FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES

Tuesday, June 5, 2018  8:30 a.m. – 11:45 a.m.

COHEN CENTER BALLROOM, ROOM #203- #213
FLORIDA GULF COAST UNIVERSITY

Indicated times within the agenda are approximate and are subject to change. Agenda items may be taken out of order at the call of the Chair and with the concurrence of the Board.

8:30 a.m.  Call to Order, Opening Remarks, and Roll Call – Chair Blake Gable

8:35 a.m.  Call for Executive Session – Vice President and General Counsel Vee Leonard

8:40 a.m.  Executive Session on Campus Emergency Response Plan

9 a.m.  Reconvene Regular Meeting at 9 a.m. or immediately upon Conclusion of Executive Session – Chair Blake Gable

9 a.m. 8:35 a.m.  Student Success – Enrollment Management Initiative – Vice President for Student Success and Enrollment Management Mitchell Cordova (TAB #1)

9:20 a.m.  Consent Agenda (Includes Public Comment) – Chair Blake Gable
  • Minutes of April 10, 2018 BOT Meeting (TAB #2)
  • Minutes of May 1, 2018 BOT Conference Call Meeting (TAB #3)
| 9:25 9:05 a.m. | Standing Report from United Faculty of Florida (UFF)/FGCU Chapter – Co-Presidents Win Everham and Morgan Paine |
| 9:30 9:10 a.m. | Standing Report from FGCU Foundation Board of Directors – Chair David Holmes |
| 9:35 9:15 a.m. | Standing Report from FGCU Financing Corporation Board of Directors – Vice President for Administrative Services and Finance, and Executive Director of FGCU Financing Corporation Steve Magiera |
| 9:40 9:20 a.m. | Chair’s Report – Chair Blake Gable |
| 9:50 9:25 a.m. | President’s Report – President Mike Martin |
| 10-9:35 a.m. | Academic/Student/Faculty Affairs Committee (Includes Public Comment) – Committee Chair Christian Spilker |

**Information:**
- Faculty Promotions – Provost and Vice President for Academic Affairs James Llorens (TAB #4)

**Action:**
- FGCU Audited Financial Statements for the Fiscal Year Ended June 30, 2017 – Director of Internal Audit William Foster (TAB #5)
- State of Florida Compliance and Internal Controls over Financial Reporting and Federal Awards Audit – Director of Internal Audit William Foster (TAB #6)
Finance, Facilities and Administration Committee Meeting (Includes Public Comment) – Chair Blake Gable for Committee Chair Ken Smith

Action:

- **President’s Performance Evaluation for 2017-2018**
  – Chair Blake Gable (TAB #7)

Information:

- **Transcript of the Executive Session for Cody Childers vs. Florida Gulf Coast University Board of Trustees, Ronald B. Toll, Mitchell L. Cordova, Joan Glacken, Eric Shamus and Arie Van Duijn** – Vice President and General Counsel Vee Leonard (TAB #8)
- **Transcript of the Executive Session for Kathy Norris vs. Florida Gulf Coast University** – Vice President and General Counsel Vee Leonard (TAB #9)
- **Finance Budget Update** – Vice President for Administrative Services and Finance, and Executive Director of FGCU Financing Corporation Steve Magiera (TAB #10)
- **Carryforward Funds FY 2017-2018** – Vice President for Administrative Services and Finance, and Executive Director of FGCU Financing Corporation Steve Magiera (TAB #11)

Action:

- **Regulation: FGCU-PR7.001 Tuition and Fees** – Vice President for Administrative Services and Finance, and Executive Director of FGCU Financing Corporation Steve Magiera (TAB #12)
- **2018-2019 Operating Budget** – Vice President for Administrative Services and Finance, and Executive Director of FGCU Financing Corporation Steve Magiera (TAB #13)
- **Building for Student and Community Counseling Center** – President Mike Martin (TAB #14)
- **2019-2020 Fixed Capital Outlay Budget Request** – Vice President for Administrative Services and Finance, and Executive Director of FGCU Financing Corporation Steve Magiera (TAB #15)
2019 Legislative Budget Request Submission for Board of Governors – Director of Government Relations Jennifer Goen (TAB #16)

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>11:35</td>
<td>Old Business – Chair Blake Gable</td>
</tr>
<tr>
<td>11:40</td>
<td>New Business – Chair Blake Gable</td>
</tr>
<tr>
<td>11:45</td>
<td>Closing Remarks, &amp; Meeting Adjournment – Chair Blake Gable</td>
</tr>
</tbody>
</table>

(END)
<table>
<thead>
<tr>
<th>Tab #</th>
<th>Item</th>
<th>Action/Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Student Success - Enrollment Management Initiative</td>
<td>Information Only</td>
</tr>
<tr>
<td>2</td>
<td>Minutes of April 10, 2018 BOT Meeting</td>
<td>Board Action (Consent Agenda)</td>
</tr>
<tr>
<td>3</td>
<td>Minutes of May 1, 2018 BOT Conference Call Meeting</td>
<td>Board Action (Consent Agenda)</td>
</tr>
<tr>
<td>4</td>
<td>Faculty Promotions</td>
<td>Information Only</td>
</tr>
<tr>
<td>5</td>
<td>FGCU Audited Financial Statements for the Fiscal Year Ended June 30, 2017</td>
<td>Board Action</td>
</tr>
<tr>
<td>6</td>
<td>State of Florida Compliance and Internal Controls over Financial Reporting and Federal Awards Audit</td>
<td>Board Action</td>
</tr>
<tr>
<td>7</td>
<td>President’s Performance Evaluation for 2017-2018</td>
<td>Board Action</td>
</tr>
<tr>
<td>8</td>
<td>Transcript of the Executive Session for Cody Childers vs. Florida Gulf Coast University Board of Trustees, Ronald B. Toll, Mitchell L. Cordova, Joan Glacken, Eric Shamus and Arie Van Duijn</td>
<td>Information Only</td>
</tr>
<tr>
<td>9</td>
<td>Transcript of the Executive Session for Kathy Norris vs. Florida Gulf Coast University</td>
<td>Information Only</td>
</tr>
<tr>
<td>10</td>
<td>Finance Budget Update</td>
<td>Information Only</td>
</tr>
<tr>
<td>11</td>
<td>Carryforward Funds FY 2017-2018</td>
<td>Information Only</td>
</tr>
<tr>
<td>12</td>
<td>Regulation: FGCU-PR7.001 Tuition and Fees</td>
<td>Board Action</td>
</tr>
<tr>
<td>13</td>
<td>2018-2019 Operating Budget</td>
<td>Board Action</td>
</tr>
<tr>
<td>14</td>
<td>Building for Student and Community Counseling Center</td>
<td>Board Action</td>
</tr>
<tr>
<td>15</td>
<td>2019-2020 Fixed Capital Outlay Budget Request</td>
<td>Board Action</td>
</tr>
<tr>
<td>16</td>
<td>2019 Legislative Budget Request Submission for Board of Governors</td>
<td>Board Action</td>
</tr>
</tbody>
</table>
Florida Gulf Coast University Board of Trustees  
June 5, 2018

SUBJECT:  Student Success & Enrollment Management Initiative

PROPOSED BOARD ACTION

Information only

BACKGROUND INFORMATION

Chair Blake Gable has requested that update presentations on the Student Success and Enrollment Management Initiative be prominently featured on the agenda for all regular meetings of the FGCU Board of Trustees.

On June 5, 2018, the Board will hear a presentation on the current status of the Initiative from Vice President for Student Success and Enrollment Management Mitch Cordova. This presentation will include updates on the work that each of design teams has done, as well as the proposed structure and leadership of the Student Success and Enrollment Management organization. Please note that the data reported in some of the slides is current as of May 14, 2018. If any updates to the data occurs, this information will be referenced in the presentation delivered on June 5, 2018.

Supporting Documentation Included:  (1) Student Success and Enrollment Management (SS&EM) Initiative Update Power Point Presentation, and (2) DRAFT – Student Success and Enrollment Management Organization

Prepared by:  Vice President for Student Success and Enrollment Management  
Mitch Cordova

Legal Review:  N/A

Submitted by:  Vice President for Student Success and Enrollment Management  
Mitch Cordova
Overview:

• Provide an update from April 10th BOT meeting representing all of the activities that have begun since I assumed my role since March 1st

• Provide a summary of what’s been done with the implementation of the design teams as well as numerous meetings with other campus personnel

• Provide a overview of the new Student Success & Enrollment Management Structure and Organization

• Proposed Timeline & Process
Creation of SS & EM Initiative

- Final Report presented to President Martin on 02-09-18
- VP for SS & EM named on 02-14-18
- VP for SS & EM began role on 03-01-2018
Design Teams

The following teams were implemented:

- Acute Needs
- Advising
- Enrollment Management
- Faculty Engagement
- First-Year Experience
- Student Engagement
Design Teams

Purpose & Objectives of Design Teams:
• Create new culture and mindset around Student Success
• Achieve specific objectives
• Institute change in critical areas now
• Help determine the structural and organizational units of SS & EM
• Help determine the resources of each unit
• Help determine the positions and titles of personnel needed
Acute Needs Design Team
Acute Needs

The following items were addressed:

• Technology
• Student Interventions
• Summer Classes & Space
• 4-yr Graduation Rate Plan
• Financial Interventions
Technology

• Working with ITS to understand the complete inventory of technology solutions that directly & indirectly impacts SS&EM
  • Reviewing existing technology as well as other technologies that can move us forward
  • Focus will be on improving existing technologies while seamlessly integrating new technologies
  • Have begun conversations on creating a comprehensive, campus-wide data analytics and reporting group structure
Student Interventions - Spring 2018

• Focus is to implement interventions now to ↑retention, persistence, and 4-yr grad rate
  • Fall 2017 FTIC cohort (Freshman advised by First Year Advising Office)
  • Fall 2016 FTIC cohort (Sophomores)
  • Graduating Seniors (represents all students who applied for graduation regardless of their cohort)
Freshman Students - Retention

• We intervened on 2017 FTIC students (Freshman) who are Advised by First Year Advising Office who had not registered for Fall 2018 classes (as of April 26th)

<table>
<thead>
<tr>
<th>FYA Freshman (N)</th>
<th># Enrolled in Fall 2018</th>
<th># Not Enrolled in Fall 2018 and Contacted by Phone &amp; Email</th>
<th># Connected With</th>
<th># Enrolled or Planning To Return - Fall 2018</th>
<th># Connected With - Not Retuning for Fall 2018 *</th>
<th># Who Did Not Respond to Phone Calls or Emails</th>
</tr>
</thead>
<tbody>
<tr>
<td>1559</td>
<td>1193</td>
<td>366</td>
<td>210 (57%)</td>
<td>163 (78%)</td>
<td>47 (22%)</td>
<td>156 (42%)</td>
</tr>
</tbody>
</table>

* reasons: be closer to home, academic standing issues, financial, family issues, pursuing a major not offered here

• Does not include 1065 FTIC students who either started within their College or UGS Advising (this is positive)
Sophomore Students - Persistence

• We intervened on 2016 FTIC students (sophomores) who had not registered for Fall 2018 classes (as of April 20\textsuperscript{th}).

<table>
<thead>
<tr>
<th>Original Cohort (N)</th>
<th>Enrolled in Spring 2018</th>
<th>Applied for Spring &amp; Sum 2018 Graduation</th>
<th>Expected to Enroll in Fall 2018</th>
<th>Enrolled for Summer &amp; Fall 2018</th>
<th>Pending Fall 2018 Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2492</td>
<td>1906</td>
<td>20</td>
<td>1886</td>
<td>1534</td>
<td>352*</td>
</tr>
</tbody>
</table>

* All 352 students were called 2x and emailed 3x
  • 80 students were communicated with (23%)
  • 34 will enroll in Fall; 12 are still waiting on program admission; 6 graduated in Spring - at least 40 total saved (50%), possibly more
  • 28 students “stopped out”
Senior Students - Spring 2018 Intervention

- Applied for Graduation & Performing Below Average in 1 or More Course

Applied for Graduation and Performing Below Average
123

Called or Contacted via Email
98
Pass Rate – 43%

Contact Pending
25
Pass/DFW/Pending
18/6/1
Pass Rate – 72%

No Response
39

Responded and Uncertain
11

Responded and Confident Will Pass
33

Responded and Will Fail or Withdraw Class
15

Pass/DFW/Pending
15/22/2
Total Pass – 39%

Pass/DFW/Pending
2/9/0
Total Pass – 18%

Pass/DFW/Pending
25/7/1
Total Pass – 76%

Pass/DFW/Pending
0/15/0
Total Pass – 0%
Senior Students - Spring 2018 Intervention

Advisor Intervention Examples:

- “Phone not accepting voicemails 4/27/2018; 5/3/18 student concerned he will not pass FIN 3403, has final exam today. Discussed SI resources and possible re-enrollment in summer A with GEB 4890 in Summer B to remain on track for summer 2018 graduation. Follow up email sent to student”

- Left voicemail 4/27/18; Student returned call. Reports she is able to complete her spring HFT course in good standing as the professor has given her some extra time to submit assignments and they will be completed by tomorrow. Scheduled a follow up appointment for next week. student is confident she will graduate fall 2018 as planned and has secured a new job beginning this summer.

- Left voicemail 4/27/18; student returned call. Works 35 hours/week (1 job on campus, 1 job off campus). Could not finish large group project and will re-take the course in fall 2018. student must re-apply for graduation. Contacted Registrar to remove hold so that students could re-enroll in the course in fall 2018. Sent student paper application and instructions to submit to ORR.

- Student will not pass MAR 3400 this semester. Working full time in Miami and unable to complete the course work with his new job. Enrolled in a virtual summer course and discussed remaining requirements for summer graduation. Sent follow up email.
New Tracking Systems

• Canvas Tracking System:
  • IP&R extracts grades posted by Faculty in Canvas to track the academic performance of students at risk
  • Students who were performing below average were identified and contacted for intervention

• Milestone Tracking System:
  • Every program at FGCU has identified a series of milestone courses that students must meet every term to keep on track to graduate within 4 years
  • Automated reports will be generated each term for Advisors to identify students that fall off-track at the end of each term
  • Tracking will begin their Freshman year
FLORIDA GULF COAST UNIVERSITY

Summer Classes & Space

• Enrollment
  • Re-designed orientation program schedule to expand classroom space for ↑ # of sections offered

<table>
<thead>
<tr>
<th>Summer Term</th>
<th>Number of CRN Sections</th>
<th>Number of Seats</th>
<th>Student Credit Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>598</td>
<td>12848</td>
<td>38051</td>
</tr>
<tr>
<td>2017</td>
<td>635</td>
<td>13533</td>
<td>40001</td>
</tr>
<tr>
<td>2018*</td>
<td>713</td>
<td>14844</td>
<td>43926</td>
</tr>
<tr>
<td>Growth Δ % 16-17</td>
<td>6.2%</td>
<td>5.3%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Growth Δ % 17-18</td>
<td>12%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

* Preliminary data as of 5/14/2018
4-Yr Graduation Rate Plan

• Comprehensive Plan was developed in response to SB4 - Florida Excellence in Higher Education Act of 2018
  • Provides objectives and action items that speak to the specific elements (academic, curricular, financial, and policy) defined in the legislation
  • Our internal roadmap in achieving **Student Success**
  • BOT Workshop will be held on September 10th regarding this
Financial Interventions

• A number of new aid and scholarship plans have been created to achieve 4 primary objectives:
  1. ↑ improve Summer School enrollment leading to faster degree completion
  2. ↑ improve the quality of students entering FTIC cohort
  3. ↑ improve the quality of transfer students
  4. ↑ probability of success for Summer Bridge program students to be successful @ FGCU before they start Fall term
Financial Interventions - Summer 2018

1. FGCU Summer Grant
   • Need-based grant for students enrolled in 6 credits

2. Summer Bridge Scholarship
   • Funds students un Step Ahead program 100% for 6 credits

3. Florida Bright Futures - Academic Recipients
   • eligible for 100% tuition & fees if enrolled in at least 6 credits

4. Florida Bright Futures - Medallion Recipients
   • eligible for funding if enrolled in at least 6 credits
   • FGCU is funding $77 per credit
   • For Summer 2019, state of Florida will begin funding
Financial Interventions - Fall 2018

• Transfer Student Scholarships (funded by FGCU):

  1. Eagle Transfer Gold
     • $3,000/yr (up to 2 years), 3.5 ≥ GPA

  2. Eagle Transfer Strategic Major Incentive
     • $500/semester (up to three semesters)
     • Add on to the Eagle Transfer Gold Scholarship
     • Designed to attract students pursuing programs of Strategic Emphasis (e.g. STEM, Education, Health, Gap Analysis)
Financial Interventions - Ongoing

• In-State Student Scholarships:
  1. President’s Gold
     • $5,000/yr (up to 4 years), 3.9 ≥ weighted GPA, and 1320 rSAT or 28 ACT
  2. President’s Silver
     • $3,000/yr (up to 4 years), 3.5 - 3.89 weighted GPA, and 1220 rSAT or 25 ACT
Financial Interventions - Ongoing

• Out-of-State Student Scholarships:
  1. Blue & Green Scholars Award
     • $15,000/yr (up to 4 years), 3.9 ≥ weighted GPA, and 1320 rSAT or 28 ACT
  2. Blue & Green Directors Award
     • $10,000/yr (up to 4 years), 3.5 - 3.89 weighted GPA, and 1220 rSAT or 25 ACT
Advising Design Team
The following items were addressed:

• Creation of a new University-wide Advising model
  • Includes new focus and organization

• Re-classification plan of all advisors on campus
  • Includes creation of 5 new job descriptions
  • Compensation analysis of all advisors
  • Will affect 47 individuals - working with HR to formalize these changes for July 1, 2018
Enrollment Management Design Team
Enrollment Management

The following items have and will continue to be addressed:

• Creation of the new unit
  • Undergraduate Admissions
  • International Student Admissions
  • Records & Registration
  • Financial Aid & Scholarships

• Re-focus on Customer Service Approach
  • How and where we serve our students
Faculty Engagement Design Team
Faculty Engagement

The following items are being developed and discussed:

• Faculty-Student Mentoring Program
  • Creation of Student Success Champions for each College

• Utilization of CANVAS
  • To better track and intervene students in courses with high Ds, Fs, and Ws

• Expansion of FYRE Program
  • Faculty teaching and integrating with first-year students directly at SoVi
First-Year Experience Design Team
First-Year Experience

Created an all-new, comprehensive FYE Program:

FLORIDA GULF COAST UNIVERSITY
#Eaglesin22

- **Overview:**
  - Comprehensive program designed to connect students to all aspects of the university and campus life
  - Contains numerous required and elective activities for students to complete during the 1\textsuperscript{st} semester thru Nov. 15
    - Students are incentivized for completing steps along the way
    - Students will document their activities
    - Will be formally introduced at EVO and new webpage will support it
  - \textbf{E-A-G-L-E-S}
FLORIDA GULF COAST UNIVERSITY

First Year Experience Office

• Programs & Activities:
  • Eagle View Orientation
  • Eaglesin22
  • Immersion Program
  • Eagles Read

• Programs & Activities:
  • Family Programs
  • Living-Learning Communities Support
  • FYRE Program Support
  • University Transition Course
  • Second-Year Transition
Student Engagement Design Team
Student Engagement

SE Design Team has focused on:

• Establishing a comprehensive unit of Student Engagement
  • A new focus, culture, and organization of the following areas: Campus Life, Housing & Residence Life, Health & Wellness, creation of a Student Union, and Student Advocacy Center
  • Will continue to develop and be refined as Student Success & Enrollment Management initiative continues to be implemented
Basic Considerations:

• Following information has been proposed as of May 14, 2018 and is subject to change
  • Office names and leadership titles
• Attached narrative goes into greater detail of specific offices, programs, activities
• Three main areas: Academic Engagement, Student Engagement, Enrollment Management are set
• Leadership will be determined and announced accordingly
SS & EM Organization Leadership

Vice President - SS & EM:

• Associate Vice President of Student Engagement
• Associate Vice President of Academic Engagement
• Associate Vice President of Enrollment Management
SS & EM Organization Leadership

Associate Vice President - Student Engagement:

• Campus Life - Assistant Vice President & Dean of Students
• Housing & Residence Life - led by Director
• Health & Wellness - will continue to be developed after roll-out (led by Senior Director)
• Student Advocacy - will begin to be established after roll-out, (led by Director)
• Student Union – will begin to be established after roll-out, (led by Director)
SS & EM Organization Leadership

Associate Vice President – Academic Engagement:

• University Advising Services - Assistant Vice President
• Professional & Career Development - Senior Director
• Academic Support Programs & Services - Senior Director
• First Year Experience - Director
SS & EM Organization Leadership

Associate Vice President – Enrollment Management:

- University Admissions - Senior Director
- Records & Registration - Registrar
- Financial Aid & Scholarships - Director
Timeline & Process:

• Job / Position Descriptions are being created for each new position
• Once these are completed, individuals will be appointed and/or searches will begin
• Budgets associated with existing units are being re-aligned into new organization
• New budget will be loaded into new organization
• This will be rolled out and in effect for July 2
<table>
<thead>
<tr>
<th>Acute Needs</th>
<th>Advising</th>
<th>Enrollment Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Snyder</td>
<td>Dawn Kirby</td>
<td>Marc Laviolette</td>
</tr>
<tr>
<td>Bob Vines</td>
<td>Marisa Ouverson</td>
<td>Jorge Lopez</td>
</tr>
<tr>
<td>Rosa Gomez-Camacho</td>
<td>Andy Cinoman</td>
<td>Neal Snyder</td>
</tr>
<tr>
<td>Lucero Carvajal</td>
<td>Miller Quinones</td>
<td>Elaine Hozdik</td>
</tr>
<tr>
<td>Cathy Duff</td>
<td>Shane Talbot</td>
<td>Jade Chalkley</td>
</tr>
<tr>
<td>Mary Banks</td>
<td>Olivia Hung-Simmons</td>
<td>Bob Gregerson</td>
</tr>
<tr>
<td>Eric Otto</td>
<td>Christina Jordan</td>
<td>Shannon Acosta</td>
</tr>
<tr>
<td>Jon Corliss</td>
<td>Mary Swanson</td>
<td>Kristen Vanselow</td>
</tr>
<tr>
<td>Brendan Bevins</td>
<td>Allison Bacigalupi</td>
<td>Tara McKenna</td>
</tr>
<tr>
<td>Rebecca Kroeger</td>
<td>Jelene Grace</td>
<td>Kristen Manjerovic</td>
</tr>
<tr>
<td>Sue Myers</td>
<td></td>
<td>Mark Rusnak</td>
</tr>
<tr>
<td>Jason Finan</td>
<td></td>
<td>Susan Byers</td>
</tr>
</tbody>
</table>
**A BIG Shout Out!!!**

<table>
<thead>
<tr>
<th>Faculty Engagement</th>
<th>First-year Experience</th>
<th>Student Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glenn Whitehouse</td>
<td>Jessica Rhea</td>
<td>Jalisa White</td>
</tr>
<tr>
<td>David Steckler</td>
<td>Julie Gleason</td>
<td>Michele Yovanovich</td>
</tr>
<tr>
<td>Win Everham</td>
<td>Brian Fisher</td>
<td>Amy Swingle</td>
</tr>
<tr>
<td>Mike McDonald</td>
<td>Andy Cinoman</td>
<td>Brian Fisher</td>
</tr>
<tr>
<td>Bill Reynolds</td>
<td>Dawn Kirby</td>
<td>Emily Chaikin</td>
</tr>
<tr>
<td>Shawn Felton</td>
<td>Ney Arias</td>
<td>Eric Balmer</td>
</tr>
<tr>
<td>Beth Elliot</td>
<td>Amy Swingle</td>
<td>Jon Brunner</td>
</tr>
<tr>
<td>Dave Jaeger</td>
<td>Brandon Johnson</td>
<td>Lauren Strunk</td>
</tr>
<tr>
<td>Sharon Isern</td>
<td>Melanie Stanis</td>
<td>Ysa Pinero</td>
</tr>
<tr>
<td>Darbie Napierski</td>
<td>Heather Snapp</td>
<td>Jared Mosley</td>
</tr>
<tr>
<td></td>
<td>Jakub Adamowicz</td>
<td></td>
</tr>
</tbody>
</table>
A BIG Shout Out!!!

Senior Leadership
- President Martin
- Susan Evans
- Mike Rollo
- Jim Llorens
- Steve Magiera
- Chris Simoneau
- Vee Leonard

Senior Leadership
- Ken Kavanagh
- Mary Banks
- David Vazquez
- Pam Bowman
- Deborah Wiltrout
- Jennifer Goen
- Monique McKay
- Bill Foster
- Pam Shockley-Zalabak

Senior Administrative Staff
- Beverly Brown
- Herminia Mendoza
- Linda Cento
- Michelle Kroffke
- Susan Baurer
Thank You!
Student Success & Enrollment Management

Leadership Positions by Unit

**Academic Engagement – Associate Vice President**

*University Advising Services - Assistant Vice President*

- Will oversee entire area and directly interface with the Director of Advising in each College along with the Dean / Assoc Dean
- Advisors in the College
  - Each College will have a Director of Advising
    - Each will directly report to the Assistant Vice President of University Advising
    - Each will secondarily report to the Dean / Assoc Dean
    - Assistant Vice President of University Advising will jointly create annual goals / objectives for the Director of Advising in College along with the College Dean / Assoc Dean
    - Assistant Vice President of University Advising will evaluate the Directors of Advising for each College along with the College Dean / Assoc Dean
  - All Academic Advisors in the Colleges will report directly to the Director of Advising for their the College

- **Exploratory Advising - Director**
  - First Year Advising
  - Alternatives / Transitional Advising

**Professional & Career Development – Senior Director**

- Will oversee the entire area including:
  - Career Development Services
  - Study Abroad
  - Internships & Co-ops
  - Service Learning and Civic Engagement

**Academic Support Programs & Services – Senior Director**

- Will oversee the entire area including:
  - Center for Academic Achievement
    - Writing Center
  - Adaptive Services
  - Student Athlete Learning Center
  - Student Support Services (e.g. Trio, CROP, Talent Search, Scholars Program)
  - Testing Center

**First Year Experience - Director**

- Will oversee the entire area including:
  - Eagle View Orientation
Eagles in 22 / First Year Experience Program
- Immersion Program
- Family Programs
- Eagles Read Program
- Academic Support for First Year Residence Experience (FYRE)
- Academic Support for Living-Learning Communities
- University Transition Courses
- Office of Second-year Transition (eventually over time)

Student Engagement – Associate Vice President

Campus Life - Assistant Vice President & Dean of Students
- Will oversee the entire area including:
  - Dean of Students
  - Student Involvement
  - Student Government
  - RSO’s
  - Greek Life
  - Multicultural & Leadership Development
  - Student Conduct
  - Student Media (e.g. Eagle News)
  - Student Advocacy

Health & Wellness – will be more integrated functionally after roll out, but no specific time frame established; would be led by Senior Director
- Will include the following areas:
  - Counseling & Psychological Services – led by Director
  - Student Health Services – led by Health Services Administrator
    - Will include Prevention and Wellness – led by Associate Director
  - Campus Recreation – led by Director

Student Advocacy - will begin to be established after the point of roll out; no leadership identified at this point; will be led by a Director
- Will include the following areas:
  - Advocacy Resource Center
  - Multicultural Student Services
  - International Student Services

Student Union - will begin to be established after the point of roll out; no leadership identified at this point; would be led by a Director
- Will include collaborations and partnerships with the following:
  - Campus Reservations
  - Events
  - Bookstore / Retail / Food
**Housing & Residence Life - Director**

- Will include the following areas:
  - All current functions of existing office

**Enrollment Management – Associate Vice President**

**University Admissions** – led by Senior Director

- Will oversee the entire area including:
  - Undergraduate Admissions
  - International Student Admissions
  - Community Outreach Programs /Activities
  - Welcome Center

**Office of Records & Registration** – led by University Registrar

- Will oversee the entire area including:
  - Academic Records & Transcripts (all current elements)
  - Registration (all current elements)

**Office of Financial Aid & Scholarships** – led by Director

- Will oversee the entire area including:
  - Undergraduate Student Aid
  - Graduate Student Aid
  - Scholarship Disbursement

**Cross-Campus Collaborative Teams**

**Marketing & Communications**

- Led by University Marketing & Communications in Advancement
- Would also comprise of other existing personnel from Admissions and Student Affairs who are performing these functions
- Shared collaboration between Student Success & Enrollment Management and Advancement

**Data Analytics & Reporting**

- Led by existing person on campus - TBD
- Comprised of other existing personnel from the following areas: Admissions, Institutional Planning & Performance, and Information Technology Solutions performing these functions
- Shared collaboration between the following: Student Success & Enrollment Management, Academic Affairs, Administrative Services and Finance

Items in **Red** and **Blue** represent new titles and positions at FGCU
Florida Gulf Coast University Board of Trustees
June 5, 2018

SUBJECT: Minutes of April 10, 2018 Meeting

PROPOSED BOARD ACTION

Approve minutes

BACKGROUND INFORMATION

The Florida Gulf Coast University Board of Trustees met on April 10, 2018. Minutes of the meeting were kept as statutorily required.

Supporting Documentation Included: Minutes of April 10, 2018 Meeting

Prepared by: Transcription Experts, and Assistant Director of Board Operations
Tiffany Jackson

Legal Review: N/A

Submitted by: Vice President and Chief of Staff Susan Evans
FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES

Tuesday, April 10, 2018

COHEN CENTER BALLROOM, ROOM # 203-B
Florida Gulf Coast University

Meeting Minutes

Members:
Present: Trustee Blake Gable - Chair; Trustee Robbie Roepstorff - Vice Chair; Trustee Darleen Cors; Trustee Richard Eide, Jr.; Trustee Joe Fogg III; Trustee Mike McDonald; Trustee Leo Montgomery; Trustee Kevin Price; Trustee Russell Priddy; Trustee Kenneth Smith; Trustee Stephen Smith; Trustee Christian Spilker; and Trustee Jalisa White.

Others:
Staff Advisory Council (SAC) President Teri Bigos.

Staff: President Mike Martin; Provost and Vice President for Academic Affairs James Llorens; Vice President for Administrative Services and Finance, and Executive Director of FGCU Financing Corporation Steve Magiera; Vice President for University Advancement, and Executive Director of FGCU Foundation Chris Simoneau; Vice President for Student Affairs Mike Rollo; Vice President and Chief of Staff Susan Evans; Vice President and General Counsel Vee Leonard; Vice President for Student Success and Enrollment Management Mitchell Cordova; Chief Compliance and Ethics Officer Stacey Chados; Director of Internal Audit Bill Foster; Director of Operations Tiffany Reynolds; Assistant Director of Board Operations Tiffany Jackson; Project Manager Melissa Pind; and Executive Assistant to the Vice President and Chief of Staff Bruna Ugolotti.

Item 1: Call to Order, Roll Call, and Welcome to New Trustee Stephen Smith
Chair Blake Gable called the meeting to order at 8:30 a.m., and roll call was taken with all trustees present, thus meeting quorum requirements. Chair Gable welcomed new Trustee Stephen Smith.

Trustee Stephen Smith said he was very pleased to be there and was the product of an education that served him well. He said most of his career he worked for Arthur Andersen, then Arthur Andersen and Company, then Accenture. He stated Arthur Andersen and Company was rumored to be the second largest employer of college graduates in the United States after the Federal Government. He said he was excited to be on the Board.
Item 2: Consent Agenda (See Tabs #1 - 4)
Chair Gable stated there were four items on the Consent Agenda: (1) Minutes of the FGCU Board of Trustees Conference Call Meeting on February 20, 2018, (2) Resolution of Appreciation for Outgoing Trustee and Chair J. Dudley Goodlette, (3) FGCU Foundation Bylaws, and (4) Termination of Classification of Instructional Programs (CIP) Code 51.0913 at the Bachelor’s Level.

Trustee Christian Spilker made a motion to approve the Consent Agenda. Trustee Mike McDonald seconded the motion. There was no public comment, or Board discussion. The vote was 13-0 in favor of the motion.

Item 3: Presentation of Resolution of Appreciation for Outgoing Trustee and Chair J. Dudley Goodlette
President Martin and Chair Gable presented to outgoing Trustee and Chair Dudley Goodlette the Resolution of Appreciation, which was read into the record by Vice President and Chief of Staff Susan Evans:

“Whereas, in January 2013 J. Dudley Goodlette was named to the Florida Gulf Coast University Board of Trustees for a term that concluded in January 2018; and
Whereas, in January 2016 Trustee J. Dudley Goodlette was elected Chair of the Florida Gulf Coast University Board of Trustees for a term that concluded in January 2018; and
Whereas, Trustee J. Dudley Goodlette has served Florida Gulf Coast University with great distinction and dedication as a member of the governing Board and in its leadership position as Chair; and
Whereas, Chair J. Dudley Goodlette successfully represented the Florida Gulf Coast University Board of Trustees through countless hours advocating for the University’s funding and other requests before the Florida Legislature and Governor Rick Scott; and
Whereas, Chair J. Dudley Goodlette has been a tireless participant in Florida Board of Governors meetings held across the state, recognizing the value in a strong State University System of Florida;
Now, Therefore Be It Resolved that the Florida Gulf Coast University Board of Trustees wishes to express appreciation for Trustee J. Dudley Goodlette’s outstanding service and his leadership as Board Chair, and wishes to recognize his commitment to Florida Gulf Coast University’s students of today and for generations to come.”

Mr. Goodlette said he very much appreciated the Resolution and that it had been an honor to serve on the FGCU Board of Trustees. Mr. Goodlette thanked the Board of Governors (BOG) for appointing him to the FGCU Board for the five years he was there. He said he was particularly appreciative of the honor of being the Chair of the FGCU Board for two years. He applauded what the FGCU Board was doing and welcomed
new members, Trustee Richard Eide and Trustee S. Smith. Chair Gable again thanked Mr. Goodlette and stated the Board would now move on to Executive Session.

**Item 4: Call for Executive Sessions**

Vice President and General Counsel Vee Leonard asked the Florida Gulf Coast University Board of Trustees to meet in three separate Executive Sessions.

The first session related to collective bargaining with United Faculty of Florida (UFF) /FGCU Chapter, and Ms. Leonard asked the management bargaining team to join them; the team included Tony Barringer, Ms. Pamela Bowman, Dr. Joan Glacken, Dr. Tanya Benford, Mr. David Vazquez, Dr. Charles Lindsey, Dr. Kathleen Miller, Dr. Charles Wang, President Mike Martin, Ms. Susan Evans, Mr. Steve Magiera, and Ms. Leonard.

The second session related to collective bargaining with the Police Benevolent Association (PBA), and Ms. Leonard asked the management bargaining team to join them; the team included Ms. Pamela Bowman, University Police Department (UPD) Chief Steven Moore, UPD Lieutenant Anthony Rispoli, Mr. Joseph McDonald, Ms. Deborah LaRocco, President Mike Martin, Ms. Susan Evans, Mr. Steve Magiera, and Ms. Leonard.

The third session pertained to the Campus Emergency Response Plan and related matters, and asked President Mike Martin and the FGCU Board of Trustees be joined by UPD Chief Steven Moore, Ms. Susan Evans, Mr. Steve Magiera, Dr. Mike Rollo, Mr. Chris Simoneau, and Dr. Mitchell Cordova.

**Item 5: Student Success – Enrollment Management Initiative (See Tab #5)**

Chair Gable reconvened the Board meeting at 10:45 a.m. upon conclusion of the three Executive Sessions.

Chair Gable said one of the University’s highest priorities was the Student Success and Enrollment Management Initiative. He asked President Martin, consultant Dr. Pam Shockley-Zalabak, and Vice President for Student Success and Enrollment Management Mitchell Cordova to give an update on this initiative.

