



**COMMITTEE ON FINANCE, STRATEGIC PLANNING
AND PERFORMANCE METRICS
PRE-MEETING AGENDA**

Tuesday, November 12, 2024

10:30 a.m.

(or at the conclusion of the GGRIA Pre-Meeting beginning at 10:00 a.m.)

Virtual Meeting: (646) 558-8656, Meeting ID#: 938 1753 5428

Committee Members:

Marsha D. Powers (Committee Chair), David L. Brandon, Christopher T. Corr, Morteza “Mori” Hosseini (Board Chair), Daniel T. O’Keefe, Rahul Patel (Board Vice Chair), Fred S. Ridley, Patrick O. Zalupski

- 1.0 Call to Order and WelcomeMarsha D. Powers, Chair
- 2.0 Roll Call Vice President Liaison
- 3.0 Review Draft Agenda for December MeetingMarsha D. Powers, Chair
 - 3.1 Review Draft Minutes
 - [June 13, 2024](#)
 - [August 12, 2024](#)
 - [October 3, 2024](#)
 - 3.2 Review Action ItemsMarsha D. Powers, Chair
 - [FSPPM1](#) Confirmation of FY25 Budget Taylor Jantz, Chief Financial Officer
 - [FSPPM2](#) Housing Rate Increases Taylor Jantz
 - [FSPPM3](#) Auxiliary Facilities Report Taylor Jantz
 - [FSPPM4](#) HiPerGator Capital Renewal Elias Eldayrie, Chief Information Officer
 - [FSPPM5](#) FY26 Health Fee Increase Taylor Jantz
 - 3.3 Review Discussion ItemsMarsha D. Powers, Chair
 - CFO Update..... Taylor Jantz
 - UF Health Update Steve Motew, CEO, UF Health
 - UFICO Update William Reeser, Chief Investment Officer, UFICO
- 4.0 New Business.....Marsha D. Powers, Chair
- 5.0 Adjourn.....Marsha D. Powers, Chair



**COMMITTEE ON FINANCE, STRATEGIC PLANNING
AND PERFORMANCE METRICS**

Meeting Minutes

June 13, 2024

President's Room 215B, Emerson Alumni Hall

University of Florida, Gainesville, FL

Time Convened: 2:43 p.m.

Time Adjourned: 4:16 p.m.

Committee and Board members present:

Marsha D. Powers (Committee Chair), David L. Brandon, John E. Brinkman, Christopher T. Corr, James W. Heavener, Morteza "Mori" Hosseini (Board Chair), Sarah D. Lynne, Daniel T. O'Keefe, Rahul Patel (Board Vice Chair), Fred S. Ridley, Patrick O. Zalupski, and Anita G. Zucker.

Others present:

Ben Sasse, President; Scott Angle, Provost and Senior Vice President for Academic Affairs; Melissa Curry, Vice President for Human Resources; Dan Dillon, Vice President for Marketing and Senior Advisor; Kurt Dudas, Vice President/Jacksonville Lead; Elias Eldayrie, Vice President and Chief Information Officer; Robert Gilbert, Interim Senior Vice President for Agriculture and Natural Resources, Amy Hass, Vice President and General Counsel; Taylor Jantz, Chief Financial Officer; Mark Kaplan, Vice President for Government and Community Relations and University Secretary; David Kratzer, Senior Vice President for Construction, Facilities, and Auxiliary Operations; Maria Gutierrez Martin, Interim Vice President for Advancement; Stephen Motew, President and System Chief Executive Officer of UF Health; David Nelson, Senior Vice President for Health Affairs; Mary Parker, Vice President and Chief Enrollment Strategist; Raymond Sass, Vice President for Innovation and Partnerships; Penny Schwinn, Vice President for PK-12 and Pre-Bachelors Programs; Jim Staten, Senior Advisor to the President; Scott Stricklin, Director of Athletics; James Wegmann, Vice President for Communications; Heather White, Vice President for Student Life; William Reeser, Chief Investment Officer of UFICO; members of the University of Florida community, and the public.

1.0 Call to Order and Welcome

Committee Chair Marsha D. Powers welcomed everyone in attendance and called the meeting to order at 2:43 p.m.

2.0 Verification of Quorum

Chief Financial Officer Taylor Jantz verified a quorum with all members present, except Trustee Cole who had an excused absence.

3.0 Review and Approval of Minutes

March 7, 2024 and May 13, 2024

Committee Chair Powers asked for a motion to approve the minutes from the March 7, 2024, Committee Meeting, and the May 13, 2024, Committee Pre-Meeting, which was made by Trustee Brandon and seconded by Trustee O'Keefe. Committee Chair Powers asked for further discussion, after which he asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

4.0 Action Items

FSPPM1 Preliminary Operating Budget FY25

CFO Jantz stated we are required to annually submit a preliminary operating budget to the Florida Board of Governors (BOG) for approval. The Preliminary Operating Budget FY25 is our projection of how we anticipate the university will look financially for the coming year. As we all know, Governor DeSantis officially signed the budget yesterday. He will report to the Board on the actual detailed budget at an upcoming meeting. Committee Chair Powers noted she reviewed the preliminary budget with CFO Jantz and some areas appeared to have significant increases in expenses. To better understand these increases, she asked for a chance to review the trends in these areas for the past 3 years. She recommended approving the FY25 preliminary budget subject to this review and grant authority to the Board Chair to make any adjustments or amendments, as necessary. CFO Jantz added for the first time in UF history, we will be submitting a \$10B+ budget due to growth across the university and UF Health. As well as Board Chair Hosseni's dedication in Tallahassee for making UF a university on the rise.

Committee Chair Powers asked for any questions or further discussion. She then asked for a motion to approve Action Item FSPPM1, subject to review of trends in areas of increased expenses for the past 3 years and authority granted to the Board Chair to make any adjustments or amendments as necessary to the preliminary operation budget, for recommendation to the Board for its approval on the Consent Agenda, which was made by Trustee Patel, and second which was made by Trustee O'Keefe. Committee Chair Powers asked for further discussion, and then asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

FSPPM2 Estimated Direct Support Organization Use of University Resources (FY25)

CFO Jantz stated this annual estimated summary of Direct Support Organization (DSO) Use of University Resources is a standard submission of the BOG. He noted nothing is out of the ordinary for this year, but we must still report this information.

Committee Chair Powers asked for any questions or further discussion. She then asked for a motion to approve Action Item FSPPM2 for recommendation to the Board for its approval on the Consent Agenda, which was made by Trustee Patel, and second which was made by Trustee O'Keefe. Committee Chair Powers asked for further discussion, and then asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

FSPPM3 Adoption of Student Payment Plan Mechanism

CFO Jantz stated as discussed in the May Committee Pre-Meeting, unlike many of our Florida SUS peer universities, UF does not offer a payment plan mechanism for our students. Currently,

they either pay all fees up front or they incur late fees. This will add flexibility for our students and will not have any financial impacts to our operating margins. He expressed his gratitude to the Bursar who identified a need for our students and a successful pilot program pathway. To cover the cost of the third-party vendor management, we are requesting the Board approve a \$15 service fee per enrollment in installment plans.

Committee Chair Powers asked for any questions or further discussion. She then asked for a motion to approve Action Item FSPPM3 for recommendation to the Board for its approval on the Consent Agenda, which was made by Trustee Patel, and second which was made by Trustee O'Keefe. Committee Chair Powers asked for further discussion, and then asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

5.0 Discussion Items

5.1 CFO Report

CFO Jantz shared the CFO's Office took part in its first ever team retreat. We have about 200+ finance employees across our division. They're working hard, closing the books, making sure that people get paid, keeping the lights on along with SVP Kratzer's team. They are the reason that we're successful in continuing to push boundaries as a finance organization. I can't thank my team enough for the day in and day out work that we do.

