

Agenda

**University of West Florida
Executive Committee
July 8, 2002
Alumni Room**

Action items

1. 2003-04 Legislative budget request for local initiatives
2. Financing of student housing project
3. Student fees

Discussion items

1. 2002-03 operating budget

Other business

1. President's memo on Auditor General audit procedures

**UWF Board of Trustees
Executive Committee
July 8, 2002**

Issue: 2003-04 Legislative budget request for local initiatives

Proposed action: Approve request

Background information:

The Division of Colleges and Universities has provided universities the opportunity to request lump-sum funding for priority issues in the 2003-04 legislative budget request. The University of West Florida requests funding for the local initiatives issue in the total amount of \$1,265,106. This request must be submitted to the Division of Colleges and Universities no later than July 15, 2002. It was developed from the cyclical strategic planning process at the university in accordance with the university Strategic Plan. The funding request focuses on the priorities in the four strategic goals of that document.

Supporting documentation: LBR budget request for local initiatives

Prepared by: Jerry Norris
474-2211

1	The University of West Florida	DRAFT - as presented to the UWF BOT 7-8-2002	
2	2003-2004 Legislative Budget Request - Local Initiatives		
3	Based on Strategic Plan Goals and Priorities		
4	July 20, 2002		
5			2003-2004
6			LBR for
7	Strategic		Local
8	Goals	Strategic Priorities	Initiatives
9	(A)	(B)	(C)
10	Goal One: Promote a learning environment that encourages the development of individual potential in students, faculty, and staff		
11			
12		Electronic/Technology Enhancements	
13		Faculty and Staff Recognition	
14		Space acquisition and utilization	
15		Increase student enrollment/retention	
16		Enhance quality of the learning environment, academic experience, and student services	
17		Systematically effect the new campus master plan	
18		Total for Goal One	\$ 125,000
19	Goal Two: Attract and inspire a diverse and talented student body committed to uncompromising academic excellence		
20			
21		Enrolling good students	
22		Innovative curricula (aligned to strategic plan)	
23		Graduate program strategic plan	
24		Align facilities and other resources to Student-First initiatives	
25		Marketing to and enrolling a diverse population	
26		Deliver the University's brand promise	
27		Total for Goal Two	\$ 340,000
28	Goal Three: Provide solutions to educational, cultural, economic, and environmental needs		
29			
30		Align UWF with all aspects of the Community and its needs	
31		Technology transfer (convert research to products)	
32		Comprehensive data for decision-making	
33		Educational partnerships and community services	
34		Research and service centers and institutes	
35		Continuing Education/Distance Education thrust (including certificate programs)	
36		Total for Goal Three	\$ 250,000
37	Goal Four: Manage growth responsibly through focus on continuous quality improvement of programs and processes		
38			
39		Enhanced outside funding	
40		Campus safety and security	
41		Reporting and human resource systems replacement (includes classification and pay plans)	
42		Enhance faculty and staff salaries	
43		Emphasize institutional effectiveness, accountability, and performance	
44		Capitalize on new governance structure	
45		Total for Goal Four	\$ 550,196
46	Total Legislative Budget Request for Local Initiatives 2003-2004		\$ 1,265,196
47	LBR - Local Initiatives 2003-2004 at 7-20-2002 JN:C:X		

**UWF Board of Trustees
Executive Committee
July 8, 2002**

Issue: Resolution and Financing Plan for the University of West Florida
Student Residence Hall Project

Proposed action: Adopt resolution to be forwarded for the approval of the University of West Florida Board of Trustees and the Florida Board of Education authorizing the issuance of housing system revenue note through the University of West Florida Foundation, Inc. in an amount not to exceed \$7,500,000. The resolution includes adoption of the financing plan for a 200-bed student housing facility and approval of an amendment to the existing sublease agreement for the construction and operation of the new facility.