President Martin emphasized this was a principal pillar in the FGCU Strategic Plan, and the case had been made before the Legislature that implementation of that Plan would require some additional resources. He said the Legislature with the Governor’s acquiescence, and with help from people at the Board table and the local legislative delegation, had been successful. He reported now the University had the means, capacity, plan and commitment to fundamentally change the way FGCU ensured every student admitted had a corridor to success on an efficient and cost-effective basis. He said a task force had been appointed which had given recommendations now being implemented. He introduced Dr. Pamela Shockley-Zalabak, who is Chancellor Emerita of the University of Colorado - Colorado Springs (UCCS), and the owner of
Communicon, Inc., an organizational leadership development corporation. He stated she was a well-respected professional who had founded UCCS’s communications department. He said throughout her tenure as Chancellor, she continued to teach and be involved in the classroom, and was a key part of the student success initiative as well. He added she had transformed UCCS, and that now she also was the interim CEO of the US Olympic Museum and Hall of Fame in Colorado Springs. He said Dr. Shockley-Zalabak had stepped in as a favor and had been invaluable in helping FGCU. He asked her to make some comments and thanked her for all of the work that she had done to date at FGCU.

Dr. Shockley-Zalabak said she was pleased to support the Student Success and Enrollment Management Initiative at FGCU. She said she was absolutely convinced that emphasizing student success was the future in higher education. She said it had always been philosophically, but not as strategically developed, planned and implemented as now. She said universities that were very intentional about student success and enrollment management would be more successful. She said one of the mistakes being made around the country was “one-size-fits-all” structures and support systems. She emphasized student success needed to be role, mission, and institution specific; it also needed to take into account the assets of the institution, who the students were, and what a particular institution did within a particular region and state. Each institution was unique in some way, and the metrics which would prove successful must fit the culture and environment.

Dr. Shockley-Zalabak shared the process of her work in coming to FGCU over the last several months, some major observations, and her initial major recommendations. She began in the early fall of 2017 the process of reviewing FGCU data, including enrollment trends, graduation rates, selection of majors, financial packaging, retention, and the organizational structures that were organized to support students. She said she paid particular attention to the reports from the Task Force, and she assessed the overall recommendations that had been made to address some of the issues. Finally, she said she familiarized herself with Florida performance metrics and standards, which were very different from the metrics in Colorado.

Dr. Shockley-Zalabak shared that after this process, she came to the FGCU campus and met with 110 different individuals, some in small groups and some individually. She said she met high school counselors in the region to look at the process of students entering the University. She met with students, faculty, and staff in all of the areas typically associated with student services and support. She added she had met with the Deans and President Martin’s leadership team. She stated she had formulated some initial observations and recommendations, which had been reported to President Martin and his leadership team through video conferencing. She then returned in January to meet with faculty and staff associated with the initiative, as well as employees in facilities and technology. Dr. Shockley-Zalabak reported that yesterday she had met with Dr. Cordova and key members of the newly-formed design teams across the University. She said President Martin had asked her to do an overall assessment to find out if FGCU had the “bench strength” to do this, in other words, the ability of the
institution to actually do a student success and enrollment management initiative. She said the first and most important conclusion she had drawn from the work that she had done was that FGCU had the faculty and staff needed to successfully launch this initiative. She said the employees were enthusiastic, she loved the students at FGCU, and she thought FGCU had the energy to bring about change. Her second observation was there had been some frustrated attempts to make these changes over a period of years, and that frustration led to skepticism about whether change would actually occur. She said there was an attractive environment; however, she concluded that in terms of organizational structure, there would be challenges without new efforts to meet the established Florida metrics and the desires of the FGCU Board of Trustees and the Board of Governors. She observed that FGCU’s related organizational structures were fragmented, which was reflective of rapid growth at the University over a short period of time. She said FGCU was now a mid-size university of substance whose structures had not kept up with the growth. She pointed out there was very good data analytics, but a lack of broadly shared data and consensus about what was needed was not permitting data-driven decisions in a number of areas in student success and enrollment management, which was necessary. She expressed that technology infrastructures in today’s world must work to contribute to the efficiencies needed with the volume of students and issues with which FGCU had to deal with over the recent months. She said FGCU facilities, though beautiful, were also an issue. The facilities needed to have access and efficiency as opposed to siloed structures which lead to workload distribution being highly uneven. An example of this was academic advising.

Dr. Shockley-Zalabak said she would not go through all of her recommendations as she had gone into some micro-details in some areas. She recommended the University start the Initiative by setting some measurable goals in three to five categories for performance improvement and then testing the goals against the role and mission of the institution and the Florida performance metrics. She recommended the creation of a student success organizational framework with two components: one was a Division of Student Success and Enrollment Management; and another which asked how every other aspect of the University interfaced, so that it was part of a student success framework. She used Academic Affairs as an example; it played a critical role in student success, but was not a student success and enrollment management division. She continued by asking how does Academic Affairs relate and what were the co-responsibilities. Dr. Shockley-Zalabak pointed out that facilities also played a role in student success, as well as technology, budget, finance, and fundraising, and they all had to have integrated objectives and responsibilities to create genuine student success and to meet targeted goals.

Dr. Shockley-Zalabak stressed that faculty engagement needed to reach across a large population. It needed to be structured and made accessible for students and faculty to participate not only in classroom and research opportunities, but in other kinds of interaction that stimulated the success of students over time. She recommended FGCU evaluate the use of technology, which she said was good, but needed to be integrated more securely and for efficiency. She said she recommended generating a comprehensive First Year Experience; and as soon as that was completed in time for
the 2018-2019 class, going to a Second Year Experience focusing on an attrition rate that needed reduction. She recommended utilizing a design team approach to leverage internal staff and faculty strengths. She said FGCU should look at advising structures so there was an ability to have mandatory advising in the freshman year and suggested loads and distributions be available and efficient during peak times of pre-enrollment structures. She recommended the use of internal leaders, if at all possible, which would cause change to move more rapidly.

Dr. Shockley-Zalabak stated she was convinced that progress had already been rapid and appropriate. She said there was some anxiety about some of the change but not skepticism. She concluded she was optimistic about FGCU’s having a significant and successful Student Success and Enrollment Management program.

President Martin introduced Vice President for Student Success and Enrollment Management Mitchell Cordova.

Vice President Cordova said it was his pleasure to be in this new role, which he had embraced since the time the Task Force had convened. He said he would give a follow-up to the final Task Force report. He said six design teams had begun meeting, and these design teams were created based on the feedback received from the consultant, and the campus forums. He said the design teams included: Advising, Acute Needs, Student Engagement, Enrollment Management, Faculty Engagement, and First Year Experience. These designs teams were developed to meet and tackle the critical issues facing FGCU. Each team had 8-15 members and a cross-section of individuals who were directly a part of the change the University was trying to assess, with students on each design team. He said the teams had all met at least once, and they were meeting as needs demanded. He stated each team had three primary objectives: creating a new culture and mindset of what student success was on the campus; instituting change in critical areas; and helping to create and implement the organizational structure which was paramount to a strong foundation of student success. He stressed these design teams would create units within the broader-based areas of academic engagement, student engagement and enrollment management.

Dr. Cordova reiterated the design teams would be addressing solutions and ideas around these general items. First, each team was creating a new mission and vision around student success. He said he had looked at the websites of the offices at FGCU and reported very few contained the words “student success” in their mission and vision. Second, he said the teams would refine and modify new structures centered on each of the areas that contributed directly to student success. He said the design teams would describe what new resources they might need to move these areas forward. This would include a reallocation of existing funds.

Dr. Cordova said the teams would be exploring specific solutions to specific problems. The Task Force had identified and made recommendations over the short and long term for areas which needed to be examined. He explained further by using the example of the Acute Needs Design Team, and how it was examining critical issues that were going
to affect current sophomores and seniors, as well as the incoming freshman Class of 2022. He also stated that the Acute Needs Design Team was refining and enhancing the First Year Experience because this was critical to the success of the students. He said the First Year Design Team was working to ensure that the institution could implement some strategies and new ideas now to make sure that the Class of 2022 will be the best prepared for its FGCU experience.

Dr. Cordova stated that the respective design teams would talk more about removing logistical barriers to students matriculating through their degree programs. He said that those working on the Student Success and Enrollment Management Initiative were aware of what the barriers were, and were actively in the process of fixing them within the design teams. This included course scheduling, technology, and other related issues.

Dr. Cordova reported that there have been conversations with FGCU’s Marketing and Communications staff about how this Initiative would be rolled out in the new website. He said they were going to think differently about how academic programs were displayed on the website and make it user friendly and student centered, and display information which would be most ideal for students. He said they would be looking at how to optimally brand and market the new Initiative and weave it into the University’s fabric.

Dr. Cordova stated the teams had begun the process of working with Business Technology Services (BTS) to understand the complete inventory of all technology being used on campus that indirectly and directly affected student success and enrollment management.

Dr. Cordova shared that his team had created and drafted a comprehensive Plan that identified objectives, and addressed academic, curricular, financial, and policy implications to improve FGCU’s four-year graduation rate in response to Senate Bill 4: “Florida Excellence in Higher Education Act of 2018.” He said the Plan would be presented at the Board’s May 1 meeting for review and action.

Dr. Cordova said with respect to budget, the teams were looking at the following items: defining and establishing the elements of new budget items needed within the Initiative; reviewing the existing budget which would be aligned with Offices that currently exist, associated with current personnel in Offices and their operating funds; reviewing making compensation and adjustments to existing personnel as needed; reviewing the need for new resources and personnel; and finally, obtaining new resources that would support new technology, existing technology, and operating expenses within this organization.

Dr. Cordova stated the preliminary timeline was June 1 to have an organization created with Offices, titles and people identified in their positions; and June 15 to have the budget created where existing budgets would be aligned with new resources. He explained new resources would be identified with new personnel, salary, Education and
General Expenses (E&G) funds, and compensation adjustments for existing FGCU personnel.

Dr. Cordova asked for questions.

Trustee Spilker thanked Dr. Shockley-Zalabak and Dr. Cordova for their work. He said there was one advisor for every 500 students currently at FGCU (and looking to improve to every 300 students), and he asked if they thought the continuation of that structure would have success. He stated with 300 students, it is difficult to get to know every student well.

Dr. Cordova responded that advising was absolutely essential to student success. He said the Advisement Design Team in one of its objectives was looking at creating a University-wide advising services area, so all academic advisors would be under the same common philosophy. He said this team would look at best practices on how advisors were assigned, if there were enough advisors, what the advisors were doing and to whom they reported. He repeated advising was critical to student success, and that they were going to achieve as much as they could of that work from now until initially June 15.

Trustee Spilker asked if there were "major" advisors, and Dr. Cordova responded affirmatively, saying there were advisors in the Colleges who advised students in their majors, and that was a key component. He also stated that there were advisors in First Year Advising, advisors in exploratory studies and advisors in other areas. The plan is to make sure that all of the advising areas were on the same page.

President Martin said along with what was going on in the organizational scheme, Vice President Steve Magiera along with Director of Facilities Planning Tom Mayo were looking at rearranging people on campus so there could be a one-stop area which would be the providence of all things that support student success. He said students then could go to one place to get all of the advising they needed, from financial aid to registration and whatever else they needed in one site. He said this would send two messages. One, this was such an important issue that FGCU was making space available to get this done, and two, students should not have trouble finding the services.

Dr. Cordova added FGCU needed to become more customer service focused and a little less transactional.

Trustee Russell Priddy asked Dr. Cordova if he had any indicators or expectations of how long it would be before an improvement would be seen in relation to the Performance Based Funding (PBF) metrics.

Dr. Cordova said right now the University was in the process of implementing change in an area which would make an immediate change, and would then create a solid foundation for further change and improvement. He said the key was the new structure,
and more importantly the culture and mindset being created at the University, which
would stimulate a continual increase to the graduation rate.

President Martin said one of the things that would happen more quickly was the use of
summer school for students to catch up. He said there would be broader opportunities
for summer school in that courses which may have otherwise been buried were now
being offered. He said FGCU would be moving in the direction of some blended online
coursework. He said all of that could affect current students, not just new students.

Trustee Leo Montgomery asked about graduation rates. He said he recalled that the
rate for four-year graduation was 22 percent. He asked when the rate would reach 28
percent, or even 36 percent. Dr. Cordova responded that it was desirable to have the
graduation rates as high as possible. He said it was difficult to forecast. He said what
was not difficult to forecast were the things FGCU should be doing now that would have
a strong initial impact on graduation rates, and allow the structure to be put in place that
would continue to build upon the positive trajectory.

Trustee Eide asked if prospective students were asked in the application process or the
admission process if they intended to graduate in four years. Dr. Cordova responded
that he believed they were not. Trustee Eide then asked if there was any point in the
process of admissions where it was said to the student that FGCU would prefer
graduation in four years. Director of Admissions Marc Laviolette responded that the
University did not currently ask this question. In further response, he said how to
interpret that question was uncertain. Instead he suggested that the application might
say FGCU encourages the student to graduate in a timely fashion by packaging Soar in
4 and other programs to make sure that students were on track and incentivized to
graduate in four years.

Dr. Cordova said the University also was going to increase the use of predictive
analytics to help get a good understanding of admitting students from areas and schools
who were more likely to stay. He said the University was going to be smarter in how it
enrolled and admitted students based on data and historical trends.

Trustee Robbie Roepstorff said that she was pleased with the report given by Dr.
Cordova and Dr. Shockley-Zalabak, and asked if the program would be rolled out for the
incoming fall freshman class.

Dr. Cordova said his intention was by the end of June, the new organization would be
created which ultimately would contain the budget associated with current personnel
and Offices which would then align under a different organization. He said FGCU would
be prepared to welcome the new class, make its members feel more connected, and
enrich the First Year Experience, and then, all of this would align under the new
organization.
Trustee Joseph Fogg asked hypothetically if a student would still be admitted if as a result of either analytics or questioning of students, Admissions knew that a student could not graduate in four years.

Dr. Cordova said ultimately FGCU wanted to have the best possible, highest achieving student coming out of high school who wanted to come to FGCU. He said that student would be admitted even if it was known that the student could not graduate in four years. He said he thought FGCU needed to do a better job of balancing and being more focused on how students were recruited. Dr. Cordova stated that there would be those students who took six years to graduate, but that his team would try to make sure that students understood FGCU wanted to help them do their best to graduate in four years.

Trustee Darleen Cors pointed out that there was a lot of emphasis on the freshman class, and asked if the team would be equally emphasizing sophomore year retention. Dr. Cordova said the design teams were discussing creating a Second Year Experience around North Lake Village with services and programs to help students stay at FGCU after the sophomore year. He said FGCU would utilize its residence halls as communities to learn and remain continually engaged in the University.

Trustee McDonald said the four-year graduation rate was a statistical measure and was an average degree time. He said most of the efforts described were focused on retention of students and keeping them progressing. He asked if there was any discussion in the design teams about expediting degree programs as in three-year programs or programs to move them through faster.

Dr. Cordova said the design teams had not specifically discussed it, but there had been conversations about providing the ability for students to customize their major. He said the teams were discussing students being able to take classes online. He said this would help the non-traditional students matriculate faster.

President Martin said if summer school became more accessible, there would be more students coming year-round which would speed up the process. He added that U.A. Whitaker College of Engineering Dean Richard Behr was working on a three-year degree in Construction Management. President Martin said the first Soar in 4 student actually graduated in three years because she came in with prior academic credit. He added there were many factors they would continue to stimulate in this process. In the end, he said what everyone wanted was success, whether it was on schedule or not.

Trustee Montgomery complimented President Martin and his team on a great job, and he encouraged the team to communicate on a routine basis to the Board of Governors (BOG) and the Chancellor its progress as it was being made instead of waiting until the end of a quarter or semester.

President Martin said that was a good suggestion, and he wanted to congratulate Chair Gable who strongly urged a public roll-out of this Initiative before the end of the
legislative session, so the media and others would report that FGCU was making progress, and therefore, that investing in FGCU was a good bet. He said they had done this to point to the campus and to do so in a way that the message would be heard in Tallahassee.

Chair Gable said every Board meeting would start with Dr. Cordova’s giving an update and leading a discussion about student success. He stressed this was the highest priority.

Trustee Jalisa White thanked Dr. Cordova for including the students on the different design teams, as it would affect them as well.

**Item 6: Standing Report from United Faculty of Florida (UFF)/ FGCU Chapter**

Chair Gable introduced Dr. Win Everham, Co-President of United Faculty of Florida (UFF)/ FGCU Chapter, whose report was being made in conjunction with the collective bargaining agreement provision that provides an opportunity to speak to FGCU Board of Trustees agenda items which affect the wages, hours, and other terms and conditions of employment of employees. “Employees” is defined as a member of the bargaining unit. Chair Gable said FGCU currently was engaged in negotiation with UFF/FGCU Chapter, and it would be inappropriate to enter into any discussion with Dr. Everham.

Dr. Everham thanked the Board for the thoughtful conversation concerning the student success teams. He said he was excited about the focus FGCU now had. He also thanked everyone in the room for working to receive the state budget allocation that would be discussed later, and that receiving it was an indication of the University’s moving in a positive direction.

Dr. Everham reported that from the Union’s perspective, excellent progress was being made in bargaining. He said they were about one-third of the way through the collective bargaining agreement. He said the problematic section was usually salary and benefits, Articles 23 and 24. He said the Union would be discussing that later in the spring when the performance based funding metrics were clearer. He said the bargaining agreement might be completed in June.

Dr. Everham reported UFF/FGCU Chapter had worked with Vice President Leonard to clarify barriers to communication in regard to questions directed toward the UFF/FGCU Chapter from the Board, and it was his understanding that it was permissible for the Board to ask questions. He said what he is not permitted to do is to make an offer or respond to an offer. He did not think his comments today would generate questions, but he thought it would be great if at some point this could be clarified.

Dr. Everham stated that relative to Dr. Cordova’s report, UFF/FGCU Chapter was represented on the Faculty Design Team, and it was appreciated there was recognition of the critical role that faculty can play. He said the Union was committed to making sure that this Initiative was successful. He shared that one thing the Union had been
discussing was a Faculty Mentoring Program that would help connect students and 
assist with their progression toward graduating. He added that he appreciated that 
President Martin had been a conduit to bringing experts such as Dr. Shockley to the 
campus for guidance.

Dr. Everham said as the Board considered Tab #10 on the agenda, the President’s 
evaluation, he would say that the Union and faculty have an overwhelmingly positive 
view of the Administration and the direction of the institution.

Dr. Everham said the Union was excited to see in Tab #11 continuing positive budget 
balance. He said UFF/FGCU Chapter also looked forward to working with Chief 
Compliance and Ethics Officer Stacey Chados to see how the training that the FGCU 
Board of Trustees would be getting today would be operationalized for faculty and staff.

Dr. Everham said it had been a positive year, and the UFF/FGCU Chapter looked 
forward to continuing to work with the Administration to collaboratively build the 
community.

Item 7: Standing Report from FGCU Financing Corporation Board of Directors

Chair Gable asked Vice President for Administrative Services and Finance, and 
Executive Director of FGCU Financing Corporation Steve Magiera to present this report 
on behalf of FGCU Financing Corporation Board of Directors Chair Joe Catti who was 
unable to attend today’s meeting.

Mr. Magiera stated the last FGCU Financing Corporation meeting was on March 7, 
2018, and budgets and financial statements were reviewed and found in order. He said 
the Financing Corporation Board had discussed student applications for the fall. He 
reported currently FGCU was down 200 returning students, up 65 students for the 
summer, and up 325 students for fall enrollment. He reported students had been 
offered full-size beds at North Lake Village as had been discussed at the last Board 
meeting, and 500 students had chosen to have them. He said they had been working 
on getting students into housing during the summer term. He said this summer FGCU 
was housing 135 interns from Gartner from the beginning of May through the end of 
August, with plans to possibly grow to 200 interns next year. He said 20 interns from 
Hertz also were expected, and would be here from the beginning of June to the 
beginning of August. He said there were about 25 to 30 smaller camps, consisting of 
students staying anywhere from three to five nights.

Mr. Magiera reported boardwalk repairs had been completed, and reimbursement was 
expected for these repairs from either FEMA or state insurance.

Mr. Magiera asked for questions.

Trustee Roepstorff asked if all of the interns who were staying on campus were 
furthering their education in some way.
Mr. Magiera responded that these were interns from across the country that were working at Gartner and who were not FGCU students.

Trustee Roepstorff asked if this might create problems. Mr. Magiera said this was not the first year that FGCU had had this partnership with Gartner. He said Gartner knew that if the interns did not follow the rules, they would be asked to leave. He said so far there have not been problems. Vice President for Student Affairs Mike Rollo added that there have been some changes made in the way that the summer is staffed, and that there are appropriate staff levels now.

Trustee Price added that he hoped that the interns were hired and would stay in the area, and eventually attend graduate school at FGCU.

Item 8: Standing Report from FGCU Foundation Board of Directors

Chair Gable asked Vice President for University Advancement, and Executive Director of FGCU Foundation Chris Simoneau to give this report on behalf of FGCU Foundation Board Chair David Holmes.

Mr. Simoneau apologized on behalf of Foundation Board Chair David Holmes who was not able to be there. He thanked all those who attended the President’s Celebration on April 7, 2018 at Alico Arena and who contributed to the student success fund. There were about 375 people in attendance. He reported approximately $329,000 was committed to student success.

Mr. Simoneau reported the Foundation was in the midst of significant personnel changes, and the fourth quarter would be dedicated to filling six vacant positions on the development team. He said that these vacancies have affected the Fiscal Year 2019 fundraising, which was approximately $15 million through the first three quarters. He said the Foundation was planning to present its Strategic Plan at the next Foundation Board Executive Committee meeting in May, and to the full Foundation Board in June. He stated that the plan aligns the Foundation’s effort with the FGCU Board of Trustees approved Strategic Plan, and would take the Foundation in new directions to further support the University.

Mr. Simoneau reported the Legislature continued to pass legislation which affected FGCU’s Direct Support Organizations (DSOs). He said no State funds would be used for Foundation-associated travel. The allocation for the First Generation Matching Gift Program was doubled, and would now match gifts two-to-one rather than one-to-one. The legislation further expanded the Bright Futures and Florida Medallion scholarship programs, which should benefit FGCU students’ financial situations. He said the bill stipulated there would be no direct transfers of State funds to the Foundation, and all personnel services must comply with state restrictions. FGCU already was compliant with both. Finally, he said all director appointments to the Foundation Board must be approved by the FGCU Board of Trustees.
Mr. Simoneau stated that the Foundation continued to strive for the University in many areas. He said on behalf of University Marketing and Communications, he hoped the Board had experienced the new FGCU website, which he reported had taken two years to develop and had over 75,000 pages. He said the Foundation believed the website enhanced the user experience, told the story of FGCU in a cohesive way, and would be used as a primary tool for recruiting and retaining students.

**Item 9: Chair’s Report**

Chair Gable congratulated Mr. Simoneau and all who helped put together the President’s Celebration for such a successful evening.

Chair Gable reported he had had the opportunity along with founding President Roy McTarnaghan to inaugurate President Martin at the President’s Celebration. He said there would not be a formal inauguration ceremony at the request of President Martin.

Chair Gable said there was a Board of Governors (BOG) meeting in Jacksonville last month at the University of North Florida, and he was pleased to represent the Board. He stated Governor Lautenbach has made drug and alcohol abuse, and mental health a priority. Governor Lautenbach has established a Drugs, Alcohol, & Mental Health Task Force comprised of BOG members, and all university board chairs and university presidents in the State. Chair Gable said this Task Force had its first meeting on March 27, 2018, before the Board of Governors Meeting, and Governor Fernando Valverde was its Chair. He said additional information would be provided to the Board as the process moved forward with the Task Force.

Chair Gable thanked all who were involved in the legislative session for their hard work to achieve the outstanding result for FGCU. He applauded the work of Representative Raymond Rodrigues, and said the session was very positive for FGCU.

**Item 10: President’s Report**

President Martin began by emphasizing that the Student Success Initiative was priority for the next several months and years, so that corridors for success were created for students. He expressed his appreciation to both Dr. Shockley-Zalabak and Dr. Cordova. He said faculty and staff have embraced this Initiative as high priority.

President Martin commented on and thanked all of the people who participated and made the legislative session successful. He said that there were members of the FGCU Board of Trustees who participated. He personally thanked Representative Raymond Rodrigues for being a great representative for the region and helped cast FGCU in a favorable light. He stated that FGCU also benefited from the support of the Board of Governors Chair and the Chancellor.

President Martin reported that Public Education Capital Outlay (PECO) funding ultimately had been more than initially anticipated. He said FGCU was now in the
process of utilizing the funding received from the legislature to implement the Strategic Plan. He stated that he had previously shared with everyone the initial funding allocation that was determined in conversations with representatives from across campus to distribute the first third of the funding. He said he planned to distribute another third of the funding around the start of the fiscal year, particularly after news on the Board of Governors’ Performance Based Funding was received. He said they were strategically employing the World Class Faculty and Scholar Program funding, and would then see what additional initiatives still needed to be funded after the academic year with the last third of the funding. He said that everyone who utilized those resources needed to be committed to the Strategic Plan and that it was in line with the University’s value system.

President Martin thanked everyone for the President’s Celebration. He said if the Celebration was done again, it should be called a Community Gala because the institution belonged to the community.

President Martin reported he felt the University’s relationship with the Board of Governors’ new leadership had been renewed, as they seemed to be attuned to Southwest Florida and what is done at FGCU. He said the reports were largely routine, and there had been a good deal of conversation about 2+2 Agreements, which FGCU would continue to pursue, particularly with Florida Southwestern College (FSW). He said the BOG was dealing with the legislative directive to carefully rethink, and appropriately if necessary, modify performance funding formulas, and FGCU would participate in these discussions. He added that mental health and campus security were ongoing conversations.

President Martin said he had spoken to President Mark Rosenberg at Florida International University (FIU) regarding the tragedy of the bridge collapse, and offered to help in any way possible. He commented that FGCU had received kudos from the Chancellor’s staff for its response to the Parkland shooting in providing counsellors on campus to deal with the affected students who attended FGCU, and for offering to help Marjory Stoneman Douglas High School students as well.

President Martin said he had individual conversations with Trustee Priddy and Trustee Ken Smith about the long-term utilization of the University’s Buckingham property, which had led to conversations with some community leaders regarding what they would want to see FGCU do with that asset. He said the use of this property would continue to be an ongoing conversation. He said that he wanted to make sure that whatever they decided to do with the land would fit the needs of the community and the also FGCU mission.

President Martin stated he was a true believer that great universities were run by colleagues, and first and foremost, they were all colleagues on the campus, including students. He said they all were in the great transformation together.

Chair Gable called for a lunch recess at 12:05 p.m.
Item 11: Academic/Student/Faculty Affairs Committee (See Tabs #6 - 9)
Chair Gable reconvened the meeting at 12:30 p.m. Chair Gable asked Academic/Student/Faculty Affairs Committee Chair Christian Spilker to present this information.

Trustee Spilker said there were four action items, and President Martin would present the first which was an FGCU Honorary Degree for Mr. Reinhold Schmieding.

FGCU Honorary Degree for Reinhold Schmieding (TAB #6)
President Martin said based on nominations from several important individuals, the nominating committee had selected Reinhold Schmieding as the recipient of an honorary doctorate degree. Mr. Schmieding was the founding father and currently the CEO and President of Arthrex Inc. of Naples. President Martin asked Ms. Evans to read the resolution into the record and that then the Board would vote. He said assuming the Board voted yes, the honorary degree would be presented at the May 6, 2018 Commencement, where Mr. Schmieding would be one of the Commencement speakers.

Ms. Evans read as follows:

“Whereas, Florida Gulf Coast University is a public, comprehensive institution of higher education in Southwest Florida with a mission of education, research, and service; and
Whereas, Florida Gulf Coast University confers as its highest academic recognition honorary doctoral degrees to individuals who have made outstanding contributions to the public good and which are in concert with the University’s mission; and
Whereas, Mr. Reinhold Schmieding is the founder of Arthrex, Inc., headquartered in Naples, Florida and a highly recognized global leader in entrepreneurial and innovative scientific research and development for the surgical device industry, with more than 11,000 surgical orthopedic products and techniques, and more than 1,100 patents and patents pending; and
Whereas, Arthrex, Inc. and President/Founder Reinhold Schmieding are vital leaders in economic and workforce development through the employing of more than 3,000 corporate and manufacturing staff, and another 1,000 employees in global subsidiaries across 13 countries, with exports to more than 100 countries around the world; and
Whereas, Mr. Reinhold Schmieding and his Arthrex, Inc. engineers as mentors generously and significantly support students of the U.A. Whitaker College of Engineering at Florida Gulf Coast University, including internship awards to Bioengineering students and jobs to graduates, critically connecting classroom to industry;
Now, Therefore It Be Resolved that the Florida Gulf Coast University Board of Trustees wishes to honor Mr. Reinhold Schmieding with the awarding of a Florida Gulf Coast University degree Doctor of Science, Scientia Doctor,
honoris causa with all attendant rights and privileges thereof in recognition of his exceptional scientific innovations and contributions for benefit to the public good.”

Trustee Spilker called for a motion to approve.

Chair Gable made a motion to approve an Honorary Doctorate Degree be conferred upon Reinhold Schmieding. Trustee White seconded the motion. There was no public comment, or Board discussion. The vote was 13-0 in favor of the motion.

**New Degree Program: Master of Science in Athletic Training (TAB #7)**

Trustee Spilker stated Provost and Vice President for Academic Affairs James Llorens was unable to be at the meeting, and Senior Associate Provost and Associate Vice President for Planning and Institutional Performance Paul Snyder would present this item.

Dr. Snyder stated Tab #7 described the Master of Science in Athletic Training degree program, which was part of the transition in the discipline from the bachelor’s level to the master’s level as being the entry level for licensed practitioners as athletic trainers. He said this transition needed to be completed by 2022. He said earlier in the meeting, the Board had approved in the Consent Agenda the discontinuance of the Bachelor of Science in Athletic Training following the last cohort which would be entering in the fall of 2018. He said the first class in the Master of Science program would enter in the summer of 2019. He said the program was 58 credits with 40% delivered online and no new resources needed to implement.

Trustee Priddy made a motion to approve the Master of Science in Athletic Training degree. Trustee Roepstorff seconded the motion. There was no public comment, or Board discussion. The vote was 13-0 in favor of the motion.

**Reactivation of Academic Program Major: Music (TAB #8)**

Dr. Snyder said the next item was Tab #8 which was the Reactivation of Academic Program Major: Music. He said at this time the College of Arts and Sciences was looking to reintroduce a generalist program to help attract students and retain students who may have entered one of the professional programs and were having difficulty. He said some students may need a major which was a little more flexible to graduate. He said this major was more general and would help with that, and 20-30 students were expected to be in this major as it progressed. He said no new resources would be necessary.

Trustee McDonald asked if any of the existing specialist degree programs lose significant numbers which caused them to be in jeopardy.

Dr. Snyder responded that was not the case, and the enrollments in the other programs were healthy. He said the reintroduction of this program would help with those students having difficulty who otherwise might leave the University.
Trustee K. Smith made a motion to approve the reactivation of the Academic Program Major: Music. Trustee Price seconded the motion. There was no public comment, or Board discussion. The vote was 13-0 in favor of the motion.

Addition of Degree Program Majors: BSN to DNP Nurse Anesthesiology and MSN to DNP Nurse Anesthesiology (TAB #9)
Dr. Snyder said the last item was the transition of the Master in Science in Nursing Program and Nurse Anesthesiology to the Doctorate in Nurse Practitioner. He said this was being driven by mandates with the accreditor moving the degree to a higher level. He said the requirement would take effect with all programs beginning in 2022. He said the last class of MSN students would enter in spring of 2019, and the first class of students in BSN to the DNP would enter in 2020. He said 24 students were expected initially growing to 72 students after five years. He said the program length was 112 credits. The MSN to DNP which was the other option for practitioners would follow a year later and probably would add an additional 4-10 students. He said there would be some resource needs over the second and third years of the programs as four-and-a-half full-time equivalent (FTE) faculty would be needed.

Trustee Roepstorff asked if there was a definite demand for nurse practitioners.

Dr. Snyder said the demand for nurse anesthesiology was incredibly high. He said FGCU had many times more applications for the number of slots available. The starting salary for certified individuals was $130,000-$140,000.

Trustee Priddy asked if the doctorate was called nurse practitioner.

Dr. Snyder said he should have said Doctorate of Nursing Practice.

Trustee Stephen Smith asked when the program stabilized, if it would pay for the additional faculty members.

Dr. Snyder said he had not done the calculations, but he thought that was correct. He said the program brought a great deal of revenue because these were courses at the graduate level, and the tuition is much higher.

Trustee K. Smith made a motion to approve the transition of the Master in Science in Nursing Program and Nurse Anesthesiology to the Doctorate in Nursing Practice. Trustee Roepstorff seconded the motion. There was no public comment, or Board discussion. The vote was 13-0 in favor of the motion.

Item 12: Finance, Facilities and Administration Committee (See Tabs #10-15)
Chair Gable asked Finance, Facilities, and Administration Committee Chair Ken Smith to present these three information items and three action items.
President’s Performance Evaluation (TAB #10)

Trustee K. Smith called on Chair Gable to present the first item which was the President’s Performance Evaluation.

Chair Gable stated when the President’s contract was negotiated and signed, there were three main areas for performance evaluation: (1) Qualitative leadership and management skills; (2) University Strategic Plan and Performance Based Funding Metrics and results; and (3) resource development. Chair Gable stated that he removed consideration of the results of the Performance Based Funding Metrics, as he felt it would not be fair for President Martin because he was not President at the time the results were generated. He said Tab #10 showed a relatively simple evaluation form for the members of the FGCU Board of Trustees to use, and he asked they write down any comments they might have. He asked the Board to return the evaluations within two weeks. He said he would need time to look them over as well as speak with the Chair of the Board of Governors (BOG), the BOG Chancellor, and the BOG General Counsel. He said in discussion with all of these individuals it had been decided to have the President’s evaluation publicly discussed at the June 5, 2018 FGCU Board of Trustees meeting with recommendations for salary and bonus discussed at that time which would then be sent to the BOG for its approval at its meeting in June.

Chair Gable called for questions and there were none.

Finance/Budget Update (TAB #11)

Trustee K. Smith commented he hoped the Board had had an opportunity to see the Summary Memo and called on Mr. Magiera to present this item.

Mr. Magiera said the budget update projected through the end of March. He said as Dr. Everham had mentioned there was $3 million of revenue ahead of schedule, which was correct. However, he pointed out that on the Summary Memo it was only a half million dollars because there were certain items which FGCU did not control such as scholarships. He further explained that he could not state that there was a positive variance because of things that could not be controlled. Of the items that FGCU did control, there is about a half a million dollars revenue over expenditures. He said the same thing occurs on the expense side. He stated if the numbers were looked at directly, there would appear to be a negative variance. He clarified that it was not really a negative variance because the scholarship funds were included. He said in the Summary Memo he clarified the reason for the negative variance and explained the actual budget numbers once Grant Associated Revenue and Scholarships were taken into account.

Trustee S. Smith asked for some clarification on the Capital Expenditures.

Mr. Magiera said the budget was prepared in May, so some of the capital projects come in under budget, some may have not occurred at all, or some end up being at the end of the year, or not expended but may be encumbered. He said this was the cash basis on the budget.
Trustee S. Smith asked if the ratios of salaries and benefits, etc., were traditional for a university or if they were unique to FGCU.

Mr. Magiera said these ratios were normal for most universities. He said the most expensive line item was salaries and benefits. He said for the June BOT meeting he could bring some examples from some of the other universities in the State University System (SUS). President Martin directed Trustee S. Smith to the national database called the Integrated Postsecondary Education Data System (IPEDS) for this comparative information.

**2018 Legislative Session (Budget and Substantive Legislation) (TAB #12)**

Trustee K. Smith said this item would be presented by Director of Government Relations Jennifer Goen.

