1	1	2023	
24	Faculty Research and Public Service Support and Start-Up Funding	Jump Start Commitment Match Funds	226,016	216,009	10,007	226,016	1	1	2023	
25	Faculty Research and Public Service Support and Start-Up Funding	Limited / Time Specific Employment	166,705	166,705		166,705	1	1	2023	
26	Faculty Research and Public Service Support and Start-Up Funding	Limited / Time Specific Employment	50,000		50,000	15,000	3	1	2025	
27	Faculty Research and Public Service Support and Start-Up Funding	Match Commitments For Academic Excellence Requests	214,863	214,863		214,863	1	1	2023	
28	Faculty Research and Public Service Support and Start-Up Funding	OPS Appointments	819,526	758,776	60,750	819,526	1	1	2023	
29	Faculty Research and Public Service Support and Start-Up Funding	President's Academic Excellence Fund	48,898	48,898		48,898	2	2	2023	
30	Faculty Research and Public Service Support and Start-Up Funding	Registration, Supplies, Misc Expense	33,827		33,827	33,827	1	1	2023	
31	Faculty Research and Public Service Support and Start-Up Funding	Repairs and Maintenance	56,634		56,634	56,634	1	1	2023	
32	Faculty Research and Public Service Support and Start-Up Funding	Research Enterprise Support - Grant Matches, Etc.	13,150	13,150		13,150	1	1	2023	
33	Faculty Research and Public Service Support and Start-Up Funding	Research Materials	53,267		53,267	53,267	1	1	2023	
34	Faculty Research and Public Service Support and Start-Up Funding	Summer Appointments	116,893	72,753	44,140	116,893	1	1	2023	
35	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Academic and Student Support	318,369	318,369		318,369	1	1	2023	
36	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Academic and Student Support	282,960	282,960		94,320	3	1	2025	
37	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Adjunct Faculty Appointments	187,081	87,740	99,341	187,081	1	1	2023	
38	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Adjunct Faculty Appointments	250,000	250,000		100,000	3	1	2025	
39	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Bonus/Temporary Payments	28,258		28,258	28,258	1	1	2023	
40	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Equipment Purchases - Research Equipment	142,356		142,356	80,000	2	1	2024	
41	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Faculty Awards	34,895	24,895	10,000	34,895	1	1	2023	
42	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Faculty Awards	3,315,670	12,500	3,303,170	1,250,000	2	1	2024	
43	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Faculty Professional Development	68,943	68,943		68,943	1	1	2023	
44	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Faculty Search/Relocation Expenditures	50,000		50,000	50,000	1	1	2023	
45	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Faculty Search/Relocation Expenditures	67,500		67,500	17,500	2	1	2024	
46	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Faculty Start-Up / Seed Funding	4,368,176	4,368,176		4,368,176	1	1	2023	
47	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Faculty Start-Up / Seed Funding	3,738,729		3,738,729		2	1	2024	
48	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Faculty Start-Up / Seed Funding	490,000	490,000		490,000	2	2	2023	
49	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Faculty Start-Up / Seed Funding	182,960		182,960	-	4	1	2025	
50	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Furniture - Classroom, Office, Conference	36,593	36,593		36,593	1	1	2023	
51	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Grad Post Doc/Doctoral Awards	12,289	12,289		12,289	1	1	2023	
52	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Information Technology - Digital Learning	12,000	12,000		12,000	1	1	2023	
53	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Limited / Time Specific Employment	267,926		267,926	267,926	1	1	2023	
54	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Limited / Time Specific Employment	168,000		168,000		2	1	2024	
55	Faculty/Staff, Instructional and Advising Support and Start-up Funding	OPS Appointments	1,607,259	1,429,457	177,802	1,607,259	1	1	2023	
56	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Staff Professional Development (Training & Workshops)	20,905		20,905	20,905	1	1	2023	
57	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Student Success and Advising	18,702	18,702		18,702	1	1	2023	
58	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Summer Appointments	1,588,722	784,066	804,656	1,588,722	1	1	2023	
59	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Summer Appointments	1,591,565		1,591,565	954,939	2	1	2024	

60	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Travel	51,947	21,947	30,000	51,947	1	1	2023
61	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Funding Swap	208,000		208,000	208,000	1	1	2023
62	Faculty/Staff, Instructional and Advising Support and Start-up Funding	Funding Swap	1,000,000		1,000,000		2	1	2024
63	Information Technology (ERP, Equipment, etc.)	Equipment Purchases - Technology	215,684	215,684		215,684	1	1	2023
64	Information Technology (ERP, Equipment, etc.)	ERP Updates	12,169,572	12,169,572		12,169,572	2	2	2023
65	Information Technology (ERP, Equipment, etc.)	Facilities Renovations	39,284	39,284		39,284	1	1	2023
66	Information Technology (ERP, Equipment, etc.)	Information Technology	7,889	5,555	2,334	7,889	1	1	2023
67	Information Technology (ERP, Equipment, etc.)	Information Technology - Software	372,457	372,457		372,457	1	1	2023
68	Information Technology (ERP, Equipment, etc.)	Information Technology - Software	21,354	21,354		16,118	2	1	2024
69	Information Technology (ERP, Equipment, etc.)	Information Technology Infrastructure	97,520	97,520		97,520	1	1	2023
70	Information Technology (ERP, Equipment, etc.)	Repairs and Maintenance	4,233		4,233	4,233	1	1	2023
71	Library Resources	Library Materials	20,000	20,000		20,000	1	1	2023
72	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Academic and Student Support	66,882	66,882		66,882	1	1	2023
73	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Chron's & Colitis	219,360	219,360		200,500	2	1	2024
74	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Consultant Fees	1,059,827	1,059,827		1,059,827	1	1	2023
75	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Equipment Purchases - Other	50,000		50,000	45,000	2	1	2024
76	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Equipment Purchases - Technology	484,577	434,577	50,000	484,577	1	1	2023
77	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Facilities Renovations	121,805	101,805	20,000	121,805	1	1	2023
78	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Faculty Professional Development	4,024	4,024		4,024	1	1	2023
79	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Faculty Search/Relocation Expenditures	26,640	26,640		26,640	1	1	2023
80	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Furniture	70,000		70,000	70,000	1	1	2023
81	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Information Technology	140,000		140,000	140,000	1	1	2023
82	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Information Technology - Software	125,250	125,250		125,250	1	1	2023
83	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Information Technology Infrastructure	805,278	805,278		805,278	1	1	2023
84	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	OPS Appointments	16,180	16,180		16,180	1	1	2023
85	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Registration, Supplies, Misc Expense	5,943		5,943	5,943	1	1	2023
86	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Rentals (Short-Term)	74,700	74,700		74,700	1	1	2023
87	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Repairs and Maintenance	9,092,150	3,087,764	6,004,386	9,092,150	1	1	2023
88	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Repairs and Maintenance	750,000		750,000	100,000	2	1	2024
89	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Travel	20,000	20,000		20,000	1	1	2023
90	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	BRIDG Settlement	2,500,000	2,500,000		2,500,000	1	1	2023
91	Other Operating Requirements (University Board of Trustees-Approved That Support the University)	Deferred Maintenance Plans	3,775,000		3,775,000	3,775,000	1	1	2023
92	Restricted by Appropriations	Faculty Awards	657,814	657,814		328,907	2	1	2024
93	Restricted by Appropriations	Florida Center For Students With Unique Abilities - Student Scholarship	7,839,507	7,839,507		2,000,000	3	1	2025
94	Restricted by Appropriations	Florida Center For Students With Unique Abilities Grant/Project	2,700,000	2,700,000		850,000	3	1	2025
95	Restricted by Appropriations	Florida Center For Students With Unique Abilities Program Operation	2,100,000	2,100,000		650,000	3	1	2025
96	Restricted by Appropriations	Florida High Tech Corridor Research Matching Grant	822,442	822,442		822,442	1	1	2023
97	Restricted by Appropriations	Limited / Time Specific Employment	691,084	691,084		691,084	1	1	2023
98	Student Financial Aid	Academic and Student Support	11,000		11,000	11,000	1	1	2023
99	Student Financial Aid	Scholarships	7,030,568	6,740,493	290,075	7,030,568	1	1	2023
100	Student Financial Aid	Scholarships	30,000	30,000		10,000	2	1	2024
101	Student Services, Enrollment, and Retention Efforts	Academic and Student Support	366,001	355,626	10,375	366,001	1	1	2023
102	Student Services, Enrollment, and Retention Efforts	Academic and Student Support	183,085		183,085	112,663	2	1	2024
103	Student Services, Enrollment, and Retention Efforts	Academic and Student Support	200,000	200,000		50,000	3	1	2025
104	Student Services, Enrollment, and Retention Efforts	Academic and Student Support	100,000	100,000		100,000	3	3	2023
105	Student Services, Enrollment, and Retention Efforts	Equipment Purchases - Technology	12,121	12,121		12,121	1	1	2023
106	Student Services, Enrollment, and Retention Efforts	Faculty Start-Up / Seed Funding	3,500		3,500	3,500	1	1	2023
107	Student Services, Enrollment, and Retention Efforts	GTA Tuition	8,705	8,705		8,705	1	1	2023
108	Student Services, Enrollment, and Retention Efforts	Information Technology - Digital Learning	13,847	13,847		13,847	1	1	2023
109	Student Services, Enrollment, and Retention Efforts	Information Technology - Software	18,690	18,690		18,690	1	1	2023
110	Student Services, Enrollment, and Retention Efforts	OPS Appointments	611,792	607,358	4,434	611,792	1	1	2023
111	Student Services, Enrollment, and Retention Efforts	Student Success and Advising	110,000	110,000		110,000	1	1	2023
112	Student Services, Enrollment, and Retention Efforts	Travel	8,395	8,395		8,395	1	1	2023
Total as of July 1, 2022: *			\$ 123,285,345	\$ 90,726,518	\$ 32,558,827	\$ 99,032,917			

Committed and Restricted portion of various items that do not qualify for FCO threshold as defined in BOG Reg 14.001(1) and 14.001(8) (20 years useful life and \$100K). These items are considered part of the operating plan rather than FCO

*Note: Should agree with respective restricted/contractual and/or committed category totals on "Summary" tab.

University of Central Florida
2022-2023 University E&G Carryforward Spending Plans - Supplemental Details (Fixed Capital Outlay Plans)
Pursuant to 1011.45, Florida Statutes
July 1, 2022

Line Item #	Carryforward Spending Plan Category	Specific Project Title/Name	Description	Project(s) Cost to be Funded from Current Year E&G Carryforward Balance	Restricted	Committed	E&G Carryforward Funds Budgeted for Expenditure During FY23	Carryforward Expenditure Timeline			Comments/ Explanations
					Restricted Balance As of July 1, 2022	Committed Balance As of July 1, 2022		Total # Years of Expenditure per Project	Current Expenditure Year #	Estimated Completion Date (Fiscal Year)	
1	Small, < \$2M: Renovation, Repair or Maintenance	B0045 BAI Roof Replacement	B0045 BAI Roof Replacement	\$265,101	\$48,805	\$216,296	\$265,101	3	3	2023	
2	Small, < \$2M: Renovation, Repair or Maintenance	B0053 CREOL Replace BAS controls	B0053 CREOL Replace BAS controls	\$1,181,738	\$758,334	\$423,404	\$1,012,918	4	3	2024	
3	Small, < \$2M: Renovation, Repair or Maintenance	B0001 Millican BAS & HVAC Modernization	B0001 Millican BAS & HVAC Modernization	\$316,409	\$239,831	\$76,578	\$316,409	4	4	2023	
4	Small, < \$2M: Renovation, Repair or Maintenance	B0045 BA1 Replace HVAC Control System	B0045 BA1 Replace HVAC Control System	\$259,618	\$93,675	\$165,943	\$259,618	5	5	2023	
5	Small, < \$2M: Renovation, Repair or Maintenance	B0094 BA2 Replace HVAC Controls System	B0094 BA2 Replace HVAC Controls System	\$170,698	\$55,172	\$115,526	\$170,698	5	5	2023	
6	Small, < \$2M: Renovation, Repair or Maintenance	B0003 CHW Asbestos Piping Replacement	B0003 CHW Asbestos Piping Replacement	\$294,623	\$37,369	\$257,254	\$294,623	4	4	2023	
7	Small, < \$2M: Renovation, Repair or Maintenance	Storm Water Repairs - multiple WOs	Storm Water Repairs - multiple WOs	\$94,492	\$2,171	\$92,321	\$94,492	4	4	2023	
8	Small, < \$2M: Renovation, Repair or Maintenance	B0140 BAS Replacement	B0140 BAS Replacement	\$55,206	\$5,943	\$49,263	\$55,206	4	4	2023	
9	Small, < \$2M: Renovation, Repair or Maintenance	B0002 Library Boiler Replacement	B0002 Library Boiler Replacement	\$295,384	\$103,906	\$191,478	\$295,385	4	4	2023	
10	Small, < \$2M: Renovation, Repair or Maintenance	B0154 HVAC Controls Modernization	B0154 HVAC Controls Modernization	\$1,215,615	\$194,535	\$1,021,080	\$858,081	5	4	2024	
11	Small, < \$2M: Renovation, Repair or Maintenance	B0154 MAE OML Lab Remodeling and Renovation	B0154 MAE OML Lab Remodeling and Renovation	\$1,162,736	\$832,758	\$329,978	\$1,162,736	5	4	2024	
12	Small, < \$2M: Renovation, Repair or Maintenance	B8126 BAS Modernization	B8126 BAS Modernization	\$178,938	\$0	\$178,938	\$178,938	4	4	2023	
13	Small, < \$2M: Renovation, Repair or Maintenance	B0150 Computer RM HVAC Replacements	B0150 Computer RM HVAC Replacements	\$88,940	\$34,835	\$54,105	\$88,940	4	4	2023	
14	Small, < \$2M: Renovation, Repair or Maintenance	Campus Wide HVAC Repairs	Campus Wide HVAC Repairs	\$92,498	\$91,797	\$701	\$92,498	3	3	2023	
15	Small, < \$2M: Renovation, Repair or Maintenance	B0072 Replacement of Cooling Tower #8	B0072 Replacement of Cooling Tower #8	\$64,823	\$19,186	\$45,637	\$64,823	4	4	2023	
16	Small, < \$2M: Renovation, Repair or Maintenance	B0051 VAB Replacement of entire HVAC System	B0051 VAB Replacement of entire HVAC System	\$206,914	\$188,828	\$18,086	\$206,914	5	5	2023	
17	Small, < \$2M: Renovation, Repair or Maintenance	B0163 Band Tower Renovation	B0163 Band Tower Renovation	\$121,030	\$103,905	\$17,125	\$121,030	2	2	2023	
18	Small, < \$2M: Renovation, Repair or Maintenance	B121 PSB Lab 418 Renovation	B121 PSB Lab 418 Renovation	\$425,325	\$344,306	\$81,019	\$394,174	3	2	2024	
19	Small, < \$2M: Renovation, Repair or Maintenance	B1002 COM Boiler System Replacement	B1002 COM Boiler System Replacement	\$602,928	\$0	\$602,928	\$602,928	3	3	2023	
20	Small, < \$2M: Renovation, Repair or Maintenance	Biology Remodel	Biology remodel to turn one empty storage space into a Chemistry lab	\$2,000,000	\$0	\$2,000,000	\$200,000	2	1	2024	
21	Small, < \$2M: Renovation, Repair or Maintenance	Stormwater Utility Infrastructure	Stormwater Utility Infrastructure	\$1,155,000	\$0	\$1,155,000	\$1,155,000	1	1	2023	
22	Small, < \$2M: Renovation, Repair or Maintenance	Stormwater Utility Infrastructure - Gemini and Greek Park Drive	Stormwater Utility Infrastructure - Gemini and Greek Park Drive	\$300,000	\$0	\$300,000	\$300,000	1	1	2023	
23	Small, < \$2M: Renovation, Repair or Maintenance	B0001 Millican Hall Life Safety replacement	B0001 Millican Hall Life Safety replacement	\$300,000	\$0	\$300,000	\$300,000	1	1	2023	
24	Small, < \$2M: Renovation, Repair or Maintenance	B0045 Business Admin Elevator modernization	B0045 Business Admin Elevator modernization	\$200,000	\$0	\$200,000	\$200,000	1	1	2023	
25	Small, < \$2M: Renovation, Repair or Maintenance	B0098 Classroom 2 Masonry replacement	B0098 Classroom 2 Masonry replacement	\$320,000	\$0	\$320,000	\$320,000	1	1	2023	
26	Small, < \$2M: Renovation, Repair or Maintenance	B0053 CREOL DAHU Replacement	B0053 CREOL DAHU Replacement	\$300,000	\$0	\$300,000	\$300,000	1	1	2023	
27	Small, < \$2M: Renovation, Repair or Maintenance	Utility Infrastructure - Chiller	Utility Infrastructure - Chiller	\$1,200,000	\$0	\$1,200,000	\$1,200,000	1	1	2023	
28	Small, < \$2M: Renovation, Repair or Maintenance	B0096 Welcome Ctr RTU replacement	B0096 Welcome Ctr RTU replacement	\$300,000	\$0	\$300,000	\$300,000	1	1	2023	