Board Chair Hosseini turned the meeting over to the President for an announcement. President Sasse stated the run up to board meetings are often a great opportunity for announcements. Thank you to all 13 members of this board who make so much time to come to campus. The Chairman and I have been thinking through the sequencing of different announcements over the course of the coming quarter. Because Committee Chair Powers has advocated so zealously on behalf of your work and because I believe in people who are a combination of EQ and IQ, and we like to "try before you buy," I would like to request the Chairman's permission to rip "Interim" off CFO Jantz's title. Board Chair Hosseini stated done, approved! Committee Chair Powers commented I think that is very well-deserved. I have had the opportunity to work with Taylor over the last year or so and I can tell you that he is right up there with the best. CFO Jantz expressed his thanks to everyone. It is a pleasure to serve and exciting to get to work with each of you. I'm looking forward to what we have ahead of us.

- **Quarterly Financials Update (Q3 FY24)**

As has been the story throughout the year, we remain fiscally stable and strong. There are a variety of factors, a lot around investment performance. Our UFICO research portfolio continues to grow. Our Board Chair has done a great job with state support, that is evident through our bottom line. Dr. Motew will tell a great story of what we're able to continue to do for UF Health. In Athletics, we've seen increases in ticket sales. While there are efficiencies to be gained, we are a university in momentum.

- **Baby Gator**

At a previous board meeting, Chairman Hosseini tasked us with providing an update on Baby Gator, our childcare service here on the UF campus. We are doing things that the rest of the community just doesn't do. I propose this be a multiple part series of updates. Trustee Zalupski and I will continue to work together to really dig deeper, understand how we can maintain our

competitive advantage, and make sure our employees are getting the benefits. Director of Baby Gator Stacy Ellis will provide an overview, so the Board has a baseline level of understanding to start with.

Trustee Zalupski agreed and shared they had a great tour yesterday and expressed his thanks to Trustee Zucker. We know Chairman Hosseini would like to see a much more rigorous analysis. We'll be talking to you through this process and will come back to the Board in 90 days with more information on the costs, how much we want to subsidize, and our community competitors. Board Chair Hosseini reemphasized we are demanding excellence from our faculty and our staff. We hold them accountable on one side and on the other side, we must show them we care. I think providing their children with the best care and learning while they're working makes a big difference in their lives. I think that brings even more productive to the university and almost pays for itself. We will review all the information when you bring it back to us. Trustee Zalupski added Trustee Zucker was very kind and gracious in a significant contribution to the current Lake Alice facility, but the other two facilities are dilapidated. Trustee Zucker and I are going to look at previous facility proposals and budgets. We will come back to the Board with that information for further discussion as well. We're excited to come back to you with some detail analysis. Vice President for Human Resources Melissa Curry introduced the Director of Baby Gator Stacey Ellis. She has been with Baby Gator since 2002 and became Director in 2016.

Director of Baby Gator Stacy Ellis began by expressing her gratitude to the Board for the support they've given to our program. Baby Gator is much more than just caring for and educating young children. Currently, Baby Gator has 3 centers: Lake Alice (our largest facility), Newell Drive, and Diamond Village. You can see that our mission is to educate young children and to provide care for the children of faculty, staff, and students. However, a huge part of our mission is to provide service in other capacities to the university. What is different about Baby Gator is that we have a different level of standard. We hire above and beyond the standard requirement for teacher. 92% of our teachers have degrees and credentials specific to early childhood. In the industry, it's about 46%. We are nationally recognized as a model demonstration center. We are accredited by the gold standard of accreditation, the National Association for the Education of Young Children (NAEYC). There are only 4 centers in Alachua County, and we have 3 of the 4 accreditations. We write grants. I wrote a Department of Education federal grant 3.5 years ago that brought in \$2M to support low-income student families so that they can have their child come and attend a quality center and then complete their degree and graduate. We host about 14,000 hours of UF student volunteers, interns, and practicum providing experiential learning from our program. Community childcare facilities have a different level of standard than we do. The Department of Children and Families (DCF) ratios for student to teacher are significantly higher than the NAEYC student to teacher ratios are. Our centers follow those smaller NAEYC ratios, which allows us to be able to do the things that we need to do to provide quality care and implement the other services within our program. We have a dual mission to educate young children and to provide these laboratory services. It really is amazing how many campus partners and students we have from across campus. We're working with departments and colleges to help students' complete coursework and to spend time piloting specific data assessment tools that can be used statewide to collect data. We pride ourselves in having research backed, research-based approaches to how we educate young children, and how we educate UF students when they come through our doors. That's another reason why our teachers have degrees and

credentials in their area because they are working one on one with UF students and faculty who come and use our center for research. Compared to the other SUS institutions, UF and Baby Gator by far and away have the largest early childhood program in the state. We are looked at as the #1 model. Compared to the Top 5 public institutions, we are right up at the top leading the board with the number of spaces that we offer for children and the quantity and quality of our program. Currently, we have 200+ families on our waiting list, most of them are infants and toddlers. Infant and toddler care is hard to find in our community, state, and nation right now. We are working towards making sure that we're hiring and keeping our classrooms full so that we're able to enroll consistently. Finally, the weekly cost of care is broken into tuition rates for Faculty/Staff and Students, with our student families paying a lower tuition rate. Our cost is higher than what we are charging. In the community, the average tuition rate is higher than what we're charging as well. Our cost is a little bit higher because we are hiring degreed teachers, and our operations are higher because we have 3 separate centers.

Trustee O'Keefe asked if Director Ellis could provide an update on the Diamond Village renovations. Director Ellis stated we are in the early stages of design right now, but we're looking at how the budget lines up. The projected costs right now are more than double what we originally thought. She stated Trustee Zalupski, CFO Jantz, and Trustee Zucker are going to help us with that. Trustee Zalupski commented if it costs \$5M to renovate a dilapidated building, it probably just needs to be torn down. We will come back to the Board with that information. President Sasse asked if we have data on where the families on our waiting list go to and how many of them move to us if they're offered a slot but they've already enrolled somewhere else. Director Ellis stated we do have a list of other centers in town that our waiting list families go to. When we do offer spaces, generally they will put in their notice and come to us. We have a 30-35% decline rate, usually with the older children because they're well-established in the other community centers. She added the reason it takes anywhere from 2-to-3 years to get offered a spot from our waiting list, depending on the age of your child, is because people come and stay. They will start with us as infants and they'll move all the way through VPK, which is the entry into kindergarten level. We really only actively turnover spaces once a year. Board Chair Hosseini stated we are trying to hire great faculty and one of the recruitment tools VP Curry could use is our exceptional daycare services. If a new faculty member accepts the position and say they are ready to put their children in daycare, we tell them they must wait 2-3 years? Director Ellis confirmed that is correct. Board Chair Hosseini stated that does not help us with faculty recruitment. It can make a huge difference when we can say, I want you to go and look at our daycare center while you're deciding to come here or go to this other university. VP Curry agreed and added we do receive requests from deans that are really wanting us to hold spots for them as part of recruitment. Trustee Zalupski commented because of space, we're thinking maybe you could go into a lottery system. That wouldn't solve the issue, but it would help in the short term. Trustee Zucker noted the 2-to-3 year waiting list shows how important this is for retention and attracting new talent to this university. The one thing about Baby Gator is how critically important the life and the learning is from the moment that baby enters until they leave us. If they don't have a family situation that's good, those children are going to be 30 million words behind by not being in our centers. And you can't catch up when you get to that point in your life. This is an important piece of starting out and providing children a great foundation for living and for their lives. Committee Chair Powers added it is also a tremendous recruitment tool for UF Health and Nursing. If you look at the shortage and what we're paying for salaries, it would be helpful if we

could do some type of expansion to address some of the issues. Trustee Zalupski noted even though the waiting list is currently 200+, you might have 300-400 more interested. Director Ellis closed by expressing her thanks to the Board, especially to Trustee Zucker for their support of the Lake Alice facility. It is truly amazing and exceeds our expectations.