Ms. Goen said on March 16, Governor Rick Scott approved an $88 billion budget for 2018-2019. She said she was happy to report it included FGCU’s request for recurring funds and some capital funding as well. She thanked all who had helped to ensure this success. She wanted to highlight the FGCU students and interns who participated. She noted that FGCU had two students interning in Tallahassee who did an outstanding job and have been highly regarded. She also thanked the Southwest Florida Delegation for securing the $13.7 million in recurring funding that FGCU would receive in operational funds. She said that FGCU also received a total of $14 million toward capital construction of Integrated Watershed and Coastal Studies building (AB9), and that $4 million of this appropriation was contingent upon FEMA reimbursement.

She stated FGCU also received a restoration of $500,000 in recurring funding for the academic and career attainment initiative. The Governor also included $20 million in his budget for the World Class Faculty and Scholar Program, which was approximately a $700,000 appropriation to FGCU, and $10 million for the University Professional and Graduate Degree Excellence Program, which was about $263,000 to FGCU.

Ms. Goen welcomed and congratulated Trustee Eide, Trustee S. Smith, and Chair Gable who had been confirmed by the Senate on March 8, 2018.

Ms. Goen said Senate Bill 4 (SB4), the Excellence in Higher Education Act of 2018, directed university trustees by June 1 to submit to the Board of Governors a comprehensive plan to improve four-year graduation rates in undergraduate students for implementation beginning fall of 2018. She said this bill also made some revisions to 6-year to 4-year graduation metrics, and also included a new access metric which was implemented at the last meeting of the BOG. She said SB4 also required the BOG to consult with the universities to submit their recommendations for new metrics for their review. She said the bill also had recommendations to be submitted to the BOG that the Legislature would review recommendations from independent entities regarding performance metrics. Ms. Goen stated Senate Bill 4 also created the Free Expression on Campus Act, which prohibited public higher education institutions from restricting expressive activities. She said the Bill also made some changes for Direct Support
Organizations (DSOs); and expanded the Bright Futures Scholarship Program for the Academic Scholar level to cover 100% tuition and fees with a $300 book stipend in the fall and spring semesters, and 75% of tuition and fees covered at the Medallion level. The Bill also allowed for the Bright Futures Scholarship to be utilized for summer classes when funding is provided. Additionally, the Bill expanded the Benacquisto Scholarship Awards to include out-of-state students, and also established the Florida Farmworkers Student Scholarship Program.

Ms. Goen said the Legislature did pass a bill to begin to have sessions start in January in even-numbered years. She said the start date for the 2020 session would be January 14, 2020. For 2019, she said FGCU Day at the Capitol would be March 25 and 26, 2019. She said Thursday, April 26, 2018 would be the Eagle Advocacy Legislative Appreciation event.

President Martin thanked Ms. Goen and Mr. Charlie Dudley for their assistance in Tallahassee. He also thanked Governor Scott.

**Appointments to FGCU Foundation Board of Directors (TAB #13)**

President Martin said the legislation required that university boards of trustees approve director appointments to Boards for Direct Support Organizations (DSOs). FGCU has two DSOs – the FGCU Foundation, and the FGCU Financing Corporation. He said today he was asking the FGCU Board of Trustees to give blanket approval to the current directors for both DSO Boards. He said he felt confident both Boards were excellent.

Trustee K. Smith called for a motion.

Trustee Spilker made a motion to approve the current membership of the FGCU Foundation Board of Directors. Trustee Montgomery seconded the motion. There was no public comment, or Board discussion. The vote was 13-0 in favor of the motion.

**Appointments to FGCU Financing Corporation Board of Directors (TAB #14)**

Trustee K. Smith asked Dr. Martin if he had any further comments about this item for the directors of the Financing Corporation Board. Dr. Martin responded this also was a very valuable Board to FGCU to help build the campus and manage debt, and he hoped it could continue to keep strong people on this Board as well.

Trustee Cors made a motion to approve the current membership of the FGCU Financing Corporation Board of Directors. Trustee Fogg seconded the motion. There was no public comment, or Board discussion. The vote was 13-0 in favor of the motion.

**2017 Educational Plant Survey (TAB #15)**

Mr. Magiera said there was a Summary Memo in the beginning of this report. He summarized there was an Educational Plant Survey Team which worked for the Board of Governors (BOG), and which was sent out once every five years to all universities. He said the team was made up of two members of the BOG staff and usually four or five
additional members from other universities in the System. The Team looked at the space and needs of the university and talked to various groups on campus; the Team then plugged in formulas, and the bottom line was to make recommendations as to the space necessary. He said the result was FGCU had been approved and reaffirmed for the Integrated Watershed and Coastal Studies building (AB9) and also the next building, which was the Health Sciences building. He said after the FGCU Board of Trustees approved the survey, it would then go to the Board of Governors for its approval.

Trustee K. Smith called for questions.

Trustee Roepstorff asked if Phase 2 in the Student Academic Health and Life Fitness Center could be started after Phase 1 was under way.

Mr. Magiera said once the recreational center was built, they would ask students and Vice President for Student Affair Mike Rollo what was the next greatest need for students. That identified need would be brought to the Board.

Trustee K. Smith called for a motion.

Trustee Spilker made a motion to accept the 2017 Educational Plant Survey report. Trustee S. Smith seconded the motion. There was no public comment, or Board discussion. The vote was 13-0 in favor of the motion.

**Item 13: Audit and Compliance Committee** (See Tab #16)

Chair Gable called on the Audit and Compliance Committee Chair Joseph Fogg to give this report.

Trustee Fogg provided an update on streamlining the process for complaints and investigations. Following the grievance procedure, President Martin and he review all significant ongoing cases or investigations of possible or alleged violations of University ethical or compliance rules or regulations every quarter. The most recent review had been held on April 3, and there had been no cases identified which would warrant discussion with the Audit and Compliance Committee or the FGCU Board of Trustees.

**Ethics Training (TAB #16)**

Trustee Fogg said there was one information item, Ethics Training, which would be conducted by Chief Compliance and Ethics Officer Stacy Chados.

Ms. Chados said the training would accomplish two things: (1) FGCU would be in compliance with the Board of Governors Regulation which set up the Compliance and Ethics Program and required training of the Board, and (2) It would close out the final recommendation from the Board of Governors Inspector General Investigation report issued on March 28, 2017.
Ms. Chados provided Ethics Training to the FGCU Board of Trustees. There were no questions or Board discussion at the conclusion of the Ethics Training. A copy of the Ethics Training is attached.

**Item 14: Old Business**

There was no old business for discussion.

**Item 15: New Business**

Chair Gable called for new business.

Trustee Roepstorff thanked President Martin for the lively event at the Lutgert College of Business, called “An Evening with the Federal Reserve Bank.” She remarked that it was intriguing to have Chair of the Atlanta Federal Reserve Bank Raphael Bostic on campus at FGCU.

**Item 16: Chair’s Closing Remarks and Meeting Adjournment**

Chair Gable said the next meeting would be Tuesday May 1, 2018 at 9 a.m. with a limited agenda and held by conference call to approve the 4-year plan to send to the Board of Governors, as required by Senate Bill 4, and the Accountability Plan. Following that meeting, there would be an Audit and Compliance Committee meeting at 11 a.m. also held by conference call. He said the next full Board meeting would be June 5, 2018 at 8:30 a.m.

Chair Gable adjourned the meeting at 1:28 p.m.

Minutes prepared by Transcription Experts, and reviewed by Tiffany Jackson, Assistant Director of Board Operations.

**Agenda Items:**

A. See Tabs #1 – 16

**Attachments:**

A. Ethics Training
B. Record of Votes
2018 Ethics Training
AGENDA

- Purpose of C&E Program
- Compliance vs. Ethics
- Ethical Lapses
- Florida Statutes
- Resources
- Hotline
- Benefits
COMPLIANCE AND ETHICS PROGRAM

- Standards and Procedures
- Governance Structure
- Training and Education
- Communication
- Monitoring, Auditing, and Evaluation
- Incentives and Discipline
- Review Allegations; Take Corrective Action
ETHICS VS. COMPLIANCE

Ethics
The moral standards you rely on when making a decision.

Compliance
Conforming or adapting your actions to a law, rule, or regulation.
ETHICS VS. COMPLIANCE

- Ethics tells us what we ought to do; compliance dictates what we must do.
ETHICS VS. COMPLIANCE

ETHICS
- Honesty
- Integrity
- Loyalty
- Fairness
- Caring
- Keeping Your Promises
- Leading by Example
- Accountable

COMPLIANCE
- State and Federal Regulations
- BOG Regulations
- FGCU Policies and Regulations
- Relevant Case Law
- Accreditation Standards
- Contract and Grant Regulations
- Employment Contracts
- CBA
C&E PROGRAM FUNCTION
THE FGCU MORAL COMPASS

- Is the action legal?
- Is it ethical?
- Does it violate policy?
- Does it align with our Guiding Principles?
- Does it appear inappropriate?
- If it becomes known, will it embarrass FGCU or its stakeholders?
FGCU’S REPUTATION

The reputation of a thousand years may be determined by the conduct of one hour.
~ Japanese Proverb
FGCU’S REPUTATION

It takes 20 years to build a reputation and five minutes to ruin it.
If you think about that, you’ll do things differently.

-Warren Buffett
UC DAVIS
USC SCHOOL OF MEDICINE
ETHICAL LAPSES

- Debunk the myth that it can never happen at FGCU
- Conduct risk assessments and monitor for compliance
- Set high ethical standards and demand accountability
- Encourage dialogue and even dissent
- Expect and plan for a crisis
- Have the courage to do the right thing
- Seek legal advice

Sometimes the hardest thing and the right thing are the same.
ETHICS AND UNIVERSITIES

Get out of our silos (at least occasionally)
ETHICS AND UNIVERSITIES
ETHICS AND UNIVERSITIES
Solicitation and Acceptance of Gifts/Honoraria
Unauthorized Compensation
Misuse of Public Position
Misuse of Non-Public Information
Business and Employment Relationships
Nepotism
Post Employment Restrictions
Statement of Financial Interests
IT’S OKAY TO ASK
RESOURCES

- Ombuds
- Human Resources
- Institutional Equity and Compliance
- Internal Audit
- Compliance and Ethics
FGCU HOTLINE

SOAR WITH INTEGRITY

If you believe that FGCU’s ethical standards are being compromised, you can do something about it.

TELL US, IT MATTERS

Call the University’s Hotline to report:

- HARASSMENT
- DISCRIMINATION
- RETALIATION
- SAFETY
- MISUSE OF SPONSORED FUNDS
- THEFT
- MISCONDUCT
- FRAUD
- WASTE
- ABUSE

(844) 300-1073
or fgcu.ethicspoint.com

24 HOURS A DAY / 365 DAYS A YEAR

For further information, contact FGCU’s
Chief Compliance and Ethics Officer at 239-590-1039.
EFFECTIVE PROGRAM

- Keep costs down
- Keep students safe
- Focus on educating students
- Be good stewards of sponsored program funds
- Avoid loss from noncompliance
- Prevent damage to reputation
- Avoid demands on executives’ time that come with compliance crises
<table>
<thead>
<tr>
<th>TRUSTEES</th>
<th>Yes/No</th>
<th>Yes/No</th>
<th>Yes/No</th>
<th>Yes/No</th>
<th>Yes/No</th>
<th>Yes/No</th>
<th>Yes/No</th>
<th>Yes/No</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Trustee Darleen Cors</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Trustee Richard Eide</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Trustee Joseph Fogg</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Trustee Mike McDonald</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>5. Trustee Leo Montgomery</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>6. Trustee Kevin Price</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>7. Trustee Russell Priddy</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>8. Trustee Robbie Roepstorff</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>9. Trustee Kenneth Smith</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>10. Trustee Stephen Smith</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>11. Trustee Christian Spilker</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>12. Trustee Jalisa White</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>13. Trustee Blake Gable</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
ITEM: 3

Florida Gulf Coast University Board of Trustees
June 5, 2018

SUBJECT: Minutes of May 1, 2018 Conference Call Meeting

PROPOSED BOARD ACTION

Approve minutes

BACKGROUND INFORMATION

The Florida Gulf Coast University Board of Trustees met by conference call on May 1, 2018. Minutes of the meeting were kept as statutorily required.

Supporting Documentation Included: Minutes of May 1, 2018 Conference Call Meeting

Prepared by: Transcription Experts, and Assistant Director of Board Operations Tiffany Jackson

Legal Review: N/A

Submitted by: Vice President and Chief of Staff Susan Evans
FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES
CONFERENCE CALL MEETING

Tuesday, May 1, 2018

CALL ORIGINATED FROM EDWARDS HALL, CONFERENCE ROOM #309
FLORIDA GULF COAST UNIVERSITY

Meeting Minutes

Members:
Present: Trustee Blake Gable (by phone) – Chair; Trustee Robbie Roepstorff (by phone) – Vice Chair; Trustee Darleen Cors (by phone); Trustee Richard Eide, Jr. (by phone); Trustee Joe Fogg III (by phone); Trustee Mike McDonald (in person); Trustee Kevin Price (by phone); Trustee Russell Priddy (by phone); Trustee Kenneth Smith (by phone); Trustee Stephen Smith (by phone); Trustee Christian Spilker (by phone) and Trustee Jalisa White (by phone).

Not Present: Trustee Leo Montgomery (Excused Absence).

Others:
Staff: President Mike Martin; Provost and Vice President for Academic Affairs James Llorens; Vice President for Administrative Services and Finance, and Executive Director of FGCU Financing Corporation Steve Magiera; Vice President for Student Affairs Mike Rollo; Vice President for University Advancement, and Executive Director of FGCU Foundation Chris Simoneau; Vice President and Chief of Staff Susan Evans; Vice President and General Counsel Vee Leonard; Vice President for Student Success and Enrollment Management Mitchell Cordova; Chief Compliance and Ethics Officer Stacey Chados; Director of Internal Audit Bill Foster; Director of Operations Tiffany Reynolds; Assistant Director of Board Operations Tiffany Jackson; Project Manager Melissa Pind; and Executive Assistant to the Vice President and Chief of Staff Bruna Ugolotti.

Item 1: Call to Order, Roll Call, and Opening Remarks
Chair Blake Gable called the meeting to order at 9 a.m. and said the meeting had been duly noticed and was originating from Edwards Hall Room 309 on the campus of Florida Gulf Coast University. He requested Vice President and Chief of Staff Susan Evans call the roll and state for the record which trustees and staff members were present. Roll call was taken with 12 of 13 members present, thus meeting quorum requirements.

Chair Gable stated there would be two action items. Also, he commented that after the Board’s meeting in April, he had asked President Martin and his staff to put together information to help answer some of the questions that were posed regarding the presentations given by Vice President for Student Success and Enrollment Management Mitch Cordova and the consultant, Dr. Pam Shockley-Zalabak. He said
Chair Gable called on Academic/Student/ Faculty Affairs Committee Chair Christian Spilker for the agenda items.

**Item 2: Academic/Student/Faculty Affairs Committee** (See Tabs #1-2)

Trustee Spilker introduced the two action items. He called on Provost and Vice President for Academic Affairs James Llorens to present the first item.

**FGCU 2018 Accountability Plan for Board of Governors (TAB #1)**

Provost Llorens stated the FGCU 2018 Accountability Plan was a requirement of the Board of Governors (BOG) and was required to be submitted by May 23, 2018. He said that the plan built upon the FGCU Strategic Plan and there were three initiatives in the proposal: (1) student success and enrollment management; (2) data analytics; and (3) the establishment of FGCU’s Honors College.

Provost Llorens said Student Success was at the core of the mission in the plan, as FGCU continued to become more proactive in encouraging and rewarding educational efficiency, especially in programs of strategic emphasis. He said there were about 40 programs of strategic emphasis in the areas of science, technology, engineering and mathematics (STEM) education; health professions; and gap analysis. He said the challenges to look at in these areas would be in the four- and six-year graduation rates. He said the high student attrition and transfer-out rate needed to be addressed. He said another challenge was shortage of teaching labs. He also said they were looking at flexible course scheduling. He said these Academic Affairs issues would be explored to determine how they could be improved and have an impact on the FGCU 2018 Accountability Plan.

Provost Llorens stated there would be communication with the FGCU Office of Planning and Institutional Performance to provide information to Student Success and Enrollment Management, and Academic Affairs regarding the impact of certain actions taken to increase performance. This would be done in an effort to increase the ranking to avoid the bottom three of the performance metrics.

Provost Llorens stated there were opportunities through the new initiative of the Vice President on Student Success and Enrollment Management, new Bachelors’ Programs that would come online in the next couple of years, greater use of data and analytics to guide advisors, greater emphasis on Honors College, and greater emphasis on graduation rates and academic progress.

Provost Llorens said he believed this Accountability Plan captured the needs of the institution. He said Academic Affairs would be working closely with Student Success and Enrollment Management to insure FGCU was moving in the right direction.
Trustee Spilker called for a motion to approve the Plan.

Trustee Russell Priddy made a motion to approve the FGCU 2018 Accountability Plan for the Board of Governors. Trustee Ken Smith seconded the motion. There was no public comment or Board discussion. The vote was 12-0 in favor of the motion.

FGCU Plan to Improve Undergraduate Four-Year Graduation Rate for Board of Governors (TAB #2)

Trustee Spilker asked Vice President for Student Success & Enrollment Management Mitchell Cordova to present this item.

Dr. Cordova explained the two documents which each member had received. He said the larger document was the University’s guiding plan to improve the four-year graduation rates as defined by Senate Bill 4: Florida Access to Higher Education Act of 2018, which spoke to the academic, curricular, financial and policy implications for ensuring timely graduation, persistence and retention. He said the second document was the Board of Governors template for FGCU to use for reporting its information. He said this was a streamlined version of the larger document.

Dr. Cordova asked for questions, and there were none.

Trustee Spilker called for a motion to approve the Plan.

Trustee K. Smith made a motion to approve the FGCU Plan to Improve Undergraduate 4-Year Graduation Rates for Board of Governors. Trustee Darlene Cors seconded the motion.

Trustee Spilker called for discussion.

Trustee Joe Fogg said there was some new, very important information in this plan, and he suggested there be a voluntary workshop for any trustee to learn and understand the details of the plan.

President Martin stated he was willing to put together this type of event particularly because this would be a focus of attention for the next few years and also would be part of FGCU’s next request for legislative funding. He said given that the trustees would need to weigh in on the substance and the politics of this issue, the leadership would be delighted to organize a workshop for trustees who would like to have greater conversation about the details in the Plan.

Trustee Robbie Roepstorff commented this was an excellent idea and that she would like to participate at the voluntary meeting to have a better understanding of the Plan for when it was time to talk to legislators.

President Martin said he would put together an agenda for the workshop and some choices of dates to see what could work.
Trustee Spilker stated that he wanted to commend Vice President for Student Success and Enrollment Management Mitch Cordova. Trustee Spilker said it was good to see specific items and goals in the Plan, and not just sweeping statements on how FGCU planned to address improving the graduation rate. He noted that it was well done, particularly given the limited amount of time given to pull together the Plan.

There was no further public comment or Board discussion. The vote was 12-0 in favor of the motion.

**Item 3: Old Business**
There was no old business for discussion.

**Item 4: New Business**
There was no new business for discussion.

**Item 5: Closing Remarks, and Meeting Adjournment**
Chair Gable stated he agreed with Trustee Fogg’s workshop idea, and suggested President Martin put forward some dates sometime before the next meeting. He said the next FGCU Board of Trustees meeting was Tuesday, June 5, 2018 at 8:30 a.m.

Chair Gable adjourned the meeting at 9:16 a.m.

Minutes prepared by Transcription Experts, and reviewed by Tiffany Jackson, FGCU Assistant Director of Board Operations.

**Agenda Items:**

A. See Tabs #1 – 2

**Attachment:**

A. Record of Votes
## Record of Votes

**FGCU Board of Trustees**  
**DATE:** 5/1/2018  

<table>
<thead>
<tr>
<th>TRUSTEES</th>
<th>Yes/No</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Trustee Darleen Cors</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2 Trustee Richard Eide</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>3 Trustee Joseph Fogg</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4 Trustee Mike McDonald</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>5 Trustee Leo Montgomery (excused absence)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Trustee Kevin Price</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>7 Trustee Russell Priddy</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>8 Trustee Robbie Roepstorff</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>9 Trustee Kenneth Smith</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>10 Trustee Stephen Smith</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>11 Trustee Christian Spilker</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>12 Trustee Jalisa White</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>13 Trustee Blake Gable</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
SUBJECT: Faculty Promotions

PROPOSED BOARD ACTION

For information only

BACKGROUND INFORMATION

Each year the Florida Gulf Coast University Board of Trustees is apprised of faculty members who have been recommended for promotion to the President. The University employs an evaluation process to screen candidates for faculty promotion and this process is similar to those of other accredited universities across the United States. Faculty from each of the five colleges and the library develop, and the President or designee approves, criteria for evaluating promotion candidates. These evaluation criteria incorporate the faculty assignment areas of instruction, scholarship, service, and advising as applicable. Each promotion candidate prepares a portfolio detailing both qualitatively and quantitatively his/her accomplishments in the areas specified in the criteria. The academic unit faculty peer review committee and academic administration review their own candidate’s documentation. The Provost reviews all candidates’ materials and promotion recommendations from the deans, immediate supervisors and peer review committees. The Provost makes a recommendation to the President for final approval. Promotions are conducted under the ratified FGCU-UFF Collective Bargaining agreement where promotion to associate professor is a salary increase of 9% and promotion to full professor is a salary increase of 12%. The salary increase for promotion of Level I Instructor to Level II Instructor and for Level I Advisor to Level II Advisor is 9% and promotion from Level II Instructor to Level III Instructor and Level II Advisor to Level III Advisor is 12%.

Supporting Documentation Included: See below

Legal Review by: N/A
Prepared by: Interim Provost and Vice President for Academic Affairs James L. Llorens

Submitted by: President Mike Martin and Interim Provost and Vice President for Academic Affairs James L. Llorens

The President and Provost of Florida Gulf Coast University inform the FGCU Board of Trustees of the following faculty and advisor promotions for the 2017-2018 promotion cycle.

TO PROFESSOR:

Margaret Banyan
College: College of Arts & Sciences
Program: Political Science and Public Administration
Education: Ph.D., Portland State University
Appointment to FGCU: 08/07/2003
Specialty: Public Administration and Policy

Peng Feng
College: College of Arts & Sciences
Program: Mathematics
Education: Ph.D., Michigan State University
Appointment to FGCU: 08/07/2005
Specialty: Applied Mathematics

Kimberly Jackson
College: College of Arts & Sciences
Program: Language and Literature
Education: Ph.D., The State University of NY at Buffalo
Appointment to FGCU: 08/07/2004
Specialty: Comparative Literature

James MacDonald
College: College of Arts & Sciences
Program: Marine and Ecological Sciences
Education: Ph.D., University at Albany/SUNY
Appointment to FGCU: 08/07/2007
Specialty: Geology
John Reilly  
**College:** College of Arts & Sciences  
**Program:** Chemistry and Physics  
**Education:** Ph.D., The Johns Hopkins University  
**Appointment to FGCU:** 08/07/2011  
**Specialty:** Chemical Engineering

William Sanders  
**College:** College of Arts & Sciences  
**Program:** Biological Sciences  
**Education:** Ph.D., University of California, Berkeley  
**Appointment to FGCU:** 08/07/2007  
**Specialty:** Botany

David Thomas  
**College:** College of Arts & Sciences  
**Program:** Justice Studies  
**Education:** Ph.D., Union Institute and University  
**Appointment to FGCU:** 08/07/2006  
**Specialty:** Forensic Psychology and Criminology

Robert Kenny  
**College:** College of Education  
**Program:** Educational Technology  
**Education:** Ph.D., University of Florida  
**Appointment to FGCU:** 08/07/2010  
**Specialty:** Curriculum and Instruction

George Alexakis  
**College:** Lutgert College of Business  
**Program:** Resort and Hospitality Management  
**Education:** Ed.D., Nova Southeastern University  
**Appointment to FGCU:** 01/05/2008  
**Specialty:** Higher Education, Hospitality Management

Gerald Schoenfeld  
**College:** Lutgert College of Business  
**Program:** Management  
**Education:** Ph.D., University of Pittsburgh  
**Appointment to FGCU:** 08/07/1997  
**Specialty:** Business Administration
Hulya Yazici  
College: Lutgert College of Business  
Program: Information Systems & Operations Management  
Education: Ph.D., University of Missouri  
Appointment to FGCU: 08/07/2005  
Specialty: Engineering Management

Lynn Jaffe  
College: Marieb College of Health & Human Services  
Program: Occupational Therapy  
Education: Sc.D., Boston University  
Appointment to FGCU: 08/07/2014  
Specialty: Therapeutic Studies

Eric Shamus  
College: Marieb College of Health & Human Services  
Program: Rehabilitation Sciences  
Education: DPT., Russell-Sage University & Ph.D., Lynn University  
Appointment to FGCU: 01/31/2011  
Specialty: Physical Therapy & Educational Leadership

Arie van Duijn  
College: Marieb College of Health & Human Services  
Program: Rehabilitation Sciences  
Education: Ed.D., University of Central Florida  
Appointment to FGCU: Adjunct – 08/15/2004; Faculty – 09/12/2005  
Specialty: Curriculum and Instruction

Tanya Kunberger  
College: U.A. Whitaker College of Engineering  
Program: Environmental and Civil Engineering  
Education: Ph.D., North Carolina State University  
Appointment to FGCU: 08/07/2007  
Specialty: Civil Engineering

TO: ASSOCIATE PROFESSOR

Zanna Beharry  
College: College of Arts & Sciences  
Program: Chemistry & Physics  
Education: Ph.D., University of Georgia  
Appointment to FGCU: 08/07/2012  
Specialty: Chemistry
**Gregory Boyce**  
**College:** College of Arts & Sciences  
**Program:** Chemistry & Physics  
**Education:** Ph.D., The University of North Carolina at Chapel Hill  
**Appointment to FGCU:** 08/07/2013  
**Specialty:** Chemistry

**Cara Brooks**  
**College:** College of Arts & Sciences  
**Program:** Mathematics  
**Education:** Ph.D., Michigan State University  
**Appointment to FGCU:** 08/07/2011  
**Specialty:** Mathematics

**Carolyn Culbertson**  
**College:** College of Arts & Sciences  
**Program:** Communication & Philosophy  
**Education:** Ph.D., University of Oregon  
**Appointment to FGCU:** 08/07/2013  
**Specialty:** Philosophy

**Christopher DiMattina**  
**College:** College of Arts & Sciences  
**Program:** Psychology  
**Education:** Ph.D., Johns Hopkins University  
**Appointment to FGCU:** 08/07/2013  
**Specialty:** Neuroscience

**James Douglas**  
**College:** College of Arts & Sciences  
**Program:** Marine and Ecological Sciences  
**Education:** Ph.D., The College of William and Mary  
**Appointment to FGCU:** 08/07/2012  
**Specialty:** Marine Science

**Katie Johnson**  
**College:** College of Arts & Sciences  
**Program:** Mathematics  
**Education:** Ph.D., University of Nebraska - Lincoln  
**Appointment to FGCU:** 08/07/2012  
**Specialty:** Mathematics

**Gregory McManus**  
**College:** College of Arts & Sciences  
**Program:** Chemistry & Physics
Joseph Ross  
College: College of Arts & Sciences  
Program: Political Science & Public Administration  
Education: Ph.D., The University of Arizona  
Appointment to FGCU: 08/07/2012  
Specialty: Political Science

Masami Sugimori  
College: College of Arts & Sciences  
Program: Language & Literature  
Education: Ph.D., University of Kansas  
Appointment to FGCU: 08/07/2012  
Specialty: English

Serge Thomas  
College: College of Arts & Sciences  
Program: Marine & Ecological Sciences  
Education: Ph.D., University Paris VI, France  
Appointment to FGCU: 01/02/2008  
Specialty: Biological Oceanology and Environment

Jing Shun Zhang  
College: College of Education  
Program: Leadership & Technology  
Education: Ph.D., University of Toronto  
Appointment to FGCU: 08/07/2013  
Specialty: Program Evaluation and Measurement

Bryan Schaffer  
College: Lutgert College of Business  
Program: Management  
Education: Ph.D., University of Georgia  
Appointment to FGCU: Adjunct – 05/11/2014; Faculty – 08/07/2014  
Specialty: Business Administration

Shawn Felton  
College: Marieb College of Health & Human Services  
Program: Rehabilitation Sciences  
Education: Ed.D., University of Florida  
Appointment to FGCU: Adjunct – 05/27/2005; Faculty – 09/06/2005  
Specialty: Higher Education Administration
Nairruti Jani  
College: Marieb College of Health & Human Services  
Program: Social Work  
Education: Ph.D., The University of Texas at Arlington  
Appointment to FGCU: 08/07/2009  
Specialty: Social Work

Fernando Gonzalez  
College: U.A. Whitaker College of Engineering  
Program: Software Engineering  
Education: Ph.D., University of Illinois at Urbana-Champaign  
Appointment to FGCU: 08/07/2013  
Specialty: Electrical Engineering

Derek Lura  
College: U.A. Whitaker College of Engineering  
Program: Bioengineering  
Education: Ph.D., University of South Florida  
Appointment to FGCU: 08/07/2013  
Specialty: Mechanical Engineering

TO: INSTRUCTOR II

Nick Bianco  
College: College of Arts & Sciences  
Program: Mathematics  
Education: M.S., Florida Gulf Coast University  
Appointment to FGCU: Student – 06/16/2008; Faculty – 08/07/2011  
Specialty: Applied Mathematics

Jennifer Macbeth  
College: College of Arts & Sciences  
Program: Integrated Studies  
Education: M.S., Bucknell University  
Appointment to FGCU: 08/07/2012  
Specialty: Biology

Patrick Niner  
College: College of Arts & Sciences  
Program: Language and Literature  
Education: M.A., University of Cincinnati  
Appointment to FGCU: Adjunct – 08/22/2011; Faculty – 08/07/2012  
Specialty: English and Comparative Literature
Amanda Parke
College: College of Arts & Sciences
Program: Communication & Philosophy
Education: M.A., Marist College
Appointment to FGCU: Adjunct – 08/23/2010; Faculty – 08/07/2011
Specialty: Communication

Tatiana Schuss
College: College of Arts & Sciences
Program: Language and Literature
Education: M.A., The University of Southern Mississippi
Appointment to FGCU: 08/07/2012
Specialty: Teaching of Language (French) MATL

Angel Taylor
College: College of Arts & Sciences
Program: Language and Literature
Education: M.A., Florida Gulf Coast University
Appointment to FGCU: OPS – 08/26/2008; Faculty – 08/07/2012
Specialty: English

Carol Sweeney
College: Lutgert College of Business
Program: Economics and Finance
Education: Masters Degree, University College Dublin
Appointment to FGCU: 07/31/2002
Specialty: Development Studies

To: INSTRUCTOR III

Sheila Bolduc-Simpson
College: College of Arts & Sciences
Program: Language and Literature
Education: M.S., M.A., – FL State University and FL Gulf Coast University
Appointment to FGCU: Adjunct – 08/15/2004; Faculty – 08/07/2007
Specialty: Multilingual/Cultural Education and English

Sandra Maldonado
College: College of Arts & Sciences
Program: Mathematics
Education: M.S., Bowie State University
Appointment to FGCU: 08/07/2006
Specialty: Applied and Computational Math
Emily Woolf Vallier  
**College:** College of Arts & Sciences  
**Program:** Language and Literature  
**Education:** M.A., M.A., - University of Massachusetts Boston  
**Appointment to FGCU:** 08/07/2008  
**Specialty:** English and Applied Linguistics

Barbara Hess  
**College:** Marieb College of Health & Human Services  
**Program:** Rehabilitation Services  
**Education:** M.A.,The University of North Carolina at Chapel Hill  
**Appointment to FGCU:** Adjunct – 09/19/2003; Faculty – 08/07/2005  
**Specialty:** Exercise Physiology and Physical Education

**TO: ADVISOR II**

Patti Kirk  
**College:** College of Arts & Sciences  
**Program:** CAS Advising  
**Education:** M.A., Slippery Rock University of Pennsylvania  
**Appointment to FGCU:** A&P – 09/06/2011; Faculty – 12/02/2013  
**Specialty:** Counseling and Educational Psychology

Locksley Knibbs  
**College:** College of Arts & Sciences  
**Program:** CAS Advising  
**Education:** M.Ed., Upper Iowa University  
**Appointment to FGCU:** SP – 09/11/2006; Faculty – 11/25/2013  
**Specialty:** Higher Education Administration

(END)
PROPOSED BOARD ACTION

On recommendation by the Audit and Compliance Committee, accept the Florida Gulf Coast University Audited Financial Statements for the Fiscal Year Ended June 30, 2017.

BACKGROUND INFORMATION

FGCU’s Audited Financial Statements for the Fiscal Year ended June 30, 2017 are attached. The Financial Statement Audit is performed by the Auditor General every year in accordance with Section 11.45 Florida Statutes.

Supporting Documentation Included: (1) Summary Memo, and (2) Florida Gulf Coast University Financial Audit for Fiscal Year Ended June 30, 2017

Prepared by: Auditor General Sherrill F. Norman, CPA

Legal Review by: N/A

Submitted by: Audit and Compliance Committee Chair Joseph Fogg III
TO: FGCU Board of Trustees  
FROM: William Foster, Director of Internal Audit  
SUBJECT: Annual Audit, Florida Gulf Coast University Financial Statements  
DATE: June 5, 2018

Below is a summary of the key points in the Financial Audit of Florida Gulf Coast University for the fiscal year ended June 30, 2017.

**Page 2 – Opinions** – The auditors have determined the financial statements present the financial position of the University fairly. This is known as a clean opinion and is what the Finance and Accounting area strives for each year.

**Pages 4 through 15 - Management’s Discussion and Analysis** – This is the section where Management describes in reader friendly terms what occurred in the last fiscal year. This section points out major transactions, and presents comparative figures from the prior year.

**Page 16 and 17 – Statement of Net Position** – Years ago, this statement was known as the Balance Sheet. The first column is titled University and contains figures for the University and the Financing Corporation. The second column is titled Component Unit and represents the Foundation’s information. At year end, there were total assets of $647 million and $127 million, total liabilities of $306 million and $3 million, with net position (residual equity) of $368 million and $124 million.

**Page 18 – Statement of Revenues, Expenses and Changes in Net Position** – This statement was formerly known as an Income Statement. For the year, we had $120 million and $14 million in operating revenue, $225 million and $17 million operating expenses, net non-operating revenue $97 million and $9 million.

**Pages 20 and 21– Statement of Cash Flows** – This statement shows the effects to cash from the financial transactions. The net effect is a $34,000 decrease in cash and cash equivalents for the year.

**Pages 22 through 52 - Notes to the Financial Statements** – There is a significant amount of information to explain the various line items in the financial statements. Compared to Management’s Discussion and Analysis, these notes are not necessarily as reader friendly.

**Pages 53 through 55 – Supplementary Information** – This is the information the State of Florida has used to determine our Pension and Health Insurance Subsidy liabilities.

**Pages 56 and 57 – Auditor’s Report on Internal Control and Compliance**– This report on internal control relates financial reporting and compliance with Government Auditing Standards. There were no deficiencies in internal controls noted.
FLORIDA GULF COAST UNIVERSITY

For the Fiscal Year Ended
June 30, 2017
Board of Trustees and President

During the 2016-17 fiscal year, Dr. Wilson G. Bradshaw served as President of Florida Gulf Coast University and the following individuals served as Members of the Board of Trustees:

- J. Dudley Goodlette, Chair
- Dr. Ken Smith, Vice Chair from 4-4-17 through 4-3-17
- Dr. Shawn Felton\textsuperscript{a}, Vice Chair
- Darleen Cors
- Theldens Elneus through 3-31-17\textsuperscript{b}
- Joseph Fogg
- Blake Gable
- Johnny Montgomery
- Kevin Price
- Russell Priddy
- Robbie Roepstorff
- Christian Spilker
- Jalisa White from 4-1-17

\textsuperscript{a} Faculty Senate Chair.