29	Small, < \$2M: Renovation, Repair or Maintenance	Various deferred maintenance projects	Various deferred maintenance projects	\$1,200,000	\$0	\$1,200,000	\$1,200,000	1	1	2023	
30	Small, < \$2M: Renovation, Repair or Maintenance	B0020 Biology Main Exhaust Replacement	B0020 Biology Main Exhaust Replacement	\$350,000	\$0	\$350,000	\$350,000	1	1	2023	
31	Small, < \$2M: Renovation, Repair or Maintenance	B0004 Storm Water Building Envelope repair	B0004 Storm Water Building Envelope repair	\$100,000	\$0	\$100,000	\$100,000	1	1	2023	
* Total Carryforward - Small Projects As July 1, 2022				\$14,818,016	\$3,155,356	\$11,662,660	\$12,460,512				
Carryforward - Large Projects (>\$2M) ¹											
1	Large, \$2M-\$5M: Renovation, Repair or Maintenance	0020 Biological Sciences HVAC, BAS Replacement	0020 Biological Sciences HVAC, BAS Replacement, Code Compliance	\$4,454,778	\$3,916,753	\$538,025	\$4,454,778	4	3	2024	
2	Large, \$2M-\$5M: Renovation, Repair or Maintenance	0005 Chemistry HVAC Renovation	0005 Chemistry HVAC Renovation	\$4,818,839	\$283,707	\$4,535,132	\$4,818,839	4	3	2024	
3	Large, \$2M-\$5M: Renovation, Repair or Maintenance	B0906 Roof Replacement Upgrades, Building Envelope and Curtainwall Repair	B0906 Roof Replacement Upgrades	\$3,879,946	\$2,958,409	\$921,537	\$3,879,946	4	3	2024	
4	Large, \$2M-\$5M: Renovation, Repair or Maintenance	Ferrell Commons H Remodel	Remodel of Ferrell Commons H to convert existing study and support space into teaching labs to provide swing space for the Chemistry Building renovations	\$10,000,000	\$0	\$10,000,000	\$1,000,000	2	1	2024	
5	Large, \$2M-\$5M: Renovation, Repair or Maintenance	Chemistry Building Renovation	Chemistry Building Renovation	\$160,000	\$0	\$160,000	\$160,000	1	1	2023	Funding for schematic design to accelerate project schedule.
6	Large, \$2M-\$5M: Renovation, Repair or Maintenance	Biological Sciences Building Renovation	Biological Sciences Building Renovation	\$340,000	\$0	\$340,000	\$340,000	1	1	2023	Funding for schematic design to accelerate project schedule.
* Total Carryforward - Large Projects As July 1, 2022				\$23,653,563	\$7,158,869	\$16,494,694	\$14,653,563				
1. As defined in Board of Governors Regulation 14.003(2).				Fixed Capital Outlay Totals :	\$38,471,579	\$10,314,225	\$28,157,354	\$27,114,075			
* Note: Should agree with respective restricted/contractual and/or committed category totals on "Summary" tab.											

University Facilities Reserves
Additional Amounts Contributed From July 1, 2022 Beginning E&G Carryforward Balance
Pursuant to [s. 1001.706\(12\) F.S.](#) and Board of Governors Regulation 14.002

	Specific Project/Facility Title	Description of Project/Facility	Amount Added From E&G Carryforward for FY 2022-23
1.	N/A	N/A	\$ -
2.			\$ -
3.			\$ -
4.			\$ -
5.			\$ -
6.			\$ -
7.			\$ -
8.			\$ -
9.			\$ -
10.			\$ -
Total Capital Facilities Reserves as of July 1, 2022 : *			<u>\$ -</u>

*Note: Should agree with line F on the "Summary" tab.

State University System

Education & General Carryforward Spending Plan

Reporting Definitions

I. Carryforward Spending Plan - Budgetary Category Definitions

	Unpaid balances remaining in active purchase orders, travel authorizations, etc., to be paid using E&G carryforward funds. May also include nonrecurring employee compensation amounts through the end of the current fiscal year.
1. Encumbrances	
2. 7% Statutory Reserve Requirement	Required E&G reserve requirement per 1011.45 F.S. - amends previous 1011.40 F.S. requirement. Based on percentage of state operating budget.
3. Restricted/Contractual Obligations	Should generally be supported by documentation that memorializes an agreement with another party (e.g. contract, offer letter, construction contract/project number, etc.).
4. Commitments	Monies designated for a specific purpose which are not yet encumbered/contracted/restricted. Discretion may still be exercised with respect to the use of these funds.
5. University Board of Trustees Reserve Requirement	The amount of unrestricted funds set aside by the University Board of Trustees to address critical, unforeseen, or non-discretionary items that require immediate funding, such as unanticipated or uninsured catastrophic events, unforeseen contingencies, state budget shortfalls, or university revenue shortfalls.
6. Restricted by Appropriations	Funds appropriated by the Legislature for a specific purpose or intended use as identified by law or through legislative work papers.
7. Compliance Program Enhancements	Initiatives associated with being in compliance with federal law, state law, Board of Governors Regulations or any other entity with which the University must comply.
8. Audit Program Enhancements	Initiatives associated with implementing audit programs of the institution.
9. Campus Security and Safety Enhancements	The support of campus security and/or safety issues, such as the recruitment of police officers, vehicles, equipment, and investments which promote security and safety at the institution. This issue may also include mental health counseling and services.
10. Student Services, Enrollment, and Retention Efforts	Funds to promote student success through supporting student services programs, addressing enrollment, and assisting with retention efforts to support timely graduation.
11. Student Financial Aid	Funds allocated to reduce student costs and to provide an opportunity to obtain a degree in an affordable and timely fashion.
12. Faculty/Staff Instructional and Advising Support and Start-Up Funding	Funds identified to support instructional and advising activities, and/or start-up packages for new faculty. Start-up packages are often expended over a multi-year period.
13. Faculty Research and Public Service Support and Start-Up Funding	Funds identified to support research and public service, and any associated start up funding. Start-up packages are often expended over a multi-year period.
14. Library Resources	Materials and database access required to support programs of study and research.
15. Utilities	Support of nonrecurring utility costs throughout the university.
16. Information Technology (ERP, Equipment, Etc.)	Funds to improve operational productivity, educational improvements, and technological innovation, implementation and/or maintenance of ERP systems, and technological equipment purchases.
17. Other Operating Requirements	Other expenditures/projects that support the university's mission, are nonrecurring in nature, and are approved by the university board of trustees.
18. Contingencies for a State of Emergency Declared by the Governor	A commitment of funds to a contingency reserve for expenses incurred as a result of a state of emergency declared by the Governor pursuant to s. 252.36, Florida Statutes.
19. PECO Projects - Supplemental Funds to Complete Projects That Received Previous Appropriation	Commitment of funds to a public education capital outlay project for which an appropriation has previously been provided that requires additional funds for completion and which is included in the list required by s. 1001.706(12)(d), Florida Statutes. This category is valid for both major and minor carryforward projects.
20. Completion of Renovation, Repair, or Maintenance Project up to \$5M	For projects that are consistent with the provisions of s. 1013.64(1), Florida Statutes, up to \$5 million per project. Refer to Board of Governors Regulation 14.001 for the definitions of renovation, repair, and maintenance. This category is valid for both major and minor carryforward projects.
21. Replacement of Minor Facility (< 10,000 gsf) up to \$2M	Replacement of minor facility project that does not exceed 10,000 gross square feet in size, up to \$2 million. This category is valid for minor carryforward projects.
22. Completion of a Survey-Recommended Remodeling or Infrastructure Project (Including DRS Schools) up to \$10M	Completion of a remodeling or infrastructure project, including a project for a developmental research school, up to \$10 million per project, if such project is survey recommended pursuant to s. 1013.31, Florida Statutes. Refer to Board of Governors Regulation 14.001 for the definition of remodeling. This category is valid for both major and minor carryforward projects.

II. Column Definitions for Use With Details Tabs

**State University System
Education & General Carryforward Spending Plan
Reporting Definitions**

- | | |
|---|---|
| 1. Carryforward Spending Plan Category | Functional category brought forward from the Carryforward Spending Plan reporting template. Categories are defined in Section I of this document. |
| 2. Specific Expenditure/ Project Title/Name | Detailed title of planned expenditure item or project, with sufficient details to be tracked individually through the expenditure cycle to completion. |
| 3. Total Amount to be Funded from Current Year E&G Carryforward Balance | The total estimated cost to be paid from current-year beginning E&G carryforward balance for the specific expenditure item or project. |
| 4. E&G Carryforward Amount Budgeted for Expenditure During FY21 | This column represents the current budgetary year's estimated disbursement of E&G carryforward towards the total planned expenditure item or project. |
| <u>Project Timeline</u> | |
| 5. Estimated Completion Date | Estimated date (year) for full expenditure of E&G carryforward funds for the specific expenditure plan item or project. |
| 6. Current Expenditure Year # | The current year in the project completion timeline, e.g. year 2 of a 4 year project. Input is number only. |
| 7. Total # Years of Expenditure per Project | The total number of years over which the expenditure item / project will span. |
| 8. Comments/Explanations | Additional information to assist the user of the report including, but not limited to, a description of the expenditure item / project and how it supports the university's mission and operations. |
| <u>Other Definitions</u> | |
| 9. Nonrecurring | Nonrecurring guidelines as vetted and approved by the Council for Administrative and Financial Affairs (CAFA) can be found on the Board of Governors' website. |
| 10. Coronavirus/COVID-19 | The use of E&G carryforward funds to address various university costs associated with COVID-19. |



2022-2023 Operating Budget, E&G Carryforward Spending Plan, & Fixed Capital Outlay Budget

University Name: University of Central Florida

2022-2023 Operating Budget, E&G Carryforward Spending Plan, & Fixed Capital Outlay Budget Certification Representations

I hereby certify to the Board of Governors that the referenced 2022-2023 Operating Budget, E&G Carryforward Spending Plan, & Fixed Capital Outlay Budget provided to the Board of Governors in accordance with my fiduciary responsibility to the university is true and materially correct to the best of my knowledge. I further certify that these budgets have been reviewed and approved by the Board of Trustees at its meeting held on _____, and that funds will only be expended in accordance with the approved budget as well as all applicable Statutes, Board of Governors' Regulations, and university regulations. I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements may render this certification void. My signature below acknowledges that I have read and understand these statements.

Certification: _____ Date _____
Chief Financial Officer

Certification: _____ Date _____
President

I certify that the above referenced university budgets for fiscal year 2022-2023 have been approved by the University Board of Trustees and is true and materially correct to the best of my knowledge.

Certification: _____ Date _____
Board of Trustees Chair

Board of Trustees
Budget and Finance Committee | October 18, 2022

BUDC-2: Proposed 2022-23 University Operating Budget

☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: October 20, 2022

Purpose and Issues to be Considered:

University budgets are developed in accordance with the laws of Florida and Florida Board of Governors' regulations. The goal of the university's budget planning process is to achieve a balanced budget while optimizing resources and allocating those resources to align with the university's strategic priorities. To achieve this goal, the university has a responsibility to submit an annual operating budget to the Board of Trustees each year.

In May, the Committee received the Preliminary Proposed FY 2022-23 Operating Budget. The governor has now signed the state's appropriation bill and enrollment is for fall has been seated. At this time, we are presenting the final Operating Budget for approval.

The annual budget incorporates an all-funds approach and includes the following budget entities:

1. Education and General (E&G)
2. Auxiliary Enterprises
3. Contracts and Grants (including foundation support)
4. Local Funds (including athletics)
5. Faculty Practice Plan

University departments are accountable for their respective budget and will maintain a balanced budget by monitoring spending and notifying the Budget Office in advance of any potential cost overruns. If overspending occurs, departments will work in conjunction with their division budget directors and the Budget Office to resolve the overspending.

During fiscal year 2022-23, staff shall keep the university board of trustees informed of the status of the operating budget through quarterly updates.

Due to Hurricane Ian, UCF submitted the proposed 2022-23 University Operating Budget ahead of the October 1, 2022 deadline, pending Board of Trustees approval.

Background Information:

This fiscal year 2022-23 Operating Budget represents the first year presented under the university's new Responsibility Centered Management budget model (RCM). This model separates the university into primarily three distinct sections: revenue generating units (colleges), central support units, and auxiliary enterprise units.

Each college and unit were responsible for submitting a budget proposal to the University Budget Committee, reflecting total operating needs for the fiscal year. College operating needs are funded from their allocation of tuition and fee revenue as well as their share of state appropriations. Central support

units are funded primarily through an allocation of their costs to each of the revenue generating units. Auxiliary enterprise units are expected to be self-supporting and must balance their projected revenues with their planned expenses. A strategic pool of funds is accumulated through an 18% participation fee charged to the revenue generating units and this pool of funds is used to reallocate resources across the colleges in the form of subvention, at the discretion of the provost.

Recommended Action:

Recommend approval of FY 2022-23 Proposed Operating Budget and authorize the President, or his designee, to amend the budget consistent with Legislative, Board of Governors' and BOT directives and guidelines.

Alternatives to Decision:

Require adjustments to the proposed budget.

Fiscal Impact and Source of Funding:

The proposed operating budget balances sources of funds against uses of funds. The university budget deploys total sources and total uses of \$1.9 billion.

Excluding Financial Aid which serves predominately as a pass through, sources of funding for the university are comprised of 35% Tuition and Fees, 28% State Appropriations, 19% contracts and grants, and the remaining 18% from a combination of philanthropy, auxiliary services, and other income. The university's largest expense remains in personnel. Again, when we exclude financial aid and waivers, compensation and benefits represent 65% or \$837 million of total planned expenditures. Services and supplies represent 24% or \$310 million of planned expenditures.

When the preliminary budget was presented in May, we provided a detail set of footnotes for each line item with the budget with supporting schedules. The document can be retrieved from the "Resources" section of your Board of Trustees portal. The only change of consequence for this final budget is that the student enrollment realized is down a further from what was first thought. That diminution in enrollment, which gets us back to the levels from the fall of 2019 of approximately 69,000, has an impact of approximately \$8 million in revenues.

Second, there are some increases in expenses that we must cover in the upcoming fiscal year that amounts to approximately \$13 million. The requests for critical needs span Information Technology, Facilities, the College of Graduate Studies, the Office of Research, and Administration and Finance.

The budget schedule that is provided as Attachment A is the final version for fiscal year 2022-2023. It is balanced with all the resources noted; however, the leadership of the university will be monitoring and acting upon several things starting this fall; (i) reduce operating costs to ensure that recurring funds that are tied to specific future programmatic outcomes are protected, (ii) look at the intersection of the operating budget and carryforward funds, and how expenditures can be covered within the pools of funds from each, and (iii) analyze how Foundation dollars can augment our overall liquidity and cash flow for the fiscal year.

With the new budget model adopted, and some tools that we have garnered with Workday, it is our intent to actively manage the university's monthly operations by engaging Deans, Vice Presidents, and Budget Directors in ongoing conversations around cash flow burn rate, and cash flow year end projections at the end of each month. We will ensure that everyone is reminded that we must spend

E&G related funds first (in addition to funds augmented by operating dollars from Foundation funds). The new budget model is an “all funds” approach, and our liquidity and cash flow monitoring will reflect that during the course of the year.