- **Sources and Uses of New State Funding & Radical Financial Transparency**

Vice President Mark Kaplan brought to the Board at a previous meeting, this different way to look at our explosive growth in state funding since 2017. This update will show how we leverage those funds. Most new state funding (+\$250M) has been directly invested into faculty compensation and hiring initiatives since 2017, resulting in a 17% increase to the average faculty's salary. If you look across the higher education landscape, a lot of states are pulling investment in higher education and you're seeing increases in tuition rates. It's not a sustainable model for many of our peers throughout the nation. At UF, thanks to the support of the state and how we've been able to leverage funding, we continue to see large growth in not just our faculty salaries, but also our faculty numbers. In FY2014 and FY2015, we saw a decline in our number of faculty. This Board made a concerted effort to recruit the best and brightest faculty to build something special here at UF that not only has a direct correlation to our ranking, but also our student experience. We had 2,400 faculty in FY2016, we increased to 3,200 faculty in FY2024. This is a direct investment that we can show Tallahassee we are putting state funding to work to get the best and brightest in Florida and continue our meteoric rise up the rankings to be an elite institution in the nation. This is one example of a much larger engagement that is currently underway with our university known as Radical Financial Transparency (RFT). We must educate the populace on the importance of higher education, that we are the best investment of dollars in the state of Florida and in the nation. This project will show how we've invested our money, where our faculty salaries have gone, and our research portfolio. We have completed a pilot phase, and our next step will be to solicit input from the Board. As we've already communicated to the deans and vice presidents, in fall we will assess the remaining units that have not gone through this process to gather the data. By December, the Board will have an understanding of how the ins and outs of our funds flow work. Our pilot program included a variety of academic, administrative, auxiliary, and enterprise-wide units. We worked with President Sasse and Vice President Ray Sasse on understanding who we are as an academic institution, where we invest our dollars, and how units are leveraging those funds.

President Sasse and I expressed our gratitude to new College of Nursing Dean Shakira Henderson for participating in the pilot project. Dean Henderson shared her positive experience participating in the RFT pilot project and briefly summarized three overarching themes: Building a culture of transparency, Enabling data-driven decision-making, and Supporting strategic planning & improvement. She stated data is the currency of communication. The ability to share information transparently to all our stakeholders continues to improve trust and accountability. As a new dean, participating in the RFT pilot project provided me the opportunity to conduct a timely and thorough assessment. CFO Jantz thanked Dean Henderson for her sharing her experience and added she made a great point that that is so much data and ways of communicating about ourselves.

- **Housing - Financing Capacity Update**

Our housing capacity will increase this fall thanks to the completion of Honors Village. From freshman to sophomore, there is a de-escalation of students that live on campus. Graduate students living on-campus is an ongoing area of focus that we'll continue to look at. The need for housing is evident and will be a focus moving forward. Compared to off-campus proximity private housing, we are very competitively priced. On average, it costs a student \$818 a month to live on-campus versus \$1,400 off-campus. As Vice President Heather White has discussed with the Board previously, on-campus living has many benefits for students like increased GPA, connectedness to community, and proximity to coursework.

Trustee Corr asked how many single, double, or more units we have on campus versus how many units there are in off-campus proximity housing. VP White stated most units on campus are single or double. Further discussion ensued regarding capacity and cost with Trustees Corr and O'Keefe, Chairman Hosseini, and VP White. CFO Jantz stated he will provide the data analysis on unit capacities and cost percentage comparisons to the Board.

CFO Jantz continued by stating the budget of our housing entity is an auxiliary. Anything they charge in rents, they expend in personnel, operating expenses, or an annual debt payment. This creates a very lean budget. If there are additional funds, they would be put towards deferred maintenance or other upgrades to our facilities. Because of our current rates, we are not able to significantly address deferred maintenance, which is hindering our housing standards compared to off-campus proximity private housing. Trustee Brandon stated it is a never-ending battle of the need to have the revenue to justify the bond, but how do we get the revenue if we don't have the beds. We are restricted by state statutes. Board Chair Hosseini commented we know the benefits of students living on-campus versus off-campus are day and night. That is very important to us. And we know if students had the option of paying a few hundred more dollars a month to be right on campus, they would. We are going to take this on. Before bringing this to Legislators and the Board of Governors in Tallahassee for a big ask, we need this Board's approval at an upcoming meeting. We must try to increase our capacity to 8,000-10,000 beds. It's much easier to borrow money for housing because it pays, and the profits can offset the cost of the teaching space. Trustee O'Keefe commented the ultimate beneficiary of this would be our students. It helps them financially, improves their quality of life, and increases their performance and engagement with the university. President Sasse agreed and added it also ultimately affects our rankings and output success. The data shows student retention, learning acquisition, and mental health are all higher. The best-in-class model among elite institutions is 100% of freshmen and sophomores living on-campus, with the opportunity for juniors and seniors to live on-campus. With only 8,600 beds for 39,000 undergraduate students, we are miles away from best-in-class elite. This would serve our students, but also redound to the brand benefit of the institution.

CFO Jantz stated this is an equation of finding a balance between increasing rates and increasing capacity to obtain more bond financing. This is where the Board will have to help us understand if we raise rents faster or what are some of our other opportunities. Under the current constraints of regulations from the state coupled with our debt portfolio for housing, we can build 1,000 beds starting construction in 2026. To get to our goal of 10,000 new beds, with our current restraints would take until 2049.

There are three opportunities to address our fundamental constraints:

1. Significant additional state support
2. Reconsideration of Florida Statute 1010.62 that governs university debt policy
3. Fundamental shift in delivery where, working with the Division of Bond Finance, we explore Public-Private Partnership (P3) options

Our three go-forward options are:

1. Finance, Build, and Own (maximize capacity and create housing construction master plan)
2. P3 (work with BOG/DBF to find a P3 partner to expedite build-out of on-campus housing)
3. Hybrid (continue to finance and build undergraduate housing – study P3 for graduate needs)

Trustee Brandon asked VP White what her perfect model would look like, if we did not have any statutory restrictions. VP White stated the Hybrid option, to best accommodate undergraduate and graduate students.

Senior Vice President Dave Kratzer commented we must remember you are going to need food facilities as part of the structure of the housing units themselves or standalone units, and the transportation infrastructure that surrounds those. All that being said, I think this is doable if we find the right model. VP White agreed with SVP Kratzer's comments and added location and community as key elements of focus. We need to study this and get student input. President Sasse agreed with SVP Kratzer and VP White's comments and added the two most obviously locations on campus are the southwest edge and west center. To Trustee O'Keefe's point earlier, the potential of creating more suite style units instead of single or double capacity. The best example is the University of Utah where they are building a lot of 36 bed super suites. Basically, your room is your bed with a door for private space, 3-4 common areas, and 10 single bathrooms. Student satisfaction with this is 80%/20%. It's a way to increase student satisfaction without incurring extra expense. Lastly, the student I am most concerned with are the ones that cannot afford to live close to campus and spend a lot of time commuting because we do not have an economical option on campus for them. Our retention data shows they are the least well served students and one of the reasons we need to view this as a cause. Trustee Brandon agreed and added when we think about recruiting, we have a serious need for Athletics housing. VP White commented part of the first round of Presidential Strategic Funding was secured for contracting a group that is conducting a housing study for us right now. We will have some solid data to help us in these discussions regarding inventory, capacity room types, proximity to campus, and age and quality of buildings. We have an ISIS list of which buildings we would take offline and in what order. Board Chair Hosseini highly recommended connecting the contracting group with Manfredi who created our Campus Master Plan and VP White agreed. President Sasse added he and AVP Cydney McGlothlin will meet with Manfredi next week.

CFO Jantz emphasized we estimate about \$180,000 to build a new bed. He noted at his alma mater Vanderbilt, the cost to build a new bed is \$350,000. It's an expensive undertaking and I want to make sure you're all aware, but that does not underscore the importance of what we're doing here. Vice President Dan Dillon commented there is data to support the direct line correlation between alumni affinity and on-campus experience. President Sasse agreed and added that type of data has been driving a lot of housing decisions at UVA over the last 5 years.