\textsuperscript{b} Student Body President.

Note: One member position was vacant during the period.

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida’s citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Christopher K. Belt, CPA, and the supervisor was Deirdre F. Waigand, CPA.

Please address inquiries regarding this report to Jaime Hoelscher, CPA, Audit Manager, by e-mail at jaimehoelscher@aud.state.fl.us or by telephone at (850) 412-2868.

This report and other reports prepared by the Auditor General are available at:

FLAuditor.gov

Printed copies of our reports may be requested by contacting us at:

State of Florida Auditor General
Claude Pepper Building, Suite G74 • 111 West Madison Street • Tallahassee, FL 32399-1450 • (850) 412-2722
## FLORIDA GULF COAST UNIVERSITY
### TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUMMARY</td>
<td>i</td>
</tr>
<tr>
<td>INDEPENDENT AUDITOR’S REPORT</td>
<td>1</td>
</tr>
<tr>
<td>Report on the Financial Statements</td>
<td>1</td>
</tr>
<tr>
<td>Other Reporting Required by <em>Government Auditing Standards</em></td>
<td>3</td>
</tr>
<tr>
<td>MANAGEMENT’S DISCUSSION AND ANALYSIS</td>
<td>4</td>
</tr>
<tr>
<td>BASIC FINANCIAL STATEMENTS</td>
<td></td>
</tr>
<tr>
<td>Statement of Net Position</td>
<td>16</td>
</tr>
<tr>
<td>Statement of Revenues, Expenses, and Changes in Net Position</td>
<td>18</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>20</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>22</td>
</tr>
<tr>
<td>OTHER REQUIRED SUPPLEMENTARY INFORMATION</td>
<td></td>
</tr>
<tr>
<td>Schedule of Funding Progress – Other Postemployment Benefits Plan</td>
<td>53</td>
</tr>
<tr>
<td>Schedule of the University’s Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan</td>
<td>53</td>
</tr>
<tr>
<td>Schedule of University Contributions – Florida Retirement System Pension Plan</td>
<td>53</td>
</tr>
<tr>
<td>Schedule of the University’s Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan</td>
<td>54</td>
</tr>
<tr>
<td>Schedule of University Contributions – Health Insurance Subsidy Pension Plan</td>
<td>54</td>
</tr>
<tr>
<td>Notes to Required Supplementary Information</td>
<td>55</td>
</tr>
<tr>
<td>INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <em>GOVERNMENT AUDITING STANDARDS</em></td>
<td>56</td>
</tr>
<tr>
<td>Internal Control Over Financial Reporting</td>
<td>56</td>
</tr>
<tr>
<td>Compliance and Other Matters</td>
<td>57</td>
</tr>
<tr>
<td>Purpose of this Report</td>
<td>57</td>
</tr>
</tbody>
</table>
SUMMARY

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of Florida Gulf Coast University (a component unit of the State of Florida) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards issued by the Comptroller General of the United States.

AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to determine whether Florida Gulf Coast University and its officers with administrative and stewardship responsibilities for University operations had:

- Presented the University's basic financial statements in accordance with generally accepted accounting principles;
- Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements; and
- Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements.

The scope of this audit included an examination of the University's basic financial statements as of and for the fiscal year ended June 30, 2017. We obtained an understanding of the University's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements. We also examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

An examination of Federal awards administered by the University is included within the scope of our Statewide audit of Federal awards administered by the State of Florida.

AUDIT METHODOLOGY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and applicable standards contained in Government Auditing Standards, issued by the Comptroller General of the United States.
INDEPENDENT AUDITOR’S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Florida Gulf Coast University, a component unit of the State of Florida, and its discretely presented component unit as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the University’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the blended and discretely presented component units. The financial statements of the Florida Gulf Coast University Financing Corporation, a blended component unit, represent 5.3 percent, 66.5 percent, 6.8 percent, and 7.8 percent, respectively, of the assets, liabilities, net position, and revenues, reported for Florida Gulf Coast University. The financial statements of the discretely presented component unit represent 100 percent of the transactions and account balances of the discretely presented component unit’s columns. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the blended and discretely presented component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require...
that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Florida Gulf Coast University and of its discretely presented component unit as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that MANAGEMENT’S DISCUSSION AND ANALYSIS, the Schedule of Funding Progress – Other Postemployment Benefits Plan, Schedule of the University’s Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan, Schedule of University Contributions – Florida Retirement System Pension Plan, Schedule of the University’s Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan, Schedule of University Contributions – Health Insurance Subsidy Pension Plan, and Notes to Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.
Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated March 9, 2018, on our consideration of the Florida Gulf Coast University’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Florida Gulf Coast University’s internal control over financial reporting and compliance.

Respectfully submitted,

Sherrill F. Norman, CPA
Tallahassee, Florida
March 9, 2018
MANAGEMENT’S DISCUSSION AND ANALYSIS

Management’s discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2017, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2017, and June 30, 2016.

FINANCIAL HIGHLIGHTS

The University’s assets totaled $647.3 million at June 30, 2017. This balance reflects a $5.2 million, or 0.8 percent, increase as compared to the 2015-16 fiscal year, resulting from increases in State noncapital appropriations and income related to an increase in student enrollment. The slight increase in assets was accompanied with an increase in liabilities of $16 million, or 5.5 percent, totaling $305.7 million at June 30, 2017, compared to $289.7 at June 30, 2016. Deferred outflows of resources increased by $12.1 million and deferred inflows of resources decreased by $4.2 million, as compared to the 2015-16 fiscal year. As a result, the University’s overall net position increased by $5.5 million, resulting in a year-end balance of $367.9 million.

The University’s revenues totaled $239.2 million for the 2016-17 fiscal year, representing a 5.2 percent increase compared to the 2015-16 fiscal year due mainly to increases in State noncapital appropriations, student tuition and fees, State capital appropriations, and sales and services of auxiliary enterprises. Operating expenses totaled $225.2 million for the 2016-17 fiscal year, representing an increase of 7.2 percent as compared to the 2015-16 fiscal year due mainly to increases in compensation and employee benefits, scholarships, fellowships, and waivers, and depreciation.

Net position represents the residual interest in the University’s assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University had a deficit in the unrestricted net position of $9.6 million and its blended component unit had an unrestricted net position of $11.4 million dollars, as a result the University reported a combined unrestricted net position of $1.8 million. The continued deficit in the University’s unrestricted net position was the result of recording long-term liabilities within the annually funded operational fund as required by Government Accounting Standards. The following table detailing the components of the University’s ending net position demonstrates that the University’s negative unrestricted net position was caused by long-term liabilities that will be paid over time and financed by future appropriations.
**Unrestricted Net Position**

**(In Thousands)**

<table>
<thead>
<tr>
<th>Amount to be Financed in the Future</th>
<th>Amount (In Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated Absences Liability</td>
<td>$11,587</td>
</tr>
<tr>
<td>Other Postemployment Benefits Liability</td>
<td>29,592</td>
</tr>
<tr>
<td>FRS Net Pension Liability</td>
<td>34,906</td>
</tr>
<tr>
<td>HIS Net Pension Liability</td>
<td>15,339</td>
</tr>
<tr>
<td>Deferred Outflows of Resources</td>
<td>(26,670)</td>
</tr>
<tr>
<td>Deferred Inflows of Resources</td>
<td>360</td>
</tr>
<tr>
<td><strong>Less, Total Amount to be Financed in the Future</strong></td>
<td><strong>65,114</strong></td>
</tr>
<tr>
<td><strong>University's Unrestricted Net Position</strong></td>
<td><strong>(9,572)</strong></td>
</tr>
<tr>
<td><strong>Blended Component Unit's Unrestricted Net Position</strong></td>
<td><strong>11,392</strong></td>
</tr>
<tr>
<td><strong>Total Ending Unrestricted Net Position</strong></td>
<td><strong>$1,820</strong></td>
</tr>
</tbody>
</table>

The University's comparative total net position by category for the fiscal years ended June 30, 2017, and June 30, 2016, is shown in the following graph:

![Net Position Graph](image)

The following chart provides a graphical presentation of University revenues by category for the 2016-17 fiscal year:
OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to GASB Statement No. 35, the University’s financial report consists of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The financial statements, and notes thereto, encompass the University and its component units. Based on the application of the criteria for determining component units, the Florida Gulf Coast University Financing Corporation (Corporation) is included within the University reporting entity as a blended component unit, and the Florida Gulf Coast University Foundation, Inc. (Foundation), is included within the University reporting entity as a discretely presented component unit.

This MD&A focuses on the University, excluding the discretely presented component unit. MD&A information regarding the Corporation and Foundation component units can be found in their separately issued audit reports. Information regarding these component units, including summaries of the blended component unit’s separately issued financial statements, is presented in the notes to financial statements.

The Statement of Net Position

The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University, using the accrual basis of accounting, and presents the financial position of the University at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, which is one indicator of the University’s current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the University’s financial condition.

The following summarizes the University’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30:
### Condensed Statement of Net Position at June 30  
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td>$100,122</td>
<td>$91,577</td>
</tr>
<tr>
<td>Capital Assets, Net</td>
<td>531,800</td>
<td>538,548</td>
</tr>
<tr>
<td>Other Noncurrent Assets</td>
<td>15,328</td>
<td>11,899</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>647,250</td>
<td>642,024</td>
</tr>
<tr>
<td><strong>Deferred Outflows of Resources</strong></td>
<td>26,670</td>
<td>14,613</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>22,602</td>
<td>26,455</td>
</tr>
<tr>
<td>Noncurrent Liabilities</td>
<td>283,092</td>
<td>263,252</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>305,694</td>
<td>289,707</td>
</tr>
<tr>
<td><strong>Deferred Inflows of Resources</strong></td>
<td>360</td>
<td>4,576</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment in Capital Assets</td>
<td>332,643</td>
<td>328,734</td>
</tr>
<tr>
<td>Restricted</td>
<td>33,403</td>
<td>24,679</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,820</td>
<td>8,941</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td><strong>$367,866</strong></td>
<td><strong>$362,354</strong></td>
</tr>
</tbody>
</table>

The University's financial position, as a whole, increased during the fiscal year ended June 30, 2017, with an increase of net position in the amount of $5.5 million, or 1.5 percent, from the 2015-16 fiscal year primarily due to the increases in total assets, deferred outflows, and liabilities, and the decrease in deferred inflows of resources. The decrease in unrestricted net position of $7.1 million, or 79.6 percent was offset by increases in restricted net position of $8.7 million, or 35.3 percent, and net investment in capital assets of $3.9 million, or 1.2 percent. The University continues to experience sound overall financial condition and health.

Total assets increased $5.2 million, or 0.8 percent, mainly in current assets and other noncurrent assets, and was offset by a decrease in net capital assets. The decrease in net capital assets was primarily from the sale of the Naples land which was accompanied by the corresponding decrease in liabilities due to settlement of the loan. Invested funds grew as a result of increased State noncapital appropriations. Funds due from State increased $5.5 million, or 53.3 percent, for State capital appropriations for Academic Building 9, South Village Recreation Center, South Access Road, and Transmission Tower Replacement projects. Deferred outflows of resources associated with net pension resources increased by $12.1 million, or 82.5 percent as compared to 2015-16 fiscal year.

Total liabilities increased $16 million, or 5.5 percent. The noncurrent liabilities for pension and for other postemployment benefits increased while bonds payable slightly decreased as a result of principal payments, and loans payable decreased following the sale of the Naples land and subsequent settlement of debt. Deferred inflows of resources associated with net pension resources decreased by $4.2 million, or 92.1 percent as compared to 2015-16 fiscal year. Restricted net position includes $8.1 million in the

**The Statement of Revenues, Expenses, and Changes in Net Position**

The statement of revenues, expenses, and changes in net position presents the University’s revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the University’s activity for the 2016-17 and 2015-16 fiscal years:

<table>
<thead>
<tr>
<th>Condensed Statement of Revenues, Expenses, and Changes in Net Position</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$120,296</td>
<td>$116,252</td>
</tr>
<tr>
<td>Less, Operating Expenses</td>
<td>225,224</td>
<td>210,112</td>
</tr>
<tr>
<td>Operating Loss</td>
<td>(104,928)</td>
<td>(93,860)</td>
</tr>
<tr>
<td>Net Nonoperating Revenues</td>
<td>97,450</td>
<td>96,756</td>
</tr>
<tr>
<td>Income (Loss) Before Other Revenues</td>
<td>(7,478)</td>
<td>2,896</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>12,990</td>
<td>6,275</td>
</tr>
<tr>
<td>Net Increase In Net Position</td>
<td>5,512</td>
<td>9,171</td>
</tr>
<tr>
<td>Net Position, Beginning of Year</td>
<td>362,354</td>
<td>353,183</td>
</tr>
<tr>
<td>Net Position, End of Year</td>
<td>$367,866</td>
<td>$362,354</td>
</tr>
</tbody>
</table>

**Operating Revenues**

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value. Operating revenues generally consist of student tuition and fees, grants and contracts, and auxiliary service revenues from students and others to provide them with instruction and other goods and services.

The following summarizes the operating revenues by source that were used to fund operating activities for the 2016-17 and 2015-16 fiscal years:
Operating Revenues
For the Fiscal Years
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Tuition and Fees, Net</td>
<td>$ 69,311</td>
<td>$ 64,922</td>
</tr>
<tr>
<td>Federal Grants and Contracts</td>
<td>4,143</td>
<td>5,259</td>
</tr>
<tr>
<td>State and Local Grants and Contracts</td>
<td>2,121</td>
<td>1,896</td>
</tr>
<tr>
<td>Nongovernmental Grants and Contracts</td>
<td>4,332</td>
<td>4,909</td>
</tr>
<tr>
<td>Sales and Services of Auxiliary Enterprises</td>
<td>39,796</td>
<td>38,634</td>
</tr>
<tr>
<td>Other</td>
<td>593</td>
<td>632</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>$120,296</strong></td>
<td><strong>$116,252</strong></td>
</tr>
</tbody>
</table>

The following chart presents the University’s operating revenues for the 2016-17 and 2015-16 fiscal years:

![Operating Revenues Chart]

University operating revenue changes were the result of the following factors:

- Total operating revenues for the 2016-17 fiscal year were $120.3 million, of which $69.3 million were from net student tuition and fees. A tuition allowance, which represents the difference between the stated charges for goods and services provided by the University and the amount that is actually paid by a student or third party making payment on behalf of a student, totaled $29.4 million. The reduction of gross fees of $98.7 million resulted in net student tuition and fees of $69.3 million, which represents an increase of $4.4 million, or 6.8 percent, over the 2015-16 fiscal year. Increased student enrollment is the main reason for the revenue increase.

- Sales and services of auxiliary enterprises reflect a $1.2 million, or 3 percent, increase over the 2015-16 fiscal year primarily due to the slight growth of student enrollment on health and parking fees.

- Federal and nongovernmental grants and contracts decreased by $1.7 million because of the timing, number, and size of grants received through the Office of Research and Graduate Studies.
**Operating Expenses**

Expenses are categorized as operating or nonoperating. The majority of the University's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The University has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position and has displayed the functional classification in the notes to financial statements.

The following summarizes operating expenses by natural classification for the 2016-17 and 2015-16 fiscal years:

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation and Employee Benefits</td>
<td>$141,590</td>
<td>$129,506</td>
</tr>
<tr>
<td>Services and Supplies</td>
<td>43,116</td>
<td>42,721</td>
</tr>
<tr>
<td>Utilities and Communications</td>
<td>6,215</td>
<td>6,022</td>
</tr>
<tr>
<td>Scholarships, Fellowships, and Waivers</td>
<td>18,026</td>
<td>16,577</td>
</tr>
<tr>
<td>Depreciation</td>
<td>16,277</td>
<td>15,286</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$225,224</td>
<td>$210,112</td>
</tr>
</tbody>
</table>

The following chart presents the University's operating expenses for the 2016-17 and 2015-16 fiscal years:

Total operating expenses for the 2016-17 fiscal year were $225.2 million, an increase of $15.1 million, or 7.2 percent, over the 2015-16 fiscal year. Compensation and employee benefits increased $12.1 million,
or 9.3 percent, from increases in the number of faculty and staff, a salary increase of 1 percent in July 2016, and a one-time bonus of $1,000. Services and supplies slightly increased by $0.4 million, or 0.9 percent, which was primarily associated with the growth of student population.

**Nonoperating Revenues and Expenses**

Certain revenue sources that the University relies on to provide funding for operations, including State noncapital appropriations, Federal and State student financial aid, and investment income are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets. The following summarizes the University’s nonoperating revenues and expenses for the 2016-17 and 2015-16 fiscal years:

**Nonoperating Revenues (Expenses)**

**For the Fiscal Years**

<table>
<thead>
<tr>
<th>(In Thousands)</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Noncapital Appropriations</td>
<td>$76,438</td>
<td>$72,541</td>
</tr>
<tr>
<td>Federal and State Student Financial Aid</td>
<td>24,563</td>
<td>26,133</td>
</tr>
<tr>
<td>Investment Income (Loss)</td>
<td>(484)</td>
<td>2,384</td>
</tr>
<tr>
<td>Other Nonoperating Revenues</td>
<td>5,384</td>
<td>3,880</td>
</tr>
<tr>
<td>Interest on Capital Asset-Related Debt</td>
<td>(8,338)</td>
<td>(7,439)</td>
</tr>
<tr>
<td>Loss on Disposal of Capital Assets</td>
<td>(56)</td>
<td>(33)</td>
</tr>
<tr>
<td>Other Nonoperating Expenses</td>
<td>(57)</td>
<td>(710)</td>
</tr>
<tr>
<td><strong>Net Nonoperating Revenues</strong></td>
<td>$97,450</td>
<td>$96,756</td>
</tr>
</tbody>
</table>

The increase of $0.7 million, or 0.7 percent in net nonoperating revenues is primarily due to the increase in State noncapital appropriations offset by decreases in other nonoperating revenues. State noncapital appropriations increased $3.9 million, or 5.4 percent, mainly from a net increase in special local initiatives of $3.1 million funded by the legislature to support programs designed to enhance student success. Federal and State student financial aid decreased by $1.6 million, or 6 percent, due to the continuing decrease in Florida Bright Futures awards as a result of the program’s increased eligibility requirements for scholarships. A fair market value adjustment for unrealized loss on the University’s investments caused a net investment loss of $0.5 million, or 120.3 percent decrease as compared to the 2015-16 fiscal year.

**Other Revenues**

This category is composed of State capital appropriations and capital grants, contracts, donations, and fees. The following summarizes the University’s other revenues for the 2016-17 and 2015-16 fiscal years:
Other Revenues
For the Fiscal Years
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Capital Appropriations</td>
<td>$7,946</td>
<td>$5,776</td>
</tr>
<tr>
<td>Capital Grants, Contracts, Donations, and Fees</td>
<td>5,044</td>
<td>499</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$12,990</strong></td>
<td><strong>$6,275</strong></td>
</tr>
</tbody>
</table>

State capital appropriations increased $2.2 million, or 37.6 percent, as compared to the 2015-16 fiscal year, primarily due to funding of the Academic Building 9 project and the Transmission Tower Replacement project. State contributions (appropriations) for capital projects, depending upon the various stages of planning and completion, will fluctuate from year to year.

The Statement of Cash Flows

The statement of cash flows provides information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the University's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the University. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes cash flows for the 2016-17 and 2015-16 fiscal years:

Condensed Statement of Cash Flows
For the Fiscal Years
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Provided (Used) by:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Activities</td>
<td>($78,155)</td>
<td>($67,939)</td>
</tr>
<tr>
<td>Noncapital Financing Activities</td>
<td>106,234</td>
<td>102,686</td>
</tr>
<tr>
<td>Capital and Related Financing Activities</td>
<td>(20,837)</td>
<td>(30,655)</td>
</tr>
<tr>
<td>Investing Activities</td>
<td>(7,276)</td>
<td>(4,163)</td>
</tr>
<tr>
<td><strong>Net Decrease in Cash and Cash Equivalents</strong></td>
<td>(34)</td>
<td>(71)</td>
</tr>
<tr>
<td>Cash and Cash Equivalents, Beginning of Year</td>
<td>530</td>
<td>601</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, End of Year</strong></td>
<td><strong>$496</strong></td>
<td><strong>$530</strong></td>
</tr>
</tbody>
</table>

Major sources of funds included in operating activities are net student tuition and fees of $69.9 million, Federal, State and local grants and contracts of $10.5 million, and sales and services of auxiliary enterprises of $39.2 million. Major uses of funds were payments made to and on behalf of employees totaling $130.9 million, payments to suppliers totaling $49.6 million, and payments to and on behalf of students for scholarships and fellowships totaling $18 million. The increase in cash used by operating
activities as compared to the 2015-16 fiscal year was due primarily to an increase in cash used for payments to employees offset by an increase in cash provided by net student tuition and fees.

The largest source of inflow of cash from noncapital financing activities was State noncapital appropriations in the amount of $76.4 million. Also included in noncapital financing revenues was Federal and State student financial aid of $24.6 million and $48.7 million of Federal direct loan program receipts. The major use of funds was Federal direct loan program disbursements of $48.8 million.

Net cash used by capital and related financing activities was $20.8 million. The main source of cash was provided by State capital appropriations of $2.5 million. Cash used was primarily due from $11.4 million for the purchase or construction of capital assets, and $14 million in principal and interest payments on asset related debt.

Cash used by investing activities was $7.3 million from the net purchases of investments.

### Capital Assets

At June 30, 2017, the University had $685.4 million in capital assets, less accumulated depreciation of $153.6 million, for net capital assets of $531.8 million. Depreciation charges for the current fiscal year totaled $16.3 million. The following table summarizes the University’s capital assets, net of accumulated depreciation, at June 30:

<table>
<thead>
<tr>
<th>Capital Assets, Net at June 30</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$51,647</td>
<td>$56,647</td>
</tr>
<tr>
<td>Buildings</td>
<td>427,171</td>
<td>432,598</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>6,092</td>
<td>3,090</td>
</tr>
<tr>
<td>Infrastructure and Other Improvements</td>
<td>22,448</td>
<td>21,567</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>19,873</td>
<td>20,388</td>
</tr>
<tr>
<td>Library Resources</td>
<td>2,045</td>
<td>1,946</td>
</tr>
<tr>
<td>Property Under Capital Lease</td>
<td>14</td>
<td>-</td>
</tr>
<tr>
<td>Works of Art and Historical Treasures</td>
<td>2,309</td>
<td>2,280</td>
</tr>
<tr>
<td>Computer Software and Other Capital Assets</td>
<td>201</td>
<td>32</td>
</tr>
<tr>
<td><strong>Capital Assets, Net</strong></td>
<td>$531,800</td>
<td>$538,548</td>
</tr>
</tbody>
</table>

Additional information about the University’s capital assets is presented in the notes to the financial statements.

### Capital Expenses and Commitments

Major capital expenses through June 30, 2017, were incurred on the following projects: South Village Recreation Center, South Access Road, and the North Lake Village Dining Facility and Site Improvements. The University’s construction commitments at June 30, 2017, are as follows:
Additional information about the University’s construction commitments is presented in the notes to financial statements.

**Debt Administration**

As of June 30, 2017, the University had $199.2 million in outstanding bonds payable, loans payable, and capital leases payable representing a decrease of $10.7 million, or 5.1 percent, from the prior fiscal year resulting from principal payments. The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30:

<table>
<thead>
<tr>
<th>Long-Term Debt at June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In Thousands)</td>
</tr>
<tr>
<td>2017</td>
</tr>
<tr>
<td>Bonds Payable</td>
</tr>
<tr>
<td>188,647</td>
</tr>
<tr>
<td>Loans Payable</td>
</tr>
<tr>
<td>10,500</td>
</tr>
<tr>
<td>Capital Leases Payable</td>
</tr>
<tr>
<td>10</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>199,157</td>
</tr>
</tbody>
</table>

Additional information about the University’s long-term debt is presented in the notes to financial statements.

**ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

The University is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on its financial position or operations during the 2017-18 fiscal year. The University’s financial outlook for the future continues to be positive. The level of State support, and student tuition and fee increases impact the University’s ability to expand programs, undertake new initiatives, and meet its core mission and ongoing operational needs. The level of State support is one of the key factors influencing the University’s activities. Because of the University’s ranking in the State’s performance metrics, a decrease in State funding is anticipated in the 2017-18 fiscal year. While student enrollment increases, student tuition and fees will remain at the same level in the 2017-18 fiscal year, and resources will continue to be managed through expenditure analyses and efficiencies.

The budget that the Florida Legislature adopted for the 2017-18 fiscal year provided $72.1 million for the University’s State noncapital appropriations, or a decrease of 5.5 percent from the 2016-17 fiscal year. The net reduction in State noncapital appropriations of $3.5 million were mainly from cuts of $8 million in Performance-Based Funding and $1 million in Academic Attainment. These reductions were offset by new State funding of $5.5 million specifically for Talent Gaps programs, World Class Faculty, and Graduate Programs. In addition, the University has set aside $1 million for its Honors College initiative.
In order to cover the overall reduction of $10 million in funding for general purposes, the University has budgeted expense reductions of $4 million, and will be utilizing Carryforward reserve funds of $6 million.

Another significant factor in the University’s economic position relates to its ability to recruit and retain high quality students. The Fall 2017 enrollment of 15,035 students increased 1.4 percent over the final Fall 2016 enrollment of 14,821 students. First time-in-college freshman admission of 2,666 students increased slightly from the final enrollment of 2,551 students in the 2016-17 fiscal year. Efforts to improve retention, such as an aggressive marketing plan to recruit qualified students, enhanced intervention to assist academic success, and the Soar in 4 financial incentive program launched in Summer 2015 will help ensure total enrollment continues in a positive trend. In the 2017-18 fiscal year, the University expects an increase in revenue from student tuition and fees due to increased enrollment.

The State has approved and appropriated funds in the amount of $17.1 million to the University’s capital budget for the 2017-18 fiscal year. Public Education Capital Outlay appropriations for the 2017-18 fiscal year are for capital improvement projects in the amount of $12.7 million for Academic Building 9, $1.8 million for replacement of the Transmission Tower, and repairs and maintenance in the amount of $0.6 million. The Capital Improvement Fee appropriation of $2 million for the 2017-18 fiscal year is for continued funding of the student recreation center.

**REQUESTS FOR INFORMATION**

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to Mr. Steve Magiera, CPA, Vice President of Administration and Finance, Florida Gulf Coast University, 10501 FGCU Boulevard South, Fort Myers, Florida 33965.
### Statement of Net Position

**June 30, 2017**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>University</th>
<th>Component Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$60,975</td>
<td>$22,121,851</td>
</tr>
<tr>
<td>Investments</td>
<td>81,316,687</td>
<td>-</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>3,022,278</td>
<td>1,152,092</td>
</tr>
<tr>
<td>Loans Receivable, Net</td>
<td>4,352</td>
<td>-</td>
</tr>
<tr>
<td>Due from State</td>
<td>15,718,136</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>100,122,428</td>
<td>23,273,943</td>
</tr>
<tr>
<td><strong>Noncurrent Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Cash and Cash Equivalents</td>
<td>434,850</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>952,477</td>
</tr>
<tr>
<td>Restricted Investments</td>
<td>14,893,403</td>
<td>88,721,926</td>
</tr>
<tr>
<td>Accounts and Pledges Receivable, Net</td>
<td>-</td>
<td>1,900,500</td>
</tr>
<tr>
<td>Real Estate Held for Investment</td>
<td>-</td>
<td>11,709,686</td>
</tr>
<tr>
<td>Depreciable Capital Assets, Net</td>
<td>472,267,463</td>
<td>-</td>
</tr>
<tr>
<td>Nondepreciable Capital Assets</td>
<td>59,532,114</td>
<td>-</td>
</tr>
<tr>
<td>Other Noncurrent Assets</td>
<td>-</td>
<td>92,483</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td>547,127,830</td>
<td>103,377,072</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>647,250,258</td>
<td>126,651,015</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEFERRED OUTFLOWS OF RESOURCES</th>
<th>University</th>
<th>Component Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Amounts Related to Pensions</td>
<td>26,669,734</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>University</th>
<th>Component Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>8,185,407</td>
<td>201,610</td>
</tr>
<tr>
<td>Construction Contracts Payable</td>
<td>1,087,066</td>
<td>-</td>
</tr>
<tr>
<td>Salary and Wages Payable</td>
<td>4,442,642</td>
<td>-</td>
</tr>
<tr>
<td>Deposits Payable</td>
<td>1,045,547</td>
<td>-</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>351,726</td>
<td>-</td>
</tr>
<tr>
<td>Long-Term Liabilities - Current Portion:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>5,515,000</td>
<td>-</td>
</tr>
<tr>
<td>Loans Payable</td>
<td>500,000</td>
<td>2,250,000</td>
</tr>
<tr>
<td>Capital Leases Payable</td>
<td>4,874</td>
<td>-</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
<td>996,780</td>
<td>-</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>472,670</td>
<td>-</td>
</tr>
<tr>
<td>Gift Annuities Payable</td>
<td>-</td>
<td>75,032</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>22,601,712</td>
<td>2,526,642</td>
</tr>
</tbody>
</table>
FLORIDA GULF COAST UNIVERSITY
A Component Unit of the State of Florida
Statement of Net Position (Continued)
June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>University</th>
<th>Component Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES (Continued)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noncurrent Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>183,132,029</td>
<td>-</td>
</tr>
<tr>
<td>Loans Payable</td>
<td>10,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Capital Leases Payable</td>
<td>5,099</td>
<td>-</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
<td>10,590,484</td>
<td>-</td>
</tr>
<tr>
<td>Other Postemployment Benefits Payable</td>
<td>29,592,000</td>
<td>-</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>49,772,461</td>
<td>-</td>
</tr>
<tr>
<td>Other Noncurrent Liabilities</td>
<td>-</td>
<td>453,341</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td>283,092,073</td>
<td>453,341</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>305,693,785</td>
<td>2,979,983</td>
</tr>
<tr>
<td><strong>DEFERRED INFLOWS OF RESOURCES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Amounts Related to Pensions</td>
<td>359,938</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment in Capital Assets</td>
<td>332,642,575</td>
<td>-</td>
</tr>
<tr>
<td>Restricted for Nonexpendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment</td>
<td>-</td>
<td>71,068,047</td>
</tr>
<tr>
<td>Restricted for Expendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>12,132,240</td>
<td>-</td>
</tr>
<tr>
<td>Loans</td>
<td>535,431</td>
<td>-</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>17,019,545</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>3,716,547</td>
<td>47,145,434</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,819,931</td>
<td>5,457,551</td>
</tr>
<tr>
<td><strong>TOTAL NET POSITION</strong></td>
<td>$ 367,866,269</td>
<td>$ 123,671,032</td>
</tr>
</tbody>
</table>

The accompanying notes to financial statements are an integral part of this statement.
FLORIDA GULF COAST UNIVERSITY  
A Component Unit of the State of Florida  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Component Unit</th>
<th>University</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES:</td>
<td></td>
</tr>
<tr>
<td>Operating Revenues:</td>
<td></td>
</tr>
<tr>
<td>Student Tuition and Fees, Net of Scholarship</td>
<td>$69,310,902</td>
</tr>
<tr>
<td>Allowances of $29,430,498 ($3,157,874 Pledged for Parking Facility Capital Improvement Debt)</td>
<td>$ -</td>
</tr>
<tr>
<td>Federal Grants and Contracts</td>
<td>4,142,706</td>
</tr>
<tr>
<td>State and Local Grants and Contracts</td>
<td>2,120,845</td>
</tr>
<tr>
<td>Nongovernmental Grants and Contracts</td>
<td>4,331,622</td>
</tr>
<tr>
<td>Sales and Services of Auxiliary Enterprises</td>
<td>39,796,593</td>
</tr>
<tr>
<td>($349,541 Pledged for Parking Facility Capital Improvement Debt, $29,024,619 Pledged for Housing Facility Capital Improvement Debt)</td>
<td>-</td>
</tr>
<tr>
<td>Gifts and Donations</td>
<td>10,499,528</td>
</tr>
<tr>
<td>Rental Income Other</td>
<td>3,023,997</td>
</tr>
<tr>
<td>Other Operating Revenues</td>
<td>593,034</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>120,295,702</td>
</tr>
<tr>
<td>EXPENSES:</td>
<td>13,523,525</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
</tr>
<tr>
<td>Compensation and Employee Benefits</td>
<td>141,590,410</td>
</tr>
<tr>
<td>Services and Supplies</td>
<td>43,115,523</td>
</tr>
<tr>
<td>Utilities and Communications</td>
<td>6,215,140</td>
</tr>
<tr>
<td>Scholarships, Fellowships, and Waivers</td>
<td>18,025,695</td>
</tr>
<tr>
<td>Depreciation</td>
<td>16,276,589</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>1,612,850</td>
</tr>
<tr>
<td>University Support</td>
<td>7,513,533</td>
</tr>
<tr>
<td>Program Services</td>
<td>4,671,746</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>93,486</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>225,223,357</td>
</tr>
<tr>
<td>Operating Loss</td>
<td>(104,927,655)</td>
</tr>
<tr>
<td>NONOPERATING REVENUES (EXPENSES):</td>
<td>(3,266,494)</td>
</tr>
<tr>
<td>State Noncapital Appropriations</td>
<td>76,437,763</td>
</tr>
<tr>
<td>Federal and State Student Financial Aid</td>
<td>24,563,460</td>
</tr>
<tr>
<td>Investment Income (Loss)</td>
<td>(484,047)</td>
</tr>
<tr>
<td>9,569,965</td>
<td></td>
</tr>
<tr>
<td>Other Nonoperating Revenues</td>
<td>5,383,473</td>
</tr>
<tr>
<td>Interest on Capital Asset-Related Debt</td>
<td>(8,338,180)</td>
</tr>
<tr>
<td>(78,817)</td>
<td></td>
</tr>
<tr>
<td>Loss on Disposal of Capital Assets</td>
<td>(56,285)</td>
</tr>
<tr>
<td>Other Nonoperating Expenses</td>
<td>(56,643)</td>
</tr>
<tr>
<td>Net Nonoperating Revenues (Expenses)</td>
<td>97,449,541</td>
</tr>
<tr>
<td>Income (Loss) Before Other Revenues</td>
<td>(7,478,114)</td>
</tr>
<tr>
<td>State Capital Appropriations</td>
<td>7,946,170</td>
</tr>
<tr>
<td>Capital Grants, Contracts, Donations, and Fees</td>
<td>5,043,816</td>
</tr>
<tr>
<td>Increase in Net Position</td>
<td>5,511,872</td>
</tr>
<tr>
<td>Net Position, Beginning of Year</td>
<td>362,354,397</td>
</tr>
<tr>
<td>111,100,766</td>
<td></td>
</tr>
<tr>
<td>Net Position, End of Year</td>
<td>$367,866,269</td>
</tr>
</tbody>
</table>

The accompanying notes to financial statements are an integral part of this statement.
## Statement of Cash Flows

For the Fiscal Year Ended June 30, 2017

### University

#### CASH FLOWS FROM OPERATING ACTIVITIES
- **Student Tuition and Fees, Net** $69,936,293
- **Grants and Contracts** 10,548,975
- **Sales and Services of Auxiliary Enterprises** 39,171,511
- **Payments to Employees** (130,929,160)
- **Payments to Suppliers for Goods and Services** (49,617,526)
- **Payments to Students for Scholarships and Fellowships** (18,025,695)
- **Loans Issued to Students** (67,231)
- **Collection on Loans to Students** 71,909
- **Other Operating Receipts** 755,599

**Net Cash Used by Operating Activities** (78,155,325)

#### CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
- **State Noncapital Appropriations** 76,437,763
- **Federal and State Student Financial Aid** 24,563,460
- **Federal Direct Loan Program Receipts** 48,737,271
- **Federal Direct Loan Program Disbursements** (48,759,870)
- **Net Change in Funds Held for Others** (71,394)
- **Other Nonoperating Receipts** 5,326,830

**Net Cash Provided by Noncapital Financing Activities** 106,234,060

#### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
- **Proceeds from Capital Debt and Leases** 14,688
- **State Capital Appropriations** 2,479,540
- **Capital Grants, Contracts, Donations and Fees** 2,062,692
- **Purchase or Construction of Capital Assets** (11,384,186)
- **Principal Paid on Capital Debt and Leases** (5,629,715)
- **Interest Paid on Capital Debt and Leases** (8,379,821)

**Net Cash Used by Capital and Related Financing Activities** (20,836,802)

#### CASH FLOWS FROM INVESTING ACTIVITIES
- **Proceeds from Sales and Maturities of Investments** 191,844,117
- **Purchases of Investments** (200,467,500)
- **Investment Income** 1,347,679

**Net Cash Used by Investing Activities** (7,275,704)

**Net Decrease in Cash and Cash Equivalents** (33,771)

**Cash and Cash Equivalents, End of Year** $495,825
FLORIDA GULF COAST UNIVERSITY  
A Component Unit of the State of Florida  
Statement of Cash Flows (Continued)  
For the Fiscal Year Ended June 30, 2017

**RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Loss</td>
<td>( -104,927,655 )</td>
</tr>
</tbody>
</table>
| Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:
  Depreciation Expense                                                       | 16,276,589   |
  Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:
    Receivables, Net                                                          | 202,499      |
    Accounts Payable                                                          | (285,382)    |
    Salaries and Wages Payable                                                | 848,166      |
    Deposits Payable                                                          | 155,565      |
    Compensated Absences Payable                                              | 1,178,207    |
    Unearned Revenue                                                           | (238,191)    |
    Other Postemployment Benefits Payable                                      | 4,977,000    |
    Net Pension Liability                                                     | 19,930,227   |
    Deferred Outflows of Resources Related to Pensions                        | (12,056,559) |
    Deferred Inflows of Resources Related to Pensions                         | (4,215,791)  |
| **NET CASH USED BY OPERATING ACTIVITIES**                                  | \( -78,155,325 \) |

**SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES**

Unrealized losses on investments were recognized as a reduction to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.  $ (1,837,456)

Donation of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.  $ 2,981,124

Losses from the disposal of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.  $ (56,285)

The accompanying notes to financial statements are an integral part of this statement.
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

**Reporting Entity.** The University is a separate public instrumentality that is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the Board of Governors appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered terms of 5 years. The chair of the faculty senate and the president of the student body of the University are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the University, which provide governance in accordance with State law and Board of Governors’ Regulations, and selecting the University President. The University President serves as the executive officer and the corporate secretary of the Trustees, and is responsible for administering the policies prescribed by the Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board’s (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government’s financial statements to be misleading. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are reported in the State’s Comprehensive Annual Financial Report by discrete presentation.