Authority for Board of Trustees Action:

Florida Statute 1011.40(2) provides that “each university board of trustees shall adopt an operating budget for the operation of the university as prescribed by law and rules of the Board of Governors.”

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 the instructions, guidelines and standard formats provided by the Board of Governors.

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: Consolidated Sources and Uses

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance
Misty Shepherd, Senior Associate Vice President for Financial Affairs

Consolidated Sources and Uses
Fiscal Year 2022-23

	Responsibility Centers	Central Support Units	Auxiliary Enterprises	Total Plan
Sources				
Tuition and Fees	364,418,498	91,826,364	31,466,784	487,711,646
Federal and State Student Financial Aid	16,635,440	489,139,249	-	505,774,689
State Appropriations	372,445,800	26,930,559	-	399,376,359
Contracts and Grants	153,577,216	116,899,212	59,511	270,535,939
Foundation Support	9,797,845	9,435,195	-	19,233,040
Sales and Services	49,565,114	62,074,608	47,394,290	159,034,012
Investment Income (Realized)	1,772	3,727,513	471,460	4,200,745
Other Income	27,059,178	46,287,423	(4,680,393)	65,666,208
Subtotal Sources	993,500,863	846,320,123	74,711,652	1,914,532,638
Uses				
Compensation and Benefits	515,500,474	291,240,416	31,070,759	837,811,649
Service and Supplies	65,308,289	222,276,843	22,156,231	309,741,363
Utilities and Communication	4,162,629	32,755,593	4,007,962	40,926,184
Scholarships, Fellowships and Other Stu. Fin Aid	68,150,288	531,225,702	113,300	599,489,290
Waivers	35,358,321	-	-	35,358,321
Capital Assets	8,073,241	11,920,095	280,000	20,273,336
Debt Service	31,096	819,865	8,762,263	9,613,224
Other Expenses	22,487,645	35,831,731	8,123,715	66,443,091
Subtotal Uses	719,071,983	1,126,070,245	74,514,230	1,919,656,458
Central Support Allocation	(299,585,992)	299,585,992	-	-
Net Operating Surplus/ (Deficit)	(25,157,112)	19,835,869	197,422	(5,123,820)
Provost Participation Fee	(116,922,041)	-	-	(116,922,041)
Provost Annual Subvention	-	116,922,041	-	116,922,041
(Increase)/Decrease to Reserve Balance	(4,203,537)	9,524,779	(197,422)	5,123,820
Net After Subvention and Reserves	(146,282,690)	146,282,690	-	-

Board of Trustees
Budget and Finance Committee | October 18, 2022

BUDC-3: 2022-23 Fixed Capital Outlay Budget

☐ **Information**
☐ **Discussion**
☒ **Action**

Meeting Date for Upcoming Action: October 20, 2022

Purpose and Issues to be Considered:

Review and act on the proposed 2022-23 Fixed Capital Outlay Budget (FCO Budget) (Attachment A). Pursuant to Florida Statute 1013.61, *Annual Capital Outlay Budget*, each university's Board of Trustees must adopt an annual capital outlay budget that designates proposed expenditures by project. The university Board of Trustees-ratified FCO Budget must be submitted to the Board of Governors by October 1, 2022.

Due to Hurricane Ian, UCF submitted the 2022-23 Fixed Capital Outlay Budget ahead of the October 1, 2022 deadline, pending Board of Trustees approval.

Background Information:

Board of Trustees approval is required to proceed with projects listed on the FCO Budget. Project plans and the overall budget may be amended mid-year in accordance with Board of Governors Regulation 14.003(4) and the university's internal policies and procedures. Refer to Attachment B *Fixed Capital Outlay Budget Guide* for additional background.

The FCO Budget has been prepared in accordance with Board of Governors Regulation 14.003, *Fixed Capital Outlay Projects – University Budgeting Procedures*, and related instructions, guidelines, and standard formats. The Board of Governors also requires universities to obtain written certification of the FCO Budget, the university's operating budget and carryforward expenditure plan. The certification is to be signed by the President, Chief Financial Officer, and Board of Trustees Chair. It is presented as Attachment D with the 2022-23 Carryforward Spending Plan (BUDC-1).

Total costs for projects closed during 2021-22 was approximately \$124 million, resulting in a significant decrease from the prior year budget. The 2022-23 FCO Budget represents a continuation of projects in process as of June 30, 2022 plus the following significant new projects:

- **Small Carryforward Projects**
 - Biology \$2 million – remodel of a decommissioned laboratory space in the biology building into a chemistry teaching lab to provide swing space for the Chemistry building renovation, and ultimately an additional permanent research lab.
 - The university allocated \$10 million of carryforward for deferred maintenance. Funding will be used for various projects such as repairing stormwater and utility infrastructure, building automation controls, and electrical panels. Of this \$10 million, \$6 million meets the definition of fixed capital outlay per Board of Governors regulation 14.001(8), *Construction Program Definitions* and is included in the FCO Budget.

- Large Carryforward Projects
 - Ferrell Commons H Remodel \$10 million – convert study and support space into chemistry teaching labs to provide swing space for the Chemistry building renovation, and ultimately several permanent Chemistry teaching labs.
 - In lieu of Public Education Capital Outlay (PECO) funding, the State has chosen to address capital renewal and deferred maintenance through State Fiscal Recovery Funds (SFRF) awarded from the federal American Rescue Plan (ARP) Act of 2021. The university has been awarded \$32 million for the projects below. \$500 thousand of carryforward is being used for schematic design to accelerate the projects.
 - Biological Sciences Building Renovation \$21.6 million
 - Chemistry Building Renovation \$10 million
 - Education Complex fire alarm replacement \$443 thousand (reported in Non-Appropriated section)
- State Appropriated Projects
 - On June 2, 2022, Governor DeSantis signed the Freedom First budget for 2022-23, which included \$29 million toward the design, construction, and equipment of a new UCF College of Nursing Building.
- Non-Appropriated Projects
 - Various housing deferred maintenance projects totaling \$3 million including heating, ventilation, and air conditioning (HVAC) replacement, fresh air induction, and a roof replacement.

Recommended Action:

Recommend to the Board of Trustees approval of the 2022-23 Fixed Capital Outlay Budget as presented in Attachment A.

Alternatives to Decision:

1. Not approve the 2022-23 Fixed Capital Outlay Budget
2. Recommend revisions to the 2022-23 Fixed Capital Outlay Budget

Fiscal Impact and Source of Funding:

The 2022-23 Fixed Capital Outlay Budget represents a one-year project plan from all sources of funding including:

1. Education and General operating funds and carryforward as represented in the university's operating budget and carryforward plans
2. Non-appropriated funds, such as auxiliary funds and contracts and grants
3. State appropriated funds designated for capital purposes, such as PECO and Capital Improvement Trust Funds (CITF)

The table below represents a summary of 2022-23 estimated expenditures by funding source. State funding and federal funding account for approximately 92% of planned expenditures.

2022-23 Estimated Expenditures by Funding Source

in millions		
E&G Carryforward and Operating	\$ 28	38%
Capital Improvement Trust Funds (CITF)	13	18%
Public Education Capital Outlay (PECO)	5	7%
Federal Funding (Contracts & Grants)	21	29%
Total state and federal sources	67	92%
Auxiliary, donations, and activity and service fees	6	8%
Total all sources	\$ 73	100%

Authority for Board of Trustees Action:

Florida Statute 1013.61

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: 2022-23 Fixed Capital Outlay Budget

Attachment B: Fixed Capital Outlay Budget Guide

Attachment C: Capital Project Funding Certification Form- Ferrell Commons H Remodel

Attachment D: Capital Project Funding Certification Form- Biological Sciences Building Renovation

Attachment E: Capital Project Funding Certification Form- Chemistry Building Renovation

Attachment F: Capital Project Funding Certification Form- College of Nursing Building

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance

Jon Varnell, Vice President for Facilities and Business Operations

Attachment A

University of Central Florida

FIXED CAPITAL OUTLAY BUDGET for Fiscal Year 2022-23

(per s. 1013.61, F.S. and Board Reg. 14.003)

CFSP #	Category	Project Title/Name	Description	Total Project(s) Cost	Funding Source(s)		Funds Expended to Date	Funds to be Expended this Year	Remaining Balance	Project Timeline		Comments
					Source	Amount				Start Date	Completion Date	
Education & General (E&G) Operating Projects												
			Consolidated line item of all FCO projects, as defined in Board reg 14.001, funded from current year E&G operating funds. No individual project funded in whole or in part shall exceed \$1M, per Board reg 9.007(3)(a)1.	1,000,000	E&G Operating	1,000,000	-	1,000,000	-	Not Applicable		
Carryforward (CF) - Small Projects												
			Consolidated line item of all FCO projects with a cost up to \$2M funded in whole or in part from CF funds, pursuant to Board Reg. 14.003(2)(b). Includes replacement of facilities less than 10,000 gross sf. This is a single line item in the FOC budget. For a list of individual projects, refer to the Carryforward Spending Plans (CFSP).	25,841,248	E&G Carryforward Contracts & Grants	25,839,552 <u>1,696</u> 25,841,248	11,021,533	12,460,514	2,359,201	Refer to detail in Carryforward Spending Plan		
Carryforward (CF) - Large Projects												
			Any FCO project funded in whole or in part from CF funds, where total individual FCO project cost exceeds \$2M, pursuant to Board reg. 14.003(2)(c) and expenditure limits described therein. May also be reflected as one of multiple funding sources under categories State Appropriate Projects and Non-Appropriated Projects.									
1		Biology Building Renovation, Repairs, and Maintenance	HVAC and other system repairs and upgrades	5,000,000	E&G Carryforward	5,000,000	545,222	4,454,778	-	2020-21	2023-24	Construction underway, waiting on large equipment arrival which will reduce balances quickly once installed and billed.
2		Chemistry Building Renovation, Repairs, and Maintenance	HVAC and other system repairs and upgrades	5,000,000	E&G Carryforward	5,000,000	181,161	4,818,839	-	2020-21	2023-24	Original design was completed and over budget, which has delayed the project. Redesign starting.
3		Communication and Media Building Curtainwall and Roof Replacement	Curtainwall replacement, roof recoat, building envelope repairs	4,500,000	E&G Carryforward	4,500,000	620,054	3,879,946	-	2020-21	2023-24	Curtainwall ordered, install begins September 2022. Roof scope delayed until after the completion of the Communications and Media HEERF project.
4		Ferrell Commons H Remodel	Remodel of Ferrell Commons H to convert existing study and support space into teaching labs to provide swing space for the Chemistry Building renovations	10,000,000	E&G Carryforward	10,000,000	-	1,000,000	9,000,000	2022-23	2023-24	
5		Chemistry Building Renovation	Chemistry Building Renovation	10,160,000	E&G Carryforward Contracts & Grants	160,000 <u>10,000,000</u> 10,160,000	-	1,160,000	9,000,000	2022-23	2022-23	Federal State Fiscal Recovery Funds (SFRF) award. E&G portion is schematic design to accelerate project schedule.
6		Biological Sciences Building Renovation	Biological Sciences Building Renovation	21,970,000	E&G Carryforward Contracts & Grants	340,000 <u>21,630,000</u> 21,970,000	-	2,503,000	19,467,000	2022-23	2022-23	Federal State Fiscal Recovery Funds (SFRF) award. E&G portion is schematic design to accelerate project schedule.
State Appropriated Projects ¹												
			This category includes all FCO projects utilizing funds originally appropriated as FCO funds by the State of Florida, notwithstanding criteria in Board regulation 14.001. These funds should never be included in the operating budget. Examples, PECO (including Sum-of-Digits) and CITF. Reference Board reg 14.003(12)(d). For the purpose herein, all projects \$2 million or less can be consolidated into a single line item.									
		Partnership IV and V	Building purchase and renovation for partnership with the Department of Defense	42,000,000	PECO	42,000,000	41,815,021	184,979	-	2017-18	2022-23	Project-specific PECO allocation.
		Repair, Maintenance, Renovation, Remodel (Sum of Digits)	Minor projects - repair, maintenance, renovation, remodel, site improvements	5,700,180	PECO	5,700,180	3,730,950	1,312,820	656,410	2017-18	2023-24	PECO funding for RMRR (sum of digits).
		College of Science building HVAC Control System Replacement	Replace HVAC control system for College of Science building	1,528,095	PECO Prior Year E&G	1,061,700 <u>466,395</u> 1,528,095	1,296,770	231,325	-	2018-19	2022-23	Project in close-out, anticipate returning some funding.

CFSP #	Category	Project Title/Name	Description	Total Project(s) Cost	Funding Source(s)		Funds Expended to Date	Funds to be Expended this Year	Remaining Balance	Project Timeline		Comments
					Source	Amount				Start Date	Completion Date	
		John Hitt Library Renovation Phase II	Renovation of existing library spaces	40,978,312	CITF	40,978,312	16,012,267	11,653,776	13,312,269	2017-18	2024-25	\$7M is encumbered for the Library Level 3 renovation, which is under construction. \$17M is for the Library Level 2 design and construction. Library Level 2 design will start in late 2022 using a portion of the balance. The remainder of the balance will be dedicated to the Library Level 2 construction, which will be presented for individual project approval to the BOT in 2023.
		Performing Arts Complex Phase II - Design Only	Design of a new Performing Arts Complex on UCF main campus	2,750,000	CITF Donations	2,000,000 <u>750,000</u> 2,750,000	427,669	1,724,832	597,499	2021-22	2022-23	Conceptual Schematic Design complete. Advanced Schematic Design will begin in September 2022. Project will then stop design and focus on fundraising activities. CITF funding will be spent first and the remaining balance will represent funding from Donations.
		Burnett School of Biomedical Sciences Controls Upgrade	Upgrade the controls of the Burnett Bio-Medical Sciences Building	999,485	PECO	999,485	438,327	561,159	-	2020-21	2022-23	Project in construction.
		College of Nursing Building	College of Nursing Building	29,000,000	PECO	29,000,000	-	2,900,000	26,100,000	2022-23	2025-26	Project in advertisement for Architects/Engineers
Non-Appropriated Projects ¹												
<i>This category includes all university FCO projects that have not directly or indirectly used funds appropriated by the State. Examples include private donations, athletic revenues, federal grants, housing/parking revenue bonds, etc. Reference Board reg 14.003(12)(e). For the purpose herein, all projects \$2 million or less can be consolidated into a single line item.</i>												
		Roth Athletic Center-Interior Buildout	Buildout of addition	9,528,000	Donations	9,528,000	8,931,454	596,546	-	2017-18	2022-23	Project completion delayed by boiler system issues that required system replacement. Work is complete, and project is in close-out. Anticipate project to be closed by the end of December 2022.
		HVAC renovations to prevent the spread of COVID-19 through air filtration systems	HEERF Air Quality Improvement Projects	29,058,123	Contracts & Grants Auxiliary	29,000,000 <u>58,123</u> 29,058,123	11,416,327	17,641,796	-	2021-22	2022-23	Originally approved at \$18.4M by the Board of Trustees (BOT) in June 2021 consisting of HVAC renovations to four buildings - Visual Arts Building, Student Union, Classroom I, and Communications and Media Building. Additional \$3M of expenses approved by the BOT in February 2022. Cost revisions also include additional HVAC projects across campus in Housing buildings, Engineering Building, the Library, the Student Union and the Creative School. Projects in varying stages of completion, all on target to be complete by May 20, 2023.
		Education Complex Fire Alarm Replacement	Education Complex Fire Alarm Replacement	443,514	Contracts & Grants	443,514	-	44,351	399,163	2022-23	2022-23	Federal State Fiscal Recovery Funds (SFRF) award.
		Student Union Roof and Building Envelope Repairs	Student Union Roof and Building Envelope Repairs	2,611,998	Activity & Svc Fees	2,611,998	40,926	1,928,304	642,768	2022-23	2023-24	
		Individual Projects under \$2M		3,741,908	Auxiliary	3,741,908	170,034	3,571,874	-	Not Applicable		One project from FY 22 - CAPS HVAC building controls renovation. Additional projects in FY 23 include Housing Deferred Maintenance projects totaling approximately \$3M and one Downtown Parking Garage project totaling \$600k.
TOTALS:				251,810,862		251,810,862	\$96,647,714	\$73,628,839	\$81,534,310			

Notes:

- 1) Pursuant to s. 1031.61, F.S., as well as "Board" as defined in s. 1013.01, F.S., the FCO Budget does not apply to those projects acquired, constructed, and owned by a Direct Support Organization or under a Public Private Partnership.
- 2) The Fixed Capital Outlay Budget may be amended, subject to the requirements described in Regulation 14.003(4).