5.2 UF Health Update

CFO Jantz stated one of the things Committee Chair Powers and I were intentional about from day one is we are a comprehensive One UF. While we talk a lot about university operations which are very important, the larger part of our budget is UF Health. I have the privilege to introduce who will have his first opportunity to address the Board with a UF Health update.

President and System Chief Executive Officer of UF Health Dr. Steve Motew expressed his gratitude to the Board and President Sasse for entrusting him with the responsibility for the health, well-being, and care of Florida and for helping to move UF and UF Health forward. He added his special gratitude to Senior Vice President Dave Nelson for forging the path ahead and laying the foundation, he has been an unbelievable help in my onboarding. He highlighted 3 items in his update: Performance, Strategic Focus, and Celebrations and Projects.

- **Performance**

Our financial performance aligns with Q3 FY2024. We are continuing to promote a combined roll up to view UF Health as a single unified One UF Health. We are performing better than budget and better year over year. There are a couple of specific components that are unique to FY2024, which are some one-time payments associated with 340B federal drug cost reduction program, some one-time catch-up payments associated with Medicaid, increases in volumes of case complexity in Central Florida and Jacksonville, and increases in case mix here in Gainesville. When we look at it by operating margin percent, we budgeted this year for about a break even and it looks like we are on track right now to end the year at about 1 to 1.3% of operating margin. Which is just the start of a trajectory that we have planned out to meet our capital needs over the next 5-to-7-years. Looking at financial performance, the standout here is St. John's and reflects the Flagler integration. There has been substantial miss on the expectations of operating loss. It's effectively been double. We have rapidly put in place action plans with management change and a focus on some exceedingly difficult, but necessary changes, so we can assure the communities in St. John's and Flagler know they are part of UF Health, and we support them. These plans are in action and should begin to manifest in our budget that we bring forward in FY2025. While we focus on the dollars, our main purpose in focusing on the success of UF Health as a business is so that we can fund providing care and growing the care that we provide to more Floridians. The quality of the care that we provide is of paramount importance. There are many external and internal benchmarks that we must identify quality. For this presentation, I will use Leapfrog, a conglomerate of independent large industry that came together to assess the value of what they were paying for in health care using a grade system, like a report card. Our UF Health report card is showing progress but is not where I want it to be. This will be one opportunity that we can use to show excellence in health care. I do want to highlight that here in Gainesville, we have maintained an A rating, which reflects a rigid focus on outcomes and quality. Although we have some in the C range particularly in Central Florida, they have shown substantial improvements within the last 3-to-6 months in patient experience and safety. One of the limitations of Leapfrog is that it's sometimes 2-to-3 years in our rears and they change the measurements often. I would expect and will plan to bring forward more discreet and relevant measures over the next year as we begin to refine how we measure quality and outcomes.

- **Strategic Focus**

The tactical approach in the near-term is “appropriate systemization to reduce unwarranted variation.” We want to assure that we focus on clinical excellence, which we define as the combination of the clinical care delivery tied and matched hand in hand with the academic integrity and success of UF. Clinical excellence does not exist without research, education, training, innovation, and unassailable patient safety. We will be working now to start thinking more like a system, so we could benefit in the expansion of our quality programs and to assure that we have fiscal responsibility where it is appropriate. Such as shared services, supply chain, and other infrastructure that allows us to really be leaner and more facile in achieving our clinical quality goals. We did implement \$200M system wide optimization surrounding supply chain and revenue cycle aligned with our clinical documentation. We do a mediocre job of telling people how sick our patients really are and that directly affects our reimbursement.

Board Chair Hosseini noted we will have a deeper dive into UF Health in September when they have a full year of financials. Sometime really soon we want to see all A’s across the Leapfrog report card line and Dr. Motew agreed.

- **Celebrations and Projects**

There have been an amazing set of growth plans put in place over the last 3-to-4+ years. Expanding strategically into both our core markets and adjacent areas to provide access, giving the ability of more of our communities to attach their health care to the UF Health System. He shared updates on ground breakings, ribbon cuttings, and openings for UF Health System projects in Gainesville, Ocala, Central Florida, St. John’s, and Jacksonville.

Board Chair Hosseini reiterated his comments from earlier, I think we are going to have a bright future for the UF Health System with you.

5.3 UFICO Update

UFICO Chief Investment Officer Bill Reeser provided a review of Endowment follow-up items from the previous meeting. The primary CPI+5% benchmark has competing objectives: maintain the corpus “real” value for future beneficiaries and generate maximum spendable income stream for current needs. To quantify CPI+5%, inflation has averaged 3% annually over the previous 100 years and 2% annually over the previous 20 years. In FY2022, we experienced the largest spike in inflation in 40 years. Given the lower inflation environment in the years immediately prior, the longer-term trend line remains intact. Based on the 100-year average for inflation, CPI+5% equates to an 8% nominal return. The CPI+5% objective is not unique to UF. 80% of all endowments manage to a similar benchmark, either a nominal annual return of 7 to 8% range or a specific CPI+ benchmark. 75% of all endowments did not meet a CPI+5% objective over the previous 10-, 15-, 20- and 25-year time periods.

UFICO CIO Reeser continued by providing an update on the Operating Portfolio and strategy enhancements. We are in current discussions with the Treasurer and CFO’s Office revisiting the appropriate allocation to liquidity versus growth for UF going forward. For all time periods greater than one year, the operating performance is comfortably ahead of its policy benchmark. For the one year and less time periods, the operating portfolio is behind the policy benchmark

due to the private assets in the growth allocation not yet reflecting the recent run-in public markets.

6.0 New Business

Committee Chair Powers congratulated CFO Jantz on having the “Interim” removed from his title. She thanked Board Chair Hosseini for his generous 24/7 dedication working with the legislature to obtain state funding for UF. The entire reason for this radical transparency process is to show Tallahassee we have spent that money appropriately.

7.0 Adjourn

There being no further discussion, Committee Chair Powers adjourned the meeting at 4:16 p.m.

DRAFT



**COMMITTEE ON FINANCE, STRATEGIC PLANNING
AND PERFORMANCE METRICS**

Monday, August 12, 2024

Virtual Meeting

University of Florida, Gainesville, FL

Time Convened: 11:42 a.m.

Time Adjourned: 11:50 a.m.

Committee and Board members present:

Marsha D. Powers (Committee Chair), David L. Brandon, John E. Brinkman, Richard P. Cole, Morteza “Mori” Hosseini (Board Chair), Sarah D. Lynne, Daniel T. O’Keefe, Rahul Patel (Board Vice Chair), Fred S. Ridley, Patrick O. Zalupski, and Anita G. Zucker.

Others present:

Kent Fuchs, Interim President; Scott Angle, Provost and Senior Vice President for Academic Affairs; Melissa Curry, Vice President for Human Resources; Dan Dillon, Vice President for Marketing and Senior Advisor; Kurt Dudas, Vice President for Strategic Initiatives; Elias Eldayrie, Vice President and Chief Information Officer; Amy Hass, Vice President and General Counsel; Taylor Jantz, Senior Vice President and Chief Financial Officer; Mark Kaplan, Vice President for Government and Community Relations and University Secretary; David Kratzer, Senior Vice President for Construction, Facilities, and Auxiliary Operations; Maria Gutierrez Martin, Interim Vice President for Advancement; Stephen Motew, UF Health President and System Chief Executive Officer; David Nelson, Senior Vice President for Health Affairs; David Norton, Vice President for Research; Mary Parker, Vice President and Chief Enrollment Strategist; Brandi Renton, Interim Vice President for Business Affairs; Scott Stricklin, Director of Athletics; James Wegmann, Vice President for Communications; Heather White, Vice President for Student Life; members of the University of Florida community, and the public.

1.0 Call to Order and Welcome

Committee Chair Marsha Powers welcomed everyone in attendance and called the meeting to order at 11:42 a.m.