**Blended Component Unit.** Although it is legally separate from the University, the Florida Gulf Coast University Financing Corporation (Corporation) is included within the University’s reporting entity as a blended component unit. The Corporation was incorporated on April 11, 2003, as a not-for-profit Florida corporation under the provisions of Chapter 617, Florida Statutes, and is a direct-support organization of the University. The Corporation was created to receive, hold, invest, and administer property and to make expenses for the exclusive benefit of the University. Due to the substantial economic relationship between the Corporation and the University, the financial activities of the Corporation are included in the University’s financial statements. An annual audit of the Corporation is conducted by independent certified public accountants and is submitted to the Auditor General and the University Board of Trustees. Additional information on the Corporation, including copies of audit reports, is available by contacting the University Controller’s office. Condensed financial statements for the Corporation are shown in a subsequent note. The condensed financial statements are reported net of eliminations.

**Discretely Presented Component Unit.** Based on the application of the criteria for determining component units, the Florida Gulf Coast University Foundation, Inc. (Foundation), as provided for in Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011, is included within the University reporting entity as a discretely presented component unit. The Foundation was incorporated on April 19, 1993, as a not-for-profit Florida corporation under the provisions of Chapter 617, Florida Statutes. The Foundation is a legally separate direct-support organization of the University and is governed by a separate board. Its purpose is to encourage, solicit, collect, receive, and administer gifts...
and bequests of property and funds for scientific, educational, and charitable purposes, all for the advancement of the University and its objectives.

An annual audit of the Foundation’s financial statements is conducted by independent certified public accountants. Additional information on the Foundation, including copies of audit reports, is available by contacting the University Controller’s Office.

**Basis of Presentation.** The University’s accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity wide reporting including the following components:

- Management’s Discussion and Analysis
- Basic Financial Statements:
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
  - Notes to Financial Statements
- Other Required Supplementary Information

**Measurement Focus and Basis of Accounting.** Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University’s financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University follows GASB standards of accounting and financial reporting.

The University’s blended and discretely presented component units use the economic resources measurement focus and the accrual basis of accounting, and follow GASB standards of accounting and financial reporting.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been accounted for as reductions of expenses and not revenues of those departments.

The University’s principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these
activities as well as administration, operation and maintenance of capital assets, and depreciation of capital assets. Nonoperating revenues include State noncapital appropriations, Federal and State student financial aid, and investment income (net of unrealized gains or losses on investments). Interest on capital asset-related debt is a nonoperating expense. Other revenues generally include revenues for capital construction projects.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the University’s policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is actually paid by the student or the third party making payment on behalf of the student. The University applied “The Alternate Method” as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, on a ratio of total aid to the aid not considered third-party aid.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.

**Cash and Cash Equivalents.** Cash and cash equivalents consist of cash on hand, cash in demand accounts, and amounts held by a trustee for the Corporation. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida’s multiple financial institution collateral pool required by Chapter 280, Florida Statutes. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

The amount reported as restricted cash and cash equivalents for the University at June 30, 2017, includes at fair value $370,657 of Corporation moneys held by the lender and owner of the 2005B Loan as a debt service reserve requirement.

**Cash and Cash Equivalent – Component Unit.** The amount reported as cash and cash equivalents for the Foundation (discretely presented component unit) at June 30, 2017, includes $16,179,901 of bank deposits of which $942,227 is insured by Federal deposit insurance with the remainder of $15,237,674 collateralized under the Florida Public Deposits Program. The Foundation also had cash held on deposit with investment managers at June 30, 2017, totaling $274,739, all of which was covered by the Securities Investor Protection.

Cash and cash equivalents reported for the Foundation at June 30, 2017, also includes at fair value $5,667,211 of Foundation moneys held in the State Treasury Special Purpose Investment Account (SPIA) investment pool representing ownership of a share of the pool, not the underlying securities. The State Treasury SPIA investment pool carried a credit rating of A+f by Standard & Poor’s, had an effective
duration of 2.80 years, and fair value factor of 0.9923 at June 30, 2017. The Foundation relies on policies
developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State’s Comprehensive Annual Financial Report.

**Capital Assets.** University capital assets consist of land, works of art and historical treasures, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, property under capital leases, and computer software and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at acquisition value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of $5,000 for tangible personal property and $100,000 for new buildings and infrastructure and improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 35 to 50 years
- Infrastructure and Other Improvements – 10 to 50 years
- Furniture and Equipment:
  - Equipment (Other than Moveable) – 10 to 25 years
  - Computer Equipment – 3 to 6 years
  - Moveable Equipment – 5 to 20 years
- Library Resources – 10 years
- Property Under Capital Leases – 10 years
- Works of Art and Historical Treasures – 20 years
- Computer Software and Other Capital Assets – 4 to 10 years

**Noncurrent Liabilities.** Noncurrent liabilities include bonds payable, loans payable, capital leases payable, compensated absences payable, other postemployment benefits payable, and net pension liability that are not scheduled to be paid within the next fiscal year. Bonds payable are reported net of unamortized premium or discount. The University amortizes debt premiums and discounts over the life of the debt using the straight-line method.

**Pensions.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and HIS fiduciary net positions have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**2. Deficit Net Position in Individual Funds**

The University reported an unrestricted net position which included a deficit in the current funds - unrestricted as shown below. This deficit can be attributed to the full recognition of long-term
liabilities (i.e., compensated absences payable, other postemployment benefits payable, and net pension liabilities) in the current unrestricted funds.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Funds - Unrestricted</td>
<td>( (20,622,301) )</td>
</tr>
<tr>
<td>Auxiliary Funds</td>
<td>11,049,976</td>
</tr>
<tr>
<td>Total University Net Position</td>
<td>( (9,572,325) )</td>
</tr>
<tr>
<td>Blended Component Unit</td>
<td></td>
</tr>
<tr>
<td>Unrestricted Net Position</td>
<td>11,392,256</td>
</tr>
<tr>
<td>Total</td>
<td>( 1,819,931 )</td>
</tr>
</tbody>
</table>

3. Investments

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA), and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The Board of Trustees has not adopted a written investment policy. As such, pursuant to Section 218.415(17), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. Of the reported investments, $4 million is restricted by the covenants of the bond reimbursement agreements for the Capital Improvement Revenue Bonds Series 2008A and 2009A and $7,750,409 for debt service reserve accounts for the Series 2005A loan, Series 2010A, 2010B, 2011A, and 2013A bonds.

Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

External Investment Pools

The University reported investments at fair value totaling $96,210,090 at June 30, 2017, in the State Treasury Special SPIA investment pool, representing ownership of a share of the pool, not the underlying securities (Level 3 inputs). Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of A+f by Standard & Poor’s, had an effective duration of 2.80 years and fair value factor of 0.9923 at June 30, 2017. Participants contribute to the State Treasury SPIA investment
pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool’s total fair value by the pool participant’s total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant’s pool balance. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State’s Comprehensive Annual Financial Report.

**Component Unit Investments**

The Foundation’s recurring fair value measurements as of June 30, 2017 are valued using quoted market prices (Level 1 inputs). Investments held by the Foundation at June 30, 2017, are reported at fair value as follows:

<table>
<thead>
<tr>
<th>Investments by fair value level</th>
<th>Amount</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United State Treasury Securities</td>
<td>$ 931,847</td>
<td>$ 931,847</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Obligations of the United State Government Agencies and Instrumentalities</td>
<td>$ 2,961,057</td>
<td>-</td>
<td>$ 2,961,057</td>
<td>-</td>
</tr>
<tr>
<td>Bonds and Notes</td>
<td>$ 12,048,387</td>
<td>-</td>
<td>$ 12,048,387</td>
<td>-</td>
</tr>
<tr>
<td>Stocks and Other Equity Securities</td>
<td>$ 222,692</td>
<td>$ 222,692</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>$ 50,461,516</td>
<td>$ 50,461,516</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total investments by fair value level</strong></td>
<td><strong>$ 66,625,499</strong></td>
<td><strong>$ 51,616,055</strong></td>
<td><strong>$ 15,009,444</strong></td>
<td><strong>$ -</strong></td>
</tr>
</tbody>
</table>

**Investments measured at the net asset value (NAV)**

<table>
<thead>
<tr>
<th>Investments measured at the net asset value (NAV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective Investment Funds:</td>
</tr>
<tr>
<td>NT Common US Marketcap Index Fund</td>
</tr>
<tr>
<td>Other Investments:</td>
</tr>
<tr>
<td>Real Assets</td>
</tr>
<tr>
<td>Private Equity</td>
</tr>
<tr>
<td><strong>Total Other Investments</strong></td>
</tr>
<tr>
<td><strong>Total investments measured at the NAV or its equivalent</strong></td>
</tr>
<tr>
<td><strong>Total investments measured at fair value</strong></td>
</tr>
</tbody>
</table>

**Fair Value Measurement:** Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified as Level 2 of the fair value hierarchy are valued using quoted prices for similar assets in active markets.

Other information for investments measured at the NAV or its equivalent follows:
Investments measured at the NAV | Fair Value | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period
--- | --- | --- | --- | ---
NT Common US Marketcap Index Fund | $21,183,891 | $ | Daily | 1 trade day
Real Assets | 264,839 | 90,000 | Not available | NA
Private Equity | 1,600,174 | 240,250 | Not available | NA

Total investments measured at the NAV | $23,048,904

**Collective Investment Funds:** The primary objective of the Northern Trust Common U.S. Marketcap Index Fund is to approximate the risk and return characteristics of the Dow Jones U.S. Total Stock Market Index. This Index is commonly used to represent the broad U.S. market.

**Real Assets:** The purpose of the partnership is to invest in a diversified portfolio of private equity and real assets investment funds (underlying funds or private investment funds), which in turn have been established to invest in a broad range of private equity, real estate, energy, and other hard-asset-oriented investments.

**Private Equity:** The partnerships within this segment invest in private equity funds in the venture capital, buyout, and capital restructuring sectors.

The Foundation’s investment policy allows for investments in equity securities traded on the principal United States Stock Exchanges (NYSE and NASDAQ), and the Foundation only purchases equity securities of companies with a market capitalization of at least $1 billion. For fixed income instruments, the Foundation’s policy allows investments in bonds issued by the United States Government, an agency of the United States Government, public traded corporations or their affiliates, taxable municipal bonds, preferred stocks, and real estate investment trusts.

**Custodial Credit Risk:** Custodial credit risk is the risk that in the event of the failure of the counterparty, the value of investments or collateral securities in the possession of an outside party will not be recoverable. Exposure to custodial risk relates to investments that are held by someone other than the component unit and not registered in their names. The Foundation utilizes the services of an investment advisor and several investment managers. All investments, except for certificates of deposit and debt securities, are held by the investment managers and are uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the Foundation’s name. The Foundation’s mutual fund investments totaling $50,461,516 at June 30, 2017, are not exposed to custodial credit risk as they are not evidenced by securities that exist in physical or book entry form. There were no losses during the period due to default by counterparties to investment transactions.

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation’s investment policy does not limit debt obligation maturities. The Foundation’s investments in debt securities at June 30, 2017, are reported at fair value as follows:
Investment Maturities (In Years)

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>Less than 1 Year</th>
<th>1 - 5 Years</th>
<th>5 - 10 Years</th>
<th>Over 10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obligations of United States Government Agencies</td>
<td>$2,961,057</td>
<td>$10,282</td>
<td>$2,950,775</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>and Instrumentalities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds, Notes, and Other Debt Securities</td>
<td>$12,980,234</td>
<td>$1,409,847</td>
<td>$6,742,684</td>
<td>$4,733,510</td>
<td>$94,193</td>
</tr>
<tr>
<td>Total</td>
<td>$15,941,291</td>
<td>$1,420,129</td>
<td>$9,693,459</td>
<td>$4,733,510</td>
<td>$94,193</td>
</tr>
</tbody>
</table>

Credit Risk: Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligation. The Foundation does not have a formal investment policy with respect to credit risk.

At June 30, 2017, the Foundation’s investments in debt securities were rated as follows:

<table>
<thead>
<tr>
<th>Rating</th>
<th>Number</th>
<th>Fair Value</th>
<th>% Bond Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>33</td>
<td>$4,700,509</td>
<td>29.49%</td>
</tr>
<tr>
<td>AA</td>
<td>27</td>
<td>$4,390,829</td>
<td>27.54%</td>
</tr>
<tr>
<td>A</td>
<td>59</td>
<td>$6,240,717</td>
<td>39.15%</td>
</tr>
<tr>
<td>BBB</td>
<td>3</td>
<td>$609,236</td>
<td>3.82%</td>
</tr>
</tbody>
</table>

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the component unit’s investment in a single issuer. At June 30, 2017, the Foundation’s investment in each of its Collective Investment Funds exceeded five percent (5%) of total investments.

Other Information: For management control, investments are pooled. Gains, losses, and investment income from the pool are allocated quarterly to the funds that participate in the pool based upon each fund’s average quarterly balance.

The Foundation assesses a management fee on all endowment funds for the purpose of funding the Foundation’s operating budget. Administrative fees assessed to the endowment funds totaled $1,134,763 or 1.5% for the year ending June 30, 2017.

The Endowment Fund account balances (including cash balances) subject to the administrative fee are comprised as follows at June 30, 2017:

<table>
<thead>
<tr>
<th>Account</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eminent Scholars Program</td>
<td>$13,871,400</td>
</tr>
<tr>
<td>Major Gifts Program</td>
<td>41,834,430</td>
</tr>
<tr>
<td>Other Endowment</td>
<td>28,937,960</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>84,643,790</strong></td>
</tr>
</tbody>
</table>

4. Receivables

Accounts Receivable. Accounts receivable represent amounts for student tuition and fees, contract and grant reimbursements due from third parties, various sales and services provided to students and third parties, and interest accrued on investments and loans receivable. As of June 30, 2017, the University reported the following amounts as accounts receivable:
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracts and Grants</td>
<td>$1,184,234</td>
</tr>
<tr>
<td>Student Tuition and Fees</td>
<td>1,698,803</td>
</tr>
<tr>
<td>Other</td>
<td>139,241</td>
</tr>
<tr>
<td><strong>Total Accounts Receivable</strong></td>
<td><strong>$3,022,278</strong></td>
</tr>
</tbody>
</table>

**Loans Receivable.** Loans receivable consist of short-term loans made to students pending the receipt of student financial aid.

**Allowance for Doubtful Receivables.** Allowances for doubtful accounts, and loans receivable, are reported based on management’s best estimate as of fiscal year end considering type, age, collection history, and other factors considered appropriate. Accounts receivable and loans receivable, are reported net of allowances of $760,493 and $7,658, respectively, at June 30, 2017.

No allowance has been accrued for contracts and grants receivable. University management considers these to be fully collectible.

5. Due From State

The amount due from State consists of $15,718,136 of Public Education Capital Outlay, Capital Improvement Fee Trust Fund, and Lottery funds for construction of University facilities.

6. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2017, is shown in the following table:
### Nondepreciable Capital Assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning Balance</th>
<th>Adjustments (1)</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$56,647,037</td>
<td></td>
<td></td>
<td></td>
<td>$51,647,037</td>
</tr>
<tr>
<td>Works of Art and Historical Treasures</td>
<td>1,735,358</td>
<td></td>
<td>58,000</td>
<td></td>
<td>1,793,358</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>3,089,844</td>
<td></td>
<td>8,950,491</td>
<td>5,948,616</td>
<td>6,091,719</td>
</tr>
<tr>
<td><strong>Total Nondepreciable Capital Assets</strong></td>
<td><strong>$61,472,239</strong></td>
<td><strong>$9,008,491</strong></td>
<td><strong>$10,948,616</strong></td>
<td></td>
<td><strong>$59,532,114</strong></td>
</tr>
</tbody>
</table>

### Depreciable Capital Assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning Balance</th>
<th>Adjustments (1)</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>$523,307,172</td>
<td></td>
<td>5,605,928</td>
<td>9,680</td>
<td>$528,903,420</td>
</tr>
<tr>
<td>Infrastructure and Other Improvements</td>
<td>33,268,980</td>
<td></td>
<td>2,204,056</td>
<td></td>
<td>35,473,036</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>45,366,940</td>
<td></td>
<td>3,078,655</td>
<td>772,207</td>
<td>47,673,388</td>
</tr>
<tr>
<td>Library Resources</td>
<td>11,495,776</td>
<td></td>
<td>422,840</td>
<td></td>
<td>11,918,616</td>
</tr>
<tr>
<td>Property Under Capital Leases</td>
<td></td>
<td></td>
<td>14,688</td>
<td></td>
<td>14,688</td>
</tr>
<tr>
<td>Works of Art and Historical Treasures</td>
<td>687,143</td>
<td></td>
<td>6,000</td>
<td></td>
<td>693,143</td>
</tr>
<tr>
<td>Computer Software and Other Capital Assets</td>
<td>1,055,018</td>
<td></td>
<td>200,536</td>
<td>15,825</td>
<td>1,239,729</td>
</tr>
<tr>
<td><strong>Total Depreciable Capital Assets</strong></td>
<td><strong>$615,181,029</strong></td>
<td><strong>$11,532,703</strong></td>
<td></td>
<td><strong>$797,712</strong></td>
<td><strong>$625,916,020</strong></td>
</tr>
</tbody>
</table>

Less, Accumulated Depreciation:

<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning Balance</th>
<th>Adjustments (1)</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>90,709,342</td>
<td></td>
<td>11,035,096</td>
<td>12,177</td>
<td><strong>$101,732,261</strong></td>
</tr>
<tr>
<td>Infrastructure and Other Improvements</td>
<td>11,702,441</td>
<td></td>
<td>1,321,994</td>
<td></td>
<td><strong>13,024,435</strong></td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>24,979,280</td>
<td>7,700</td>
<td>3,533,163</td>
<td>720,380</td>
<td><strong>27,799,763</strong></td>
</tr>
<tr>
<td>Library Resources</td>
<td>9,549,447</td>
<td></td>
<td>324,618</td>
<td></td>
<td><strong>9,874,065</strong></td>
</tr>
<tr>
<td>Property Under Capital Leases</td>
<td></td>
<td></td>
<td>1,469</td>
<td></td>
<td><strong>1,469</strong></td>
</tr>
<tr>
<td>Works of Art and Historical Treasures</td>
<td>142,363</td>
<td></td>
<td>34,913</td>
<td></td>
<td><strong>177,276</strong></td>
</tr>
<tr>
<td>Computer Software and Other Capital Assets</td>
<td>1,022,822</td>
<td></td>
<td>8,870</td>
<td>15,825</td>
<td><strong>1,039,288</strong></td>
</tr>
<tr>
<td><strong>Total Accumulated Depreciation</strong></td>
<td><strong>138,105,695</strong></td>
<td><strong>7,700</strong></td>
<td><strong>16,276,589</strong></td>
<td></td>
<td><strong>153,648,557</strong></td>
</tr>
</tbody>
</table>

**Total Depreciable Capital Assets, Net**

<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning Balance</th>
<th>Adjustments (1)</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$477,075,334</strong></td>
<td><strong>(7,700)</strong></td>
<td><strong>(4,743,886)</strong></td>
<td></td>
<td><strong>472,267,463</strong></td>
</tr>
</tbody>
</table>

Note: (1) Adjustment to reflect the amount received as a trade-in on the purchase of new fixed equipment.

### 7. Unearned Revenue

Unearned revenue at June 30, 2017 consists of grants and contracts received prior to fiscal year end related to subsequent accounting periods.

### 8. Deferred Outflow / Inflow of Resources

Certain changes in the University’s proportionate share of the net pension liabilities of the cost-sharing multiple-employer Florida Retirement System and Health Insurance Subsidy defined benefit plans are reported as deferred outflows and inflows of resources related to pensions. These include changes in actuarial assumptions and other inputs used to measure the pension liabilities, differences between actual and expected experience in the measurement of the liabilities, the net difference between projected and actual earnings on pension plan investments, as well as changes in the University’s proportion of the collective net pension liabilities since the prior measurement date and changes between the University’s contributions and its proportionate share of contributions. University contributions to the pension plan subsequent to the measurement date for the collective net pension liabilities are reported as deferred outflows. Total deferred outflows of resources related to pensions were $26,669,734 and deferred inflows of resources related to pensions were $359,938 for the fiscal year ended June 30, 2017. Note 10. includes a complete discussion of defined benefit pension plans.
9. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2017, include bonds payable, loans payable, capital leases payable, compensated absences payable, other postemployment benefits payable, and net pension liability. Long-term liabilities activity for the fiscal year ended June 30, 2017, is shown below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
<th>Current Portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds Payable</td>
<td>$194,013,670</td>
<td>-</td>
<td>$5,366,641</td>
<td>$188,647,029</td>
<td>$5,515,000</td>
</tr>
<tr>
<td>Loans Payable</td>
<td>$15,800,000</td>
<td>-</td>
<td>$5,300,000</td>
<td>$10,500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Capital Leases Payable</td>
<td>-</td>
<td>14,688</td>
<td>4,715</td>
<td>9,973</td>
<td>4,874</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
<td>10,409,057</td>
<td>2,254,656</td>
<td>1,076,449</td>
<td>11,587,264</td>
<td>996,780</td>
</tr>
<tr>
<td>Other Postemployment Benefits Payable</td>
<td>24,615,000</td>
<td>5,293,000</td>
<td>316,000</td>
<td>29,592,000</td>
<td>-</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>30,314,904</td>
<td>24,786,466</td>
<td>4,856,239</td>
<td>50,245,131</td>
<td>472,670</td>
</tr>
<tr>
<td>Total Long-Term Liabilities</td>
<td>$275,152,631</td>
<td>$32,348,810</td>
<td>$16,920,044</td>
<td>$290,581,397</td>
<td>$7,489,324</td>
</tr>
</tbody>
</table>

Capital Improvement Revenue Bonds Payable. Capital Improvement Revenue Bonds were issued to construct University facilities, including parking garages and student housing facilities. Capital Improvement Revenue Bonds outstanding, which include both term and serial bonds, are secured by a pledge of housing rental revenues, traffic and parking fees, and an assessed transportation fee based on credit hours.


On July 1, 2013, the Corporation entered into loan agreements authorizing the refunding of Capital Improvement Revenue Bonds, Series 2005A (Student Residences Phase VII) and Capital Improvement Revenue Bonds, Series 2005B (Student Parking Phase I) which resulted in defeasance of the variable rate capital improvement revenue bond debt and securing fixed rate loans. Accordingly, the Capital Improvement Revenue Bonds, Series 2005A and 2005B are no longer reported as a bond payable on the face of the statement of net position for the reporting period ended June 30, 2017, and the new fixed rate tax exempt loan is reported as loans payable.

The University has entered into a Master Ground and Operating Lease Agreement with the Corporation. The University leases land to the Corporation for a rental fee of $1 per year. The land covered by the ground lease together with the improvements thereon is leased back to the University to manage and operate. The master lease will terminate on the date on which the revenue bonds and any related obligations are paid in full. Revenue from the student residence facilities and parking facilities is pledged to pay rent to the Corporation or its assignees equal to the debt service on the revenue bonds. During the 2016-17 fiscal year, parking facilities rental and fee income, and student residence rental income totaled $3,507,415, and $29,024,619, respectively.

The University had the following capital improvement debt payable outstanding at June 30, 2017:
### Capital Improvement Revenue Bonds

<table>
<thead>
<tr>
<th>Type and Series</th>
<th>Amount of Original Debt</th>
<th>Amount Outstanding (1)</th>
<th>Interest Rates (Percent)</th>
<th>Maturity Date To</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003 Student Residences (Phase VI)</td>
<td>$47,500,000</td>
<td>$35,240,000</td>
<td>4.00 to 5.00</td>
<td>2034</td>
</tr>
<tr>
<td>2007A Student Residences (Phase VIII)</td>
<td>$25,000,000</td>
<td>$20,600,292</td>
<td>4.00 to 5.00</td>
<td>2037</td>
</tr>
<tr>
<td>2007C Student Parking (Phase II)</td>
<td>$10,000,000</td>
<td>$7,935,658</td>
<td>4.00 to 4.75</td>
<td>2037</td>
</tr>
<tr>
<td>2008A Student Residences (Phase IX)</td>
<td>$22,000,000</td>
<td>$18,225,000</td>
<td>.90 (2)</td>
<td>2038</td>
</tr>
<tr>
<td>2009A Student Parking (Phase III)</td>
<td>$8,000,000</td>
<td>$6,720,000</td>
<td>.90 (2)</td>
<td>2039</td>
</tr>
<tr>
<td>2010A Student Housing (Phase X)</td>
<td>$32,000,000</td>
<td>$27,959,309</td>
<td>3.00 to 5.50</td>
<td>2040</td>
</tr>
<tr>
<td>2010B Student Housing (Phase XI)</td>
<td>$17,000,000</td>
<td>$14,858,919</td>
<td>3.00 to 5.00</td>
<td>2040</td>
</tr>
<tr>
<td>2011A Student Housing (Phase XII)</td>
<td>$30,000,000</td>
<td>$27,581,322</td>
<td>4.00 to 5.50</td>
<td>2041</td>
</tr>
<tr>
<td>2013A Student Housing (Phase XIII)</td>
<td>$30,000,000</td>
<td>$29,526,529</td>
<td>2.25 to 5.00</td>
<td>2043</td>
</tr>
</tbody>
</table>

**Total Capital Improvement Revenue Bonds** | $221,500,000 | $188,647,029

Notes:  
(1) Amount outstanding includes unamortized discounts and premiums.  
(2) Variable interest rate at June 30, 2017.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2017, are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$5,515,000</td>
<td>$8,201,696</td>
<td>$13,716,696</td>
</tr>
<tr>
<td>2019</td>
<td>$5,745,000</td>
<td>$7,975,120</td>
<td>$13,720,120</td>
</tr>
<tr>
<td>2020</td>
<td>$5,975,000</td>
<td>$7,738,742</td>
<td>$13,713,742</td>
</tr>
<tr>
<td>2021</td>
<td>$6,220,000</td>
<td>$7,492,607</td>
<td>$13,712,607</td>
</tr>
<tr>
<td>2022</td>
<td>$6,480,000</td>
<td>$7,233,445</td>
<td>$13,713,445</td>
</tr>
<tr>
<td>2023-2027</td>
<td>$36,845,000</td>
<td>$31,820,408</td>
<td>$68,665,408</td>
</tr>
<tr>
<td>2028-2032</td>
<td>$45,850,000</td>
<td>$22,752,147</td>
<td>$68,602,147</td>
</tr>
<tr>
<td>2033-2037</td>
<td>$47,910,000</td>
<td>$11,974,042</td>
<td>$59,884,042</td>
</tr>
<tr>
<td>2038-2042</td>
<td>$25,415,000</td>
<td>$3,080,725</td>
<td>$28,495,725</td>
</tr>
<tr>
<td>2043</td>
<td>$1,690,000</td>
<td>$49,292</td>
<td>$1,739,292</td>
</tr>
</tbody>
</table>

**Subtotal**

|                  | $187,645,000 | $108,318,224 | $295,963,224 |

Net Discounts and Premiums

|                  | $1,002,029 | - | $1,002,029 |

**Total**

|                  | $188,647,029 | $108,318,224 | $296,965,253 |

**Loans Payable.** On March 27, 2006, the Corporation entered into a Tax Exempt Note, Series 2005, in the amount of $5 million. The Corporation drew the entire $5 million to purchase land for the purpose of establishing a Naples Center. Principal payments are equal to all funds collected by the Foundation pursuant to a capital campaign of the Florida Gulf Coast University Naples Center Project. The obligations under the loan are secured solely by the assignment of the capital campaign. As of June 30, 2016, the Foundation had raised $1 million of the $5 million capital campaign toward this project. Interest is assessed on the difference between the $5 million borrowed and the donations collected reduced by the amount of interest income earned during the year on the donations. During the year ended June 30, 2016, the University notified the Corporation that it no longer intended to use the
land and received a contract for sale for $5 million. The Corporation closed on the sale of land on December 1, 2016, and the proceeds from the sale were used to pay off the loan with the Foundation.

On July 1, 2013, the Corporation entered into Loan Agreement (2005A), dated July 1, 2013, in the amount of $6,800,000, and a Loan Agreement (2005B), dated July 1, 2013, in the amount of $5,100,000, collectively hereafter referred to as the Loan, authorizing the refunding of Capital Improvement Revenue Bonds, Series 2005A (Student Residence Phase VII), and Capital Improvement Revenue Bonds, Series 2005B (Student Parking Phase I), which resulted in defeasance of the variable rate capital improvement revenue bond debt and securing fixed rate tax-exempt loans. The proceeds from the fixed rate tax-exempt loans were used to refund the outstanding principal debt of Capital Improvement Revenue Bonds, Series 2005A, in the par amount of $6,800,000, and Capital Improvement Revenue Bonds, Series 2005B, in the par amount of $5,100,000. Accordingly, the Capital Improvement Revenue Bonds, Series 2005A and Series 2005B, are no longer reported as a bond payable on the face of the statement of net position for the reporting period ended June 30, 2017, and the new fixed rate tax-exempt loan is reported as loans payable. The maturity dates or principal payment schedules were not modified, and there was no economic gain or loss from the advanced refunding of the bond debt.

The annual requirements to amortize the outstanding loans as of June 30, 2017, are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$500,000</td>
<td>$268,612</td>
<td>$768,612</td>
</tr>
<tr>
<td>2019</td>
<td>400,000</td>
<td>256,650</td>
<td>656,650</td>
</tr>
<tr>
<td>2020</td>
<td>400,000</td>
<td>246,210</td>
<td>646,210</td>
</tr>
<tr>
<td>2021</td>
<td>500,000</td>
<td>234,683</td>
<td>734,683</td>
</tr>
<tr>
<td>2022</td>
<td>500,000</td>
<td>221,632</td>
<td>721,632</td>
</tr>
<tr>
<td>2023-2027</td>
<td>2,600,000</td>
<td>911,325</td>
<td>3,511,325</td>
</tr>
<tr>
<td>2028-2032</td>
<td>3,400,000</td>
<td>521,565</td>
<td>3,921,565</td>
</tr>
<tr>
<td>2033-2035</td>
<td>2,200,000</td>
<td>93,525</td>
<td>2,293,525</td>
</tr>
<tr>
<td>Total</td>
<td>$10,500,000</td>
<td>$2,754,202</td>
<td>$13,254,202</td>
</tr>
</tbody>
</table>

**Loans Payable – Component Unit.** The Foundation borrowed $5 million to assist a related entity to acquire real estate in Naples, Florida. This line of credit was renewed and reduced to $4 million in 2009. On December 1, 2016, the related entity sold the real estate and the proceeds were used to pay off the line of credit.

On July 27, 2007, the Foundation secured a $3 million 5-year loan from Northern Trust Bank at a fixed rate of 4.28 percent to purchase the Marine Science and Environmental Education Center property. On December 15, 2012, the Foundation renewed this loan into a 5-year variable interest rate loan which includes an annual principal payment of $150,000. This loan bears interest at 65 percent of prime rate (2.76 percent at June 30, 2017) which is payable quarterly. The loan matures on December 15, 2017.
Debt service requirements of the loans are as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$2,250,000</td>
<td>$23,776</td>
<td>$2,273,776</td>
</tr>
</tbody>
</table>

**Capital Lease Payable.** Athletic field aeration equipment in the amount of $14,688 was acquired under a capital lease agreement. The imputed interest rate is 4.5 percent. Future minimum payments under the capital lease agreement and the present value of the minimum payments as of June 30, 2017, are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$5,223</td>
</tr>
<tr>
<td>2019</td>
<td>5,223</td>
</tr>
<tr>
<td>2020</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Minimum Payments</strong></td>
<td>10,447</td>
</tr>
<tr>
<td>Less, Amount Representing Interest</td>
<td>474</td>
</tr>
<tr>
<td><strong>Present Value of Minimum Payments</strong></td>
<td>$9,973</td>
</tr>
</tbody>
</table>

**Compensated Absences Payable.** Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee’s unpaid (unused) leave balance. The University reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2017, the estimated liability for compensated absences, which includes the University’s share of the Florida Retirement System and FICA contributions, totaled $11,587,264. The current portion of the compensated absences liability, $996,780, is the amount expected to be paid in the coming fiscal year, and is based on actual payouts over the last 3 years calculated as a historical percentage of those years’ total compensated absences liability.

**Other Postemployment Benefits Payable.** The University follows GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

**Plan Description.** Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program, an agent multiple-employer defined benefit (OPEB) Plan. The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.
A stand-alone report is not issued and the OPEB Plan information is not included in the annual report of a public employee retirement system or another entity.

**Funding Policy.** OPEB Plan benefits are pursuant to the provisions of Section 112.0801, Florida Statutes, and benefits and contributions can be amended by the Florida Legislature. The State has not advance-funded OPEB costs or the net OPEB obligation. Premiums necessary for funding the OPEB Plan each year on a pay-as-you-go basis are established by the Governor’s recommended budget and the General Appropriations Act. For the 2016-17 fiscal year, 59 retirees received postemployment healthcare benefits. The University provided required contributions of $316,000 toward the annual OPEB cost, composed of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance premiums. Retiree contributions totaled $520,000, which represents 0.57 percent of covered payroll.