Fixed Capital Outlay Budget Guide

The capital planning process consists of several components:

- The **Campus Master Plan** is developed every five years and provides a macro-level vision for major project priorities over a 10-year period, considering the needs identified in the University's **Educational Plant Survey** for new construction and expansion / renovation projects.
- **Facility Condition Assessment Reports** and other building analytics are used for existing structures and deferred maintenance.
- The **Capital Improvement Plan** is developed annually to request state funding for the university's priority major projects; it is informed by other capital planning documents and is a component of the university's state funding request (**Legislative Budget Request**).
- The **Fixed Capital Outlay (FCO) Budget** is developed annually; it is the culmination of these planning documents and serves as a spending plan for the fiscal year.

Florida Statute 1013.61 *Annual Capital Outlay Budget* requires the adoption of a capital outlay budget, which is referred to as the Fixed Capital Outlay (FCO) Budget. This budget is prepared in accordance with Board of Governors Regulation 14.003 *Fixed Capital Outlay Projects – University Budgeting Procedures* and other prescribed instructions, guidelines, and standard formats provided by the Chancellor. The Board of Governors also requires written certification of the FCO Budget by the President, Chief Financial Officer, and Board of Trustees Chair.

FCO projects are defined in Board Regulation 14.001 *Definitions*. They consist of construction that materially extends the life or materially improves functionality of space. The projects must have an expected useful life of 20 years with a project cost of more than \$100,000 (the university's capitalization policy). All projects appropriated by the state as FCO must also be included, regardless of thresholds. Lastly, projects, acquired, constructed, and owned by a Direct Support Organization or under a Public Private Partnership are not applicable and have been omitted from this presentation (Board of Governors Regulation 14.003(3)).

The Board of Governors has provided a template for presenting the FCO budget, including the following:

- **CFSP Item #:** Projects funded from the university's available E&G carryforward balance as of July 1 are required to be reported on both the University E&G Carryforward Spending Plan – Supplemental Details (Fixed Capital Outlay Plans) and the FCO Budget. This field indicates the project's corresponding line item on the E&G Carryforward Spending Plan. The reporting should be consistent.
- **Category:** Represents the project's major funding source. Categorizing projects with multiple funding sources involves a level of judgement. Individual projects are not split into different funding category rows; therefore, the full project cost is always presented. The template does allow for projects below certain thresholds to be consolidated into single line items depending on the funding source.
- **Total Project Cost:** Anticipated hard costs (construction, furniture, etc.) and soft costs (design, permitting, etc.) to complete a project.
- **Funding Sources:** The FCO Budget includes projects from all funding sources, including both state and non-state. Identified funding sources must be in accordance with state statutes and Board of Governors regulations.
- **Funds Expended to Date:** Actual expenses paid as of the end of the preceding fiscal year.

- **Funds to be Expended this Year:** Projected expenditures through the end of the current fiscal year, excluding encumbrances.
- **Project Timeline:** Estimate of project start and completion dates by fiscal year.

Other related processes and procedures include:

- **Capital Project Certification:** The UCF Board of Trustees *Capital Projects Funding Policy* requires certification to be completed and signed by university senior leadership for projects exceeding \$2 million.
- **Mid-Year Amendments:** Board of Governors Regulation 14.003 *Fixed Capital Outlay Projects – University Budgeting Procedures* and the UCF Board of Trustees Policy BOT-4 *Delegation of Authority to the President* provide guidance for mid-year amendment procedures.
- **Mid-Year Updates to the Board of Trustees:** UCF Policy 3-211 *University Budget Process* provides guidance for mid-year updates of budget to actuals and projections to the Board of Trustees.



Capital Projects Funding Certification Form

This form is required as a condition for approval by the Finance and Facilities Committee and the Board of Trustees.

Project name/description: Ferrell Commons H Remodel - \$10,000,000

Funding source(s): E&G Carryforward

This is to certify that the above capital project which exceeds \$2 million has been reviewed and approved and the type of funding for the project is authorized by state law and Board of Governors Regulations.

**Alexander
Cartwright**

Digitally signed by
Alexander Cartwright
Date: 2022.09.16
09:12:29 -06'00'

President

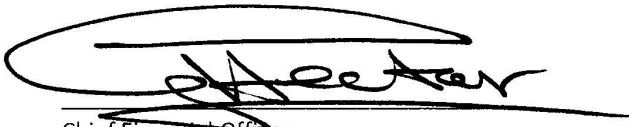
Date

Jonathan Varnell

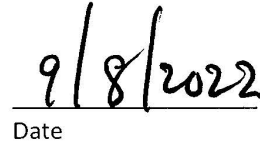
Digitally signed by Jonathan
Varnell
Date: 2022.09.05 21:49:58 -04'00'

Vice President

Date



Chief Financial Officer


Date

Youndy C. Cook

Digitally signed by Youndy C.
Cook
Date: 2022.09.02 14:00:17 -04'00'

General Counsel

Date



Capital Projects Funding Certification Form

This form is required as a condition for approval by the Finance and Facilities Committee and the Board of Trustees.

Project name/description: **Biology Building Renovation - \$21,630,000**

Funding source(s): **Nonrecurring federal State Fiscal Recovery Funds (SFRF) awarded to the state as part of the American Rescue Plan (ARP) Act of 2021 - under Section 197 of HB5001.**

This is to certify that the above capital project which exceeds \$2 million has been reviewed and approved and the type of funding for the project is authorized by state law and Board of Governors Regulations.

Alexander
Cartwright

Digitally signed by Alexander
Cartwright
Date: 2022.09.16 09:11:55 -06'00'

President

Date

Jonathan Varnell

Digitally signed by Jonathan
Varnell
Date: 2022.08.24 10:59:30 -04'00'

Vice President

Date

ge208399

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Date: 2022.08.26 14:41:00
-04'00'

Chief Financial Officer

Date

Youndy C. Cook

Digitally signed by Youndy C.
Cook
Date: 2022.08.19 08:01:35 -04'00'

General Counsel

Date



Capital Projects Funding Certification Form

This form is required as a condition for approval by the Finance and Facilities Committee and the Board of Trustees.

Project name/description: **Chemistry Building Renovation - \$10,000,000**

Funding source(s): **Nonrecurring federal State Fiscal Recovery Funds (SFRF) awarded to the state as part of the American Rescue Plan (ARP) Act of 2021 - under Section 197 of HB5001.**

This is to certify that the above capital project which exceeds \$2 million has been reviewed and approved and the type of funding for the project is authorized by state law and Board of Governors Regulations.

Alexander
Cartwright

Digitally signed by Alexander
Cartwright
Date: 2022.09.16 09:12:11 -06'00'

President

Date

Jonathan Varnell

Digitally signed by Jonathan
Varnell
Date: 2022.08.24 11:00:00 -04'00'

Vice President

Date

ge208399

Digitally signed by ge208399
Date: 2022.08.26 14:41:39
-04'00'

Chief Financial Officer

Date

Youndy C Cook

Digitally signed by Youndy C Cook
Date: 2022.09.12 09:35:02 -04'00'

General Counsel

Date



Capital Projects Funding Certification Form

This form is required as a condition for approval by the Finance and Facilities Committee and the Board of Trustees.

Project name/description: College of Nursing Building

Funding source(s): Nonrecurring state funds appropriated by the 2022 Legislature to the Department of Education as fixed capital outlay for: University of Central Florida: Nursing Building \$29,000,000 (General Appropriations Act for FY 2022-23)

This is to certify that the above capital project which exceeds \$2 million has been reviewed and approved and the type of funding for the project is authorized by state law and Board of Governors Regulations.

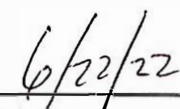
Alexander
Cartwright

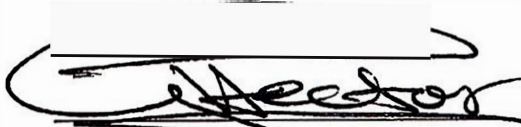
Digitally signed by
Alexander Cartwright
Date: 2022.06.24
16:43:20 -04'00'

President

Date


Vice President


Date


Chief Financial Officer


Date

Youndy C. Cook

Digitally signed by Youndy C.
Cook
Date: 2022.06.17 13:44:34 -04'00'

General Counsel

Date



Board of Trustees Budget and Finance Committee | October 18, 2022

INFO-1: FY23 Work Plan and Charter Review

☒ Information

☐ Discussion

☐ Action

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

To provide Committee members the opportunity to review and offer further input on the Committee's work plan for FY23 (July 1, 2022 – June 30, 2023). Attachment A outlines the anticipated reports, actions, strategic discussions, and informational items planned to come before the Committee this fiscal year. The Board Office has coordinated with staff leadership to ensure work plans for each committee align with the full Board meeting themes in fiscal year 2023.

Additionally, the Committee's charter is attached for reference to the Committee's Purpose and Authority, Roles and Responsibilities. This also serves as the Committee's annual review of its charter and the opportunity to discuss any necessary charter amendments that would come for action in the next meeting cycle.

Background Information:

Committee Staff have prepared and discussed work plans with their Chair that include strategic routine business, strategic discussions, and information items to come before each committee in FY23. The Board Office has coordinated with staff leadership to ensure work plans for each committee align with the full Board meeting themes in fiscal year 2023.

Recommended Action:

Review and provide further input on the Committee's work plan for FY23 (July 1, 2022 – June 30, 2023).

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

N/A

Authority for Board of Trustees Action:

N/A

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

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



Board of Trustees

Agenda Memo

Submitted by:

Gerald Hector, Senior Vice President for Administration and Finance

Supporting Documentation:

Attachment A: FY23 Budget and Finance Committee Work Plan

Attachment B: Budget and Finance Committee Charter

Facilitator:

Harold Mills, Chair, Budget and Finance Committee

BUDGET & FINANCE		
Wednesday, September 28, 2022		

ACTION ITEMS		
BUDC-1	2022-23 Carryforward Spending Plan	HECTOR
BUDC-2	Final 2022-23 University Budget	HECTOR
BUDC-3	Fixed Capital Outlay Budget	HECTOR
BUDC-4		
BUDC-5		

DISCUSSION ITEMS		
DISC-1	SVP Update	HECTOR
DISC-2		
DISC-3		
DISC-4		
DISC-5		

INFORMATION ITEMS		
INFO-1	Work Plan and Charter Review	CHAIR
INFO-2	University Investment Report - 4th Quarter, Ended June 30, 2022	FRANCIS
INFO-3	University Operating Budget Report - 4th Quarter, Ended June 30, 2022	HECTOR
INFO-4	2021-22 Fixed Capital Outlay Budget Update	HECTOR
INFO-5		

BUDGET & FINANCE		
Wednesday, November 16, 2022		

ACTION ITEMS		
BUDC-1		
BUDC-2		
BUDC-3		
BUDC-4		
BUDC-5		

DISCUSSION ITEMS		
DISC-1	SVP Update	HECTOR
DISC-2		
DISC-3		
DISC-4		
DISC-5		

INFORMATION ITEMS		
INFO-1	University Investment Report - 1st Quarter, Ended September 30, 2022	FRANCIS
INFO-2	University Operating Budget Report - 1st Quarter, Ended September 30, 2022	HECTOR
INFO-3		
INFO-4		
INFO-5		

BUDGET & FINANCE		
Thursday, February 23, 2023		

ACTION ITEMS		
BUDC-1	Operating Budgets for Auxiliary Facilities with Bonded Debt	FRANCIS
BUDC-2		
BUDC-3		
BUDC-4		
BUDC-5		

DISCUSSION ITEMS		
DISC-1	SVP Update	HECTOR
DISC-2	Investment Program Review	FRANCIS
DISC-3		
DISC-4		
DISC-5		

INFORMATION ITEMS		
INFO-1	University Investment Report - 2nd Quarter, Ended December 31, 2022	FRANCIS
INFO-2	University Operating Budget Report - 2nd Quarter, Ended December 31, 2022	HECTOR
INFO-3		
INFO-4		
INFO-5		

BUDGET & FINANCE		
Wednesday, June 28, 2023		

ACTION ITEMS		
BUDC-1	Proposed 2023-24 University Operating Budget/ Spending Authority	HECTOR
BUDC-2	Proposed 2023-24 Direct Support Organization/Related Entity Operating Budgets	TANT
BUDC-3	Renewal of Reducing Revolving Line of Credit - Fifth Third Bank	DONOVAN
BUDC-4	UCF Stadium Corporation Release of Unrestricted Surplus	DONOVAN
BUDC-5		

DISCUSSION ITEMS		
DISC-1	SVP Update	HECTOR
DISC-2		
DISC-3		
DISC-4		
DISC-5		

INFORMATION ITEMS		
INFO-1	University Investment Report - 3rd Quarter, Ended March 31, 2023	FRANCIS
INFO-2	University Operating Budget Report - 3rd Quarter, Ended March 31, 2023	HECTOR
INFO-3		
INFO-4		
INFO-5		



Board of Trustees

COMMITTEE CHARTER

BUDGET AND FINANCE COMMITTEE

PURPOSE AND AUTHORITY

The Budget and Finance Committee ("Committee") is a standing Committee of the University of Central Florida Board of Trustees ("Board"). The purpose of the Committee is to oversee the University budget and all revenue sources to monitor the overall financial performance of the University and its Related Entities.

The Board authorizes the Committee to perform activities within the scope of its charter as follows:

- Provide oversight of the financial condition of the University and all Related Entities.
- Provide oversight and strategic direction of the University's financial planning and resource allocation, financial commitments and contractual obligations, treasury and cash management, debt management, and tuition and fees.
- Evaluate the University's investment and cash management strategies and make recommendations to enhance performance.
- Perform other duties as assigned by the Board or the Board Chair.

ROLES AND RESPONSIBILITIES

The Committee will review and recommend the following to the Board for action:

- The annual operating budget of the University, carryforward spending plan, and capital outlay budget of the University and its Related Entities.
- Financial commitments, contractual obligations, contingent risks, or the assumption of liabilities not delegated to the President.
- The borrowing of funds and any material changes to such loans, including internal University resources borrowed via internal loan; any debt issuance; and public private partnerships.
- Changes to the University's tuition and fees.
- The transfer of allowable University funds to, from, or among Related Entities, unless under an agreement approved by the Board of Trustees.
- The financial statements of the University and of the University's Related Entities.
- Additional items within the Committee's scope and authority that require approval.

REPORTING RESPONSIBILITIES

- The Committee will, at the next regularly scheduled board meeting, report to the Board any action taken by the Committee.
- The Committee will promptly notify all board members of any matters within its oversight roles and responsibilities that might significantly impact the financial, legal, academic standing, or reputation of the University.

MEMBERSHIP

- The chair of the Board will appoint the chair and members of the Committee and serve as a non-voting ex officio member.
- The Committee will consist of at least five members.
- Members of the Committee will serve until their resignation or replacement by the chair of the Board.

MEETINGS AND MINUTES

- Meetings will be held not less than four times per fiscal year.
- A majority of the Committee members will constitute a quorum for the conduct of business. Action shall require a majority vote of Committee members present.
- The Committee will maintain and post written minutes of its meetings in accordance with Florida Statute 1001.71.

STAFF

- The senior vice president for finance and administration will serve as the primary liaison to the Committee and delegate administrative responsibilities as necessary.
- The president and senior vice president for finance and administration may call upon additional staff to provide presentations, information, or recommendations in the scope of the Committee's charter.

CHARTER REVIEW

- The Committee will review its charter annually and recommend to the Board any changes that the Committee deems necessary.



ADOPTION

I HEREBY CERTIFY that the University of Central Florida Board of Trustees adopted this charter at its regularly scheduled meeting on June 17, 2021.

A handwritten signature in blue ink, appearing to read "Michael A. Dink", is written over a horizontal line.