Background information:

The University of West Florida currently has 1,225 student housing bed spaces available for rent. The current number of beds is equivalent to 15% of the Pensacola campus student headcount. The occupancy rate at the beginning of the Fall Semester 2001 was 100%.

The proposed project will feature the same room configuration used for the 1999 project, double rooms with private baths. This type of accommodation is designed to serve the University's growing population of freshmen and sophomores.

The outstanding debt for existing housing, which is in the form of fixed rate financing, is \$27,560,000. The proposed bond issue would be variable rate financing for a 15-year period.

This student residence hall project was authorized by the Legislature during the 2002 legislative session. The UWF Foundation approved an authorizing resolution at its June 14, 2002 meeting.

Supporting documentation: Exhibit A - Resolution
Exhibit B - Project Summary
Exhibit C - Financial Plan
Exhibit D - Summary of the Second Amendment to the Sublease Agreement

Other Support Documents Available: Second Amendment to the Sublease Agreement

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Pat Lott, Associate General Counsel
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Woodrow Cushing, Acting Director, University Foundation
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RESOLUTION

A RESOLUTION OF THE UNIVERSITY OF WEST FLORIDA BOARD OF TRUSTEES APPROVING THE FINANCING OF THE COST OF THE CONSTRUCTION OF A NEW 200 BED STUDENT RESIDENCE FACILITY ON THE CAMPUS OF THE UNIVERSITY OF WEST FLORIDA BY THE UNIVERSITY OF WEST FLORIDA FOUNDATION, INC., A UNIVERSITY DIRECT SUPPORT ORGANIZATION; APPROVING THE ISSUANCE BY THE FOUNDATION OF ITS HOUSING SYSTEM REVENUE NOTE, SERIES 2002, IN AN AMOUNT NOT EXCEEDING \$7,500,000 TO FINANCE THE PROJECT; APPROVING A SECOND AMENDMENT TO SUBLEASE AGREEMENT IN CONNECTION WITH THE PROJECT AND THE ASSIGNMENT THEREOF; AUTHORIZING THE PRESIDENT AND STAFF TO TAKE FURTHER ACTIONS CONSISTENT WITH THIS RESOLUTION; AND PROVIDING AN EFFECTIVE DATE

The undersigned, being the duly acting and appointed University of West Florida Board of Trustees (the “Board”) at a meeting duly held pursuant to notice and a quorum being present, do hereby make the following resolutions:

BE IT RESOLVED:

Section 1. Findings.

The Board hereby finds as follows:

(a) The Board is responsible for the governance of the University of West Florida (the “University”), a constituent institution of the State University System of Florida.

(b) Pursuant to the provisions of Section 240.2093, Florida Statutes (2002), and Section 240.299, Florida Statutes (2002), a direct support organization may issue its obligations to finance, design and construct facilities necessary and desirable to serve the needs and purposes of the University, as determined by the systemwide strategic plan adopted by the Florida Board of Education, upon approval of such agreements by the Florida Board of Education and approval of the project by the Legislature.

(c) Pursuant to the provisions of Section 243.151, Florida Statutes (2002), the University is authorized to enter into agreements to lease land under its jurisdiction to a direct support organization to be used to construct thereon facilities necessary and desirable to serve the needs and purposes of the University.

(d) The University of West Florida Foundation, Inc., a Florida not-for-profit corporation (the “Foundation”) was created for the purpose of providing direct support to the University of West Florida (the “University”), and has been designated as a “University Direct Support Organization” as defined in Section 240.299, Florida Statutes (2002), and continues to be so designated.