**Annual OPEB Cost and Net OPEB Obligation.** The University’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the University’s annual OPEB cost for the fiscal year, the amount actually contributed to the OPEB Plan, and changes in the University’s net OPEB obligation:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal Cost (Service Cost for One Year)</td>
<td>$ 3,252,000</td>
</tr>
<tr>
<td>Amortization of Unfunded Actuarial Accrued Liability</td>
<td>1,765,000</td>
</tr>
<tr>
<td>Interest on Normal Cost and Amortization</td>
<td>201,000</td>
</tr>
<tr>
<td><strong>Annual Required Contribution</strong></td>
<td>5,218,000</td>
</tr>
<tr>
<td>Interest on Net OPEB Obligation</td>
<td>985,000</td>
</tr>
<tr>
<td>Adjustment to Annual Required Contribution</td>
<td>(910,000)</td>
</tr>
<tr>
<td><strong>Annual OPEB Cost (Expense)</strong></td>
<td>5,293,000</td>
</tr>
<tr>
<td>Contribution Toward the OPEB Cost</td>
<td>(316,000)</td>
</tr>
<tr>
<td><strong>Increase in Net OPEB Obligation</strong></td>
<td>4,977,000</td>
</tr>
<tr>
<td>Net OPEB Obligation, Beginning of Year</td>
<td>24,615,000</td>
</tr>
<tr>
<td><strong>Net OPEB Obligation, End of Year</strong></td>
<td>$ 29,592,000</td>
</tr>
</tbody>
</table>

The University’s annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2017, and for the 2 preceding fiscal years were as follows:
**Funded Status and Funding Progress.** As of July 1, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $44,503,000, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $44,503,000, and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was $91,940,730 for the 2016-17 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 48.4 percent.

Actuarial valuations for an OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Actuarially determined amounts regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to financial statements, presents multiyear trend information that shows whether the actuarial value of OPEB Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial calculations of the OPEB Plan reflect a long-term perspective. Consistent with this perspective, the actuarial valuations used actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The University’s OPEB actuarial valuation as of July 1, 2015 used the entry-age cost actuarial method to estimate the actuarial accrued liability as of June 30, 2017, and the University’s 2016-17 fiscal year ARC. This method was selected because it is the same method used for the valuation of the Florida Retirement System. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent rate of return on invested assets. The actuarial assumptions also included a payroll growth rate of 3.25 percent per year and an inflation rate of 3 percent. Initial healthcare cost trend rates were 7.5 percent, 8.8 percent, and 9.7 percent for the first 3 years, respectively, for all retirees in the Preferred Provider Option (PPO) Plan, and 5.7 percent, 7 percent, and 7.8 percent for the first 3 years for all retirees in the Health Maintenance Organization (HMO) Plan. The PPO and HMO healthcare trend rates both grade down to an ultimate rate of 3.9 percent over 70 years. The unfunded actuarial accrued liability is being amortized over 30 years using the level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2017, was 20 years.

**Net Pension Liability.** As a participating employer in the Florida Retirement System, the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2017, the University’s proportionate share of the net pension liabilities totaled $50,245,131. Note 10. includes a complete discussion of defined benefit pension plans.
10. Retirement Plans – Defined Benefit Pension Plans

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class employed by the State and faculty and specified employees in the State university system.

Essentially all regular employees of the University are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The University’s FRS and HIS pension expense totaled $8,106,881 for the fiscal year ended June 30, 2017.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- **Regular Class** – Members of the FRS who do not qualify for membership in the other classes.
- **Senior Management Service Class (SMSC)** – Members in senior management level positions.
- **Special Risk Class** – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service.
benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost of living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**Benefits Provided.** Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors’ benefits. The following table shows the percentage value for each year of service credit earned:

<table>
<thead>
<tr>
<th>Class, Initial Enrollment, and Retirement Age/Years of Service</th>
<th>% Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regular Class members initially enrolled before July 1, 2011</strong></td>
<td></td>
</tr>
<tr>
<td>Retirement up to age 62 or up to 30 years of service</td>
<td>1.60</td>
</tr>
<tr>
<td>Retirement at age 63 or with 31 years of service</td>
<td>1.63</td>
</tr>
<tr>
<td>Retirement at age 64 or with 32 years of service</td>
<td>1.65</td>
</tr>
<tr>
<td>Retirement at age 65 or with 33 or more years of service</td>
<td>1.68</td>
</tr>
<tr>
<td><strong>Regular Class members initially enrolled on or after July 1, 2011</strong></td>
<td></td>
</tr>
<tr>
<td>Retirement up to age 65 or up to 33 years of service</td>
<td>1.60</td>
</tr>
<tr>
<td>Retirement at age 66 or with 34 years of service</td>
<td>1.63</td>
</tr>
<tr>
<td>Retirement at age 67 or with 35 years of service</td>
<td>1.65</td>
</tr>
<tr>
<td>Retirement at age 68 or with 36 or more years of service</td>
<td>1.68</td>
</tr>
<tr>
<td><strong>Senior Management Service Class</strong></td>
<td>2.00</td>
</tr>
<tr>
<td><strong>Special Risk Class</strong></td>
<td></td>
</tr>
<tr>
<td>Service from December 1, 1970 through September 30, 1974</td>
<td>2.00</td>
</tr>
<tr>
<td>Service on and after October 1, 1974</td>
<td>3.00</td>
</tr>
</tbody>
</table>

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on
or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2016-17 fiscal year were:

<table>
<thead>
<tr>
<th>Class</th>
<th>Percent of Gross Salary</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employee</td>
<td>Employer (1)</td>
</tr>
<tr>
<td>FRS, Regular</td>
<td>3.00</td>
<td>7.52</td>
</tr>
<tr>
<td>FRS, Senior Management Service</td>
<td>3.00</td>
<td>21.77</td>
</tr>
<tr>
<td>FRS, Special Risk</td>
<td>3.00</td>
<td>22.57</td>
</tr>
<tr>
<td>Deferred Retirement Option Program (applicable to members from all of the above classes)</td>
<td>0.00</td>
<td>12.99</td>
</tr>
<tr>
<td>FRS, Reemployed Retiree</td>
<td>(2)</td>
<td>(2)</td>
</tr>
</tbody>
</table>

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.
(2) Contribution rates are dependent upon retirement class in which reemployed.

The University’s contributions to the Plan totaled $3,737,809 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the University reported a liability of $34,906,384 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The University’s proportionate share of the net pension liability was based on the University’s 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the University’s proportionate share was 0.138242676 percent, which was an increase of 0.003287005 from its proportionate share measured as of June 30, 2015.

For the year ended June 30, 2017, the University recognized pension expense of $6,560,934. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:
Deferred Outflows Deferred Inflows

<table>
<thead>
<tr>
<th>Description</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$2,672,701</td>
<td>$325,002</td>
</tr>
<tr>
<td>Change of assumptions</td>
<td>$2,111,732</td>
<td>-</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on FRS Plan investments</td>
<td>9,022,875</td>
<td>-</td>
</tr>
<tr>
<td>Changes in proportion and differences between University contributions and proportionate share of contributions</td>
<td>$4,595,361</td>
<td>-</td>
</tr>
<tr>
<td>University FRS contributions subsequent to the measurement date</td>
<td>3,737,809</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$22,140,478</strong></td>
<td><strong>$325,002</strong></td>
</tr>
</tbody>
</table>

The deferred outflows of resources totaling $3,737,809, resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3,095,572</td>
</tr>
<tr>
<td>2019</td>
<td>3,095,572</td>
</tr>
<tr>
<td>2020</td>
<td>6,613,248</td>
</tr>
<tr>
<td>2021</td>
<td>4,350,231</td>
</tr>
<tr>
<td>2022</td>
<td>720,365</td>
</tr>
<tr>
<td>Thereafter</td>
<td>202,679</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,077,667</strong></td>
</tr>
</tbody>
</table>

Actuarial Assumptions. The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.60 percent
- Salary increases: 3.25 percent, average, including inflation
- Investment rate of return: 7.60 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:
### Asset Class

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation (1)</th>
<th>Annual Arithmetic Return</th>
<th>Compound Annual Geometric Return</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>1%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>18%</td>
<td>4.7%</td>
<td>4.6%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>53%</td>
<td>8.1%</td>
<td>6.8%</td>
<td>17.2%</td>
</tr>
<tr>
<td>Real Estate (Property)</td>
<td>10%</td>
<td>6.4%</td>
<td>5.8%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>6%</td>
<td>11.5%</td>
<td>7.8%</td>
<td>30.0%</td>
</tr>
<tr>
<td>Strategic Investments</td>
<td>12%</td>
<td>6.1%</td>
<td>5.6%</td>
<td>11.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** (1) As outlined in the Plan’s investment policy.

---

**Discount Rate.** The discount rate used to measure the total pension liability was 7.60 percent. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**Sensitivity of the University’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the University’s proportionate share of the net pension liability calculated using the discount rate of 7.60 percent, as well as what the University’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60 percent) or 1 percentage point higher (8.60 percent) than the current rate:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease (6.60%)</th>
<th>Current Discount Rate (7.60%)</th>
<th>1% Increase (8.60%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>University’s proportionate share of the net pension liability</td>
<td>$64,265,017</td>
<td>$34,906,384</td>
<td>$10,469,200</td>
</tr>
</tbody>
</table>

**Pension Plan Fiduciary Net Position.** Detailed information about the Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**Payables to the Pension Plan.** At June 30, 2017, the University reported a payable of $235,567 for the outstanding amount of contributions to the plan required for the fiscal year ended June 30, 2017.

**HIS Pension Plan**

**Plan Description.** The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**Benefits Provided.** For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement with...
a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The University contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The University’s contributions to the HIS Plan totaled $711,195 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the University reported a liability of $15,338,747 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University’s proportionate share of benefit payments expected to be paid within one year, net of the University’s proportionate share of the HIS Plan’s fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to the HIS Plan actuarial valuation as of July 1, 2016. The University’s proportionate share of the net pension liability was based on the University’s 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the University’s proportionate share was 0.131611257 percent, which was an increase of 0.005282277 from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the University recognized pension expense of $1,545,947. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$</td>
<td>$34,936</td>
</tr>
<tr>
<td>Change of assumptions</td>
<td>2,407,039</td>
<td>-</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on HIS plan investments</td>
<td>7,756</td>
<td>-</td>
</tr>
<tr>
<td>Changes in proportion and differences between University HIS contributions and proportionate share of HIS contributions</td>
<td>1,403,266</td>
<td>-</td>
</tr>
<tr>
<td>University HIS contributions subsequent to the measurement date</td>
<td>711,195</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$4,529,256</td>
<td>$34,936</td>
</tr>
</tbody>
</table>
The deferred outflows of resources totaling $711,195 resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>697,648</td>
</tr>
<tr>
<td>2019</td>
<td>697,648</td>
</tr>
<tr>
<td>2020</td>
<td>696,172</td>
</tr>
<tr>
<td>2021</td>
<td>695,463</td>
</tr>
<tr>
<td>2022</td>
<td>576,363</td>
</tr>
<tr>
<td>Thereafter</td>
<td>419,831</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,783,125</strong></td>
</tr>
</tbody>
</table>

Actuarial Assumptions. The total pension liability at July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.60 percent
- Salary Increases: 3.25 percent, average, including inflation
- Municipal bond rate: 2.85 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 2.85 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used to determine the total pension liability decreased from 3.80 percent from the prior measurement date.

Sensitivity of the University’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University’s proportionate share of the net pension liability calculated using the discount rate of 2.85 percent, as well as what the University’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.85 percent) or 1 percentage point higher (3.85 percent) than the current rate:
Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Comprehensive Annual Financial Report.

Payables to the Pension Plan. At June 30, 2017, the University reported a payable of $49,376 for the outstanding amount of contributions to the Pension Plan required for the fiscal year ended June 30, 2017.

11. Retirement Plans – Defined Contribution Pension Plans

FRS Investment Plan. The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2016-17 fiscal year were as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Percent of Gross Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRS, Regular</td>
<td>6.30</td>
</tr>
<tr>
<td>FRS, Senior Management Service</td>
<td>7.67</td>
</tr>
<tr>
<td>FRS, Special Risk Regular</td>
<td>14.00</td>
</tr>
</tbody>
</table>

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested.
for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the University.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The University’s Investment Plan pension expense totaled $782,539 for the fiscal year ended June 30, 2017.

State University System Optional Retirement Program. Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in FRS for 8 or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes 5.14 percent of the participant’s salary to the participant’s account, 2.83 percent to cover the unfunded actuarial liability of the FRS Pension Plan, and 0.01 percent to cover administrative costs, for a total of 7.98 percent, and employees contribute 3 percent of the employee’s salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant’s annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The University’s contributions to the Program totaled $3,629,606 and employee contributions totaled $2,349,057 for the 2016-17 fiscal year.

12. Construction Commitments

The University’s construction commitments at June 30, 2017, were as follows:
### Total Completed Balance

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Total Commitment</th>
<th>Completed to Date</th>
<th>Balance Committed</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Village Recreation Center</td>
<td>$ 7,009,066</td>
<td>$ 1,032,876</td>
<td>$ 5,976,190</td>
</tr>
<tr>
<td>South Access Road</td>
<td>$ 4,000,066</td>
<td>$ 182,014</td>
<td>$ 3,818,052</td>
</tr>
<tr>
<td>North Lake Village Dining Facility</td>
<td>$ 3,500,000</td>
<td>$ 791,131</td>
<td>$ 2,708,869</td>
</tr>
<tr>
<td>North Lake Village Site Improvements</td>
<td>$ 4,200,000</td>
<td>$ 3,155,242</td>
<td>$ 1,044,758</td>
</tr>
<tr>
<td>INTG Watershed/Coastal Studies Bldg.</td>
<td>$ 3,852,144</td>
<td>$ 42,077</td>
<td>$ 3,810,067</td>
</tr>
<tr>
<td>WGCU Transmission Tower Replacement</td>
<td>$ 1,795,010</td>
<td>$ 3,150</td>
<td>$ 1,791,860</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$ 24,356,286</td>
<td>$ 5,206,490</td>
<td>$ 19,149,796</td>
</tr>
<tr>
<td>Project Balances Under $1 million</td>
<td>$ 2,309,881</td>
<td>$ 885,229</td>
<td>$ 1,424,652</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 26,666,167</td>
<td>$ 6,091,719</td>
<td>$ 20,574,448</td>
</tr>
</tbody>
</table>

### 13. Risk Management Programs

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2016-17 fiscal year, for property losses, the State retained the first $2 million per occurrence for all perils except named windstorm and flood. The State retained the first $2 million per occurrence with an annual aggregate retention of $40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of $2 million per occurrence were commercially insured up to $85 million for named windstorm and flood losses through February 14, 2017, and increased to $92.5 million starting February 15, 2017. For perils other than named windstorm and flood, losses in excess of $2 million per occurrence were commercially insured up to $200 million through February 14, 2017, and increased to $225 million starting February 15, 2017; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers’ compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to $200,000 per person, and $300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past 3 fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State’s risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State’s group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.
14. Functional Distribution of Operating Expenses

The functional classification of an operating expense (instruction, research, etc.) is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. For example, activities of an academic department for which the primary departmental function is instruction may include some activities other than direct instruction such as research and public service. However, when the primary mission of the department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The operating expenses on the statement of revenues, expenses, and changes in net position are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

<table>
<thead>
<tr>
<th>Functional Classification</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$70,791,049</td>
</tr>
<tr>
<td>Research</td>
<td>2,629,257</td>
</tr>
<tr>
<td>Public Services</td>
<td>8,859,695</td>
</tr>
<tr>
<td>Academic Support</td>
<td>17,726,597</td>
</tr>
<tr>
<td>Student Services</td>
<td>14,633,941</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>31,033,301</td>
</tr>
<tr>
<td>Operation and Maintenance of Plant</td>
<td>10,955,631</td>
</tr>
<tr>
<td>Scholarships, Fellowships, and Waivers</td>
<td>18,025,695</td>
</tr>
<tr>
<td>Depreciation</td>
<td>16,276,589</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>34,291,602</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>$225,223,357</strong></td>
</tr>
</tbody>
</table>

15. Segment Information

A segment is defined as an identifiable activity (or grouping of activities) that has one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt. In addition, the activity’s related revenues, expenses, gains, losses, assets, and liabilities are required to be accounted for separately. The following financial information for the University’s Housing and Parking facilities represents identifiable activities for which one or more bonds are outstanding:
## Condensed Statement of Net Position

<table>
<thead>
<tr>
<th>Assets</th>
<th>Housing Facility</th>
<th>Parking Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>$ 17,516,794</td>
<td>$ 3,631,045</td>
</tr>
<tr>
<td>Capital Assets, Net</td>
<td>175,283,242</td>
<td>20,587,875</td>
</tr>
<tr>
<td>Other Noncurrent Assets</td>
<td>12,597,885</td>
<td>1,370,657</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>205,397,921</strong></td>
<td><strong>25,589,577</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td>10,790,040</td>
<td>958,703</td>
</tr>
<tr>
<td>Noncurrent Liabilities</td>
<td>174,646,371</td>
<td>18,485,658</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>185,436,411</strong></td>
<td><strong>19,444,361</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Position</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment in Capital Assets</td>
<td>2,070,186</td>
<td>112,761</td>
</tr>
<tr>
<td>Restricted - Expendable</td>
<td>10,761,583</td>
<td>1,370,657</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>7,129,741</td>
<td>4,661,798</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td><strong>$ 19,961,510</strong></td>
<td><strong>$ 6,145,216</strong></td>
</tr>
</tbody>
</table>

## Condensed Statement of Revenues, Expenses, and Changes in Net Position

<table>
<thead>
<tr>
<th></th>
<th>Housing Facility</th>
<th>Parking Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$ 29,053,902</td>
<td>$ 3,513,132</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(4,174,407)</td>
<td>(503,902)</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>(18,416,774)</td>
<td>(1,669,103)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td><strong>6,462,721</strong></td>
<td><strong>1,340,127</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nonoperating Revenues (Expenses):</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonoperating Revenue</td>
<td>390,651</td>
<td>54,699</td>
</tr>
<tr>
<td>Other Nonoperating Expense</td>
<td>(6,577,844)</td>
<td>(578,352)</td>
</tr>
<tr>
<td><strong>Net Nonoperating Expenses</strong></td>
<td><strong>(6,187,193)</strong></td>
<td><strong>(523,653)</strong></td>
</tr>
</tbody>
</table>

| Increase in Net Position          | 275,528          | 816,474          |
| Net Position, Beginning of Year   | 19,685,982       | 5,328,742        |
| **Net Position, End of Year**     | **$ 19,961,510** | **$ 6,145,216** |
Condensed Statement of Cash Flows

Net Cash Provided (Used) by:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Housing Facility</th>
<th>Parking Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Activities</td>
<td>$ 10,484,220</td>
<td>$ 1,854,554</td>
</tr>
<tr>
<td>Noncapital Financing Activities</td>
<td>(6,217,174)</td>
<td>(563,375)</td>
</tr>
<tr>
<td>Capital and Related Financing Activities</td>
<td>(6,559,111)</td>
<td>(559,332)</td>
</tr>
<tr>
<td>Investing Activities</td>
<td>2,292,065</td>
<td>(731,773)</td>
</tr>
</tbody>
</table>

Net Increase in Cash and Cash Equivalents: - 74
Cash and Cash Equivalents, Beginning of Year: - 370,583

Cash and Cash Equivalents, End of Year: $ 370,657

16. Blended Component Unit

The University has one blended component unit as discussed in Note 1. The following financial information is presented net of eliminations for the University’s blended component unit:

Condensed Statement of Net Position

<table>
<thead>
<tr>
<th>FGCU Financing Corporation</th>
<th>University</th>
<th>Eliminations</th>
<th>Total Primary Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>$ 20,705,586</td>
<td>$ 79,934,385</td>
<td>$(517,543)</td>
</tr>
<tr>
<td>Capital Assets, Net</td>
<td>1,847,476</td>
<td>529,952,101</td>
<td>-</td>
</tr>
<tr>
<td>Other Noncurrent Assets</td>
<td>205,809,236</td>
<td>3,207,187</td>
<td>$(193,688,170)</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>228,362,298</td>
<td>613,093,673</td>
<td>$(194,205,713)</td>
</tr>
<tr>
<td>Deferred Outflows of Resources</td>
<td>-</td>
<td>26,669,734</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>203,181,669</td>
<td>296,717,829</td>
<td>$(194,205,713)</td>
</tr>
<tr>
<td>Deferred Inflows of Resources</td>
<td>-</td>
<td>359,938</td>
<td>-</td>
</tr>
<tr>
<td>Net Position:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment in Capital Assets</td>
<td>1,656,133</td>
<td>330,986,442</td>
<td>-</td>
</tr>
<tr>
<td>Restricted - Expendable</td>
<td>12,132,240</td>
<td>21,271,523</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>11,392,256</td>
<td>(9,572,325)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>$ 25,180,629</td>
<td>$ 342,685,640</td>
<td>$ -</td>
</tr>
</tbody>
</table>
### Condensed Statement of Revenues, Expenses, and Changes in Net Position

<table>
<thead>
<tr>
<th></th>
<th>FGCU Financing Corporation</th>
<th>University</th>
<th>Eliminations</th>
<th>Total Primary Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$ 18,252,887</td>
<td>$ 102,042,815</td>
<td>-</td>
<td>$ 120,295,702</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>-</td>
<td>(16,276,589)</td>
<td>-</td>
<td>(16,276,589)</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>(14,278,002)</td>
<td>(203,006,438)</td>
<td>8,337,672</td>
<td>(208,946,768)</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td><strong>3,974,885</strong></td>
<td>(117,240,212)</td>
<td>8,337,672</td>
<td>(104,927,655)</td>
</tr>
<tr>
<td>Nonoperating Revenues (Expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonoperating Revenue</td>
<td>445,350</td>
<td>105,939,346</td>
<td>-</td>
<td>106,384,696</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>-</td>
<td>(508)</td>
<td>(8,337,672)</td>
<td>(8,338,180)</td>
</tr>
<tr>
<td>Other Nonoperating Expense</td>
<td>(10,194,775)</td>
<td>9,597,800</td>
<td>-</td>
<td>(596,975)</td>
</tr>
<tr>
<td><strong>Net Nonoperating Revenues (Expenses)</strong></td>
<td><strong>(9,749,425)</strong></td>
<td><strong>115,536,638</strong></td>
<td>(8,337,672)</td>
<td><strong>97,449,541</strong></td>
</tr>
<tr>
<td>Other Revenues</td>
<td>-</td>
<td>12,989,986</td>
<td>-</td>
<td>12,989,986</td>
</tr>
<tr>
<td><strong>Increase (Decrease) in Net Position</strong></td>
<td><strong>(5,774,540)</strong></td>
<td><strong>11,286,412</strong></td>
<td>-</td>
<td><strong>5,511,872</strong></td>
</tr>
<tr>
<td>Net Position, Beginning of Year</td>
<td>30,955,169</td>
<td>331,399,228</td>
<td>-</td>
<td>362,354,397</td>
</tr>
<tr>
<td>Net Position, End of Year</td>
<td>$ 25,180,629</td>
<td>$ 342,685,640</td>
<td>$ -</td>
<td>$ 367,866,269</td>
</tr>
</tbody>
</table>

### Condensed Statement of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>FGCU Financing Corporation</th>
<th>University</th>
<th>Eliminations</th>
<th>Total Primary Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Provided (Used) by:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Activities</td>
<td>$ 9,431,352</td>
<td>(77,858,659)</td>
<td>(9,728,018)</td>
<td>(78,155,325)</td>
</tr>
<tr>
<td>Noncapital Financing Activities</td>
<td>(3,873,127)</td>
<td>91,889,300</td>
<td>18,217,887</td>
<td>106,234,060</td>
</tr>
<tr>
<td>Capital and Related Financing Activities</td>
<td>(7,143,443)</td>
<td>(5,203,490)</td>
<td>(8,489,869)</td>
<td>(20,836,802)</td>
</tr>
<tr>
<td>Investing Activities</td>
<td>1,560,292</td>
<td>(8,353,996)</td>
<td>-</td>
<td>(7,275,704)</td>
</tr>
<tr>
<td><strong>Net Decrease in Cash and Cash Equivalents</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents, Beginning of Year</td>
<td>445,583</td>
<td>84,013</td>
<td>-</td>
<td>(33,771)</td>
</tr>
<tr>
<td>Cash and Cash Equivalents, End of Year</td>
<td>$ 420,657</td>
<td>$ 75,168</td>
<td>-</td>
<td>$ 495,825</td>
</tr>
</tbody>
</table>

17. Related Party Transactions

**University and Blended Component Unit.**

As part of a Master Ground and Operating Lease Agreement (see Note 9.), the University operates and pays all operating costs of the facilities leased from the Corporation from the gross rental income from the respective student residences and parking facilities. The net rental income is then paid to the Corporation by the University in arrears based on collections. The University provides office space and
related occupancy costs, such as, utilities and use of other office machines as well as accounting and record keeping services at no cost to the Corporation.

**Discretely Presented Component Unit.**

On March 15, 2006, the Foundation, loaned $5 million to the Corporation to purchase a two-acre lot in Naples as the future location of the University’s Naples Center (Naples Center). In December 2016, the Corporation sold the land and repaid all associated debts to the Foundation. The Corporation was responsible for the interest due on the loan and reimbursed the Foundation prior to the sale of the land.

The Foundation maintains a portion of its investments and had two outstanding loans with a financial institution of which a Foundation board member was an officer during the fiscal year ended June 30, 2017. The Foundation investments managed by the financial institution at June 30, 2017, totaled $21,328,834. The Foundation had one outstanding loan totaling $2,250,000 with the financial institution at June 30, 2017, and paid $113,198 in interest during the fiscal year ended June 30, 2017. The Foundation paid off the other outstanding loan with the proceeds from the sale of land by the Corporation.

The Foundation maintains a portion of its fixed income investments with an investment firm of which a Foundation board member was an officer during the fiscal year ended June 30, 2017. The Foundation investments managed by the investment firm at June 30, 2017, totaled $11,359,524.

The Foundation’s operating bank account was with a financial institution that a Foundation board member was an officer of during the fiscal year ending June 30, 2017. On June 30, 2017, the Foundation had $15,463,990 on deposit with this financial institution.

On July 17, 2013, the University renewed the lease agreement with the Foundation for the use of waterfront property for the University’s Vester Marine Science and Environmental Education Center. The monthly lease payment of $32,000 covers the general operating and maintenance expenses incurred by the Foundation.
### Schedule of Funding Progress – Other Postemployment Benefits Plan

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets (a)</th>
<th>Actuarial Accrued Liability (AAL) (1) (b)</th>
<th>Unfunded AAL (UAAL) (1) (b-a)</th>
<th>Funded Ratio (a/b)</th>
<th>Covered Payroll (c)</th>
<th>UAAL as a Percentage of Covered Payroll [(b-a)/c]</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/2011</td>
<td>$ -</td>
<td>$ 26,010,000</td>
<td>$ 26,010,000</td>
<td>0%</td>
<td>$ 66,215,314</td>
<td>39.3%</td>
</tr>
<tr>
<td>7/1/2013</td>
<td>-</td>
<td>28,949,000</td>
<td>28,949,000</td>
<td>0%</td>
<td>72,848,027</td>
<td>39.7%</td>
</tr>
<tr>
<td>7/1/2015</td>
<td>-</td>
<td>44,503,000</td>
<td>44,503,000</td>
<td>0%</td>
<td>84,243,931</td>
<td>52.8%</td>
</tr>
</tbody>
</table>

Note: (1) The entry-age cost actuarial method was used to calculate the actuarial accrued liability.

### Schedule of the University's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan

<table>
<thead>
<tr>
<th>University's proportion of the FRS net pension liability</th>
<th>2016 (1)</th>
<th>2015 (1)</th>
<th>2014 (1)</th>
<th>2013 (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.138242676%</td>
<td>0.134955671%</td>
<td>0.120557144%</td>
<td>0.090929688%</td>
<td></td>
</tr>
<tr>
<td>University's proportionate share of the FRS net pension liability</td>
<td>$ 34,906,384</td>
<td>$ 17,431,335</td>
<td>$ 7,355,759</td>
<td>$ 15,653,046</td>
</tr>
<tr>
<td>University's covered payroll (2)</td>
<td>$ 83,326,076</td>
<td>$ 78,759,256</td>
<td>$ 71,749,253</td>
<td>$ 67,297,169</td>
</tr>
<tr>
<td>University's proportionate share of the FRS net pension liability as a percentage of its covered payroll</td>
<td>41.89%</td>
<td>22.13%</td>
<td>10.25%</td>
<td>23.26%</td>
</tr>
<tr>
<td>FRS Plan fiduciary net position as a percentage of the FRS total pension liability</td>
<td>84.88%</td>
<td>92.00%</td>
<td>96.09%</td>
<td>88.54%</td>
</tr>
</tbody>
</table>

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.
(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

### Schedule of University Contributions – Florida Retirement System Pension Plan

<table>
<thead>
<tr>
<th></th>
<th>2017 (1)</th>
<th>2016 (1)</th>
<th>2015 (1)</th>
<th>2014 (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually required FRS contribution</td>
<td>$ 3,737,809</td>
<td>$ 3,371,268</td>
<td>$ 3,290,334</td>
<td>$ 2,640,713</td>
</tr>
<tr>
<td>FRS contributions in relation to the contractually required contribution</td>
<td>(3,737,809)</td>
<td>(3,371,268)</td>
<td>(3,290,334)</td>
<td>(2,640,713)</td>
</tr>
<tr>
<td>FRS contribution deficiency (excess)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>University's covered payroll (2)</td>
<td>$ 87,654,579</td>
<td>$ 83,326,076</td>
<td>$ 78,759,256</td>
<td>$ 71,749,253</td>
</tr>
<tr>
<td>FRS contributions as a percentage of covered payroll</td>
<td>4.26%</td>
<td>4.05%</td>
<td>4.18%</td>
<td>3.68%</td>
</tr>
</tbody>
</table>

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.
(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.
### Schedule of the University’s Proportionate Share of the Net Pension Liability – 
Health Insurance Subsidy Pension Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>2016 (1)</th>
<th>2015 (1)</th>
<th>2014 (1)</th>
<th>2013 (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>University’s proportion of the HIS net pension liability</td>
<td>0.131611257%</td>
<td>0.126328980%</td>
<td>0.116328119%</td>
<td>0.109926339%</td>
</tr>
<tr>
<td>University’s proportionate share of the HIS net pension liability</td>
<td>$15,338,747</td>
<td>$12,883,569</td>
<td>$10,876,963</td>
<td>$9,570,533</td>
</tr>
<tr>
<td>University’s covered payroll (2)</td>
<td>$39,725,141</td>
<td>$37,462,263</td>
<td>$34,108,299</td>
<td>$31,706,972</td>
</tr>
<tr>
<td>University’s proportionate share of the HIS net pension liability as a percentage of its covered payroll</td>
<td>38.61%</td>
<td>34.39%</td>
<td>31.89%</td>
<td>30.18%</td>
</tr>
<tr>
<td>HIS Plan fiduciary net position as a percentage of the HIS total pension liability</td>
<td>0.97%</td>
<td>0.50%</td>
<td>0.99%</td>
<td>1.78%</td>
</tr>
</tbody>
</table>

Notes: 
(1) The amounts presented for each fiscal year were determined as of June 30.
(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

### Schedule of University Contributions – 
Health Insurance Subsidy Pension Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>2017 (1)</th>
<th>2016 (1)</th>
<th>2015 (1)</th>
<th>2014 (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually required HIS contribution</td>
<td>$711,195</td>
<td>$674,592</td>
<td>$482,908</td>
<td>$398,501</td>
</tr>
<tr>
<td>HIS contributions in relation to the contractually required HIS contribution</td>
<td>(711,195)</td>
<td>(674,592)</td>
<td>(482,908)</td>
<td>(398,501)</td>
</tr>
<tr>
<td>HIS contribution deficiency (excess)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>University’s covered payroll (2)</td>
<td>$42,170,740</td>
<td>$39,725,141</td>
<td>$37,462,263</td>
<td>$34,108,299</td>
</tr>
<tr>
<td>HIS contributions as a percentage of covered payroll</td>
<td>1.69%</td>
<td>1.70%</td>
<td>1.29%</td>
<td>1.17%</td>
</tr>
</tbody>
</table>

Notes: 
(1) The amounts presented for each fiscal year were determined as of June 30.
(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Schedule of Funding Progress – Other Postemployment Benefit Plan
   The July 1, 2015, unfunded actuarial accrued liability of $44,503,000 was significantly higher than the July 1, 2013, liability of $28,949,000 as a result of (1) the per capita claims cost assumption increased, (2) retiree contributions were not as high as expected, (3) the healthcare trend rate assumption was revised, and (4) certain demographic assumptions were revised (retirement rates, termination rates, etc.).

2. Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan
   Changes of Assumptions. The long-term expected rate of return was decreased from 7.65 percent to 7.60 percent, and the active member mortality assumption was updated.

3. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan
   Changes of Assumptions. The municipal rate used to determine total pension liability decreased from 3.80 percent to 2.85 percent.
The President of the Senate, the Speaker of the House of Representatives, and the Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Florida Gulf Coast University, a component unit of the State of Florida, and its discretely presented component unit as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 9, 2018, included under the heading INDEPENDENT AUDITOR'S REPORT. Our report includes a reference to other auditors who audited the financial statements of the blended and discretely presented component units, as described in our report on the University’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University’s internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control. Accordingly, we do not express an opinion on the effectiveness of the University’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control.
that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University’s internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Sherrill F. Norman, CPA
Tallahassee, Florida
March 9, 2018
ITEM: 6

Florida Gulf Coast University Board of Trustees
June 5, 2018

SUBJECT: State of Florida Compliance and Internal Controls over Financial Reporting and Federal Awards Audit

PROPOSED COMMITTEE ACTION


BACKGROUND INFORMATION

As a condition of receiving Federal funds, the U.S. Office of Management and Budget (OMB) requires an audit of the State of Florida’s financial statements and major Federal awards programs, as described in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Pursuant to Section 11.45, Florida Statutes, the Auditor General conducted the audit of the basic financial statements of the State of Florida, including compliance with governing of the Federal awards programs for the fiscal year ended June 30, 2017.

Compliance requirements for Federal awards programs established in the U.S. Office of Management and Budget (OMB) Compliance Supplement include: activities allowed or unallowed, allowable costs/cost principles, cash management, eligibility, matching, level of effort, earmarking, period of performance, procurement and suspension and debarment, and reporting.

The State of Florida Compliance and Internal Controls over Financial Reporting and Federal Awards Audit for the fiscal year ended June 30, 2017 can be found at: https://flauditor.gov/pages/pdf_files/2018-189.pdf#FederalFindings. The information pertaining to Florida Gulf Coast University can be found on pages 89 to 91 under the Student Financial Assistance Cluster in the above document.

Prepared by: Director of Internal Audit William Foster

Legal Review by: N/A

Submitted by: Audit and Compliance Committee Chair Joseph Fogg III
U.S. DEPARTMENT OF EDUCATION

Finding Number 2017-046
CFDA Number 84.063 and 84.268
Program Title Student Financial Assistance Cluster
Federal Pell Grant Program (Pell Grant)
Federal Direct Student Loans (Direct Loan)
Compliance Requirement Special Tests and Provisions – Disbursements – Prohibition on Escheating of Title IV Higher Education Act (HEA) Funds
State Educational Entity Florida Atlantic University (FAU)
Florida Gulf Coast University (FGCU)
Florida International University (FIU)
University of Central Florida (UCF)
Daytona State College (DSC)
Florida Keys Community College (FKCC)
Florida State College at Jacksonville (FSCJ)
Gulf Coast State College (GCSC)
Hillsborough Community College (HCC)
Miami Dade College (MDC)
North Florida Community College (NFCC)
Palm Beach State College (PBSC)
Pasco-Hernando State College (PHSC)
Pensacola State College (PSC)
St. Johns River State College (SJRSC)
State College of Florida (SCF)
Seminole State College (SSC)
South Florida State College (SFSC)
Valencia College (VC)

Statistically Valid Sample No
Finding Type Noncompliance and Significant Deficiency
Questioned Costs – $87,031
($51,144 CFDA No. 84.063, $35,887 CFDA No. 84.268)

Finding Florida public universities and colleges did not always timely return unclaimed Title IV HEA funds to applicable Federal programs.