JUL 1, 2021

Associate Corporate Secretary
University of Central Florida Board of Trustees

Date



Board of Trustees
Budget and Finance Committee | October 18, 2022

INFO-2: University Investment Report – 4th Quarter, Ended June 30, 2022

☒ Information

☐ Discussion

☐ Action

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

The university treasury office has worked with our &Co investment consultants to prepare the attached quarterly investment report for the year ended June 30, 2022. This quarter includes the following highlights and notable changes:

The University Structured Investment Portfolio (SIP) returned (-6.07%) for the quarter ended June 30, 2022. Although negative, the portfolio still fared better than our industry benchmarks. Pool IV saw the largest percentage decline at (-11.31%) as the Euro continues to lose value against the dollar and do to the wide range of economic impacts in the region from the war in Ukraine. For the month of July 2022, the SIP rebounded with total returns of 3.15% for the month.

The Federal Reserve continued to address rising inflationary concerns by raising rates by another 75bps in July, with more rate increases anticipated throughout the remainder of the year. Increases in the Fed rates have a direct impact on our existing fixed income portfolio resulting in unrealized losses on the short term. However, we anticipate these rate increases will result in greater interest income returns on fixed income pools going forward.

Over the long-term, each of the SIPs active managers are outperforming on a three- and five-year basis, and the portfolio has gained approximately \$139 million in returns (4.35% annualized) since inception (April 2010), despite the challenging previous two quarters.

This item is provided to the trustees quarterly for information purposes only.

Background Information:

The attached report provides an update on the university's investment portfolio for the year ended June 30, 2022 (Attachment A).

As of June 30, 2022, the university had the following cash and investment balances:

Bank of America operating account	\$ 43,374,582
State of Florida Special Purpose Investment Account (SPIA)	287,708,074
Bank of New York Structured Investment Portfolio	<u>326,108,658</u>
Total Cash and Investments	\$ 657,191,314

The structured investment portfolio experienced annual net losses totaling (\$25,510,056). This includes (\$34,232,905) in unrealized losses offset by interest income and realized gains for the period.

**Recommended Action:**

For information only.

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

N/A.

Authority for Board of Trustees Action:

Sections 1011.42(5) and 218.415, Florida Statutes; UCF-4.014 Investments; UCF Investment Policy Manual

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: University Investment Report – 4th Quarter, Ended June 30, 2022

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance

Bert Francis, Assistant Vice President for Debt Management and University Treasurer

Investment Performance Review
Period Ending June 30, 2022

University of Central Florida Board Summary Report



As you may recall from our Client Letter at the beginning of the year, AndCo remains steadfast in our belief and conviction that the best way to service our valued clients is within a model that is independent, singularly focused, customized, and passionately delivered. We continue to reinvest 100% of our net profits back into the organization to enhance our customized service model and provide the appropriate resources for all our team members to serve our valued clients at a high level.

To that end, we are thrilled to share that AndCo is the recipient of a Greenwich Quality Leader Award for mid-sized consulting firms!

Coalition Greenwich is a leading global provider of data, analytics, and insights to the financial services industry, and the Greenwich Exchange provides institutional investors with robust and actionable data to inform their decision-making. Research participants receive regional and global industry insights, as well as peers' perceptions of asset managers and investment consultants.

Outlined below are the award criteria research participants answer that determines Quality Leader Awards each year. To qualify as a research participant you must have at least \$150MM in investable assets.

2021 was the first year we launched an initiative to participate in this research opportunity and the experience helped glean key insights into what is important for our clients and how we can better serve them going forward. We deeply appreciate the client representatives that acted as research participants in the 2021 study.

While our consultants are the tip of the spear when servicing our clients, this award, and our overall client service experience, would not have been possible without the work of our entire AndCo team. We greatly appreciate their ongoing work and efforts that made this award possible.

As we have stated since our rebrand in 2017, our name, AndCo, reminds us of who we work for every day - "Our Client" &Co. You will always be first in our service model and at the forefront of each team member's efforts to serve, earn your trust, and add value.

Thank you again for your valued partnership and the opportunity to serve you. We share this award with you and will continue to work hard to earn your trust as we move forward in these challenging market environments.

GREENWICH QUALITY LEADER AWARD CRITERIA

Understanding of Client Goals and Objectives	Client Satisfaction with Manager Recommendations	Timeliness in Providing Written Reports
Advice on DC Plan Structure and Design	Communication of Philosophy and Investment Beliefs	Capability of Consultants Assigned to Clients
Credibility with Investment Committee	Advice on Long-Term Asset Allocation and Liability Issues	Usefulness of Personal Meetings
Proactive Advice and Innovative Ideas	Responsiveness and Prompt Follow-Up on Client Requests	Sufficient Professional Resources
	Usefulness of Written Investment Reviews	

IMPORTANT DISCLOSURE INFORMATION RE GREENWICH QUALITY LEADER AWARD: This communication is intended for informational purposes only and should not be regarded as investment advice or as a recommendation regarding any particular course of action. AndCo Consulting is an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). Registration as an investment adviser does not constitute an endorsement of the firm by securities regulators nor does it indicate that the adviser has attained a particular level of skill or ability.

These ratings are not indicative of AndCo's future performance. These awards or any other rankings and/or recognition by unaffiliated rating services and/or publications should not be construed as a guarantee that a client will experience a certain level of results or satisfaction if they invest with AndCo, nor should it be construed as a current or past endorsement by any of our clients. AndCo did not pay a fee to participate in this award survey. Coalition Greenwich and AndCo are not affiliated entities.

METHODOLOGY FOR THIS AWARD: Between July and October 2021, Coalition Greenwich conducted interviews with 811 individuals from 661 of the largest tax-exempt funds in the United States. These U.S.-based institutional investors are corporate and union funds, public funds, and endowment and foundation funds, with either pension or investment pool assets greater than \$150 million. Study participants were asked to provide quantitative and qualitative evaluations of their asset management and investment consulting providers, including qualitative assessments of those firms soliciting their business and detailed information on important market trends.

Asset Allocation and Performance
Total Managed Pool
As of June 30, 2022

Asset Allocation and Performance									
	Allocation		Performance(%)						
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
Total Fund (Net)	326,108,658	100.00	-6.07	-7.23	-7.23	3.33	4.15	4.02	04/01/2010
SPIA (Net)			0.50	1.36	1.36	2.04	2.02	1.83	
Total Fund (Gross)	326,108,658	100.00	-6.06	-7.19	-7.19	3.39	4.22	4.11	04/01/2010
Pool II	53,988,992	16.56	-0.17	-0.97	-0.97	0.85	1.39	0.85	04/01/2010
Pool II Policy			-0.33	-1.04	-1.04	0.56	1.10	0.65	
Pool III	150,243,674	46.07	-3.47	-5.16	-5.16	2.17	3.11	3.44	04/01/2010
Pool III Policy			-3.32	-5.54	-5.54	1.84	2.70	3.15	
Pool IV	121,875,992	37.37	-11.31	-11.96	-11.96	6.10	7.09	7.94	04/01/2010
Pool IV Policy			-11.80	-11.58	-11.58	5.50	6.64	7.89	



Comparative Performance Trailing Returns													
	QTR		FYTD		1 YR		3 YR		5 YR		Inception		Inception Date
Pool II	-0.17	(43)	-0.97	(49)	-0.97	(49)	0.85	(37)	1.39	(39)	0.85	(68)	04/01/2010
Pool II Policy	-0.33	(67)	-1.04	(50)	-1.04	(50)	0.56	(88)	1.10	(94)	0.65	(94)	
IM U.S. Cash Fixed Income (SA+CF) Median	-0.20		-1.07		-1.07		0.73		1.36		1.05		
Galliard (Pool II)	-0.17	(43)	-0.97	(49)	-0.97	(49)	0.85	(37)	1.39	(39)	0.85	(68)	04/01/2010
Pool II Policy	-0.33	(67)	-1.04	(50)	-1.04	(50)	0.56	(88)	1.10	(94)	0.65	(94)	
IM U.S. Cash Fixed Income (SA+CF) Median	-0.20		-1.07		-1.07		0.73		1.36		1.05		



Comparative Performance Trailing Returns

	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
Pool III (Net)	-3.48	-5.21	-5.21	2.10	3.04	3.35	04/01/2010
Pool III Policy	-3.32	-5.54	-5.54	1.84	2.70	3.15	
Pool III (Gross)	-3.47	-5.16	-5.16	2.17	3.11	3.44	04/01/2010
Pool III Policy	-3.32	-5.54	-5.54	1.84	2.70	3.15	
Pool III - Domestic Equity	-16.11 (59)	-10.65 (42)	-10.65 (42)	10.58 (22)	11.28 (24)	11.79 (47)	04/01/2010
Pool III Equity Policy	-16.10 (59)	-10.62 (42)	-10.62 (42)	10.60 (21)	11.31 (23)	12.42 (30)	
IM U.S. Equity (SA+CF+MF) Median	-15.26	-12.73	-12.73	8.04	8.97	11.62	
Pool III - Fixed Income	-1.09 (64)	-4.74 (91)	-4.74 (91)	0.33 (83)	1.31 (65)	1.76 (41)	04/01/2010
BofA Merrill Lynch 1-5 Yr Gov/Corp A Rated & Above	-0.97 (63)	-4.83 (92)	-4.83 (92)	0.11 (97)	1.03 (95)	1.42 (67)	
IM U.S. Short Duration Fixed Income (SA+CF) Median	-0.80	-3.56	-3.56	0.63	1.37	1.60	

Pool III Policy: 15% S&P500, 85% BofA ML 1-5 Yr Gov/Credit Rated A and Above; Pool III Domestic Equity Policy: 100% S&P500
Returns for periods greater than one year are annualized.
Returns are expressed as percentages.



	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
Domestic Equity							
Vanguard Instl (Pool III)	-16.11 (14)	-10.65 (12)	-10.65 (12)	10.58 (9)	11.28 (6)	12.11 (3)	07/01/2013
S&P 500 Index	-16.10 (8)	-10.62 (2)	-10.62 (2)	10.60 (3)	11.31 (1)	12.14 (1)	
IM S&P 500 Index (MF) Median	-16.17	-10.91	-10.91	10.26	10.97	11.74	
Fixed Income							
Galliard (Pool III)	-1.27 (75)	-5.15 (95)	-5.15 (95)	0.32 (84)	1.35 (55)	1.83 (39)	04/01/2010
BofA Merrill Lynch 1-5 Yr Gov/Corp A Rated & Above	-0.97 (63)	-4.83 (92)	-4.83 (92)	0.11 (97)	1.03 (95)	1.42 (67)	
IM U.S. Short Duration Fixed Income (SA+CF) Median	-0.80	-3.56	-3.56	0.63	1.37	1.60	
Sawgrass (Pool III)	-0.85 (57)	-4.25 (75)	-4.25 (75)	0.34 (81)	1.26 (72)	1.66 (46)	04/01/2010
BofA Merrill Lynch 1-5 Yr Gov/Corp A Rated & Above	-0.97 (63)	-4.83 (92)	-4.83 (92)	0.11 (97)	1.03 (95)	1.42 (67)	
IM U.S. Short Duration Fixed Income (SA+CF) Median	-0.80	-3.56	-3.56	0.63	1.37	1.60	



Comparative Performance Trailing Returns

	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
Pool IV (Net)	-11.32	-11.99	-11.99	6.06	7.05	7.82	04/01/2010
Pool IV Policy	-11.80	-11.58	-11.58	5.50	6.64	7.89	
Pool IV (Gross)	-11.31	-11.96	-11.96	6.10	7.09	7.94	04/01/2010
Pool IV Policy	-11.80	-11.58	-11.58	5.50	6.64	7.89	
Pool IV - Total Equity	-15.79	-14.36	-14.36	8.66	9.52	10.24	04/01/2010
Pool IV Equity Policy	-15.51	-12.56	-12.56	8.57	9.39	10.52	
Pool IV - Domestic Equity	-16.11 (59)	-10.65 (42)	-10.65 (42)	10.58 (22)	11.28 (24)	11.83 (46)	04/01/2010
Pool IV Domestic Equity Policy	-16.10 (59)	-10.62 (42)	-10.62 (42)	10.60 (21)	11.31 (23)	12.42 (30)	
IM U.S. Equity (SA+CF+MF) Median	-15.26	-12.73	-12.73	8.04	8.97	11.62	
Pool IV - International Equity	-14.66 (70)	-27.67 (72)	-27.67 (72)	1.49 (45)	3.09 (27)	4.41 (39)	04/01/2010
MSCI AC World ex USA	-13.54 (57)	-19.01 (33)	-19.01 (33)	1.81 (39)	2.98 (29)	4.16 (45)	
IM International Equity (MF) Median	-13.08	-22.19	-22.19	1.22	1.96	3.97	
Pool IV - Fixed Income	-4.53 (25)	-10.04 (33)	-10.04 (33)	-0.04 (26)	1.60 (23)	3.12 (36)	04/01/2010
Pool IV Fixed Income Policy	-4.69 (38)	-10.29 (52)	-10.29 (52)	-0.94 (91)	0.88 (93)	2.46 (93)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-4.85	-10.29	-10.29	-0.44	1.29	2.96	

Pool IV Policy: Prior to 7/1/2015: 30% BC Agg, 5% BC TIPS, 50% S&P500, 15% MSCI ACWxUS; 7/1/2015 to present: 50% S&P500, 15% MSCI ACWxUS, 35% BC Agg

Pool IV Equity Policy: 77% S&P500, 23% MSCI ACWxUS

Pool IV Domestic Equity Policy: 100% S&P500

Pool IV Fixed Policy: Prior to 7/1/2015: 86% BC Agg, 14% BC TIPS; 7/1/2015 to present: 100% BC Agg

Returns for periods greater than one year are annualized and are expressed as percentages.



Comparative Performance

Pool IV

As of June 30, 2022

	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
Domestic Equity							
Vanguard Instl (Pool IV)	-16.11 (14)	-10.65 (12)	-10.65 (12)	10.58 (9)	11.28 (6)	12.11 (3)	07/01/2013
S&P 500 Index	-16.10 (8)	-10.62 (2)	-10.62 (2)	10.60 (3)	11.31 (1)	12.14 (1)	
IM S&P 500 Index (MF) Median	-16.17	-10.91	-10.91	10.26	10.97	11.74	
International Equity							
Europacific Growth (Pool IV)	-14.66 (88)	-27.67 (99)	-27.67 (99)	1.49 (39)	3.10 (9)	5.02 (8)	04/01/2010
MSCI AC World ex USA	-13.54 (57)	-19.01 (56)	-19.01 (56)	1.81 (31)	2.98 (11)	4.16 (31)	
IM International Multi-Cap Core Equity (MF) Median	-13.29	-18.53	-18.53	1.23	1.95	3.83	
Fixed Income							
Galliard Broad (Pool IV)	-4.46 (23)	-9.93 (28)	-9.93 (28)	-0.22 (35)	1.54 (28)	3.14 (35)	04/01/2010
Blmbg. U.S. Aggregate Index	-4.69 (38)	-10.29 (52)	-10.29 (52)	-0.94 (91)	0.88 (93)	2.46 (93)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-4.85	-10.29	-10.29	-0.44	1.29	2.96	
Dodge & Cox Income (Pool IV)	-4.70 (16)	-9.95 (12)	-9.95 (12)	0.29 (4)	1.72 (3)	2.15 (2)	11/01/2014
Blmbg. U.S. Aggregate Index	-4.69 (15)	-10.29 (18)	-10.29 (18)	-0.94 (51)	0.88 (40)	1.39 (41)	
IM U.S. Broad Market Core Fixed Income (MF) Median	-5.35	-11.17	-11.17	-0.93	0.80	1.32	

Pool IV Policy: Prior to 7/1/2015: 30% BC Agg, 5% BC TIPS, 50% S&P500, 15% MSCI ACWxUS; 7/1/2015 to present: 50% S&P500, 15% MSCI ACWxUS, 35% BC Agg