(e) The Foundation proposes to finance the costs of the acquisition and construction of an addition to the housing system of the University consisting of two new traditional dormitory style student housing facilities containing approximately 400 beds (the “2002 Project”). The 2002 Project will be located upon University land subleased to the Foundation. To finance Phase 1 of the 2002 Project, the Foundation proposes to issue its Housing System Revenue Note, Series 2002 (the “2002 Note”) in an aggregate principal amount not to exceed \$7,500,000, payable solely from and secured by a pledge of the net revenues of the student housing system of the University (the “Student Housing System Revenues”) which revenues are also subject to the lien of \$15,400,000 Escambia County Housing Finance Authority Dormitory Revenue Bonds (University of West Florida Foundation, Inc. Project), Series 1998 and \$13,455,000 of Escambia County Housing Finance Authority Dormitory Revenue Bonds (University of West Florida Foundation, Inc. Project), Series 1999 (the “1999 Bonds”). The 2002 Note will be issued to finance the costs of (i) the acquisition and construction of an addition to the housing system of the University consisting of a new 200-bed traditional dormitory-style student residence facility; (ii) capitalized interest, and (iii) certain costs of issuance (collectively, the “Phase 1 2002 Project”).

(f) The 2002 Project is consistent with the systemwide strategic plan.

(g) The Legislature has approved the 2002 Project (as hereinafter defined) in the General Appropriations Act and Summary Statement of Intent for Fiscal Year 2002-2003.

Section 2. Approval of the Phase 1 2002 Project and Financing.

The Board hereby approves the acquisition and construction of the Phase 1 2002 Project and further approves the issuance of the 2002 Note as herein set forth.

Section 3. Authorization of Second Amendment to Sublease Agreement and Assignment Thereof.

The Foundation has requested the Board to approve the sublease of the land on which the Phase 1 2002 Project is to be constructed to the Foundation pursuant to the terms of the existing Sublease Agreement between the Board and the Foundation dated September 1, 1998, as amended by that certain First Amendment to Sublease Agreement dated October 1, 1999, as further amended by the Second Amendment to Sublease Agreement herein described. The Second Amendment to Sublease Agreement, in substantially the form attached hereto as Exhibit “A” with such changes, alterations, and corrections as may be approved by the President of the University is hereby approved by the Board. The Foundation is specifically authorized to assign or mortgage its interest in the Second Amendment to Sublease Agreement as security for the 2002 Note.

Section 4. Approval of 2002 Note.

The Board hereby approves issuance of the 2002 Note by the Foundation in an amount not to exceed \$7,500,000, having a final maturity not to exceed 32 years from the date thereof and at an interest rate or rates acceptable to the Foundation, for the purposes designated elsewhere in this Resolution and the Exhibits thereto and reaffirms its approval of the existence and purposes of the Foundation. This approval is subject to the understanding that the 2002 Note does not create any obligation of the Board, the State of Florida, or any political subdivision, department, or agency thereof, to pay any part of the principal or premium, if any, or interest on the 2002 Note, or to levy ad valorem taxation or any other form of taxation to repay the same, but rather such 2002 Note shall be solely the non-recourse obligation of the Foundation, to be repayable solely from Student Housing System Revenues.

Section 5. Authorization of Further Actions Consistent Herewith.

The President of the University, attorneys, engineers or other agents or employees of the University and the Board are hereby authorized and directed to do all acts and things required of them by this resolution, or desirable or consistent with the requirements thereof, for the full, punctual, and complete performance of all the terms, covenants and agreements contained in the Second Amendment to Sublease Agreement and this Resolution, including execution of such documents, certificates, contracts, and legal opinions, and other material delivered in connection with the construction of the Phase 1 2002 Project and the sale of the 2002 Note.

Section 6. Approvals Contingent Upon Receipt of Required Approvals.

The approvals herein granted are contingent upon receipt by the Foundation of any and all required approvals from the Florida Board of Education.

Section 7. Repealing Clause.

All resolutions of the Board, or parts thereof, in conflict with the provisions herein contained, to the extent they conflict herewith, are, to the extent of such conflict, hereby superseded and repealed.

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned Corporate Secretary of the University of West Florida Board of Trustees, does hereby certify that the attached resolution relating to the issuance of the 2002 Note by the University of West Florida Foundation, Inc. is a true and accurate copy as adopted by the University of West Florida Board of Trustees on _____, 2002.