2.0 Verification of Quorum

Senior Vice President and Chief Financial Officer Taylor Jantz verified a quorum with all members present, except Trustee Corr, who had an excused absence.

3.0 Action Items

FSPPM1 West Palm Beach Appropriation Reallocation

SVP and CFO Jantz stated as discussed at the previous board meeting, \$100M in state funding was originally appropriated for the West Palm Beach campus. The bill approved by the legislature includes

language that grants this Board the authority to reallocate the \$100M to other university projects in need of funding.

The following 4 infrastructure projects are proposed for the funding reallocation:

- Workday ERP Solution - \$60 million
- Research equipment upgrades for The Herbert Wertheim UF Scripps Institute - \$18 million
- Campus technical debt - \$15 million
- Renovation/lease of space for the South Florida MBA Program - \$7 million

Committee Chair Powers asked for a motion to approve Action Item FSPPM1, which was made by Trustee Brandon and seconded by Trustee Patel. Committee Chair Powers asked for further discussion, after which he asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

FSPPM2 FY2025 Raises and Bonuses

SVP and CFO Jantz stated at our previous board meeting, Board Chair Hosseini tasked him and Committee Chair Powers to review our overhead expenses and find \$25M in savings that would be invested in our faculty. The \$25M in savings, in combination with generous state investments, allowed us to create the largest merit raise pool in the last 20 years.

The FSPPM Committee is asked to approve the allocation of funding to support the following:

- 1) A merit-based raise pool of 4% for state funded faculty
- 2) A merit-based raise pool of 3.75% for staff
- 3) A bonus pool of a one-time \$10,000 payment to faculty members who received an “exceeds expectations” ranking from the Post Tenure Review process in spring 2024

Committee Chair Powers asked for a motion to approve Action Item FSPPM2, which was made by Trustee O’Keefe and seconded by Trustee Patel. Committee Chair Powers asked for further discussion, after which he asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

4.0 New Business

There was no new business to come before the committee.

5.0 Adjourn

There being no further discussion, Committee Chair Powers adjourned the meeting at 11:50 a.m.



**COMMITTEE ON FINANCE, STRATEGIC PLANNING
AND PERFORMANCE METRICS**

Thursday, October 3, 2024

Virtual Meeting

University of Florida, Gainesville, FL

Time Convened: 8:07 a.m.

Time Adjourned: 8:10 a.m.

Committee and Board members present:

Marsha D. Powers (Committee Chair), David L. Brandon, John E. Brinkman, Richard P. Cole, Christopher T. Corr, Morteza "Mori" Hosseini (Board Chair), Sarah D. Lynne, Daniel T. O'Keefe, Rahul Patel (Board Vice Chair), Patrick O. Zalupski, and Anita G. Zucker.

Others present:

Kent Fuchs, Interim President; Joe Glover, Interim Provost and Senior Vice President for Academic Affairs; Scott Angle, Senior Vice President for Agriculture and Natural Resources; Melissa Curry, Vice President for Human Resources; Dan Dillon, Vice President for Marketing and Senior Advisor; Elias Eldayrie, Vice President and Chief Information Officer; Ryan Fuller, Interim Vice President and General Counsel; Taylor Jantz, Senior Vice President and Chief Financial Officer; Mark Kaplan, Vice President for Government and Community Relations and University Secretary; David Kratzer, Senior Vice President for Construction, Facilities, and Auxiliary Operations; Maria Gutierrez Martin, Interim Vice President for Advancement; Stephen Motew, UF Health President and System Chief Executive Officer; David Nelson, Senior Vice President for Health Affairs; David Norton, Vice President for Research; Mary Parker, Vice President and Chief Enrollment Strategist; Brandi Renton, Interim Vice President for Business Affairs; Scott Stricklin, Director of Athletics; James Wegmann, Vice President for Communications; Heather White, Vice President for Student Life; members of the University of Florida community, and the public.

1.0 Call to Order and Welcome

Committee Chair Marsha Powers welcomed everyone in attendance and called the meeting to order at 8:07 a.m.

2.0 Verification of Quorum

Senior Vice President and Chief Financial Officer Taylor Jantz verified a quorum with all members present, except Trustee Ridley, who had an excused absence.

3.0 Action Item

FSPPM1 FY2024-25 Carryforward Spending Plan

CFO Jantz stated the annual review and submission of our carryforward spending plan is due to the Board of Governors (BOG) each October. Our overall carryforward spending for FY2024-25 is \$339M,

which is approximately \$70M more than the previous fiscal year. We have intended uses for all of these funds, including the following projects:

- \$25M - Data Science Building deferred maintenance
- \$64M - New World's Reading Initiative in the College of Education
- \$109M - Emergency maintenance for buildings

Committee Chair Powers asked for a motion to approve Action Item FSPPM1, which was made by Trustee Brandon and seconded by Board Chair Hosseini. Committee Chair Powers asked for further discussion, after which he asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

4.0 New Business

There was no new business to come before the committee.

5.0 Adjourn

There being no further discussion, Committee Chair Powers adjourned the meeting at 8:10 a.m.

DRAFT



**COMMITTEE ON FINANCE, STRATEGIC PLANNING
AND PERFORMANCE METRICS
ACTION ITEM FSPPM1
December 12, 2024**

SUBJECT: Confirmation of FY25 Budget

BACKGROUND INFORMATION

The Board of Trustees is requested to approve the University's Operating Budget of Revenues and Expenses for the Fiscal Year ending June 30, 2025. After discussion at the June 13th board meeting, based on trustee feedback, university leadership has worked with the Board of Trustees to confirm and validate that budgeted revenues and expenditures for FY25 are in alignment with university goals, including budgeting for a 4% merit raise for UF Faculty.

PROPOSED COMMITTEE ACTION

The Committee on Finance, Strategic Planning and Performance Metrics is asked to approve the University's Operating Budget of Revenues and Expenses for the Fiscal Year ending June 30, 2025 for recommendation to the Board of Trustees for approval on the Consent Agenda and for submission by the University of Florida to the BOG for final approval.

ADDITIONAL COMMITTEE CONSIDERATIONS

Board of Governors final approval is required for the 2024-2025 operating budget of revenues and expenses.

Supporting Documentation Included: UF 2024-2025 Operating Budget – Enterprise Summary

Submitted by: Taylor Jantz, Senior Vice President and Chief Financial Officer

Approved by the University of Florida Board of Trustees, December 13, 2024

Morteza "Mori" Hosseini, Chair

W. Kent Fuchs, Interim President and Corporate Secretary

University of Florida
2024-2025 Operating Budget - Enterprise Summary
(in thousands)

	FY 2023-2024 Operating Budget								
	University of Florida	Athletic Association	Faculty Practice	UF Foundation	Shands Gainesville	Shands Jacksonville	GatorCare	Other DSOs	Total
Revenues									
Tuition and Fees	469,364	0	0	0	0	0	0	0	469,364
State Appropriations	1,080,000	0	0	0	9,674	0	0	12,175	1,101,849
Contracts and Grants	834,675	0	0	0	7,050	0	0	1,185	842,910
Federal and State Financial Aid	235,543	0	0	0	0	0	0	0	235,543
Patient Service Revenue	0	0	893,836	0	2,358,000	954,342	0	0	4,206,178
Contributions/Donations	0	0	0	150,000	0	0	277,636	40,556	468,192
Investment Income	40,000	800	3,333	65,000	63,719	794	300	14,832	188,778
Licensing and Royalties	0	78,094	0	0	0	0	0	53,750	131,844
Sales of Goods & Services	207,323	47,073	231,067	0	0	0	1,666	17,150	504,279
Other Cash Receipts	20,098	611	64,594	9,243	428,108	35,873	310	16,459	575,296
Component Unit Transfers In/(Out)	1,072,373	40,802	(794,228)	(165,000)	0	0	0	(91,699)	62,248
Total Revenues	3,959,375	167,380	398,602	59,243	2,866,551	991,009	279,912	64,408	8,786,480
Expenses									
Salaries & Benefits	2,882,290	73,892	130,749	24,677	1,198,600	445,692	1,344	15,343	4,772,587
Other Operating Expenses	1,019,619	93,351	298,489	25,556	1,564,300	544,568	278,568	53,660	3,878,111
Total Expenses	3,901,909	167,243	429,238	50,233	2,762,900	990,260	279,912	69,003	8,650,698
Net Change	57,467	137	(30,636)	9,010	103,651	749	0	(4,595)	135,783