Pool IV Equity Policy: 77% S&P500, 23% MSCI ACWxUS

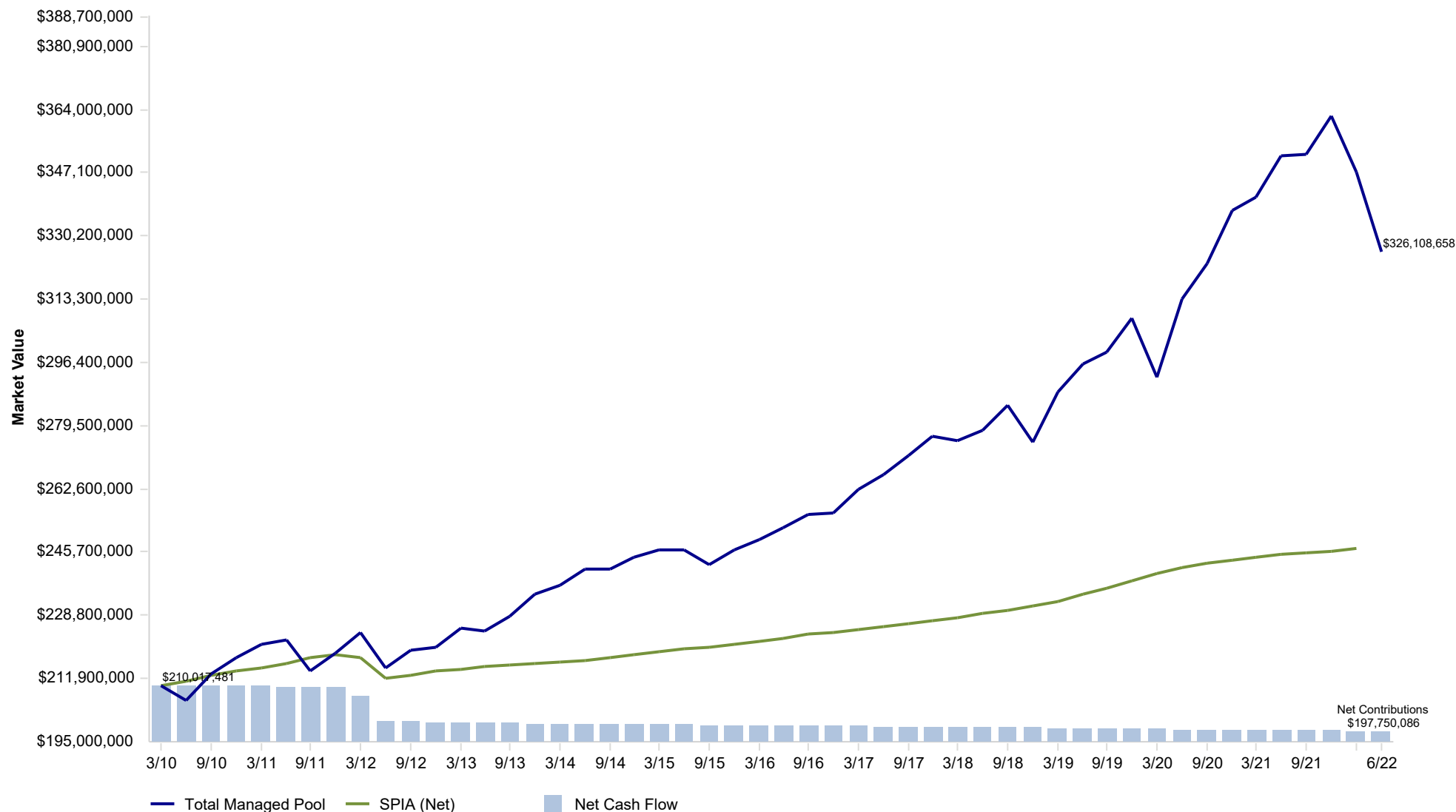
Pool IV Domestic Equity Policy: 100% S&P500

Pool IV Fixed Policy: Prior to 7/1/2015: 86% BC Agg, 14% BC TIPS; 7/1/2015 to present: 100% BC Agg

Returns for periods greater than one year are annualized and are expressed as percentages.



Schedule of Investable Assets



Schedule of Investable Assets

Periods Ending	Beginning Market Value	Net Cash Flow	Gain/Loss	Ending Market Value	Return %
Inception	\$210,017,481	-\$12,267,395	\$128,358,572	\$326,108,658	4.11

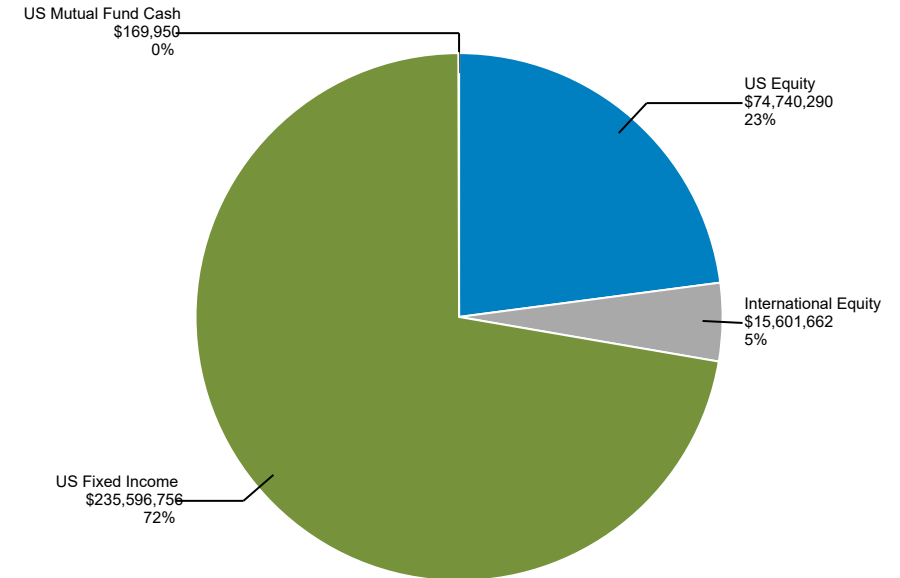
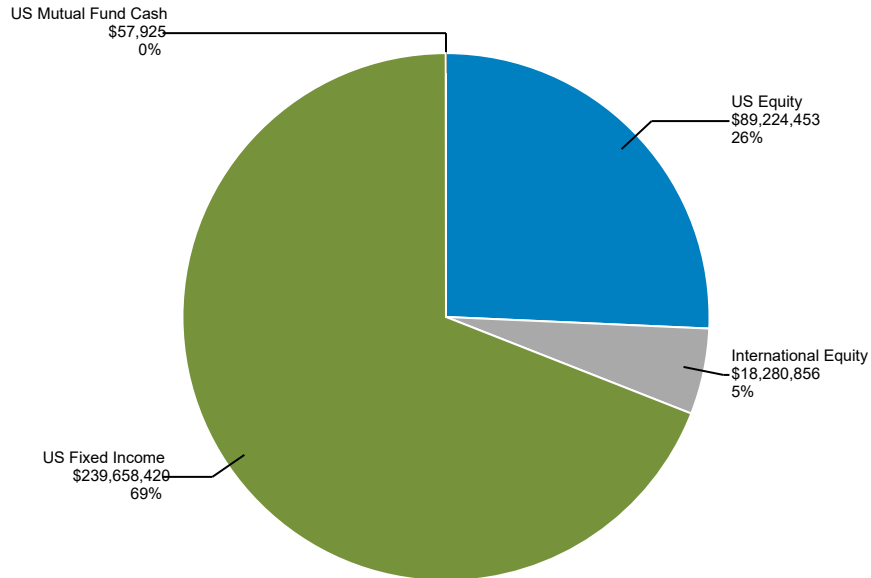
Returns for periods greater than one year are annualized.
Net cash flows include those associated with management fees, portfolio expenses, and operating withdrawals. Expenses are reduced by commission recapture income received.
A prior period adjustment resulted in a \$30 change to the beginning MV.



Asset Allocation By Asset Class
Total Managed Pool
As of June 30, 2022

March 31, 2022 : \$347,221,653

June 30, 2022 : \$326,108,658

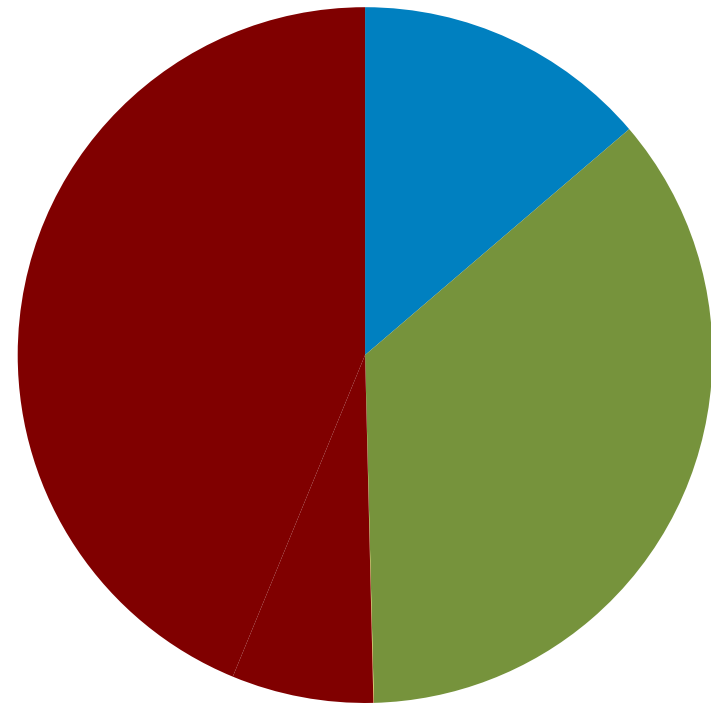
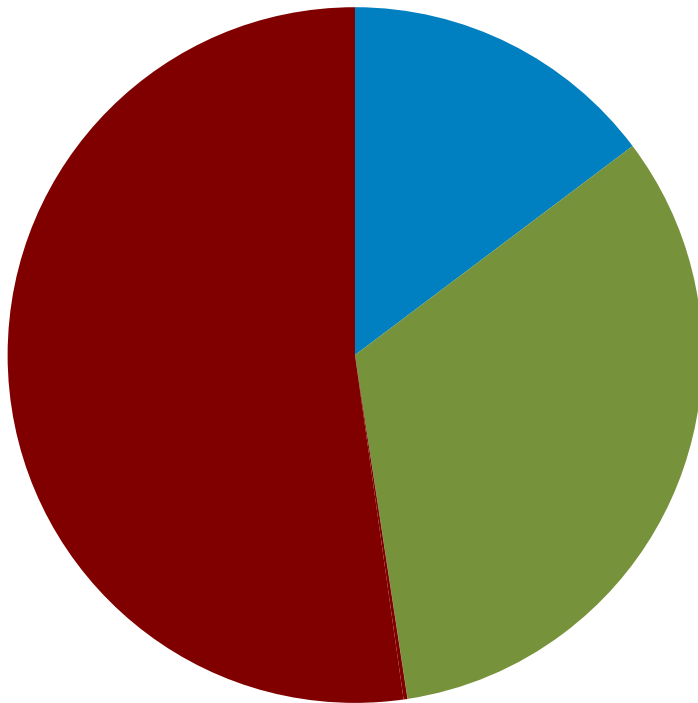


Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
US Equity	89,224,453	25.7	US Equity	74,740,290	22.9
International Equity	18,280,856	5.3	International Equity	15,601,662	4.8
US Fixed Income	239,658,420	69.0	US Fixed Income	235,596,756	72.2
US Mutual Fund Cash	57,925	0.0	US Mutual Fund Cash	169,950	0.1



March 31, 2022 : \$729,657,163

June 30, 2022 : \$657,191,314



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Equity	107,505,309	14.7	Equity	90,341,952	13.7
Fixed Income	239,658,420	32.8	Fixed Income	235,596,756	35.8
Mutual Fund Cash	57,925	0.0	Mutual Fund Cash	169,950	0.0
Bank of America	1,316,933	0.2	Bank of America	43,374,582	6.6
SPIA	381,118,577	52.2	SPIA	287,708,074	43.8



Financial Reconciliation
Total Managed Pool
1 Quarter Ending June 30, 2022

Financial Reconciliation Quarter to Date

	Market Value 04/01/2022	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 06/30/2022
Pool I	-	-	-	-	-	-	-	-	-
Fidelity MM (Pool I)	-	-	-	-	-	-	-	-	-
Pool II	54,099,237	-	-	-	-13,633	-4,021	161,497	-254,088	53,988,992
Galliard (Pool II)^	54,099,237	-	-	-	-13,633	-4,021	161,497	-254,088	53,988,992
Pool III	155,671,005	-	-	-	-19,433	-11,238	750,744	-6,147,405	150,243,674
Pool III - Fixed	131,006,753	-	-	-	-19,433	-9,612	665,708	-2,093,899	129,549,517
Galliard (Pool III)	75,065,204	-	-	-	-19,433	-5,967	406,145	-1,358,409	74,087,540
Sawgrass (Pool III)	55,941,549	-	-	-	-	-3,645	259,563	-735,490	55,461,976
Pool III - Dom Equity	24,633,432	-	-	-	-	-	84,998	-4,053,506	20,664,924
Vanguard Instl (Pool III)	24,633,432	-	-	-	-	-	84,998	-4,053,506	20,664,924
Pool III - Mutual Fund Cash	30,820	-	-	-	-	-1,626	39	-	29,233
Pool IV	137,451,411	-	-	-	-20,866	-11,686	589,633	-16,132,499	121,875,992
Pool IV - Fixed	54,552,430	-	-	-	-20,866	-5,131	367,045	-2,835,230	52,058,247
Galliard Broad (Pool IV)	39,250,353	-	-	-	-20,866	-5,131	278,187	-2,027,854	37,474,688
Dodge & Cox Income (Pool IV)	15,302,077	-	-	-	-	-	88,858	-807,375	14,583,560
Pool IV - Dom Equity	64,591,020	-120,000	-	-	-	-	222,420	-10,618,074	54,075,366
Vanguard Instl (Pool IV)	64,591,020	-120,000	-	-	-	-	222,420	-10,618,074	54,075,366
Pool IV - Int'l Equity	18,280,856	-	-	-	-	-	-	-2,679,194	15,601,662
Europacific (Pool IV)	18,280,856	-	-	-	-	-	-	-2,679,194	15,601,662
Pool IV - Mutual Fund Cash	27,104	120,000	-	-	-	-6,555	168	-	140,717
Total Managed Pool	347,221,653	-	-	-	-53,932	-26,946	1,501,874	-22,533,991	326,108,658



Financial Reconciliation
Total Managed Pool
July 1, 2021 To June 30, 2022

Financial Reconciliation Fiscal Year to Date									
	Market Value 07/01/2021	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 06/30/2022
Pool I	-	-	-	-	-	-	-	-	-
Fidelity MM (Pool I)	-	-	-	-	-	-	-	-	-
Pool II	54,568,970	-	-	-	-40,926	-12,048	566,274	-1,093,278	53,988,992
Galliard (Pool II)^	54,568,970	-	-	-	-40,926	-12,048	566,274	-1,093,278	53,988,992
Pool III	158,536,868	-	57	-	-84,874	-33,456	3,412,891	-11,587,813	150,243,674
Pool III - Fixed	128,094,193	7,990,000	-	-	-84,874	-28,013	2,400,400	-8,822,189	129,549,517
Galliard (Pool III)	70,129,997	7,990,000	-	-	-54,506	-16,998	1,324,712	-5,285,664	74,087,540
Sawgrass (Pool III)	57,964,197	-	-	-	-30,369	-11,016	1,075,688	-3,536,524	55,461,976
Pool III - Dom Equity	30,418,100	-8,000,000	-	-	-	-	1,012,448	-2,765,624	20,664,924
Vanguard Instl (Pool III)	30,418,100	-8,000,000	-	-	-	-	1,012,448	-2,765,624	20,664,924
Pool III - Mutual Fund Cash	24,575	10,000	57	-	-	-5,442	43	-	29,233
Pool IV	138,512,876	-	87	-	-45,455	-30,877	4,991,176	-21,551,815	121,875,992
Pool IV - Fixed	40,777,166	16,990,000	-	-	-45,455	-10,084	1,286,824	-6,940,204	52,058,247
Galliard Broad (Pool IV)	24,581,960	16,990,000	-	-	-45,455	-10,084	869,067	-4,910,800	37,474,688
Dodge & Cox Income (Pool IV)	16,195,207	-	-	-	-	-	417,757	-2,029,404	14,583,560
Pool IV - Dom Equity	76,134,900	-17,120,000	-	-	-	-	2,642,029	-7,581,564	54,075,366
Vanguard Instl (Pool IV)	76,134,900	-17,120,000	-	-	-	-	2,642,029	-7,581,564	54,075,366
Pool IV - Int'l Equity	21,569,559	-	-	-	-	-	1,062,151	-7,030,047	15,601,662
Europacific (Pool IV)	21,569,559	-	-	-	-	-	1,062,151	-7,030,047	15,601,662
Pool IV - Mutual Fund Cash	31,251	130,000	87	-	-	-20,793	172	-	140,717
Total Managed Pool	351,618,714	-	144	-	-171,255	-76,381	8,970,340	-34,232,905	326,108,658



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

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

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

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

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

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

*As previously communicated, the Galliard Pool III portfolio holds five bonds rated BBB/Baa2/BBB+.