UNIVERSITY OF WEST FLORIDA BOARD OF TRUSTEES

By: _____
Corporate Secretary and President
University of West Florida

PROJECT SUMMARY
University of West Florida
Student Residence Hall Project

- Project Type:** Construction of a double occupancy student residence hall with a designed capacity of approximately 200 beds. The project will be financed from a revenue note issued by the University of West Florida Foundation (the “Foundation”) in an amount not to exceed \$7,500,000. New construction will be provided by a sublease of land through the Foundation pursuant to a ground lease agreement, along with responsibility for design and financing. The project will be operated by the University of West Florida through a management agreement with the Foundation.
- Facility Site Location:** The proposed student residence hall will be located on the University’s campus in Pensacola, Florida. The site is located directly across from Pace Hall, located on the northeast section of the central part of campus. The site will comprise approximately 6 acres.
- Student Market:** The primary targeted market for the proposed student residence hall will be traditional single undergraduate students. This focus recognizes the University’s enrollment growth in the first-time-in-college student population.
- Physical Description:** The proposed new student residence hall facilities will be of double dorm-type room accommodations consisting of approximately 60,000 total gross square feet. The total project will provide approximately 200 beds with accompanying private bathrooms (one bathroom per double room). Additionally, commons spaces include lounge areas, study rooms, kitchen/meeting rooms, laundry rooms, and game and food vending areas. Accommodations for the resident director, and residence coordinator will also be included within each facility/site. The building construction will be of brick and block. Each site will accommodate the need for parking as required by the University’s building program.
- Pledged Revenues:** The Foundation will pledge housing rental revenues from the housing system for the payment of debt service.
- Debt Service Coverage:** The debt service coverage ratio for the year 2001-2002 for the student housing system is projected to be 1.33x; for the year 2003/2004, the first year the new project is projected to be on-line, the debt service coverage ratio is projected to be 1.27x. The University has developed its rental structure for the new residence halls so that it would provide competitive rental rates as well as an entry to the University’s “tier-type” housing accommodations,

especially for first-time-in-college and lower undergraduate enrollment interest.

- Summary of Proforma:** The proposed residence hall project is based on estimated 2003/2004 rental rates of \$1,504 per student per academic semester (\$1,220 for summer semester). Student rental rates include utilities, room telephone service, cable television and campus date/Internet connectivity. Operating costs per bed are estimated at \$1,261 per year. Occupancy rates for the proposed student residence facilities are projected at 97.5% for the fall semester, 95% for the spring semester and 30% for the summer semester.
- Demand:** The residence hall project is a critically needed component of the University's comprehensive plan. The project also represents the implementation of a marketing study prepared by Biddison-Hier, Ltd. on student interest/type needed for the University's housing bed/type profile. Biddison-Hier recommended that the University develop a reinvestment strategy and phasing plan for the then-existing residence halls, which would reposition these facilities programmatically to serve freshmen and sophomore populations more effectively.
- For fall of 2001, one hundred percent (100%) of rentable beds in the Martin Hall/ Pace Hall were filled, and one hundred percent (100% of rentable beds were filled in the Village Apartments. For spring semester of 2002, 94.9% of the rentable beds in the University's student housing system were occupied.
- Current Housing Capacity:** The current designed capacity of on-campus accommodations is 1,225. After completion of the Phase 1 2002 residence hall project, the University will have a total of 1,425 beds.
- Status of Current Project:** The UWF Foundation has utilized the design-build method of construction for both phases of the Village apartment-style facilities and for both phases of the Martin/Pace Hall Project. The Foundation is currently in negotiations to reuse the design of the Pace Hall facility for the Phase 1 2002 Project, with necessary adjustments for site and other issues.
- Student Life Proforma:** The University places a high priority on the essential elements of a quality, fully integrated residence life program. In this regard, the University has emphasized a relatively high ratio of resident assistant/student staffing levels, as well as the supporting physical space and important functional space relationship that is critical for such an infrastructure. The University will continually strive for an enhanced and seamless program that will be exemplary in support of the student's educational and social development.
- Planned Occupancy Date:** The Phase 1 2002 project is projected to be completed for the Fall 2003 semester.