Criteria 34 CFR 668.164(l), Subpart K, Cash Management, Disbursing Funds
Federal regulations require institutions to return unclaimed Title IV HEA funds no later than 240 days after checks containing such funds are written and prohibit institutions from allowing Title IV HEA funds to revert (or “escheat”) to the State. According to the Federal Student Aid Handbook, after the 240 days, the institution must cease all attempts to disburse the funds and, as such, unclaimed funds are to be returned to the respective programs (USED).

Condition From the population of 7,644 checks or electronic funds transfers (EFTs) outstanding at the time of our audit fieldwork, we selected for examination the institution records for 584 outstanding student checks and EFTs containing Title IV HEA funds to determine whether the institutions timely returned unclaimed Title IV HEA funds to applicable Federal programs. As summarized in the following table, we noted instances at 4 public universities and 15 public colleges in which the institutions did not timely return unclaimed Title IV HEA funds to the respective Title IV HEA program.
### University and College Escheating of Title IV HEA Funds – Audit Exceptions 2016-17 Fiscal Year

<table>
<thead>
<tr>
<th>Institutions</th>
<th>Number of Checks and EFTs Selected</th>
<th>Late Returned Checks and EFTs (1)</th>
<th>Questioned Costs (2)</th>
<th>Questioned Costs Returned (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Universities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FAU</td>
<td>25</td>
<td>3</td>
<td>$9,398</td>
<td>$5,174</td>
</tr>
<tr>
<td>FGCU</td>
<td>33</td>
<td>1</td>
<td>7,300</td>
<td>7,300</td>
</tr>
<tr>
<td>FIU</td>
<td>6</td>
<td>1</td>
<td>680</td>
<td>680</td>
</tr>
<tr>
<td>UCF</td>
<td>65</td>
<td>25</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Colleges:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DSC</td>
<td>5</td>
<td>3</td>
<td>6,787</td>
<td>6,787</td>
</tr>
<tr>
<td>FKCC</td>
<td>21</td>
<td>9</td>
<td>8,759</td>
<td>8,759</td>
</tr>
<tr>
<td>FSCJ</td>
<td>40</td>
<td>8</td>
<td>2,036</td>
<td>2,036</td>
</tr>
<tr>
<td>GCSC</td>
<td>5</td>
<td>5</td>
<td>589</td>
<td>589</td>
</tr>
<tr>
<td>HCC</td>
<td>7</td>
<td>4</td>
<td>1,931</td>
<td>-</td>
</tr>
<tr>
<td>MDC</td>
<td>25</td>
<td>13</td>
<td>5,769</td>
<td>5,769</td>
</tr>
<tr>
<td>NFCC</td>
<td>4</td>
<td>3</td>
<td>2,213</td>
<td>1,844</td>
</tr>
<tr>
<td>PBSC</td>
<td>8</td>
<td>8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PHSC</td>
<td>17</td>
<td>2</td>
<td>254</td>
<td>254</td>
</tr>
<tr>
<td>PSC</td>
<td>25</td>
<td>6</td>
<td>409</td>
<td>409</td>
</tr>
<tr>
<td>SJRSC</td>
<td>12</td>
<td>2</td>
<td>683</td>
<td>-</td>
</tr>
<tr>
<td>SCF</td>
<td>13</td>
<td>3</td>
<td>2,565</td>
<td>-</td>
</tr>
<tr>
<td>SSC</td>
<td>22</td>
<td>9</td>
<td>2,258</td>
<td>2,258</td>
</tr>
<tr>
<td>SFSC</td>
<td>7</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>VC</strong></td>
<td>38</td>
<td>38</td>
<td>35,400</td>
<td>32,405</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>378</td>
<td>144</td>
<td>$87,031</td>
<td>$74,264</td>
</tr>
</tbody>
</table>

Notes:  
(1) The institutions did not return the unclaimed checks and rejected EFTs until after the 240 days allowed. The number of days late averaged 85 days and ranged from 2 to 251 days. For example:  
- UCF disbursed Title IV HEA funds totaling $21,382 to 25 students during the Fall 2016 and Spring 2017 Terms, which went unclaimed and were not returned to the applicable programs until 243 to 343 days later, or 3 to 103 days late. UCF returned these funds prior to audit inquiry.  
- VC disbursed Title IV HEA funds totaling $35,400 to 38 students during the Summer 2016 and Fall 2016 Terms, which went unclaimed and were not returned to the applicable programs. After audit inquiry, VC returned $32,405 to the applicable programs 73 to 234 days late.

(2) Questioned costs are those checks and EFTs outstanding more than 240 days that were not returned to the applicable programs until after audit inquiry, were reissued to the student or parent after the 240 days allowed, or had not been returned to the programs at the conclusion of our audit fieldwork. For example:  
- FAU disbursed Title IV HEA funds totaling $9,398 to 3 students during the Spring 2016 and Fall 2016 Terms. Two of the checks went unclaimed and, subsequent to our audit inquiry, were returned to the applicable program in August 2017 after the 240 days allowed. One of the 3 checks was canceled and, rather than returning the money to the applicable program, FAU reissued the check to the student in December 2016 after the 240 days allowed.  
- SCF disbursed Title IV funds totaling $2,565 to 3 students during calendar year 2015. The 3 checks went unclaimed and the funds were reverted to
the State of Florida on April 28, 2017, instead of being returned to the applicable programs.

(3) Subsequent to audit inquiry, questioned costs totaling $74,264 were returned to the USED. However, the remaining $12,767 had not been returned by FAU, HCC, NFCC, SJRSC, SCF, and VC.

**Cause**

Most institutions have a process to make an additional attempt to disburse Title IV HEA funds directly to a student or parent if the student or parent did not receive the initial disbursement of funds. However, these institutions did not always have a process to timely identify and return unclaimed Title IV HEA funds to the applicable programs no later than 240 days after checks containing such funds are written or EFTs are disbursed.

**Effect**

Without the timely return of unclaimed Title IV HEA funds, there is an increased risk that the funds may be used for unauthorized purposes.

**Recommendation**

Institutions should enhance procedures to ensure the timely return of unclaimed checks and rejected EFTs containing Title IV HEA funds to the applicable Federal programs no later than 240 days after the date the check was written or EFT was disbursed. In addition, the institutions should provide documentation to the USED supporting the allowability of the questioned costs, totaling $12,767, or restore the moneys to the respective Title IV HEA program.

**FAU Response**

The University was in communication with the student who was reissued subsequent Title IV refund checks greater than 240 days from the initial refund date. The student ultimately cashed the third check on December 7, 2016 and claimed his funds. The University believes that returning these funds at this point in time would be at a disservice to the student who received funding that he was eligible for. The University has implemented an aging schedule and updated procedures that will allow the University to proactively review and contact students with aging Title IV refund checks. This will ensure Title IV refund checks are cashed within the 240-day timeframe or they will be returned to the Federal Government.

**FGCU Response**

Florida Gulf Coast University has implemented enhanced procedures for handling unclaimed checks containing Title IV HEA funds. Monthly reviews are conducted to identify and track unclaimed checks starting at 60 days after the check is issued. Routine and systematic attempts to notify a student or parent of an unclaimed check are made via letter, email, and phone, from one contact point. Should the check remain uncashed, sufficient time is allocated to process the return of the funds to the applicable program, and additional attempts to contact the student are ceased. These procedures provide for the return of all unclaimed checks containing Title IV HEA funds within the allowed time frame.

**FIU Response**

FIU agrees that one escheated refund check was cancelled and returned beyond the 240 day limit. This was a result of a change in the A/P refunding process. The process was updated in August 2017.

**UCF Response**

We concur with the auditor findings and have taken corrective action to enhance internal procedures in order to ensure the timely return of unclaimed checks. As stated in above Notes (1): UCF returned these funds prior to audit inquiry.
Florida Gulf Coast University Board of Trustees
June 5, 2018

SUBJECT: President’s Performance Evaluation for 2017-2018

PROPOSED BOARD ACTION

Conduct the annual performance evaluation for President Mike Martin for 2017-2018

BACKGROUND INFORMATION

In accordance with Board of Governors Regulation 1.001, the Florida Gulf Coast University Board of Trustees conducts an annual performance evaluation of the President to include input provided to the Board Chair by the Board of Governors Chair and the Chancellor.

Chair Blake Gable will lead the Board in a performance evaluation of President Mike Martin for 2017-2018.

Supporting Documentation Included: Memo from Chair Blake Gable

Prepared by: Chair Blake Gable

Legal Review: N/A

Submitted by: Chair Blake Gable
MEMORANDUM

May 17, 2018

To: FGCU Board of Trustees

From: Blake Gable, Chair of FGCU Board of Trustees

Re: President Mike Martin’s Performance Evaluation for 2017-2018

Trustees,

I have reviewed each Trustee’s evaluation of President Mike Martin and have had extensive conversations with Board of Governors Chair Ned Lautenbach and Chancellor Marshall Criser regarding the President’s performance. The feedback has been extremely positive from all stakeholders. From our recent legislative success, the significant administrative and structural changes that have been made, and a newfound enthusiasm and community outreach, the President has had a very productive first year. While there is some concern that the President maintain his focus on the metrics associated with performance based funding, the overriding conclusion is that President Martin has had an outstanding year. I have had several conversations with Mike about his first year, and I am pleased that he remains as enthusiastic today about the future of FGCU as he was a year ago.

During his performance evaluation on June 5th, I will be making a recommendation on a bonus and how I believe we should approach any changes to his contract in the coming year. As a reminder, any changes to his contract must also be approved by the Board of Governors (BOG), although we have latitude to award a performance bonus of up to $100,000 without BOG approval per the terms of his contract. I look forward to our discussion on the 5th.
Florida Gulf Coast University Board of Trustees  
June 5, 2018

SUBJECT: Transcript of the Executive Session for Cody Childers vs. Florida Gulf Coast University Board of Trustees, Ronald B. Toll, Mitchell L. Cordova, Joan Glacken, Eric Shamus and Arie Van Duijn

PROPOSED BOARD ACTION

For Information Only

BACKGROUND INFORMATION

The Florida Gulf Coast University Board of Trustees met on April 19, 2016 in Executive Session regarding Cody Childers vs. Florida Gulf Coast University Board of Trustees, Ronald B. Toll, Mitchell L. Cordova, Joan Glacken, Eric Shamus and Arie Van Duijn. As the aforementioned litigation has been concluded and as required by law, this transcript is being presented to be made a part of the public record.

Supporting Documentation Included: Transcript of the Executive Session of April 19, 2016


Legal Review by: N/A

Submitted by: Vice President and General Counsel Vee Leonard
FLORIDA GULF COAST UNIVERSITY
BOARD OF TRUSTEES
EXECUTIVE SESSION

DATE: April 19, 2016
TIME: 9:05 a.m. to 9:55 a.m.
PLACE: Florida Gulf Coast University
10501 FGCU Blvd., South
Fort Myers, Florida
REPORTER: LISA M. BOYD, RPR, FPR, CMRS,
Notary Public, State of Florida at Large

VON AHN ASSOCIATES, INC.
Registered Professional Reporters
2271 McGregor Boulevard, Second Floor
Fort Myers, Florida 33901
Phone: (239) 332-7443 FAX: 239 332-4066
Fort Myers • Naples • South Fort Myers • Punta Gorda

ORIGINAL
A P P E A R A N C E S

MEMBERS PRESENT FOR EXECUTIVE SESSION:

J. Dudley Goodlette, Board of Trustees (Chair)
Shawn Felton, Board of Trustees (Vice Chair)
Darleen Cors, Board of Trustees
Thieldens Elneus, Board of Trustees
Joseph Fogg, III, Board of Trustees
Blake Gable, Board of Trustees
Carol Moore, Board of Trustees
Kevin Price, Board of Trustees
Russell Priddy, Board of Trustees
Robbie Roepstorff, Board of Trustees
Ken Smith, Board of Trustees

EXECUTIVE STAFF

Wilson Bradshaw, President
Vee Leonard, Vice-President/General Counsel

ALSO PRESENT:

Richard E. Mitchell, Esquire
GrayRobinson, P.A.
VICE-PRESIDENT LEONARD: The two cases that we'll be discussing is Natalie Wilson versus the Board of Trustees, as well as Collin Ramdeen, who is a faculty member in the College of Business. We have with us today Mr. Rick Mitchell from the law firm of GrayRobinson out of Orlando, and he is representing the University in both of these cases.

So at this time I'll ask him to tell you briefly a little bit about his background, and then we'll proceed into the first case.

MR. MITCHELL: Good morning, everyone. It's a pleasure to be here with you. It's been a real pleasure to work with VP Vee Leonard over the last several years and her team.

Before going to law school I was an engineer for the Walt Disney World company. I've always felt a passion to be a lawyer. My father was a law enforcement officer growing up, I used to go to court with him. So I left Disney and went to law school. I've been practicing about sixteen years, and just happened to get a case for UCF probably twelve years ago, and from there I've grown the practice where we represent five or six universities, eight of our state colleges. And like I said, it's been an honor to work with Vee in
your matters.

The first case I'd like to address is Florida Gulf Coast University versus Cody Childers. Mr. Childers was dismissed from our doctoral physical therapy program, what we refer to as the DPT program, on grounds of unprofessionalism. His very first semester he was twice placed on professional behaviors probation. When he enrolled in the program he attended mandatory orientation, he received the student guidebook. He was repeatedly told that if you get three professional behaviors probations you're automatically out of the program. So the very first semester he gets placed on two probations.

The first one he failed to timely turn in his certificate of liability insurance after five courtesy reminders from staff. The second time it was more of a cumulative thing, but he was showing up at his clinical sites late, unshaven, wearing shorts. He was rushing through patient evaluations. He was doing poor quality work product. He showed up delayed to class often. And at one point showed up fifteen minutes late to a class and had an Einstein bagel bag and a cup of coffee. So the professors had a meeting with him,
including his faculty advisor, and put him on a second probation. In that letter it specifically says and reminds him three strikes, you're out. So he's on clear notice of this.

So we come to his second semester. And there are fifteen females -- twelve females and fifteen males in his class, and they have a class Facebook page that they use to communicate. So Mr. Childers, while he's on probation, decides it would be a good idea to send a joke that he entitled "His College Girls Joke" to his entire cohorts. I would like to -- it's pretty offensive, so fair warning. But this is the communication that is at issue in this case, and I think it's important for you to see exactly what we're dealing with here. And on the back side of this, one of the female students who received this Facebook posting immediately notified the Office of Student Conduct, and disciplinary proceedings were initiated.

I'll give you a moment to -- again, I apologize, but it is what it is.

PRESIDENT BRADSHAW: Who was this sent to?

MR. MITCHELL: This was posted on the class Facebook page, sir.

(Trustees reviewing document.)
MR. MITCHELL: That's a college girl joke. So one of the female students reports to the Office of Student Conduct. All protocols were followed. Student Conduct notified the Department. The Department did an investigation, met with Mr. Childers, gave him a chance to explain himself. And rather than showing any remorse or recognition of what he had done, he demanded to know who turned him in. Repeatedly, who turned me in, wanted to know the student's name. The professors refused to do that.

He was informed that the faculty counsel would be considering his conduct in an upcoming meeting. That evening he sent a very long e-mail to the entire faculty of the program, again trying to justify his behavior. Very odd e-mail. Odd pattern of conduct. Faculty counsel voted unanimously to place him on professional behaviors probation for the third time, thus resulting in his automatic dismissal from the program.

Now, he had filed -- that was sustained, by the way on appeal, all the way up to the Provost. He found a lawyer, who we believe is a friend of his. He's a younger lawyer. Vee and I met him once at a hearing I'll talk about here. But he
filed a suit in federal court under Section 1983 for violation of his due process rights and free speech rights. Plus a claim for defamation based on the investigation that we did and the letter kicking him out of the program.

He seeks under Counts 1 and 2, $704,000 for his lost income and lost -- and tuition and fees that he spent. Under Count 3, which is defamation, he seeks $83,000. He has sued Board of Trustees; Dr. Toll, Provost and VP of Academic Affairs; Dr. Cordova; Dr. Glacken, associate dean in the College of Health Professions and Social Work; Dr. Shamus, Department Chair of Rehabilitation Sciences; and Dr. Van Duijn, the Director of the DPT Programs.

He has sued the individuals both in their official capacity, meaning their job, as well as their individual capacity. Which is completely unnecessary, but plaintiffs' lawyers tend to do that, they think it gives them some kind of leverage with individual defendants having to think are my personal assets at risk here? It's a leverage move. But we've addressed it, and we're going to talk about that in a second.

So I've handled many cases alleged by students alleging these due process, free speech rights.
And from the outset of the case my clear direction from Vee was to aggressively defend this case. And so we have. The usual course of litigation in federal court is it takes typically from the date of filing to the date of trial two years, about a twenty-four month period.

You've got the pleadings, you know, the complaint and the answer. And then you've got discovery. So we do a bunch of depositions and we do a bunch of written discovery. At the close of discovery, we go into the expert phase. And then we file something called a motion for summary judgment. We tell the court, Judge, we don't need a trial here. This isn't a case where it's a car accident and both people are saying they had the green light.

The facts here are undisputed, and indisputable. His joke speaks for itself. Our professional behavior standards speak for themselves. He received the exact process that was provided under the student guidebook. There were no material deviations from that. So we're now in the realm of the professional judgment of educators. And I feel strongly that the courts need to show restraint when it comes to these kinds
of matters, it lets our courts become superintendent of our colleges and universities. It's not a good situation.

So instead of -- we tried to short circuit that whole lengthy and expensive process. Vee and I prepared a motion for summary final judgment that we filed right out of the chute. We had supporting declarations from the involved faculty. On the first page of our motion I go right into the joke, it's in the summary of our argument, so the judge sees it. I want the judge to understand what we're dealing with here.

And so we file our motion for summary judgment, and the U.S. magistrate judge, Magistrate Judge McCoy, sets a case management conference. All the counsel come there, and we talk about deadlines, scheduling, and when the trial is going to be. So Vee and I were there. And plaintiff's counsel verbally asked the Court for more time to respond to our motion for summary judgment. The judge says, fine, how much time do you need? He asked for two or three weeks. The judge gave it to him.

So on the day his response to our summary judgment was due, instead of filing his response as
he told the Court, he files an amended complaint. Pure window dressing. He deletes some allegations here and there. Adds an allegation that his classmates knew that he did standup comedy at local bars. And so in context they should know that this was really just a joke and part of his comedy routine. Again more justification. There's no acknowledgment of what he did. And so the judge did accept his amended complaint, even though it was improperly filed. And we again filed a new motion for summary judgment based on the amended complaint.

Where we are right now procedurally is the plaintiff has to respond to our motion by this Friday. And then we may or may not get a chance to file a reply brief in support of our motion. And we intend to ask for oral argument before the Court. I would like to hear this lawyer on his feet defending what his client did, and trying to persuade the Court to again inject itself into the academic affairs of the University.

There is also the precedential value of this case. I've been seeing this a lot around the state. Students are really worried about having these kinds of things on their record when they go
to apply to other universities, or jobs, and understandably so. So what I've seen is they'll file these lawsuits, and then they'll negotiate for an expungement. So pay some attorney's fees, take it off my record, I'll go away, you don't have to spend the money to defend the case. So it's not going to be in the press, you're going to avoid a public trial. I call it a form of "greenmail".

But the problem with that is, and Vee and I have talked about this at length, once you go down that path and the word gets out, that's going to become the modus operandi. Right? I'll just sue you, and then you'll back off, take it off the record, and we're done. Bad precedent. So what we're doing is we're going to continue our aggressive defense. We are very interested to see what plaintiff comes up with in his response this Friday, and then we will proceed accordingly.

VICE-PRESIDENT LEONARD: I'd like to hear from this Board, any questions you might have, or any position or concerns you have about a strategy of not removing documents from his record as a part of any potential settlement. So if I could hear from you all.

TRUSTEE FOGG: I have a couple of questions.
I read the complaint. In my prior life I -- I'm not a lawyer, but I went through a lot of this stuff. First of all, a factual question. They take the position, I believe, that this Facebook page is off the University. that even though -- I didn't realize all the students were part of it. But nevertheless it's a private thing, it's not under the jurisdiction of the University. Will you comment on that?

MR. MITCHELL: Yes, sir. What happens is when the class gets admitted, the Department will set up a Facebook page for them to communicate finding apartments, living arrangements, get to know each other, get to know your classmates. Once the program starts that cite is shut down, and with Department's knowledge the students start their own Facebook page. And it's open by a student and run by a student. So they are making that argument.

And this is an emerging area of law. However, there are courts around our nation that have addressed these kind of issues, where university students have made postings to their personal private Facebook page, and because the classmate was a friend, you know, linked, they've seen it and reported it to the college, you know, threatening
behavior, and courts have upheld the university
taking actions in those circumstances.

And the primary response to that argument is
but for their enrollment in our DPT program they
would not have been part of this Facebook group.
So it's sufficiently connected to the University
and our program, that we can take action based on
it. And the best evidence is the female student
who reported him, she sure felt it was close enough
affiliated with the University.

TRUSTEE FOGG: But that's not settled law,
right? I mean, they're going to argue this as a
matter of law. We don't know where that's going,
right? It's a federal judge.

MR. MITCHELL: Federal judge who we are
comfortable with. He's a rule follower. He's a
younger judge, maybe thirty-eight years old, but
very by the book. And because we went by the book
in how we proceeded, we feel good about it. But
there is case law, it's emerging around the
country, that supports our position that we can
take action based on this.

Now, if the Court disagrees, and tells us so,
then --

TRUSTEE FOGG: So that will be an issue?
MR. MITCHELL: Definitely an issue.

TRUSTEE FOGG: I'm concerned about universities extending their jurisdiction off campus in matters of thought and free speech. And then, of course, the other thing is this is a basic First Amendment argument. I mean, that's what they're saying. They're saying, okay, this is obviously pretty trashy, but I've got a right to say this. So where is that going?

MR. MITCHELL: Well, I would take it a little further than trashy, and I would call it obscene.

TRUSTEE FOGG: This is horrible, I agree with you.

MR. MITCHELL: Obscenity is not protected under the First Amendment. It's just simply not protected speech. And because it's affiliated with the University and our curriculum, I feel good about our position. But you're exactly right. Even in the Title IX context, you have sexual harassment taking place off campus at apartments, we still have the duty to investigate there. So if the Court's going to start drawing lines depending on who opens a Facebook page, then --

TRUSTEE FOGG: Because I've read some of your rules in here, in these appendixes, that governs
students' behavior way more than -- I mean, it's very broad according to our rules, what we can do or tell these kids not to do. And they're attacking that, that's what they're attacking. So I think this is going to be an interesting case myself.

MR. MITCHELL: The case law, and this is coming from the U.S. Supreme Court even, it says our universities' rules and regulations don't have to be crystal clear, they don't have to be as focused as the criminal law, and nor do our procedures have to be as formal as trial court proceedings. In fact, there's a case involving Florida State University, where the federal court judge held that notwithstanding the absence of a university regulation on point, the university has inherent power to discipline students for this kind of conduct.

TRUSTEE FOGG: Well, that's going to be the interesting question.

MR. MITCHELL: I agree.

TRUSTEE GOODLETTE: What are the next steps, if you would? Vice-President Leonard, would you anticipate keeping us informed as to the status of this as it progresses? What do you expect beyond
the next steps? In terms of any kind of settlement
negotiations or anything like that, that's several
months down the pike, right?

VICE-PRESIDENT LEONARD: That's correct. I
don't anticipate any initial settlement. Of
course, there's always court ordered mediation.
But, quite honestly, the plaintiff can approach us
at any time and ask, are you interested in having a
conversation? But before we go down that road we
would, of course, have an executive session. If
there is anything that's posted, I don't send all
of the documents that are filed with the Court to
the trustees, but if that is a desire of someone,
of course, I can do that. But they are very
voluminous, so I don't send those out. But I can
keep you apprised as we go on. But I do anticipate
that this is going to be a long process, because we
have a lot of people involved.

And we are not making the first move. You
know, I'd like to see where they are going, where
they want to go, rather than us step out there and
start driving this train. I'd like to be
responsive to wherever he goes, keeping in mind the
University's position as it relates to settlement.
Of course, we're not paying out $750,000, or
anything like that. But we do have to look at what nonmonetary issues or nonmonetary things we can put on the table to address the issues that are being raised by the plaintiff to resolve this matter. Or we could set in our minds at this point that we're going to litigate all the way to the end. But I will need some direction from the Board as to your preferences. I see three hands over here.

TRUSTEE PRIDDY: Mr. Mitchell, I agree with your assessment about setting precedent for this, that it will just open us up to more and more and more. I think this Board in the last couple years has certainly taken a stance that is fitting right in with the direction you're heading with this, and that's to defend and not to give in. I don't personally see that we need to offer up anything that the Court doesn't tell us to cough up. Just my thoughts. I think you're on the right track.

TRUSTEE MOORE: Rick, I'm personally wondering if you are doing anything to counter, which it sounds like you're not, about this frivolous suit and trying to get our lawyers' fees back. You said you followed all the protocol, and the guy has his third strike. I would be completely opposed to giving him any money retribution, because it would
definitely deter others in the future, seeing that we're not going to roll over.

MR. MITCHELL: Yes, ma'am. Vee and I have discussed serving the plaintiff with a Rule 11 motion. Rule 11 is one of the federal rules of procedure. And it addresses frivolous litigation. There's a very high standard. Judges dislike granting it, because you're basically telling the lawyer that you committed malpractice, and you don't use the courts. Sometimes it's appropriate, I've gotten them before. But our plan was to let's wait and see what they file on Friday. Let's see what they've got. See what kind of declarations and evidence they come up with, and then go from there. But if there's a reasonable chance that we can recover attorney's fees, rest assured we're going to do everything we can to get it.

Another thing you mentioned, it was a good point, if we're going to do anything with regard to the student, let's have the Court tell us to do it. Because I think on the back page, the student who reported him referenced some earlier postings that he had done to his private page about shooting people in class. We filed that one in the court record too. It's the oddest e-mail, it's just a
rambling diatribe. So let's say we settle, and say we're going to expunge it, we're not paying any money, but you come back on our campus, and then he hurts somebody. You want to talk about liability? So that's a very good point.

And all the other class -- everybody in the class knows what he did and what happened. So look at the message you would be sending to your student body by blessing this kind of conduct by allowing him to come back in. Those are just some of the factors that weigh into the settlement decision. It would be nice to have a federal court order blessing what we did, and every time another student threatens to sue us, we say, take a look at this.

MR. SMITH: I think we have to look at this like we have other cases that have come before us, we don't want to set a precedent that makes it easy for people to come after us knowing we're going to settle. That's issue one. Issue two is when I read that he had the thing about he wanted to shoot people and all that, I'm glad you said what you just said, because I think that's a huge issue. I think if we let him back in here for any reason, that's problematic longer term.
The other thing is this will all come out, and let's not lose sight, this will all come out in the paper. If we settle and take this off his record, how do you face however many females are on this campus? I appreciate what Trustee Fogg is saying, it is kind of -- I have the same question you have as to what has Facebook and how does that revolve around the University, and free speech in general?

So it looks like there's a hill to climb there, not being a lawyer. But I think we need to be cognizant of how we balance. I will tell you even at that, I would not take this off his record unless the Court at the final very end, after we appeal it. Because I just think there's a message here that is just wrong for females at this University. You know, I can envision if we go down this path and we write that off of his record, we should expect we're going to get sued by some females on this campus. And I wouldn't blame them, quite frankly. We don't want to set that as acceptable behavior, because it's --

MR. MITCHELL: Yes, sir.

TRUSTEE GABLE: I think you're on the right path. Keep going and beat this guy, and put this to bed.
PRESIDENT BRADSHAW: Mr. Chair, at the beginning of the presentation here, at the very beginning of the session, General Counsel shared with you that we have decided to aggressively defend the University's position in this matter. And the sense that we're getting is that you want us to continue to aggressively defend the University's position on this, that's the sense of the Board.

TRUSTEE FELTON: And I will just reiterate what Trustee Moore indicated, if it's a frivolous suit, that we would push it. I think going back to what Trustee Priddy said, we've been very fair the last couple of years, and we're not going to be easy targets for people, suits, via be it monetary or expunging records. So if that does see fit, then I think that's a major statement on the position of the Board, and especially when I think of the case here that you indicated, and how protocols were followed within the departments and such.

TRUSTEE GABLE: I have a question. He sued a bunch of people individually as well. Have all those cases been consolidated in one? How does that work from a technical standpoint?
MR. MITCHELL: They're all sued in one complaint.

MR. GABLE: So you're the attorney for everyone?

MR. MITCHELL: Everyone. All of our interests are aligned.

TRUSTEE FOGG: Those parties are indemnified and insured, right?

VICE-PRESIDENT LEONARD: That's correct.

TRUSTEE MOORE: I also think it's important that the Board supports all of the -- Dr. Toll and all the deans, professors that are involved. Because, you know, if we don't have their back, how can they do their job effectively?

MR. MITCHELL: This wasn't a witch hunt. There is no one out to get him. I mean, the record shows how patient they were as educators in counseling with him, and sitting him down, putting him on a remediation plan. They were very patient. But when it came to this, given the history, they feel very strongly that they did the right thing, and he's not right for our program.

VICE-PRESIDENT LEONARD: We're pretty clear on the position of the Board, and we will continue to keep you informed as this case progresses.
At this time we would like to move into the other matter.

(Proceedings concluded.)
REPORTER'S CERTIFICATE

I, Lisa M. Boyd, Registered Professional Reporter, do hereby certify that I was authorized to and did stenographically report and electronically record the foregoing proceedings and that the transcript, pages 1 through 23, is a true and correct record of my stenographic notes.

I further certify that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in this action.

(This transcript has been digitally signed.)

Lisa M. Boyd, RPR, FPR, CMRS
ITEM: 9

Florida Gulf Coast University Board of Trustees
June 5, 2018

SUBJECT: Transcript of the Executive Session for Kathy Norris vs. Florida Gulf Coast University

PROPOSED BOARD ACTION

For Information Only

BACKGROUND INFORMATION

The Florida Gulf Coast University Board of Trustees met on September 13, 2016 in Executive Session regarding Kathy Norris vs. Florida Gulf Coast University. As the time to file a response to the administrative action initiated by Ms. Norris expired, the file of the Division of Administrative Hearings was closed. This transcript is being presented to be made a part of the public record.

Supporting Documentation Included: Transcript of the Executive Session of September 13, 2016


Legal Review by: N/A

Submitted by: Vice President and General Counsel Vee Leonard
FLORIDA GULF COAST UNIVERSITY

BOARD OF TRUSTEES

EXECUTIVE SESSION

DATE: September 13, 2016
TIME: 9:12 a.m. to 9:16 a.m.
PLACE: Florida Gulf Coast University
10501 FGCU Blvd., South
Fort Myers, Florida

REPORTER: LISA M. BOYD, RPR, FPR, CMRS,
Notary Public, State of Florida at Large

VON AHN ASSOCIATES, INC.
Registered Professional Reporters
2271 McGregor Boulevard, Second Floor
Fort Myers, Florida 33901
Phone: (239) 332-7443  FAX: 239 332-4066

Fort Myers • Naples • South Fort Myers • Punta Gorda

ORIGINAL
A P P E A R A N C E S

MEMBERS PRESENT FOR EXECUTIVE SESSION:

J. Dudley Goodlette, Board of Trustees (Chair)
Shawn Felton, Board of Trustees (Vice Chair)
Darleen Cors, Board of Trustees
Thieldens Elneus, Board of Trustees
Joseph Fogg, III, Board of Trustees
Russell Priddy, Board of Trustees
Christian Spilker, Board of Trustees
Robbie Roepstorff, Board of Trustees
Ken Smith, Board of Trustees
Kevin Price, Board of Trustees
Blake Gable, board of Trustees

EXECUTIVE STAFF

Wilson Bradshaw, President
Vee Leonard, Vice-President/General Counsel

ALSO PRESENT:

Sacha Dyson, Esquire
Thompson, Sizemore, Gonzalez & Hearing, P.A.
MS. DYSON: Kathy Norris was an instructor here from 2009 through 2016. She was in the communications and philosophy department. Ms. Norris's case is in a vastly different posture. So what happened is that she filed -- in 2014 she filed a charge of discrimination. In that charge she alleges sex, race, disability discrimination, and religion discrimination.

And she contends that throughout her employment she made various types of accommodation requests. She did make a lot of complaints throughout her employment, and they were all investigated. The Office of Institutional Equity found, no, that they were all unsubstantiated. There was even an internal investigation, that an investigator was hired to look into the department in general. But as part of that investigation they also looked into Ms. Norris's claims. They didn't substantiate them.

So she did file a charge of discrimination. It was investigated by the Florida Commission of Human Relations. And the Florida Commission of Human Relations found that there was no cause for the charge. So, in other words, it was unsubstantiated even after their investigation.
And they found that part of her claims were untimely. She started complaining about everything that goes back to 2009, and so part of her claims were untimely. And the ones that weren't untimely had no merit is what the FCHR found. So the process that you have to go through under the Florida Civil Rights Act is that if the FCHR finds no cause, you can't file a lawsuit under the Florida Civil Rights Act until you go to administrative hearing to overturn that no cause determination.

So that's the posture that we're in. She filed a petition to overturn the determination. In that petition she brings up a whole bunch of other things, claims of violations of the Family Medical Leave Act, which were investigated by the Department of Labor, and found to be unsubstantiated. She brings up the Public Sector Whistleblower Act, but the statute of limitations on that has passed. And all of those are outside of the scope of this hearing anyway.

So we are set for administrative hearing on November 9th in her case. And she will bear the burden of showing that there is some basis for the administrative judge to overturn the no cause
determination. If she does overturn the no cause determination, then she gets to file a lawsuit under the Florida Civil Rights Act. If she doesn't, then she cannot file a lawsuit under the Florida Civil Rights Act.

However, she's also filed a charge under Title VII with the EEOC. And the EEOC has not issued a right to sue letter. Once the EEOC issues a right to sue letter, even if they adopt what the FCHR has done, then she can still file a suit there. So it's sort of probably a matter of time before she does file a lawsuit.

The main difference with her case is she does not have a lawyer. So she is doing all of this on her own. She says she can't afford a lawyer, she can't find a lawyer to take her case. So I don't know really where we're going to wind up in this case. It's very possible she could file a lawsuit, and then she decides to pursue that lawsuit on her own. Of course that's a difficult journey for her to go on.

Any questions about that case?

(No response.)

Thank you very much. Enjoy your day.

(Executive Session concluded.)
REPORTER'S CERTIFICATE

I, Lisa M. Boyd, Registered Professional Reporter, do hereby certify that I was authorized to and did stenographically report and electronically record the foregoing proceedings and that the transcript, pages 1 through 6, is a true and correct record of my stenographic notes.

I further certify that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in this action.

(This transcript has been digitally signed.)

Lisa M. Boyd, RPR. FPR. CMRS
Florida Gulf Coast University Board of Trustees
June 5, 2018

SUBJECT: Finance/Budget Update

PROPOSED BOARD ACTION

Information Only

BACKGROUND INFORMATION

This report details the fiscal activities of the institution through the close of June 30, 2018.

Supporting Documentation Included: (1) Summary Memo, and (2) Finance/Budget Update

Prepared by: Director of University Budgets David Vazquez

Legal Review by: N/A

Submitted by: Vice President for Administrative Services and Finance Steve Magiera
This is the projected year-end numbers for June 2018. We will bring the actual year-end numbers to the September Board of Trustees meeting.