	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
Fidelity MM*	0.21	-	-	0.21 % of Assets
Pool I		-	-	
Galliard	0.10	53,988,992	53,989	0.10 % of Assets
Pool II	0.10	53,988,992	53,989	
Galliard	0.10	74,087,540	74,088	0.10 % of Assets
Sawgrass	0.07	55,461,976	38,823	0.07 % of Assets
Pool III - Fixed Income	0.09	129,549,517	112,911	
Vanguard Institutional Index*	0.03	20,664,924	7,233	0.04 % of Assets
Pool III - Domestic Equity	0.03	20,664,924	7,233	
Mutual Fund Cash*	0.21	29,233	61	0.21 % of Assets
Pool III	0.08	150,243,674	120,205	
Galliard Broad	0.20	37,474,688	74,949	0.20 % of Assets
Dodge & Cox Income*	0.42	14,583,560	61,251	0.42 % of Assets
Pool IV - Fixed Income	0.26	52,058,247	136,200	
Vanguard Institutional Index*	0.04	54,075,366	18,926	0.04 % of Assets
Pool IV - Domestic Equity	0.04	54,075,366	18,926	
Europacific Growth*	0.46	15,601,662	71,768	0.46 % of Assets
Pool IV - International Equity	0.46	15,601,662	71,768	
Mutual Fund Cash*	0.21	140,717	296	0.21 % of Assets
Pool IV	0.19	121,875,992	227,190	
Total Managed Pool	0.12	326,108,658	401,384	

*Audited expense ratio.

**The University of Central Florida pays Bank of New York Mellon a custodial fee of 2.5 basis points annually, billed quarterly on each account's market value.

***The University of Central Florida pays AndCo an all inclusive fee, billed quarterly in arrears, of \$110,000 for investment consulting services.

Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Distributed to Paid In (DPI)	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
Public Market Equivalent (PME)	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Total Value to Paid In (TVPI)	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

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Board of Trustees Budget and Finance Committee | October 18, 2022

INFO-3: University Operating Budget Report – 4th Quarter, Ended June 30, 2022

☒ Information

☐ Discussion

☐ Action

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

This item provides the fiscal year 2021-22 (FY22) quarter ending June 30, 2022, operating financials budget-to-actual results and year-over-year comparisons to fiscal year 2020-21 (FY21).

The approved annual budget reflects \$2.2 billion in revenues with the most significant contributing source being Local Funds. They contributed slightly more than one third, Education & General (E&G) contributed approximately one third, and Contracts & Grants (which includes Federal Higher Education Emergency Relief Funds or HEERF), Auxiliary Services and Faculty Practice Plan combined filling out just under one third. After the fourth quarter of operations, actual revenues were \$2.1 billion or 97.64% of budget. Expenditures were \$2.0 billion or 91.36% of the annual budget. The two combined generated a surplus of \$134.8 million. Compared to prior year actual results, revenues are up 8.63% and expenditures are up 9.00%. Results for individual budget entities and variables are described in further detail below.

Background Information:

Education & General (E&G). E&G revenues consist of state appropriations (general revenue and Educational Enhancement funds (Lottery)), and student fees which include tuition and out-of-state-fees. Expenditures from these funds are appropriated by the state to fund operating activities for educational purposes including general instruction, research, public service, plant operations and maintenance, student services, libraries, administrative support, and other enrollment related operations. This budget entity is further segregated into three separate budget entities with separate state appropriations: (1) Main (2) College of Medicine and (3) Florida Center for Students with Unique Abilities (FCSUA).

E&G Main: Actual revenues were \$659.7 million or 100% of total budgeted revenues and a decrease from prior year of \$7.0 million or 1.05%. The revenue decrease is due to a decrease in annual net tuition revenues. The decrease in tuition was a result of transfer students not matriculating. This is a factor in our operations that we are monitoring closely as community colleges across the nation are still rebounding from the impact of COVID-19. We are monitoring all enrollment trends going into fiscal year 2023 as well. There is an enrollment committee that is overseeing that process and meets regularly to look at variables that will impact enrollment from both new first-time in college (FTIC) students and retention of current students.

Actual expenditures were \$627.8 million or 95.16% of total budgeted expenditures and an increase of \$43.1 million or 7.38% from prior year. The increase in expenditures are primarily due to the university's continued investment in faculty and staff with salary increases and one-time payments. Additionally, the university wrote-off \$3.5 million in tuition and fees for students with outstanding Spring 2020 balances. These write-offs were recovered from Higher Education Emergency Relief Fund (HEERF) funds as lost

revenues. As of the end of the fourth quarter, approximately \$31.8 million in new E&G carryforward has been generated. This total excludes the funds that were transferred to construction accounts at year end. When combined the new carryforward for the year is approximately \$41 million. We have put in place a new carryforward policy that takes effect with the new fiscal year. Coupling this policy change with our new Workday ERP system and a new year end purchase order process, we anticipate that our monthly expenditures of E&G funds will be more in line with monthly cash burn rates. The mantra going forward for us as a university is to “spend E&G first.” In addition to the mantra of spending E&G first, we will be looking at recouping all uncommitted carryforward and deploying them based on spend plans presented by colleges and units. It is our desire to deploy carryforward funds in the future to align with our new strategic plan “Unleashing Potential”. This is a change for our university, but one that benefits the future growth and stabilization of our operations such that we meet our goals and objectives inside the strategic plan.

E&G COM: Actual revenues were \$46.0 million or 96.84% of total budgeted revenues and an increase from prior year of \$0.6 million or 1.42%. Actual expenditures were \$46.1 million or 97.18% of total budgeted expenditures and an increase of \$3.8 million or 8.95% from prior year. The increase in expenditures are primarily due to increases in salaries and benefits and contractual services.

E&G FCSUA: Actual revenues were \$9.0 million or 100.00% of total budgeted revenues equal to prior year. Actual expenditures were \$6.4 million or 71.77% of total budgeted expenditures and an increase of \$0.6 million or 10.55% from prior year. The budget utilization rate is primarily the result of timing related to scholarships and grants.

Contracts and Grants (C&G). The C&G budget primarily consists of research activities that are funded by federal, state, local, and private funds. Actual revenues were \$328.3 million or 97.46% of total budgeted revenues and an increase from prior year of \$79.7 million or 32.08%. Actual expenditures were \$308.9 million or 96.53% of total budgeted expenditures and an increase of \$71.0 million or 29.87% from prior year. Both revenue and expenditure increases are primarily due to \$99.1 million of HEERF Institutional and Minority Serving Institute (MSI) funding. Approximately \$63.5 million of HEERF funding remains as of fiscal year end to be utilized in fiscal year 2023. Of that total five units account for 91% of remaining tasks with Facilities for HVAC upgrades, and upgrades to remote capabilities within classrooms and residence halls being the majority of those five. Both Facilities and Information Technology have been severely impacted by both the supply chain and available labor issues experienced across the nation. Projects have been in the queue for some time. Our hope is that all these funds will be exhausted by May of 2023. We are also assessing in the fall semester of 2022 that if by December a project will not be completed by December 10th, funds will be diverted to our Office of Financial Aid to use as emergency aid awards to students in need per the guidelines from the federal government.

Auxiliaries. Auxiliary enterprises (auxiliaries) include those activities that are not instructional in nature but support the operation of the university. The primary auxiliary areas include Housing, Student Health Services, Parking Services, Computer Store, Telecommunications, Continuing Education, Dining Services, and the Bookstore. The auxiliaries must generate adequate revenue to cover their expenses and allow for future renovations, and building or equipment replacement, if applicable. Several auxiliaries are partially or wholly funded by student fees, including Student Health Services, Parking Services, Material and Supply Fees, and Equipment Fees. The uses of certain auxiliary revenues are restricted by either state statute, BOG regulations, and/or bond covenants. They include the following auxiliaries: Housing (bonded facilities), Parking Services (bonded facilities), Distance Learning, Material

and Supply Fees, Equipment Fees, and Administrative Auxiliaries (primarily funded by a charge to auxiliaries for costs borne by the central operations on their behalf). Housing and Parking Services restrictions will become unrestricted upon payoff of all bonded debt in 2042 and 2032, respectively. Actual auxiliary revenues were \$332.9 million or 115.02% of total budgeted revenues and reflected an increase from prior year of \$69.8 million or 26.54%. Revenue increases were primarily due to receipt of HEERF funding for lost revenues due to COVID (\$45 million) and investment earnings (\$16.5 million). Additionally, with the university returning to full in-person instruction, most auxiliary units experienced revenue increases led primarily by Housing (\$6.2 million increase) and Parking (\$3.7 million increase) over the prior year that was impacted by COVID-19.

Actual expenditures were \$261.0 million or 85.31% of total budgeted expenditures and an increase of \$0.9 million or 0.35% from prior year.

Local Funds. The Local Funds budget contains operating resources for several individual budget entities. Overall, actual revenues were \$750.5 million or 89.82% of budget and an increase of \$35.2 million or 4.92% from prior year. Actual expenditures were \$744.5 million or 88.72% of total budget and an increase of \$48.0 million or 6.90% from the prior year. The operating results for the individual budget entities are as follows:

Student Financial Aid (SFA): The student financial aid budget largely represents scholarships, grants, and loan funds received by the university and subsequently disbursed to students. SFA accounts for \$727.5 million of the \$835.5 million Local Fund revenue budget and \$839.2 million Local Fund expenditure budget. SFA actual revenues were \$629.4 million (83.87% of total Local Fund revenues) and expenditures were \$637.1 million (85.57% of total Local Fund expenditures). Year-over year increases in revenues (\$18.9 million or 3.09%) and expenditures (\$34.8 million or 5.77%) are primarily due to HEERF emergency student financial aid awards (\$46.8 million revenue and expenditure increase). Revenue increases were offset primarily by decreases in Federal loans (\$13.2 million), Bright Futures receipts (\$8.1 million), and PELL grants (\$4.3 million). The remaining budget for revenues is \$98.1 million (13.49% of total SFA budget) while the remaining expenditure budget is at \$90.5 million (12.44% of total SFA budget). The budget-to-actuals utilization variance is due to timing (large disbursements in the Summer occurred after June 30), reduced loan awards accepted by students (students less inclined to go into debt coupled with more opportunities for gift aid and HEERF), Bright Futures (impacted by increased SAT/ACT score requirements and decreased enrollment), and PELL (impacted by decrease enrollment).

Student Activities: The student activities budget is funded in three distinct categories; (i) Activity and Service Fee paid by students, (ii) revenues generated from the Student Union, and (iii) revenues generated from the Recreation and Wellness Center. Student Activities accounts for \$20.2 million of the \$835.5 million Local Funds revenue budget, and \$24.2 million of the \$839.2 million Local Funds expenditure budget. Actual revenues were \$25.7 million, an increase of \$5.1 million or 24.58% from prior year. The increase is primarily due to receipt of HEERF funding for lost revenues due to COVID (\$5.0 million). There were no significant budget variations or changes in expenditures.

Concessions: The concessions budget is funded from vending commissions and related sponsorship revenue. These funds are used for events and other expenditures that support the university. Concessions accounts for \$0.8 million of the \$835.5 million Local Funds revenue budget and \$839.2 million Local Funds expenditure budget. Revenues are \$0.9 million, an increase of \$0.9 million or 34,823.91%. The increase is primarily due to receipt of HEERF funding for lost revenues due to COVID

(\$0.5 million) and a return to campus. There were no significant budget variations or changes in expenditures.

Technology Fee: The revenue from this fee will be used to enhance instructional technology resources for students and faculty. Technology Fee accounts for \$10.0 million of the \$835.5 million Local Fund revenue budget and \$11.9 million of the \$839.2 million Local Fund expenditure budget. There were no significant budget variations or changes in revenues or expenditures.

Intercollegiate Athletics: Revenues are primarily derived from student athletic fees, ticket sales, and sales of other goods and services. For budgetary reporting to the BOG, Intercollegiate Athletics includes activities of the university direct support organization (DSO) the University of Central Florida Athletics Association (UCFAA). Intercollegiate Athletics accounts for \$74.4 million of the \$835.5 million Local Fund revenue budget and \$74.2 million of the \$839.2 million Local Fund expenditure budget. Due to report timing, UCFAA actual revenue and expense activity is an estimate and does not reflect true actual activity. The fourth quarter report for UCFAA will be presented at a subsequent meeting.

Faculty Practice Plan (FPP). The FPP collects and distributes income from faculty billings for patient services to UCF Health to cover the cost of medical services. Actual revenues were \$8.9 million or 101.24% of total budgeted revenues and a decrease from prior year of \$8.9 million or 49.99%. The decrease is primarily due to a prior year \$7.5 million transfer from Auxiliaries to write-off the internal loan related to the Quadrangle Building. The internal loan was recorded as a Due To Auxiliaries within FPP. The transfer in was the offsetting entry to eliminate the Due To Auxiliaries. Actual expenditures were \$5.5 million or 67.00% of total budgeted expenditures and a decrease of \$2.5 million or 30.82% from prior year. The College of Medicine (COM) had less of a need for funding to support its activities, therefore actual transfers to COM were lower than budgeted.

Recommended Action:

For information only.

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

N/A

Authority for Board of Trustees Action:

N/A

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: University Operating Budget Report – 4th Quarter, Ended June 30, 2022



Board of Trustees

Agenda Memo

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance
Misty Shepherd, Senior Associate Vice President for Financial Affairs

Attachment A

University of Central Florida
Financial Update - University Summary
Quarter Ended June 30, 2022 (100% of year)

	FY 2022 BOG Approved Budget	FY 2022 Actuals 06-30-2022	\$ Remaining Budget	% of Budget Used	Prior Period Actuals 06-30-2021	YOY \$ Fav/(Unfav) Variance	YOY % Fav/(Unfav) Variance
<u>Revenues</u>							
E&G Main	659,760,035	659,656,155	(103,880)	99.98%	666,661,264	(7,005,108)	-1.05%
E&G College of Medicine	47,429,146	45,931,510	(1,497,636)	96.84%	45,287,962	643,547	1.42%
E&G Florida Center for Students with Unique Abilities	8,984,565	8,984,565	-	100.00%	8,984,565	-	0.00%
Contracts and Grants	336,852,798	328,297,716	(8,555,082)	97.46%	248,567,263	79,730,452	32.08%
Auxiliaries	289,466,638	332,946,456	43,479,819	115.02%	263,123,024	69,823,433	26.54%
Local Funds	835,466,703	750,453,283	(85,013,420)	89.82%	715,252,897	35,200,387	4.92%
Faculty Practice Plan (FPP)	8,746,368	8,854,746	108,378	101.24%	17,706,024	(8,851,278)	-49.99%
Total Revenues	2,186,706,254	2,135,124,431	(51,581,822)	97.64%	1,965,582,999	169,541,432	8.63%
<u>Expenditures</u>							
E&G Main	659,760,037	627,838,675	31,921,362	95.16%	584,697,338	(43,141,336)	-7.38%
E&G College of Medicine	47,429,146	46,093,798	1,335,348	97.18%	42,307,334	(3,786,464)	-8.95%
E&G Florida Center for Students with Unique Abilities	8,984,565	6,448,180	2,536,385	71.77%	5,832,923	(615,257)	-10.55%
Contracts and Grants	319,991,075	308,896,101	11,094,973	96.53%	237,849,731	(71,046,370)	-29.87%
Auxiliaries	305,999,193	261,038,036	44,961,156	85.31%	260,118,058	(919,978)	-0.35%
Local Funds	839,173,968	744,478,732	94,695,236	88.72%	696,439,834	(48,038,898)	-6.90%
Faculty Practice Plan (FPP)	8,246,368	5,524,849	2,721,519	67.00%	7,985,751	2,460,902	30.82%
Total Expense	2,189,584,351	2,000,318,371	189,265,980	91.36%	1,835,230,970	(165,087,401)	-9.00%
Surplus/(Deficit)	(2,878,097)	134,806,060	137,684,158		130,352,030	4,454,031	

Board of Trustees
Budget and Finance Committee | October 18, 2022

INFO-4: 2021-22 Fixed Capital Outlay Budget Update

☒ **Information**
☐ **Discussion**
☐ **Action**

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

The purpose of this agenda item is to report estimated expense to actuals for the 2021-22 Fixed Capital Outlay Budget (FCOB) in accordance with UCF Policy 3-211, *University Budget Process*. This report also provides an update on project costs and remaining balances.