Future Projects:

The University expects to undertake Phase II of the 2002 Project, which has already been approved by the Legislature, immediately upon completion of the Phase I 2002 Project. The Phase II 2002 Project will provide an additional 200-300 beds. Future expansion of the housing system will be determined by enrollment growth and subsequent demand for on-campus housing accommodations.

Historical and Projected Debt Service Coverage

Item	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07
REVENUES									
Rental Income									
North & South	\$1,811,704	\$1,417,301	\$643,003	\$699,985	\$734,984	\$757,033	\$779,745	\$803,137	\$827,231
Village	721,678	1,377,293	1,145,349	1,246,830	1,309,171	1,348,446	1,388,900	1,430,567	1,473,484
Martin/Pace			1,560,622	1,696,380	1,781,199	1,834,635	1,889,674	1,946,364	2,004,755
New Res Hall						639,952	659,150	678,924	699,291
New Res Hall							659,150	678,924	699,291
Other Income	240,000	280,000	420,000	325,000	330,000	330,000	330,000	330,000	330,000
Total	2,773,382	3,074,594	3,768,974	3,968,195	4,155,354	4,910,066	5,706,619	5,867,916	6,034,052
OPERATING EXPENSES	1,423,914	1,868,140	1,415,743	1,458,215	1,531,126	1,797,060	1,987,028	2,046,638	2,108,037
Net Operating Income									
Before Debt Service	1,349,468	1,206,454	2,353,231	2,509,980	2,624,228	3,113,006	3,719,591	3,821,278	3,926,015
Debt Service									
North & South	603,491								
Village I & II	384,853	843,178	969,892	969,532	968,512	971,962	969,677	971,677	967,908
Martin & Pace			413,183	921,201	942,663	943,763	944,208	943,978	943,053
New Res Hall						525,000	541,000	556,000	570,000
New Res Hall							525,000	541,000	556,000
Sub-total	988,344	843,178	1,383,075	1,890,733	1,911,175	2,440,725	2,979,885	3,012,655	3,036,961
Net Operating Income									
After Debt Service	\$361,124	\$363,276	\$970,156	\$619,247	\$713,053	\$672,281	\$739,706	\$808,623	\$889,054
Coverage Ratio	1.36	1.43	1.70	1.33	1.37	1.27	1.25	1.27	1.29

*Other Income includes vending commissions, interest income on reserve accounts and miscellaneous income.

** The fiscal year ending 2001 experienced some savings in operating cost by closing the Northside dorms and by consolidating the management of the dorms.

Schedule of Rental Rates

		SEMESTER						
		<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
<u>NORTH</u>								
Percent Change (North & South)			3.0%	3.0%	3.0%	5.0%	3.0%	3.0%
Family Apts	Semester		\$1,900					
	Summer		1,900					
Student (Dorm) Apts	Semester		1,525					
	Summer		1,144					
<u>SOUTH</u>								
Dorm Double	Semester		\$1,155	\$1,190	\$1,225	\$1,290	\$1,329	\$1,369
	Summer		866	892	919	968	997	1,027
Dorm Single	Semester		1,500	1,545	1,595	1,675	1,725	1,777
	Summer		1,125	1,159	1,196	1,256	1,294	1,333
<u>VILLAGE, PH 1</u>								
Percent Change (Village 1 & 2)			3.0%	3.0%	5.0%	3.0%	3.0%	3.0%
4 Br / 2 Bath	Semester		\$1,612	\$1,860	\$1,920	\$2,015	\$2,075	\$2,137
	Summer		1,209	1,395	1,440	1,511	1,556	1,618
2 Br / 1 Bath	Semester		1,983	2,280	2,350	2,470	2,544	2,620
	Summer		1,487	1,710	1,763	1,853	1,908	1,965
<u>VILLAGE, PH 2</u>								
4 Br / 2 Bath	Semester		\$1,342	\$1,500	\$1,650	\$1,735	\$1,787	\$1,841
	Summer		1,006	1,200	1,238	1,286	1,340	1,381
2 Br / 1 Bath	Semester		1,713	2,000	2,060	2,165	2,230	2,297
	Summer		1,285	1,500	1,545	1,624	1,673	1,773
<u>Martin Hall</u>								
Percent Change (New Res Hall 1 & 2)					3.0%	5.0%	3.0%	3.0%
Dorm Double w/Bath	Semester			\$1,350	\$1,390	\$1,460	\$1,504	\$1,549