	FY 2024-2025 Operating Budget								
	University of Florida	Athletic Association	Faculty Practice	UF Foundation	Shands Gainesville	Shands Jacksonville	GatorCare	Other DSOs	Total
Revenues									
Tuition and Fees	484,163	0	0	0	0	0	0	0	484,163
State Appropriations	1,276,527	3,612	0	0	7,050	0	0	21,550	1,308,739
Contracts and Grants	952,217	0	0	0	0	0	0	737	952,954
Federal and State Financial Aid	241,617	0	0	0	0	0	0	0	241,617
Patient Service Revenue	0	0	1,069,929	0	3,651,498	1,171,363	0	0	5,892,790
Contributions/Donations	0	0	2	150,000	2,867	0	291,517	41,408	485,795
Investment Income	44,100	800	3,674	221,710	45,652	7,935	300	16,539	340,710
Licensing and Royalties	0	79,971	0	0	0	0	0	56,250	136,221
Sales of Goods & Services	220,222	58,291	283,517	0	0	0	1,749	15,933	579,712
Other Cash Receipts	249,503	0	96,627	11,628	91,909	64,498	310	13,440	527,915
Component Unit Transfers In/(Out)	1,080,692	34,174	(943,267)	(190,000)	(90,232)	(139,195)	0	(95,174)	(343,003)
Total Revenues	4,549,041	176,848	510,483	193,338	3,708,744	1,104,601	293,876	70,682	10,607,613
Expenses									
Salaries & Benefits	2,991,878	78,531	160,844	26,151	1,523,643	494,490	1,431	9,050	5,286,017
Other Operating Expenses	1,230,331	114,060	336,723	28,937	2,427,915	563,147	292,439	66,617	5,060,168
Total Expenses	4,222,209	192,591	497,567	55,088	3,951,558	1,057,637	293,869	75,667	10,346,185
Net Change	326,832	(15,743)	12,916	138,250	(242,814)	46,964	7	(4,984)	261,428



**COMMITTEE ON FINANCE, STRATEGIC PLANNING
AND PERFORMANCE METRICS
ACTION ITEM FSPPM2
December 12, 2024**

SUBJECT: FY26-FY30 Housing Rate Increase

BACKGROUND INFORMATION

UF's rates are still well behind private construction average rental rates - UF charges 63% of the average cost of private housing within a mile radius of campus. In addition, UF has a need to add net new units and renew existing housing structures across campus. A rate increase will help alleviate future pricing constraints, allow for renovation of existing units all while keeping UF well below private housing averages. Any new rate increases will still keep UF's pricing well below the private housing options.

PROPOSED COMMITTEE ACTION

The Committee on Finance, Strategic Planning and Performance Metrics add a 3.5% on-campus housing rate increase from FY26-FY30 for recommendation to the Board of Trustees for approval on the Consent Agenda.

ADDITIONAL COMMITTEE CONSIDERATIONS

None.

Supporting Documentation Included: Housing Pricing and Market Data

Submitted by: Taylor Jantz, Interim Senior Vice President & Chief Financial Officer

Approved by the University of Florida Board of Trustees, December 13, 2024

Morteza "Mori" Hosseini, Chair

W. Kent Fuchs, Interim President and Corporate Secretary

**COMMITTEE ON FINANCE, STRATEGIC PLANNING
AND PERFORMANCE METRICS
ACTION ITEM FSSPM3
December 12, 2024**

SUBJECT: Auxiliary Facilities Report

BACKGROUND INFORMATION

Certain outstanding state university system bond issues for auxiliary facilities have covenants which state the Board of Governors shall annually, or at any other time as requested by the State Board of Administration, prepare and adopt a detailed revenue and expense budget for bonded auxiliaries, which shall set forth the amount to be deposited in facility maintenance and repair reserve accounts.

To satisfy bond covenants, the Board of Governors adopted Regulation 9.008, requiring University Boards of Trustees to approve and submit operating budget detail for auxiliary facilities with such bond covenants and to report the anticipated amount to be deposited in an auxiliary maintenance and equipment reserve fund. Such reserve amounts are determined by the Board of Trustees in accordance with institutional policy and/or policy and/or bond covenant requirements.

The University of Florida's Series 2018A Parking Facility Revenue Bonds contain such covenants, although a funding level for the maintenance and equipment reserve is not specified. The attached revenue and expense budgets incorporate and comply with the university's Parking Operating Fund – Ending Reserve and Operating Cash Policies.

To comply with the Board of Governors' regulation, a detailed fiscal year 2024-25 revenue and expense budget for the Transportation and Parking auxiliary is presented for approval.

PROPOSED COMMITTEE ACTION

The Committee on Finance, Strategic Planning, and Performance Metrics is asked to approve the Transportation and Parking Auxiliary Budget for Fiscal Year 2024-25 for recommendation to the Board of Trustees for its approval on the Consent Agenda.

ADDITIONAL COMMITTEE CONSIDERATIONS

Board of Governors approval is required.

Supporting Documentation Included: FY 2025-26 Auxiliary Facilities Financial Report

Submitted by: Brandi Renton, Interim Vice President for Business Affairs

Approved by the University of Florida Board of Trustees, December 13, 2024

Income and Expenditure Statement
Auxiliary Facilities Bonds with Covenant Language

Due: 2/21/2025

This information is being collected pursuant to Board of Governors Regulation 9.008 - University Auxiliary Facilities with Outstanding Revenue Bonds. Board approval is required at least ninety days prior to the beginning of the new fiscal year for Auxiliary Bonds with covenant language. **If the template is changed, the file will be rejected and a new response will be required in the original format.**

In an effort to streamline the review and approval of bond covenant requirements, please follow the instructions below:

Use the INCOME AND EXPENDITURE STATEMENT template provided on TAB 2. This template includes predefined formulas for automated calculations. Do not alter or overwrite the formulas. Be aware of pasted/rounded numbers and ensure that if any rounding is done, that it is done consistently and numbers tie where appropriate.

Instructions:

PAGE 1

- 1 Go to TAB 2. Fill in the university name, bond title, and auxiliary facilities bond series number(s).
- 2 #1.A., enter revenue amounts in rows 10 and 11 for the prior Actual year.
- 3 #1.B., enter Replacement Reserve Forward, information in rows 15 through 17.
- 4 #2., enter Current Year Revenue/Inflows amounts in rows 23 through 25.
- 5 #3., Formula calculation
- 6 #4., enter Current Year Expenditures/Outflows, rows 31 through 38.
- 7 #5., enter Transfers to Replacement Reserves amounts, lines 42 through 44.
- 8 #6., enter Transfers from Replacement Reserves amounts, lines 48 through 50.
- 9 #7., #8., and #9. are automated calculations.
- 10 **Repeat 1 through 9 above for the current Estimated Year.**
- 11 The ENDING OPERATING CASH (8.) MUST equal the 1.A. subtotal in next fiscal year (automated).
- 12 The SUMMARY OF ENDING REVENUES (9.) SHOULD equal TOTAL CARRIED FORWARD in next fiscal year, line 20 (automated).
- 13 **Repeat 1 through 12 above for the next Projected Year.**
- 14 Enter date(s) this information was approved by your UBOT. UBOT approval dates must be entered for the Actual, Estimated, and Projected years. This information is verified by Board of Governors staff by visiting each UBOT website. If staff is unable to readily determine what has been approved by your UBOT, please provide details by referencing agenda items, page numbers, and amounts from your UBOT meeting documentation.
- 15 Enter preparer's name and telephone number.