Background Information:

The 2021-22 FCOB was approved by the Board of Trustees on September 23, 2021 and the Board of Governors on November 4, 2021. The FCOB is prepared in accordance with Board of Governors (BOG) Regulation 14.003, *Fixed Capital Outlay Budgeting Procedures*.

Total project cost and expenditures represent life-to-date totals with projects spanning multiple fiscal years. \$10 million of new heating, ventilation, and air conditioning (HVAC) projects funded from Higher Education Emergency Relief Funds (HEERF) were added during the year. This explains the \$9.8 million increase from initially approved total project budget compared to June 30, 2022.

2021-22 FCOB estimated expense compared to actuals by funding category are as follows:

Category	Project Total	Est. Expense	Actuals	Variance
Education & General Operating	\$ 1.0	\$ 1.0	\$ 0.0	\$ 1.0
Minor Carryforward Projects	17.9	8.4	3.8	4.6
Major Carryforward Projects	14.5	6.6	0.9	5.7
State Appropriated	162.8	14.9	11.7	3.2
Non-Appropriated	86.5	22.3	12.7	9.6
Total	\$ 282.7	\$ 53.2	\$ 29.1	\$ 24.1

Variances in projecting annual expenditures are common with capital planning, especially given the timing of projects and working around the academic schedule. Timing is also impacted by conditions within the construction industry, such as supply chain and labor challenges. Lastly, some management resources have been shifted to focus on the HEERF HVAC projects as priority. As a result, the FCOB projected \$53 million to be expensed in 2021-22, and actuals were \$29 million.

- The Minor Carryforward Projects category includes various projects whose total costs do not exceed \$2 million individually. Estimated expense to actuals variance is attributed to factors noted above.

- The Major Carryforward Projects category includes projects exceeding \$2 million. Approved projects in this category include the Biology renovation, Chemistry renovation, and the Communication and Media Building curtainwall / roof / building envelope renovation. The Biology renovation project has completed the design phase and has a fully executed guaranteed maximum price (GMP) contract; construction is underway. The Chemistry renovation project completed design, but after bidding was considerably over budget. A redesign of the project has commenced to keep the project within budget. The Communication and Media Building curtainwall / roof / and building envelope project is beginning construction in September 2022. The roof portion of this project will trail behind the HEERF HVAC projects and is anticipated to begin next fiscal year.
- State-appropriated projects include funding from Public Education Capital Outlay (PECO) and Capital Improvement Trust Funds (CITF). Spending is on track compared to plan. The John Hitt Library Renovation Phase IIA (level 3 renovation) is on schedule. Additionally, the Performing Arts Complex Phase II has completed conceptual schematic design and is anticipated to begin advanced schematic design in September 2022.
- Non-appropriated projects include funding from non-state sources such as philanthropy, auxiliary revenues, and federal funds. The UCF Board of Trustees approved HEERF HVAC renovations, which are in various stages of design and construction. These HEERF HVAC projects are on track to be complete by May 2023.

Recommended Action:

For information only.

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

Refer to Background Information section above.

Authority for Board of Trustees Action:

UCF Policy 3-211 University Budgeting Process requires periodic updates on the FCOB to the Board of Trustees.

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: 2021-22 Fixed Capital Outlay Budget Update

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance
Jon Varnell, Vice President for Facilities and Business Operations

Attachment A

University of Central Florida

FIXED CAPITAL OUTLAY UPDATE for Fiscal Year 2021-22

(per s. 1013.61, F.S. and Board Reg. 14.003)

Category	Project Title/Name	Description	Total Project(s) Cost	Funding Source(s)						Balance 6/30/22	FY22 Estimated Expense per FCO Budget	Actuals 7/1/21- 6/30/22	Difference	Comments
				Source	Amount	Cost Revisions	Revised Project Cost	Expenditures	Encumbrance					
Education & General (E&G) Operating Projects														
	Consolidated line item of all FCO/capitalized projects funded from E&G operating funds, pursuant to Board regulations 14.003(2)(a) and 9.001. No individual project exceeds \$1M. This is a single line item in both Operating and FCO budgets.		1,000,000	E&G Operating	1,000,000	-	1,000,000	17,727	103,905	878,368	1,000,000	17,727	982,273	Consists of marching band tower renovation and a boiler replacement for the College of Medicine. The boiler project represents the majority of the remaining balance, which will be encumbered when the project moves into construction.
Minor Carryforward (CF) Projects														
	Consolidated line item of all FCO projects with a cost of less than \$2M funded from E&G CF funds, pursuant to Board regulation 14.003(2)(b). Includes replacement of facilities less than 10,000 gross sf. This is a single line item in both Operating and FCO budgets. For a detailed listing of projects, refer to the E&G Carryforward Spending Plan (CFSP).													
	Millican Hall HVAC	Upgrade HVAC system, clean, coat and seal ductwork	2,000,000	E&G Carryforward	2,000,000	-	2,000,000	1,683,591	239,831	76,578	833,036	516,626	316,409	Project in close out. Additional expense will be realized in FY23 as the encumbrance obligation is expensed.
	CREOL Building Automation and Control Systems	Replace five different control systems under one native BACnet system	1,248,941	E&G Carryforward	1,248,941	-	1,248,941	67,203	758,334	423,404	1,248,941	67,203	1,181,738	Early equipment ordered and design nearing completion.
	Business Administration I - Roof Membrane Replacement	Roof renovation of Business Administration I	750,000	E&G Carryforward	750,000	-	750,000	484,899	48,805	216,297	750,000	229,087	520,913	Project was expected to be completed in FY22. It is currently in close out and remaining encumbrance to be expensed next fiscal year.
	Minor projects funded from E&G in prior years	Projects include: HVAC, building envelope, boiler replacement, fire alarm upgrades, etc.	13,886,600	Prior Year E&G Contracts & Grants	13,886,600	721,414 1,696	14,608,014 1,696	10,002,202	2,004,481	2,603,027	5,526,180	2,980,752	2,545,428	Eighteen (18) Building Automation System, HVAC, boiler, or other systems projects in varying stages of design and construction.
Major Carryforward (CF) Projects														
	Any FCO project funded in whole or in part from CF funds, where total individual FCO project cost exceeds \$2M, pursuant to Board regulation 14.003(2)(c).													
	Biology Building Renovation, Repairs, and Maintenance	HVAC and other system repairs and upgrades	5,000,000	E&G Carryforward	5,000,000	-	5,000,000	545,222	3,916,753	538,025	4,000,000	372,655	3,627,345	Construction underway, waiting on large equipment arrival which will reduce balances quickly once installed and billed.
	Chemistry Building Renovation, Repairs, and Maintenance	HVAC and other system repairs and upgrades	5,000,000	E&G Carryforward	5,000,000	-	5,000,000	181,161	283,707	4,535,132	900,000	181,161	718,839	Original design was completed and over budget. This has delayed the project, and redesign to begin.
	Communication and Media Building Curtainwall and Roof Replacement	Curtainwall replacement, roof recoat, building envelope repairs	4,500,000	E&G Carryforward	4,500,000	-	4,500,000	620,054	2,958,408	921,538	1,698,810	360,824	1,337,986	Curtainwall ordered, install begins September 2022. Roof scope delayed until after the completion of the Communications and Media HEERF project.
State Appropriated Projects														
	Pursuant to Board Regulation 14.003(12)(d), All FCO projects using funds originally appropriated as FCO funds by the State of Florida, notwithstanding criteria in Board regulation 14.001. Never to be included in the operating budget. Examples, PECO and CITF.													
	Partnership IV and V	Building purchase and renovation for partnership with the Department of Defense	42,000,000	PECO	42,000,000	-	42,000,000	41,815,021	50,649	134,331	509,268	324,289	184,979	Project-specific PECO allocation.
				PECO	20,000,000	-	20,000,000							
				Auxiliary	23,966,988	(1,543,231)	22,423,757							
	UCF Downtown Academic Building	Design and construction for new building	66,607,243	Donations	16,807,317	1,489,238	18,296,555	66,553,250	-	-	429,547	375,554	53,993	Project closed.
				Prior Year E&G	5,832,938	-	5,832,938							
					66,607,243	(53,993)	66,553,250							
	WUCF TV Replace Studio Lights	Replace studio lights	327,895	PECO	327,895	-	327,895	327,895	-	-	542	542	-	Project closed.
	Repair, Maintenance, Renovation, Remodel (Sum of Digits)	Minor projects - repair, maintenance, renovation, remodel, site improvements	5,682,946	PECO	5,682,946	17,234	5,700,180	3,730,950	-	1,969,229	1,883,642	648,442	1,235,200	Ten (10) Roof, utility, access control, fire alarm, HVAC, or other systems projects in varying stages of design and construction. Difficult to predict timing of expenditures.
	Nicholson School of Communication Roof	Roof recoating	750,000	PECO	750,000	(23,287)	726,713	726,713	-	-	121,118	97,831	23,287	Project closed.
	College of Science building HVAC Control System Replacement	Replace HVAC control system for College of Science building	1,528,095	PECO Prior Year E&G	1,061,700 466,395	-	1,061,700 466,395	1,296,770	133,694	97,631	610,888	379,563	231,325	Project in close-out and underbudget. Remaining encumbrance to be expensed in FY23.
	John Hitt Library Renovation Phase II	Renovation of existing library spaces	40,978,312	CITF	40,978,312	-	40,978,312	16,012,267	7,723,027	17,243,018	9,007,277	8,600,191	407,085	The \$7,723,027 is encumbered for the Library Level 3 renovation, which is under construction. The \$17,243,018 is earmarked for the Library Level 2 design and construction. Library Level 2 design will start in late 2022 using a portion of the balance. The remainder of the balance will be dedicated to the Library Level 2 construction, which will be presented for individual project approval to the BOT in 2023.
	Performing Arts Complex Phase II - Design Only	Design of a new Performing Arts Complex on UCF main campus	2,750,000	CITF	2,000,000	-	2,000,000							
				Donations	750,000	-	750,000	427,669	1,725,559	596,772	1,000,000	427,669	572,331	Conceptual Schematic Design complete. Advanced Schematic Design will begin in September 2022. Project will then stop design and focus on fundraising activities.
	Burnett School of Biomedical Sciences Controls Upgrade	Upgrade the controls of the Burnett Bio-Medical Sciences Building	999,485	PECO	999,485	-	999,485	438,327	313,123	248,035	800,000	438,327	361,673	Project in construction.
	Classroom Building 1 - Roof Membrane Replacement	Roof renovation of Classroom Building 1	608,523	PECO Prior Year E&G	458,523 150,000	(60)	458,463 96,941	555,404	-	-	249,399	196,279	53,119	Project closed.

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Category	Project Title/Name	Description	Total Project(s) Cost	Funding Source(s)		Cost Revisions	Revised Project Cost	Expenditures	Encumbrance	Balance 6/30/22				Comments
				Source	Amount						FY22 Estimated Expense per FCO Budget	Actuals 7/1/21- 6/30/22	Difference	
Replacement	Business Administration I Replace Fire Alarm System	Replace building fire alarm system	594,825	Prior Year E&G PECO	608,523	(53,119)	555,404							
					382,928	(66,995)	315,933							
					211,897	-	211,897	527,830	-	-	282,707	215,713	66,995	Project closed.
					594,825	(66,995)	527,830							

Non-Appropriated Projects

Pursuant to Board Regulation 14.003(12)(e). All FCO projects that have not directly or indirectly used funds appropriated by the State. Examples include private donations, athletic revenues, federal grants, housing/parking revenue bonds, etc. For the purposes herein, please assume a threshold of \$5M or more for listing projects individually, otherwise consolidate all individual projects under \$5M into one line item.														
	Downtown Parking Garage	Design and construction for new garage	15,188,162	Auxiliary	15,188,162	(94,322)	15,093,840	15,093,840	-	-	106,972	12,650	94,322	Project closed.
	Roth Athletic Center-Interior Buildout	Buildout of addition	9,528,000	Donations	9,528,000	-	9,528,000	8,931,454	150,803	445,743	1,246,117	649,572	596,546	Project completion delayed by boiler system issues that required system replacement. Work is complete, and project is in close-out. Anticipate project to be closed by the end of December 2022.
	UCF Downtown Site Infrastructure	Infrastructure work to support all Downtown buildings	8,766,713	Auxiliary	8,766,713	(345,756)	8,420,957	8,420,957	-	-	351,211	5,455	345,756	Project closed.
	Center for Emerging Media Renovation	New classrooms, offices, common areas and bathrooms	5,964,746	Auxiliary	5,964,746	(62,689)	5,902,057	5,902,057	-	-	81,584	18,894	62,689	Project closed.
	Student Union Expansion	Food court renovation and expansion	5,712,474	Auxiliary	5,686,621	(179,918)	5,506,703							
				Activity & Svc Fees	25,853	-	25,853	5,532,556	-	-	210,226	30,308	179,918	Project closed.
	Student Union Third Floor	Renovation and expansion	12,858,687	Auxiliary	8,358,687	(209,885)	8,148,802							
				Activity & Svc Fees	4,500,000	-	4,500,000	12,648,802	-	-	283,892	74,008	209,885	Project closed.
					12,858,687	(209,885)	12,648,802							
	HVAC renovations to prevent the spread of COVID-19 through air filtration systems	HEERF Air Quality Improvement Projects	18,400,000	Contracts & Grants	18,400,000	10,050,000	28,450,000							Originally approved at \$18.4M by the Board of Trustees (BOT) in June 2021 consisting of HVAC renovations to four buildings - Visual Arts Building, Student Union, Classroom I, and Communications and Media Building. Additional \$3M of expenses approved by the BOT in February 2022. Cost revisions also include additional HVAC projects across campus in Housing buildings, Engineering Building and the Library. Projects in varying stages of completion, all on target to be complete by May 20, 2023.
				Auxiliary	-	58,123	58,123	11,416,327	10,537,308	6,554,488	18,400,000	11,416,327	6,983,673	
					18,400,000	10,108,123	28,508,123							
	Individual Projects under \$5M		10,085,819	Auxiliary	5,398,785	(149,589)	5,249,196							
				Donations	2,191,093	-	2,191,093							
				Prior Year E&G	25,696	-	25,696							
				Contracts & Grants	22,943	(5,351)	17,592	7,496,860	2,222,967	375,747	1,663,605	521,948	1,141,657	Total Project Cost includes a total of seven projects. Five of these projects have closed, two projects remain active. These projects are the Student Union roof and building envelope repairs, and the CAPS HVAC building controls renovation.
				Activity & Svc Fees	2,447,302	164,696	2,611,998							
					10,085,819	9,756	10,095,575							
TOTALS:			282,717,466		282,717,466	\$9,768,259	292,485,724	\$221,457,004	\$33,171,354	37,857,363	\$53,194,963	\$29,159,595	\$24,035,368	

Notes:
Pursuant to Regulation 14.003(3), Fixed Capital Outlay projects do not apply to those projects acquired, constructed, and owned by a Direct Support Organization or under a The Fixed Capital Outlay Budget may be amended, subject to the requirements described in Regulation 14.003(4).