Summer	1,013	1,043	1,095	1,128	1,162
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Schedule of Rental Rates cont.

SEMESTER

	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
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Pace Hall

Dorm Double w/Bath	Semester			\$1,390	\$1,460	\$1,504	\$1,549
	Summer			1,043	1,095	1,128	1,162

New Residence Hall

Percent Change (New Res Hall 3 & 4)							3.0%
Dorm Double w/Bath	Semester					\$1,504	\$1,549
	Summer					1,128	1,162
Dorm Double w/Bath	Semester						\$1,549
	Summer						1,162

**SUMMARY OF
SECOND SUPPLEMENT TO SUBLEASE AGREEMENT WITH
THE UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**

Terms and Conditions of Sublease

The University of West Florida will enter into an amendment to the existing sublease agreement with the University of West Florida Foundation (the "Foundation") in order to obtain tax-exempt financing for the design and construction of a new 200-bed housing project on the University of West Florida campus.

Property: Approximately 6 acres will be subleased for the Phase I 2002 Project. The existing sublease, when so amended, will encompass a total of approximately 35 acres. The original sublease and the first amendment thereto previously have been approved by the Board (BOR Agenda 9-11-98 and 9-17-99).

Term: Commences September 1, 1998 , and ends August 31, 2038.

Title: Title to the facilities will remain with the Foundation until the debt service is paid. Upon expiration of the lease term or payment of the outstanding debt, title to the facilities will be transferred to the University.

Financing and Refinancing the Project: The Foundation will finance the Phase I 2002 Project by the issuance of a revenue note, and will charge the occupants of the Student Housing System rates sufficient to meet the debt service requirements of the note and the bonds previously issued to finance the Student Housing System. The Foundation shall not refinance the project without the prior approval and written consent of the Board of Education or its successor.

Rent: Annual rent for the sublease will be of nominal consideration at \$10/year; however, the Foundation will pass on any surplus earnings from the rental income and operation of facilities to the University after funding costs of operation and maintenance and funding required reserves. The University has agreed that surplus earnings from prior years will be deposited to a Contingency and Improvement Reserve Fund.

Use of Property: The property will be used for the purpose of designing, constructing, managing and maintaining a new 200 bed student housing complex and maintaining and operating the existing Student Housing System that has been previously subleased to the Foundation.

Construction Standards: The facilities will be constructed to comply with the following codes during execution of the project: current Standard Building code; applicable wind load criteria; National Fire Protection Association codes and regulations, including Life Safety Code; Standard Plumbing Code; Standard Mechanical Code; Standard Gas Code; National Electrical Code, Americans with Disabilities Act of 1990; Florida Accessibility Code for Building Construction; and HUD Fair Housing Act for Multi-family Construction.

Insurance Requirements During Construction: The Foundation will be responsible for ensuring that the following insurance coverages are provided during construction - builder's risk; public liability; worker's compensation; and comprehensive automobile liability.

Management and Maintenance of Housing Project: The Foundation and the University have entered into a management agreement pursuant to which the University operates and maintains the Student Housing System.