Note: The Board of Governors cannot approve the budget statement if it has not been approved by your University Board of Trustees (UBOT). The amounts submitted must match EXACTLY to what has been approved by your UBOT.

PAGE 2

- 1 #1. Please explain any overhead assessments in pledged revenues.
- 2 #2. Refer to Columns K & L from Page 1 for calculated variance percentages between years. Please explain any variance of 10% or more.
- 3 #3. Please explain any amounts entered in #2., row 25 and #4., row 38, from Page 1.
- 4 #4. Please add additional comments that you wish to be shared with the Board.

Using the supplied Income and Expenditures Statement template to present to your UBOT minimizes the need for additional documentation and greatly simplifies the verification process regarding UBOT meeting documentation.

The Auxiliary Facility Income and Expenditure Statement is separate from your Operating Budget approved by your UBOT and should be presented as such.

Questions?

Chrissy Rojas, Budget Analyst at:

chrissy.rojas@fibog.edu

Patty Thurman, Assistant Budget Director at:

patty.thurman@fibog.edu

or Roger Strickland, Director of University Budgets at:

roger.strickland@fibog.edu

INCOME AND EXPENDITURE STATEMENT				
UNIVERSITY :		University of Florida-Transportation and Parking Services		
BOND TITLE :		Parking Revenue Bonds Series 2018A		
AUXILIARY FACILITY (IES) :		University of Florida Transportation and Parking Services		
		2023-24 Actual	2024-25 Estimated	2025-26 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	1,270,043	1,939,728	1,939,426
	Investments	0	0	0
	Subtotal:	1,270,043	1,939,728	1,939,426
	B. Replacement Reserve Forward:			
	Debt Service Reserve	4,815,286	4,849,394	4,912,144
	Maintenance & Equipment Reserve	3,486,511	3,609,399	4,077,530
	General Reserve	17,283,794	19,653,713	20,676,112
	Subtotal:	25,585,591	28,112,506	29,665,786
	TOTAL CARRIED FORWARD (A +B):	26,855,634	30,052,234	31,605,212
2.	CURRENT YEAR REVENUE / INFLOWS			
	* Revenue	15,633,313	14,981,000	15,141,000
	Interest Income	104,556	100,000	100,000
	Other Income / Inflows	193,500	0	0
	TOTAL CURRENT YEAR REVENUE:	15,931,369	15,081,000	15,241,000
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	42,787,003	45,133,234	46,846,212
4.	CURRENT YEAR EXPENDITURES / OUTFLOWS			
	Salaries and Matching	4,236,489	3,900,000	4,100,000
	Other Personal Services	159,108	318,000	318,000
	Operating Expense	2,669,345	2,902,900	3,056,300
	Repairs and Maintenance	693,969	636,300	698,930
	Debt Service	3,798,067	3,789,941	3,791,191
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	0	0	0
	Other Outflows & Transfers Out	1,177,791	1,980,881	1,697,218
	TOTAL EXPENDITURES:	12,734,769	13,528,022	13,661,639
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Debt Service Reserve	34,108	62,750	64,188
	Maintenance & Equipment Reserve	122,888	468,131	387,730
	General Reserve	2,369,919	1,022,399	1,056,910
	Subtotal:	2,526,915	1,553,280	1,508,828
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	0	0	0
	Subtotal:	0	0	0
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Debt Service Reserve	4,849,394	4,912,144	4,976,332
	Maintenance & Equipment Reserve	3,609,399	4,077,530	4,465,260
	General Reserve	19,653,713	20,676,112	21,733,022
	Interest Earned on Reserve Balances	0	0	0
	Subtotal:	28,112,506	29,665,786	31,174,614
8.	ENDING OPERATING CASH (1A +2 -4 -5)	1,939,728	1,939,426	2,009,959
9.	SUMMARY OF ENDING REVENUES (7 +8)	30,052,234	31,605,212	33,184,573
* REQUIRED INFORMATION *				
Date budget approved by University Board of Trustees :				
Prepared By : William MacDonald		Telephone : 352.392.8042		
Email :				
* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.				

% Variance	
Year 1 to 2	Year 2 to 3
-5.3%	1.1%
5%	4%
6%	1%
-39%	-3%
#DIV/0!	#DIV/0!
6%	5%
0%	4%
5%	5%

UNIVERSITY AXILIARY FACILITIES
NARRATIVE SUPPLEMENT TO INCOME AND EXPENDITURE STATEMENT
TO BE PROVIDED TO BOARD OF GOVERNORS MEMBERS

1. Do the pledged revenues reported contain any overhead assessments ? If yes, please explain.

Yes, overhead is charged by the university to Transportation and Parking Services. Overhead assessments are included in amounts listed as "Operating Expense" and are as follows: 2023-24 (\$295,908); 2024-25 (\$668,500) and 2025-26 (\$700,000).

2. Do pledged revenues or expenditures change year over year 10% or more ? If yes, please explain.

Total Current Year Revenues-Other Income/Inflows have decreased (\$193,500) due to an accounting change in which certain expenses are now being covered by a different funding source. Total Expenditures- TAPS has reduced reliance on third-party contracts for temporary employees, replacing them with 1 OPS employee and student employees, which led to an increase in Other Personal Services (\$160,000).

3. Please explain amounts categorized as "other".

Other Income/Inflows- includes transfer to offset the cost of Gator Lift, the disabled student shuttle, (\$193,500). Other Outflows and Transfers Out- includes expenses incurred for the operation of City of Gainesville (RTS) on-campus buses to and from parking facilities, (\$775,000) and transfer (\$246,000) to Construction Accounting for garage restoration projects.

4. Add lines as needed for additional university comments. This information will be shared with Board of Governors members.

This report does not include noncash items such as depreciation.



**COMMITTEE ON FINANCE, STRATEGIC PLANNING
AND PERFORMANCE METRICS
ACTION ITEM FSPPM4
December 12, 2024**

SUBJECT: HiPerGator Capital Renewal

BACKGROUND INFORMATION

The current generation of hardware of HiPerGator, UF's supercomputer, was installed in 2020. This includes the component that was donated by Chris Malachowsky, which jumpstarted the successful AI University initiative. HiPerGator is a conduit to maintaining UF's status as a leader in artificial intelligence (AI) education and is integral to reputation, faculty recruitment and retention, education, research and discovery, and the university's rise in national rankings. Lifetime expectancy for HiPerGator is five years.

PROPOSED COMMITTEE ACTION

The Committee on Finance, Strategic Planning and Performance Metrics is asked to approve spending, estimated to be \$24 Million, to refresh HiPerGator as part of the University's Operating Budget of Revenues and Expenses for the Fiscal Year ending June 30, 2025 for recommendation to the Board of Trustees for approval on the Consent Agenda and for submission by the University of Florida to the BOG for final approval.

ADDITIONAL COMMITTEE CONSIDERATIONS

Board of Governors final approval is required for the 2024-2025 operating budget of revenues and expenses.