Maintenance and Repair Requirements: The Foundation will be responsible for the following - maintaining exterior and interior of the property; maintaining the foundations, roof and structural portions of the facilities; maintaining fixtures; maintaining heating, air conditioning, electrical, plumbing and sewer systems.

Utilities: The Foundation will be responsible for obtaining all necessary utility services, including electricity, water, gas and sewage.

Insurance Requirements During Operation: The Foundation will be responsible for maintaining the following coverages during operation of the project - hazard (building and improvements); worker's compensation and employer's liability; public liability; comprehensive automobile liability.

Alteration or Improvements: The Foundation can make interior alterations or improvements at its own expense. Structural improvements or exterior additions/improvements require the written approval of the university.

Default: Conditions of default include failure to pay monies due; nonperformance of covenants; bankruptcy involving the appointment of a trustee, receiver or liquidator; attempt to mortgage property. If the Foundation fails to cure the default, the Board may repossess the property, terminate the sublease and pursue any remedy provided in law or the Board may file suit without terminating the sublease. If the property is repossessed, the Foundation will still be responsible for the payment of rent and other payments associated with the facilities. The Foundation's lending institution has the option of curing the default.

Damage or Destruction: In the event of damage or destruction, the Foundation will have the responsibility for repairing or reconstructing the facilities, including all fixtures, furnishings, equipment, etc. Hazard insurance proceeds to be used for the repair or reconstruction will be held in a trust by a mutually agreed upon bank Trustee.

Assignment or Subletting: The Foundation cannot assign or sublet the property without the written consent of the Board. However, it may pledge its leasehold interest as security for loans to construct and furnish the project.

Holding Over: If the Foundation is still in possession of the property upon expiration of the sublease, it shall be subject to immediate eviction and shall pay, as liquidated damages, a sum to be determined.

**UWF Board of Trustees
Executive Committee
July 8, 2001**

Issue: Student fees

Proposed action: Two actions

1. Approve financial aid fee
 2. Approve Alabama tuition fee
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Background information:

The 2002 Legislature authorized the local boards of trustees to approve various fees.

The Alabama tuition fee currently is \$15 per credit hour higher than the matriculation fees for Florida residents. It applies only to residents living in 17 counties near the Florida border. There is no proposed increase in this fee for the 2002-03 academic year.

The financial aid fee is used to help fund student financial aid. That fee ranges from \$2.78 per credit hour for in-state, undergraduate students to \$26.06 per credit hour for out-of-state, graduate students. There is no proposed increase in this fee for the 2002-03 academic year.

Supporting documentation: None

Prepared by: Keith Goldschmidt
850-474-2368

**UWF Board of Trustees
Executive Committee
July 8, 2002**

Issue: 2002-03 operating budget

Proposed action: Discussion only

Background information:

After recurring allocations for the 2002-03 fiscal year, the University of West Florida will have about \$1.9 million available for distribution. Following are the key budget issues:

1. New financial system
 - a. Nonrecurring: planning, purchase, and installation
Cost: approximately \$2.5 million spread over 3 to 5 years
 - b. Recurring: Operations and maintenance
Cost: approximately \$660,000 a year
 2. Enrollment growth
 3. New programs
 - a. Nursing
 - b. Expansion of Electrical Engineering to Ft. Walton Beach
 4. Special Initiatives: Centers and Institutes
 5. Information technology
 - a. Campus network
 - b. Computer labs
 - c. Instructional technology
-

Supporting documentation: Operating budget allocation (2002-03)

Prepared by: Keith Goldschmidt
850-474-2368

The University Of West Florida
 Operating Budget Allocation
 2002-2003

	2002 - 2003 Allocation	Recurring Allocations	Encumbrance
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Beginning Balance Per 2002/2003 Allocation Workpapers	66,219,832		
Historical Preservation Board Amendment	646,118		
2002/2003 Base	66,865,950		
2001-2002 Tuition Requirements	(16,132,070)		
2002/2003 Gen. Rev. & Ed. Enhancement Allocations Less 2001/02 Tuition Requirement	50,733,880		
	=====		
Recurring Allocations			
Annual Salaries and Retirement Reductions		520,042	520,042
2001-2002 Session C Reduction		(3,393,216)	
Salary Incentive Payments		12,110	12,110
PEPC Study		1,935	
Auxiliary Learning Aids		61,468	61,468
EEO		150,190	150,190
Intern Participation Waivers		73,343	
Chancellor's Lottery		14,630	
Unallocated		88,770	
Enrollment Growth		4,203,429	
Branches, Centers, Partnerships		990,450	
Local Initiatives		994,698	
Tuition Increase (5% - 10%)		877,160	
Other Adjustments		10,669	
Total Recurring Allocations		4,605,678	743,810
		-----	-----
		=====	=====
Total 2002 - 2003 Recurring Allocation	71,471,628		
2002 - 2003 Tuition Requirements	(18,979,607)		
2002/2003 Gen. Rev. & Ed. Enhancement Allocation Less 2002/03 Tuition Requirement	52,492,021		
	=====		
Summary			
General Revenue & Educational Enhancement Allocations	1,758,141		
Estimated New Tuition	1,352,117		
Encumbrance	(743,810)		
Mandatory Expenditures	(450,000)		
Amount Available for Distribution	1,916,448		

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The University Of West Florida
Student Fee Projected Collections
2002 - 2003

Term	Assessed	Tuition Increase	Growth 3.5%	Refunds	Waivers	Balance
-	-	-	-	-	-	-
Summer						
Matriculation	2,427,223	0	0	11,199	83,015	2,333,009
Out Of State	407,896	0	0	2,441	53,730	351,725
AI Out Of State	12,719	0	0	67	90	12,562
Fall						
Matriculation	5,742,900	287,145	211,052	62,411	222,870	5,955,816
Out Of State	1,857,083	185,708	71,497	21,142	569,533	1,523,613
AI Out Of State	27,555	1,378	1,013	299	1,485	28,162
Spring						
Matriculation	5,516,370	275,819	202,726	59,949	216,534	5,718,432
Out Of State	1,675,674	167,568	64,513	19,078	608,651	1,280,026
AI Out Of State	29,880	1,494	1,098	325	1,305	30,842
Total Tuition Collections						17,234,187
Other Revenues						250,000
Total Collections						17,484,187
2001/2002 Requirement						16,132,070
Amount Over Requirement						1,352,117

MEMORANDUM

July 2, 2002

TO: Members, Board of Trustees

FROM: Morris L. Marx, President

SUBJECT: Auditor General audit procedures

I recommend the following procedure with regard to audits by the State Office of the Auditor General.

State of Florida fiscal oversight of UWF comes from audits by the State Office of the Auditor General. Annually they will perform a financial audit and a federal financial assistance audit. Every two years, they will perform an operational audit.

At the onset of each audit, an entrance conference is held outlining the scope and objectives of each audit. Upon completion of fieldwork, an exit conference will be held between UWF management and the Auditor General personnel. One UWF Trustee, a Finance & Audit committee member, will attend the entrance and exit conference meetings.

After the exit conference, a working draft report entitled *Preliminary and Tentative Findings* will be sent to each UWF Trustee. Except in extraordinary situations, it is premature for the Board of Trustees to deal with these tentative findings. The Inspector General will work with UWF management to address and respond (corrective action plans, rebuttals and/or additional information) to each item. Formal management responses will be prepared via the Inspector General's Office and approved by the President for submission to the Auditor General. Finalization of the report and any revisions will occur. Management's comments will be incorporated into the Auditor General's report. At that time the report will be final and a public document, which will be distributed to each UWF Trustee, UWF senior management and other interested parties. The Finance & Audit committee will address the final report and make appropriate reports and recommendations to the full Board.

MLM:djb