Supporting Documentation Included: UF 2024-2025 Operating Budget – Enterprise Summary

Submitted by: Taylor Jantz, Senior Vice President and Chief Financial Officer

Approved by the University of Florida Board of Trustees, December 13, 2024

Morteza "Mori" Hosseini, Chair

W. Kent Fuchs, Interim President and Corporate Secretary

University of Florida
2024-2025 Operating Budget - Enterprise Summary
(in thousands)

	FY 2023-2024 Operating Budget								
	University of Florida	Athletic Association	Faculty Practice	UF Foundation	Shands Gainesville	Shands Jacksonville	GatorCare	Other DSOs	Total
Revenues									
Tuition and Fees	469,364	0	0	0	0	0	0	0	469,364
State Appropriations	1,080,000	0	0	0	9,674	0	0	12,175	1,101,849
Contracts and Grants	834,675	0	0	0	7,050	0	0	1,185	842,910
Federal and State Financial Aid	235,543	0	0	0	0	0	0	0	235,543
Patient Service Revenue	0	0	893,836	0	2,358,000	954,342	0	0	4,206,178
Contributions/Donations	0	0	0	150,000	0	0	277,636	40,556	468,192
Investment Income	40,000	800	3,333	65,000	63,719	794	300	14,832	188,778
Licensing and Royalties	0	78,094	0	0	0	0	0	53,750	131,844
Sales of Goods & Services	207,323	47,073	231,067	0	0	0	1,666	17,150	504,279
Other Cash Receipts	20,098	611	64,594	9,243	428,108	35,873	310	16,459	575,296
Component Unit Transfers In/(Out)	1,072,373	40,802	(794,228)	(165,000)	0	0	0	(91,699)	62,248
Total Revenues	3,959,375	167,380	398,602	59,243	2,866,551	991,009	279,912	64,408	8,786,480
Expenses									
Salaries & Benefits	2,882,290	73,892	130,749	24,677	1,198,600	445,692	1,344	15,343	4,772,587
Other Operating Expenses	1,019,619	93,351	298,489	25,556	1,564,300	544,568	278,568	53,660	3,878,111
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Net Change	57,467	137	(30,636)	9,010	103,651	749	0	(4,595)	135,783

	FY 2024-2025 Operating Budget								
	University of Florida	Athletic Association	Faculty Practice	UF Foundation	Shands Gainesville	Shands Jacksonville	GatorCare	Other DSOs	Total
Revenues									
Tuition and Fees	484,163	0	0	0	0	0	0	0	484,163
State Appropriations	1,276,527	3,612	0	0	7,050	0	0	21,550	1,308,739
Contracts and Grants	952,217	0	0	0	0	0	0	737	952,954
Federal and State Financial Aid	241,617	0	0	0	0	0	0	0	241,617
Patient Service Revenue	0	0	1,069,929	0	3,651,498	1,171,363	0	0	5,892,790
Contributions/Donations	0	0	2	150,000	2,867	0	291,517	41,408	485,795
Investment Income	44,100	800	3,674	221,710	45,652	7,935	300	16,539	340,710
Licensing and Royalties	0	79,971	0	0	0	0	0	56,250	136,221
Sales of Goods & Services	220,222	58,291	283,517	0	0	0	1,749	15,933	579,712
Other Cash Receipts	249,503	0	96,627	11,628	91,909	64,498	310	13,440	527,915
Component Unit Transfers In/(Out)	1,080,692	34,174	(943,267)	(190,000)	(90,232)	(139,195)	0	(95,174)	(343,003)
Total Revenues	4,549,041	176,848	510,483	193,338	3,708,744	1,104,601	293,876	70,682	10,607,613
Expenses									
Salaries & Benefits	2,991,878	78,531	160,844	26,151	1,523,643	494,490	1,431	9,050	5,286,017
Other Operating Expenses	1,230,331	114,060	336,723	28,937	2,427,915	563,147	292,439	66,617	5,060,168
Total Expenses	4,222,209	192,591	497,567	55,088	3,951,558	1,057,637	293,869	75,667	10,346,185
Net Change	326,832	(15,743)	12,916	138,250	(242,814)	46,964	7	(4,984)	261,428



**COMMITTEE ON FINANCE, STRATEGIC PLANNING
AND PERFORMANCE METRICS
ACTION ITEM FSPPM5**

SUBJECT: FY26 Heath Fee Increase

BACKGROUND INFORMATION

Based on the recommendation of Local Fee Committee, The Board of Trustees is requested to approve an annual increase to student health fees for Fiscal Year 2026. The fee will support key student infrastructure that supports Student Life's Care Team, UF's Disability Resource Center, and the Counseling and Wellness Center. The health fee can only be used for health-related services and ensure a continued high level of care for our students even with recent inflationary pressures.

PROPOSED COMMITTEE ACTION

The Committee on Finance, Strategic Planning and Performance Metrics is asked to approval the Local Fee Committee's recommendation to increase the health fee by \$1.47 starting in Fiscal Year 2026.

ADDITIONAL COMMITTEE CONSIDERATIONS

Supporting Documentation Included: Local Fee Committee Recommendation Memo

Submitted by: Taylor Jantz, Senior Vice President & Chief Financial Officer

Approved by the University of Florida Board of Trustees, December 13, 2024

Morteza "Mori" Hosseini, Chair

Kent Fuchs, Interim President and Corporate Secretary

Division of Student Life
Office of the Vice President

PO Box 113250
Gainesville, FL 32611
352-392-1265

October 25, 2024

President W. Kent Fuchs
226 Tigert Hall
PO Box 113150
Gainesville, FL 32611

APPROVED


Dear President Fuchs,

As chair of the Local Fee Committee for the 2025–2026 fiscal year (FY) local fees, I am writing to share the recommendations of the committee. The Local Fee Committee reviews requests for increases to Activity & Service Fee, Student Health Fee, and Athletic Fee.

Committee members consisted of the following: Nick Andrews, Blake Cox, Noor Golesorkhi, Laura Thomas, Dr. Jeanna Mastrodicasa, Aretha Minor, Ron Anderson, and Dr. James Tyger (chair). On October 14, 2024, presentations and requests for increases were made by the following:

1. Jonathan Yorkowitz, Associate Dean and Director of the Dean of Students Office, requesting a \$.28 Health Fee increase for the Care Team.
2. Jenna Gonzalez, Director of the Disability Resource Center, requesting a \$.25 Health Fee increase.
3. Dr. Rosa West, Interim Director of the Counseling and Wellness Center, requesting a \$.91 Health Fee increase.

Proposals were not put forward for an increase in the Activity & Service Fee or the Athletic Fee.

During deliberations, the committee recommended a \$0.28 increase be allocated to the CARE Team, intended to expand support for students with additional non-clinical case managers and staffing for the Alan and Cathy Hitchcock Field & Fork Pantry. The committee also recommended a \$.28 increase be allocated to the Disability Resource Center to fund five Accessibility Specialists and to more closely align our staff to student ratio with our peer institutions. This is three cents higher than what was requested by the Disability Resource Center, but after thorough discussion around salaries for an Accessibility Specialist, the committee recommended additional funds to help recruit and retain staff for this critical role. Finally, the committee recommended a \$.91 increase be allocated to the Counseling and Wellness Center to fund seven Clinical Assistant Professor positions, four Post Doctoral Associate Positions, one Digital Wellness Support position, and to help offset the required salary increases for current staff that occurred without any increase in health fee funds. The recurring theme is that our health fee funded units are working to patch together the best services they can for students, but that we are seeing increasing demand for services and lagging many peers on student to staff ratios. Additionally, as raises are implemented without access to additional funds or fee increases, units must then weigh freezing vacant staff positions or programmatic aspects to offset the expenses. Ultimately, these services are vital to the well-being of the student body and

with over ten consecutive fiscal years without any change to the health fee, the University will need to evaluate long-term sustainability related to the services provided.

Based on Florida Statutes, section 1009.24, the total sum increase allowed for all three fees is 5%, which equates to \$1.83 per credit hour for FY 2025 – 2026. The sum of the proposed increases is \$1.47 per credit hour for FY 2025 – 2026.

A summary of the recommended increases in student local fees for 2025–2026 is as follows:

	2024-2025	2025-2026
Activity & Service Fee	\$19.06	\$19.06
Health Fee	\$15.81	\$17.28
Athletic Fee	\$1.90	\$1.90

The Fee Committee acknowledges that these are recommendations made within the restricted scope of the review process for the Local Fee Committee, and your review of these recommendations will take into account a much broader set of considerations.

Respectfully submitted,



Dr. James Tyger
Assistant Vice President for Student Life
Chair, Local Fee Committee

cc: John Brinkman, Student Body President
Dr. Heather White, Vice President for Student Life