History: It has always been our practice not to make budget adjustments from the original budget but to explain any variances that are 5% or above with line items budgeted at $2 million or more.

FY 17-18 was an unusual year because we needed to approve our budget before the Governor had approved the State budget. The budget contained new money, budget cuts, non-recurring money and fenced money. We had last minute money for Honors Programs, Talent Gap Programs, World Class Faculty and Graduate Programs. The reason I am explaining this is that I hope it will help with the explanation of expenditure the variances. We explained last June that these programs were budgeted before they had been fully vetted. This resulted in funds being budgeted in one line item but spent in another or not spent at all. I will give you more details in the body of this report. I will later explain that we have taken a different approach this year. Lastly, if any Trustee wishes to see last year’s presentation, I would be happy to send it to you.

Revenues:

The only revenue line item with a variance greater than 5% and $2 million is Financial Aid. The variance is favorable at 12.21% and the dollar amount is $3.3 million. As in previous discussions, the budgeting for Financial Aid is very challenging as we prepare it in May and try to anticipate the needs of the students who do not arrive until August. An increase in the Financial Aid revenue will usually correspond to an increase in Financial Aid expenditures and it does. Overall revenues have a positive variance of 1.69% or $4 million on a total revenue budget of $242 million. If we remove the variance for Financial Aid (because we cannot control that line item), the variance is a positive $700,000.
Expenditures:

The majority of the expenditure line items have a variance of greater than 5% and $2 million. The overarching reason is those four programs were not fully vetted before they were budgeted.

Other Personal Services: A positive variance of 7.28% or $1 million. This is a result of underspending on part-time workers and spending more on full time workers, which is reflected in the Salaries and Benefits line, which is over budget.

General Expense: A positive variance of 7.04% or $3.5 million. This is normal because this is a cash basis report and historically we have between $3 million and $4 million in encumbrances with the vast majority of those encumbrances assigned to expense.

Capital Expenditures: A positive variance of 46.07% or $2.4 million. The four programs outlined earlier had a total of $2.6 million budgeted in Capital Expenditures and spent $1.4 million. This explains the majority of the variance. You will also see this discussed in the presentation regarding Carryforward Funds.

Financial Aid/Scholarship: A negative variance of 9.42% or $2.8 million. The overspending of this line item is directly related to the increase in Financial Aid revenue as previously discussed.

Library Resources: A positive variance of 19.39% or $400,000. The library uses this line to purchase materials and licenses. Although the percentage is high, the dollar amount is relatively low.

Overall: We have positive variance of 1.17% or $2.8 million on a total expenditure budget of $238 million. If we remove the negative variance of $2.4 million for Financial Aid (because we cannot control that line item), the variance is a positive $5.2 million.
Grand Summary

<table>
<thead>
<tr>
<th>Summary of Revenues</th>
<th>FY 16-17 Budgeted Revenues</th>
<th>FY 17-18 Budgeted Revenue</th>
<th>Budgeted Revenue Through June</th>
<th>Projected Revenue Through June</th>
<th>Projected Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue</td>
<td>67,955,571</td>
<td>65,760,187</td>
<td>65,760,187</td>
<td>65,775,427</td>
<td>0.02%</td>
</tr>
<tr>
<td>Tuition &amp; Fees</td>
<td>55,904,967</td>
<td>57,453,104</td>
<td>57,453,104</td>
<td>58,148,033</td>
<td>1.21%</td>
</tr>
<tr>
<td>Lottery</td>
<td>7,684,070</td>
<td>6,383,204</td>
<td>6,383,204</td>
<td>6,383,204</td>
<td>-</td>
</tr>
<tr>
<td>Carryforward</td>
<td>-</td>
<td>6,000,000</td>
<td>6,000,000</td>
<td>6,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Student Activity Revenue</td>
<td>4,217,663</td>
<td>4,236,983</td>
<td>11,870,840</td>
<td>11,403,220</td>
<td>-3.94%</td>
</tr>
<tr>
<td>Athletic Revenue</td>
<td>10,882,836</td>
<td>11,870,840</td>
<td>11,870,840</td>
<td>11,403,220</td>
<td>-3.94%</td>
</tr>
<tr>
<td>Concessions</td>
<td>302,000</td>
<td>335,000</td>
<td>335,000</td>
<td>390,449</td>
<td>16.55%</td>
</tr>
<tr>
<td>Financial Aid Revenue</td>
<td>28,176,794</td>
<td>27,323,428</td>
<td>27,323,428</td>
<td>30,660,389</td>
<td>12.21%</td>
</tr>
<tr>
<td>Grant Associated Revenue</td>
<td>14,130,000</td>
<td>12,545,674</td>
<td>12,545,674</td>
<td>12,673,935</td>
<td>1.02%</td>
</tr>
<tr>
<td>Auxiliary Revenue</td>
<td>50,102,567</td>
<td>50,015,039</td>
<td>50,015,039</td>
<td>50,260,643</td>
<td>0.49%</td>
</tr>
<tr>
<td><strong>Summary of Revenues</strong></td>
<td><strong>239,356,468</strong></td>
<td><strong>241,923,459</strong></td>
<td><strong>241,923,459</strong></td>
<td><strong>246,023,439</strong></td>
<td><strong>1.69%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summary of Expenditures</th>
<th>FY 16-17 Budgeted Expenditures</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>Budgeted Expenditures Through June</th>
<th>Projected Expenditures Through June</th>
<th>Projected Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>120,662,710</td>
<td>120,674,914</td>
<td>120,674,914</td>
<td>122,578,390</td>
<td>1.58%</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>12,732,160</td>
<td>13,200,906</td>
<td>13,200,906</td>
<td>12,240,315</td>
<td>-7.28%</td>
</tr>
<tr>
<td>General Expense</td>
<td>49,431,852</td>
<td>49,202,101</td>
<td>49,202,101</td>
<td>45,739,072</td>
<td>-7.04%</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>2,474,609</td>
<td>5,181,297</td>
<td>5,181,297</td>
<td>2,794,129</td>
<td>-46.07%</td>
</tr>
<tr>
<td>Financial Aid/Scholarship</td>
<td>29,873,101</td>
<td>29,277,728</td>
<td>29,277,728</td>
<td>32,037,100</td>
<td>9.42%</td>
</tr>
<tr>
<td>Library Resources</td>
<td>1,881,341</td>
<td>2,202,431</td>
<td>2,202,431</td>
<td>1,775,353</td>
<td>-19.39%</td>
</tr>
<tr>
<td>Transfer to DSO</td>
<td>17,783,391</td>
<td>17,969,931</td>
<td>17,969,931</td>
<td>17,773,903</td>
<td>-1.09%</td>
</tr>
<tr>
<td><strong>Summary of Expenditures</strong></td>
<td><strong>234,839,164</strong></td>
<td><strong>237,709,308</strong></td>
<td></td>
<td><strong>234,938,262</strong></td>
<td><strong>-1.17%</strong></td>
</tr>
</tbody>
</table>
## General Revenue

### Education and General (E&G) Revenue

<table>
<thead>
<tr>
<th></th>
<th>FY 16-17 Budgeted Revenues</th>
<th>FY 17-18 Budgeted Revenue</th>
<th>Budgeted Revenue Through June</th>
<th>Projected Revenue Through June</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue</td>
<td>67,955,571</td>
<td>65,760,187</td>
<td>65,760,187</td>
<td>65,775,427</td>
</tr>
<tr>
<td>Tuition &amp; Fees</td>
<td>55,904,967</td>
<td>57,453,104</td>
<td>57,453,104</td>
<td>58,148,033</td>
</tr>
<tr>
<td>Lottery</td>
<td>7,684,070</td>
<td>6,383,204</td>
<td>6,383,204</td>
<td>6,383,204</td>
</tr>
<tr>
<td>Carryforward</td>
<td>-</td>
<td>6,000,000</td>
<td>6,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td><strong>Total E&amp;G Revenue</strong></td>
<td>131,544,608</td>
<td>135,596,495</td>
<td>135,596,495</td>
<td>136,306,664</td>
</tr>
</tbody>
</table>

## E&G Expense

<table>
<thead>
<tr>
<th></th>
<th>FY 16-17 Budgeted Expenditures</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>Budgeted Expenditures Through June</th>
<th>Projected Expenditures Through June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>95,246,394</td>
<td>95,241,572</td>
<td>95,241,572</td>
<td>97,551,640</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>7,136,413</td>
<td>8,353,442</td>
<td>8,353,442</td>
<td>6,922,623</td>
</tr>
<tr>
<td>General Expense</td>
<td>25,265,655</td>
<td>25,173,182</td>
<td>25,173,182</td>
<td>21,140,678</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>1,849,805</td>
<td>4,397,187</td>
<td>4,397,187</td>
<td>2,264,446</td>
</tr>
<tr>
<td>Financial Aid/Scholarship</td>
<td>165,000</td>
<td>228,681</td>
<td>228,681</td>
<td>280,402</td>
</tr>
<tr>
<td>Library Resources</td>
<td>1,881,341</td>
<td>2,202,431</td>
<td>2,202,431</td>
<td>1,775,353</td>
</tr>
<tr>
<td><strong>Total E&amp;G Expenditures</strong></td>
<td>131,544,608</td>
<td>135,596,495</td>
<td>135,596,495</td>
<td>129,935,143</td>
</tr>
</tbody>
</table>
### Student Related Activities

#### Local Fund Revenues

<table>
<thead>
<tr>
<th></th>
<th>FY 16-17 Budgeted Revenues</th>
<th>FY 17-18 Budgeted Revenue</th>
<th>Budgeted Revenue Through June</th>
<th>Projected Revenue Through June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Activity Revenue</td>
<td>4,217,663</td>
<td>4,236,983</td>
<td>4,236,983</td>
<td>4,328,139</td>
</tr>
<tr>
<td>Athletic Revenue</td>
<td>10,882,836</td>
<td>11,870,840</td>
<td>11,870,840</td>
<td>11,403,220</td>
</tr>
<tr>
<td>Concessions</td>
<td>302,000</td>
<td>335,000</td>
<td>335,000</td>
<td>390,449</td>
</tr>
<tr>
<td>Financial Aid Revenue</td>
<td>28,176,794</td>
<td>27,323,428</td>
<td>27,323,428</td>
<td>30,660,389</td>
</tr>
<tr>
<td><strong>Total Local Fund Revenues</strong></td>
<td><strong>43,579,293</strong></td>
<td><strong>43,766,251</strong></td>
<td><strong>43,766,251</strong></td>
<td><strong>46,782,197</strong></td>
</tr>
</tbody>
</table>

#### Student Activities

<table>
<thead>
<tr>
<th></th>
<th>FY 16-17 Budgeted Expenditures</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>Budgeted Expenditures Through June</th>
<th>Projected Expenditures Through June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>1,100,308</td>
<td>1,218,046</td>
<td>1,218,046</td>
<td>1,243,697</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>764,463</td>
<td>701,901</td>
<td>701,901</td>
<td>637,595</td>
</tr>
<tr>
<td>General Expense</td>
<td>1,972,240</td>
<td>2,090,865</td>
<td>2,090,865</td>
<td>3,099,374</td>
</tr>
<tr>
<td><strong>Total Student Activities Expenditures</strong></td>
<td><strong>3,837,011</strong></td>
<td><strong>4,010,812</strong></td>
<td><strong>4,010,812</strong></td>
<td><strong>3,980,665</strong></td>
</tr>
</tbody>
</table>

#### Intercollegiate Athletics

<table>
<thead>
<tr>
<th></th>
<th>FY 16-17 Budgeted Expenditures</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>Budgeted Expenditures Through June</th>
<th>Projected Expenditures Through June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>4,807,342</td>
<td>5,392,156</td>
<td>5,392,156</td>
<td>5,458,523</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>952,465</td>
<td>1,150,725</td>
<td>1,150,725</td>
<td>1,079,559</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>40,662</td>
</tr>
<tr>
<td>Financial Aid/Scholarship</td>
<td>1,737,500</td>
<td>1,647,500</td>
<td>1,647,500</td>
<td>1,486,768</td>
</tr>
<tr>
<td><strong>Total Intercollegiate Athletics Expenditures</strong></td>
<td><strong>10,882,836</strong></td>
<td><strong>11,870,840</strong></td>
<td><strong>11,870,840</strong></td>
<td><strong>11,768,423</strong></td>
</tr>
</tbody>
</table>

#### Concessions

<table>
<thead>
<tr>
<th></th>
<th>FY 16-17 Budgeted Expenditures</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>Budgeted Expenditures Through June</th>
<th>Projected Expenditures Through June</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Expense</td>
<td>170,000</td>
<td>191,600</td>
<td>191,600</td>
<td>180,221</td>
</tr>
<tr>
<td><strong>Total Concession Expenditures</strong></td>
<td><strong>170,000</strong></td>
<td><strong>191,600</strong></td>
<td><strong>191,600</strong></td>
<td><strong>180,221</strong></td>
</tr>
</tbody>
</table>

#### Financial Aid

<table>
<thead>
<tr>
<th></th>
<th>FY 16-17 Budgeted Expenditures</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>Budgeted Expenditures Through June</th>
<th>Projected Expenditures Through June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Personal Services</td>
<td>355,000</td>
<td>300,000</td>
<td>300,000</td>
<td>359,604</td>
</tr>
<tr>
<td><strong>Total Financial Aid Expenditures</strong></td>
<td><strong>27,897,816</strong></td>
<td><strong>27,493,047</strong></td>
<td><strong>27,493,047</strong></td>
<td><strong>30,427,191</strong></td>
</tr>
</tbody>
</table>

#### Student Related Expenditures

<table>
<thead>
<tr>
<th></th>
<th>FY 16-17 Budgeted Expenditures</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>Budgeted Expenditures Through June</th>
<th>Projected Expenditures Through June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>5,907,650</td>
<td>6,610,202</td>
<td>6,610,202.00</td>
<td>6,702,220</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>2,071,928</td>
<td>2,152,626</td>
<td>2,152,626</td>
<td>2,076,759</td>
</tr>
<tr>
<td>General Expense</td>
<td>5,427,769</td>
<td>5,862,824</td>
<td>5,862,824</td>
<td>5,982,506</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>100,000</td>
<td>100,100</td>
<td>100,100</td>
<td>40,662</td>
</tr>
<tr>
<td>Financial Aid/Scholarship</td>
<td>29,280,316</td>
<td>28,840,547</td>
<td>28,840,547</td>
<td>31,554,355</td>
</tr>
<tr>
<td><strong>Total Student Related Expenditures</strong></td>
<td><strong>42,787,663</strong></td>
<td><strong>43,566,299</strong></td>
<td><strong>43,566,299</strong></td>
<td><strong>46,356,501</strong></td>
</tr>
</tbody>
</table>
### Grant and Auxiliary Activities

<table>
<thead>
<tr>
<th></th>
<th>FY 16-17 Budgeted Revenues</th>
<th>FY 17-18 Budgeted Revenues</th>
<th>Budgeted Revenue Through June</th>
<th>Projected Revenue Through June</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grant and Auxiliary Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Associated Revenue</td>
<td>14,130,000</td>
<td>12,545,674</td>
<td>12,545,674</td>
<td>12,673,935</td>
</tr>
<tr>
<td>Auxiliary Revenue</td>
<td>50,102,567</td>
<td>50,015,039</td>
<td>50,015,039</td>
<td>50,260,643</td>
</tr>
<tr>
<td><strong>Total Grant and Auxiliary Revenues</strong></td>
<td>64,232,567</td>
<td>62,560,713</td>
<td>62,560,713</td>
<td>62,934,577</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 16-17 Budgeted Expenditures</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>Budgeted Expenditures Through June</th>
<th>Projected Expenditures Through June</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grant Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>7,651,490</td>
<td>7,051,603</td>
<td>7,051,603</td>
<td>6,329,120</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>1,400,167</td>
<td>399,071</td>
<td>399,071</td>
<td>1,037,715</td>
</tr>
<tr>
<td>General Expense</td>
<td>4,500,846</td>
<td>4,495,000</td>
<td>4,495,000</td>
<td>4,257,708</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>140,294</td>
<td>350,000</td>
<td>350,000</td>
<td>196,267</td>
</tr>
<tr>
<td>Scholarships</td>
<td>427,785</td>
<td>200,000</td>
<td>200,000</td>
<td>199,625</td>
</tr>
<tr>
<td><strong>Total Grant Activities Expenditures</strong></td>
<td>14,120,582</td>
<td>12,495,674</td>
<td>12,495,674</td>
<td>12,020,436</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 16-17 Budgeted Expenditures</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>Budgeted Expenditures Through June</th>
<th>Projected Expenditures Through June</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Auxiliary Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>11,857,176</td>
<td>11,771,537</td>
<td>11,771,537</td>
<td>11,995,410</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>2,123,652</td>
<td>2,295,767</td>
<td>2,295,767</td>
<td>2,203,218</td>
</tr>
<tr>
<td>General Expense</td>
<td>14,237,582</td>
<td>13,671,095</td>
<td>13,671,095</td>
<td>14,358,180</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>384,510</td>
<td>334,010</td>
<td>334,010</td>
<td>292,753</td>
</tr>
<tr>
<td>Scholarships</td>
<td>-</td>
<td>8,500</td>
<td>8,500</td>
<td>2,718</td>
</tr>
<tr>
<td>Transfer to DSO</td>
<td>17,783,391</td>
<td>17,969,931</td>
<td>17,969,931</td>
<td>17,773,903</td>
</tr>
<tr>
<td><strong>Total Auxiliary Activities Expenditures</strong></td>
<td>46,386,311</td>
<td>46,050,840</td>
<td>46,050,840</td>
<td>46,626,182</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 16-17 Budgeted Expenditures</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>Budgeted Expenditures Through June</th>
<th>Projected Expenditures Through June</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grant &amp; Auxiliary Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>19,508,666</td>
<td>18,823,140</td>
<td>18,823,140</td>
<td>18,324,530</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>3,523,819</td>
<td>2,694,838</td>
<td>2,694,838</td>
<td>3,240,933</td>
</tr>
<tr>
<td>General Expense</td>
<td>18,738,428</td>
<td>18,166,095</td>
<td>18,166,095</td>
<td>18,615,888</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>524,804</td>
<td>684,010</td>
<td>684,010</td>
<td>489,021</td>
</tr>
<tr>
<td>Financial Aid/Scholarship</td>
<td>427,785</td>
<td>208,500</td>
<td>208,500</td>
<td>202,343</td>
</tr>
<tr>
<td>Transfer to DSO</td>
<td>17,783,391</td>
<td>17,969,931</td>
<td>17,969,931</td>
<td>17,773,903</td>
</tr>
<tr>
<td><strong>Total Grant &amp; Auxiliary Expenditures</strong></td>
<td>60,506,893</td>
<td>58,546,514</td>
<td>58,546,514</td>
<td>58,646,618</td>
</tr>
</tbody>
</table>
SUBJECT: Carryforward Funds from Fiscal Year Ending June 30, 2018

PROPOSED BOARD ACTION

Information Only

BACKGROUND INFORMATION

Each year the University is required to submit to the Board of Governors the intended uses of the Carryforward balances. Carryforward is a state term for cash balance of the Educational and General Revenue Funds of the University. These funds are composed of State Appropriations, Lottery Money, and Tuition. These are the first three line items on your budget reports. There are statutorily required reserves; FGCU Board of Trustees required reserves and then requested projects. This will be delineated in the report to follow.

Supporting Documentation Included: Carryforward Funds June 30, 2018

Prepared by: Vice President for Administrative Services and Finance Steve Magiera

Legal Review by: N/A

Submitted by: Vice President for Administrative Services and Finance Steve Magiera
Projected Carryforward Funds
June 30, 2018

Carryforward Funds (Cash Balance) at June 30, 2018 $15,280,840

Uses of Funds:

Statutory Reserve Requirement – 5% of current Budget $7,659,949

FGCU Board of Trustees Reserve Requirement – Several years ago after a substantial budget cut by the State of Florida, the FGCU Board of Trustees required a reserve to be established. The goal of the reserve was to eventually match the State requirement. 5,000,000

Graduate Programs – We were given a reoccurring appropriation specifically for Graduate Programs in the College of Business. There remains $1,237,034 of unspent funds from FY 2017-18. These funds can only be spent on this program. 1,237,034

Talent Gap Programs – We were given a non-recurring appropriation specifically for the Talent Gap Programs. There remains $1,295,657 in unspent funds from FY 2017-18 which can only be spent on this program. 1,295,657

Renovations – As we continue our progress towards are Student Success initiatives, we will need to make significant renovations and these funds will help with those costs. 88,200

Total Uses of Funds $15,280,840
ITEM:  __12__

Florida Gulf Coast University Board of Trustees
June 5, 2018

SUBJECT: Regulation: FGCU-PR7.001 Tuition & Fees

PROPOSED BOARD ACTION

(1) Approve amendments to Regulation FGCU-PR7.001, Tuition & Fees; and (2) authorize the University to promulgate the Tuition and Fee Regulation under the Florida Board of Governors Regulation Development Procedures.

BACKGROUND INFORMATION

Sections 1001.706 and 1009.24, Florida Statutes, and the Florida Board of Governors (BOG) Regulation 1.001 require the FGCU Board of Trustees to establish tuition and fees for the University, in accordance with BOG’s regulations. The proposed amendments to Regulation FGCU-PR7.001 Tuition and Fees, attached hereto as supporting documentation, do not impose an increase for tuition and fees. In addition, the regulation recommences the tuition waiver of $1.75 per credit hour adopted last fiscal year resulting in the same tuition cost to students. The regulation also implements an increase in the repeat course fee to $190.84 as authorized by the BOG.

In accordance the BOG Regulation Development Procedure, the Regulation changes will become effective upon approval of the BOG or sixty (60) days after being submitted to the BOG for approval, whichever is earlier, unless the BOG disapproves the Regulation.

Supporting Documentation Included: (1) Summary Memo, and (2) Notice and Text Regulation FGCU-PR7.001 Tuition and Fees

Prepared by: University Controller June Gutknecht

Legal Review by: Vice President and General Counsel Vee Leonard (May 3, 2018)

Submitted by: Vice President for Administrative Services and Finance Steve Magiera
Every year the FGCU Board of Trustees is required to approve the Tuition and Fees for the upcoming fiscal year. The University is not requesting any changes; however, there are two items to note. The first is on page 1 of 8 and is the continuation of the $1.75 per hour credit against the tuition charge. The FGCU Board of Trustees established the credit in fiscal year 2013-2014. The second item is on page 2 of 8 and involves an increase of $9.72 for a Repeat Course Fee. A Repeat Course Fee is charged when a student enrolls in the same undergraduate course more than twice. This directive from the Florida Board of Governors brings the charge from $181.12 to $190.84.
FLORIDA GULF COAST UNIVERSITY
NOTICE OF REGULATORY ACTION

REGULATION TITLE:
Tuition and Fees

REGULATION NO:
FGCU-PR7.001

SUMMARY:
This Regulation is being amended to increase the per-credit hour cost of a “Repeat Course Fee” and continue the Tuition Waiver for fiscal year 2019. Additionally, a provision has been added to address refunds related to interim measures.

FULL TEXT:
The full text of the regulation being proposed is attached and can also be found at http://www.fgcu.edu/generalcounsel/promulgation.asp

AUTHORITY:
§§1004.07, 1009.01, 1009.21, 1009.24, 1009.26, 1009.27, 1009.28, 1009.285, Florida Statutes; Board of Governors Regulation 7.001

OFFICIAL INITIATING THE PROPOSED/REVISED REGULATION:
David Vazquez, Director, University Budgets

UNIVERSITY OFFICIAL APPROVING THE PROPOSED/REVISED REGULATION:
Steve Magiera, Vice President for Administrative Services and Finance

CONTACT INFORMATION REGARDING THE PROPOSED/REVISED REGULATION:
Mary Kline, Executive Assistant
Office of the General Counsel
10501 FGCU Blvd. S., Fort Myers, FL 33965-6565
(P): 239.590.1101 | (F): 239.590.7470 | Email: mkline@fgcu.edu

Any person may submit written comments concerning a proposed regulation, amendment, or repeal to the contact person identified above within 14 days after the date this notice was posted. The comment(s) must identify the regulation to which you are commenting.

THIS NOTICE WAS POSTED ON THE FGCU WEBSITE ON MAY 5, 2018.
A. General

Tuition and fees assessed by the University shall be in accordance with the General Appropriations Act and the regulations and policies of the Board of Governors.

B. Tuition and Fees

1. Tuition and Fee Schedule

The University shall assess the following tuition and fees per credit hour for each regularly enrolled student, depending on whether a student is a resident or non-resident of the State of Florida, unless provided otherwise by law or in this regulation:

<table>
<thead>
<tr>
<th>Tuition/Fee</th>
<th>Undergraduate</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Resident</td>
<td>Non-Resident</td>
</tr>
<tr>
<td>Tuition</td>
<td>105.07</td>
<td>709.65</td>
</tr>
<tr>
<td>Tuition Differential</td>
<td>36.38</td>
<td>36.38</td>
</tr>
<tr>
<td>Financial Aid Fee</td>
<td>5.25</td>
<td>35.46</td>
</tr>
<tr>
<td>Transportation Fee</td>
<td>5.95</td>
<td>5.95</td>
</tr>
<tr>
<td>Parking Decal Fee</td>
<td>2.75</td>
<td>2.75</td>
</tr>
<tr>
<td>Capital Improvement Trust Fund Fee</td>
<td>6.76</td>
<td>6.76</td>
</tr>
<tr>
<td>Activity and Service Fee</td>
<td>11.50</td>
<td>11.50</td>
</tr>
<tr>
<td>Athletic Fee</td>
<td>13.54</td>
<td>13.54</td>
</tr>
<tr>
<td>NCAA Athletic</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Technology Fee</td>
<td>5.25</td>
<td>5.25</td>
</tr>
<tr>
<td><strong>Tuition Waiver FY18</strong></td>
<td><strong>(1.75)</strong></td>
<td><strong>(1.75)</strong></td>
</tr>
<tr>
<td><strong>Total Per Credit Hour</strong></td>
<td><strong>$ 203.94</strong></td>
<td><strong>$ 838.73</strong></td>
</tr>
</tbody>
</table>
2. Repeat course fee

A student enrolled in the same undergraduate college credit course more than twice shall be assessed an additional $181.42 (190.84) per credit hour charge for each such course.

3. Excess hour fee

All state university undergraduate students who entered a postsecondary undergraduate program at any Florida public institution of higher education for the first time in fall 2009 or thereafter and prior to fall 2011 shall pay an excess hour fee equal to 50 percent of the undergraduate tuition for each credit hour in excess of 120 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.

All state university undergraduate students who entered a postsecondary undergraduate program at any Florida public institution of higher education for the first time in fall 2011 or thereafter shall pay an excess hour fee equal to 100 percent of the undergraduate tuition for each credit hour in excess of 115 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.

All state university undergraduate students who entered a postsecondary undergraduate program at any Florida public institution of higher education for the first time in fall 2012 or thereafter shall pay an excess hour fee equal to 100 percent of the undergraduate tuition for each credit hour in excess of 110 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.

C. Payments on Accounts Due the University

Charges against a student's account for loss or breakage of University equipment, lost books, library, or parking fines, and other related charges are due immediately. University policy prohibits registration or release of transcript and diploma for any student whose account with the University is delinquent.

D. Registration

Registration occurs when a student:

1. Selects one or more credit courses approved and scheduled by the University; and,

2. Pays tuition and fees, partial or otherwise, or makes other appropriate arrangements for tuition payment (installment payment, deferment, or third-party billing) for the courses in which the student is enrolled as of the end of the drop/add period. The University does not have a plan for installment payment of fees.
E. Payment

Tuition and registration fees must be paid in full by the payment deadline date designated in the Academic Calendar as the "last date to pay fees" for each term. Payments shall be made at the Cashier's Office, University Website, or by mail and received no later than that date. The President or designee will extend the deadline for fee payment when payment by the student is delayed due to University action or inaction.

F. Liability for Payment of Tuition

Liability for payment of tuition is incurred at the point at which the student has completed registration. Students are liable for all fees associated with all courses in which they are registered at the end of the drop/add period.

G. Cancellation of Registration

A student's course schedule shall be canceled when tuition has not been paid or when arrangements for payment have not been made through the Office of Financial Aid or the Cashier's Office. Students are liable for tuition and fees associated with all courses in which they are registered at the end of drop/add period. A student who has not made any effort to pay their tuition and fees by the published deadline will have all courses canceled. A student whose course schedule has been canceled cannot thereafter attend classes and will not obtain credit for courses. A student whose course schedule has been canceled will be mailed written notice of cancellation from the Registrar's Office to his/her last known address on record and be given a deadline by which he/she may apply for reinstatement. A student who makes an effort to pay, including but not limited to partial payments by credit card, check, or cash, any type of financial aid or scholarship, grants, waivers, third party contracts, Florida Bright Futures, and Florida Pre-paid, by the published deadline will not be cancelled from all courses and are considered fee liable.

H. Reinstatement

Students may seek reinstatement of their course schedule by following the procedures outlined in this subsection.

1. Requests for reinstatement. A request for reinstatement must be presented in writing to the Registrar's Office by the deadline given on the notice of cancellation mailed to the student. The request for reinstatement must include all documentation supporting the request. The Reinstatement Appeals Committee will evaluate the request based upon the criteria contained in this rule and notify the student in writing of its decision.

2. Reinstatement Appeals Committee. A student whose course schedule has been canceled for non-payment may apply for reinstatement of the course schedule to the Reinstatement Appeals Committee. The Committee shall consist of at least three staff members appointed annually by the President, and one student appointed by the
FGCU Student Government. The Committee shall meet as required between the published last day to pay fees and six months after the end of the term for which the reinstatement is requested. The decision of the Committee shall be final.

3. Criteria for Reinstatement. In evaluating a request for reinstatement, the Committee shall apply the following criteria:

a) Reinstatement shall be granted where it is demonstrated that the student's registration was canceled through University error.

b) Reinstatement shall be granted where the student submits documentation demonstrating that the student was prevented from making timely payment due to extenuating circumstances beyond the student's control. Examples of "extenuating circumstances" include:

1) A student was unavoidably out of town during the week prior to the last day to pay fees, or

2) A student was ill and unable to make payment prior to the last day to pay fees.

c) If a student's reinstatement is approved by the Reinstatement Appeals Committee, they must be reinstated for all courses for which they were originally registered.

Where reinstatement is granted, the student shall take the written decision of the Committee to the Cashier's office, pay the fees which are due and complete the registration process with the Registrar's Office.

I. Late Registration Fee

1. A late registration fee of $100 shall be assessed by the University when registration is initiated after the close of the regular registration period.

2. The late registration fee shall be waived when:

a) The late registration was caused by a University error, or

b) The student was unavoidably out of town on the last day to register (documentation must be provided), or

c) The student was ill (documentation must be provided), or

d) The course was closed and the student was required to wait until classes started (written documentation from the instructor is required), or
e) The student was informed after the published last day to register that a course is necessary in order to graduate, be re-certified, or is a work related requirement (appropriate documentation must be provided).

J. Late Payment Fee

A late payment fee of $100 shall be assessed by the University when:

1. A student pays his/her fees after the published "last day to pay fees", and has been approved for reinstatement pursuant to this rule; or

2. A dishonored check is redeemed after the last date to pay fees.

K. University Loan Program Service Charge

In lieu of interest, a $10 service charge will be assessed to any student participating in the University loan program regardless of the amount of the loan. Students utilizing the university loan program must sign a promissory note which obligates them to the total loan amount including the $10 service charge for each loan issued.

L. Tuition and Fee Appeals

Students may appeal the assessment of fees and request refunds of tuition and fees to the Fee Appeals Committee according to procedures set forth in this subsection.

1. Procedures. A student who seeks review of tuition or a fee assessed shall file a written appeal with the Registrar's Office. The appeal must set forth the basis for seeking a refund and attach all supporting documentation. An appeal must be filed no later than six months following the last day of the term during which the respective tuition or fees were incurred. For the purpose of this regulation, summer terms are considered as one term.

2. Tuition and Fee Appeals Committee. The Tuition and Fee Appeals Committee shall consist of at least three staff members who are appointed annually by the President, and one student appointed by the FGCU Student Government. The Committee shall meet as often as necessary to review and act upon appeals which come before it.

3. Committee Determinations. Each appeal will be initially reviewed by the Registrar or designee. A decision will be made by the Registrar's Office according to criteria established by this regulation. The decision shall be communicated in writing to the student within sixty (60) days from the date the appeal was filed with the University. The Tuition and Fee Appeals Committee shall consider only cases of those students who are appealing the initial decision made by the Registrar's Office. Students may appear in person before the Committee to present their appeal. The decision of the Committee is final.
4. Criteria for Determining Tuition and Fee Appeals. The criteria established by this regulation shall govern decisions by the Registrar and the Tuition and Fee Appeals Committee:

a) An appeal shall be granted when it is demonstrated that tuition or fees were paid as a result of University error.

b) An appeal shall be granted when it is demonstrated that the student was prevented from timely withdrawal from the University due to extenuating circumstances beyond the student's control. Extenuating circumstances include death of the student, or death in the immediate family (parent, spouse, child, sibling) of the student; illness of the student that is of long duration or severity, as confirmed in writing by a physician; or call to, or enlistment in, active military duty.

M. Refunds

Refunds will be processed and mailed to the address shown on the Registrar's files to all students whose fee accounts show an overpayment after the published last day to pay fees. Students due a refund will not be required to submit a refund request to receive their refund because it will be automatically calculated. If there is a balance due to the University in the accounts receivable system, that amount will be deducted from any refund due. In addition, students shall be entitled to refunds in the following circumstances:

1. 100% of tuition and course related fees will be refunded if notice of complete withdrawal or course withdrawal from the University occurs prior to the end of drop/add period.

2. 25% of tuition and course related fees will be refunded if notice of withdrawal from ALL courses from the University occurs prior to the deadlines as designated by the University or in the Academic Calendar for each term.

3. Students who receive financial aid and subsequently change their enrollment status and this action results in a refund, may have all or a portion of their refund returned to the University's Financial Aid Office in accordance with the terms of their financial aid agreement.

4. 100% of tuition and course related fees if a student withdraws or drops a course due to circumstances which are exceptional and beyond the control of the student. Requests for fee adjustments must meet one of the conditions below to be considered:

a) Death of the student or immediate family member (parent, spouse, child or sibling) as confirmed by documentation indicating the student's relationship to the deceased. A death certificate is required.

b) Illness of student of such severity or duration to preclude completion of course(s). Written confirmation by a physician required.
c) A situation in which the University is in error as confirmed in writing by the appropriate Vice President or other senior administrator.

5. In accordance with FGCU-PR4.002, Article C, Student Code of Conduct and Review Process, relating to interim measures, a pro-rata portion of fees may be refunded.

N. Deferred Payment Status

Deferred payment status for tuition and registration fees will be granted upon application by the student on the following grounds:

1. Veterans shall be entitled to deferment in accordance with the provisions of Section 1009.27, F.S.

   a) Each student granted a veteran's deferment shall sign a promissory note for the amount of registration and tuition fees due. The promissory note must be presented to the University Cashier's Office before the published last day to pay fees. Failure to present the promissory note by the deadline will result in the student being assessed the $100 late payment fee. If the student does not present an authorized deferment to the Cashier, including the $100 late fee, by the close of the fourth week of classes, the student's registration shall be canceled. The student may request reinstatement by presenting an authorized VA deferment promissory note along with a $100 late registration/late payment fee in lieu of full payment of tuition and registration fees. (See the procedure outlined in Reinstatement.)

   b) If an eligible student's educational benefits are delayed beyond the deferral period, (end of term for which they are enrolled) the deferment will be extended upon request by the student with written verification from the granting entity that the student is eligible to receive benefits and that benefits are being processed for payment. Upon receipt of written verification, the Registrar's Office shall approve the deferment and any request for extension. Additional extensions may be similarly granted until such time that the student begins receiving educational benefits. Failure of the veteran to pay the amount of the authorized deferment by the due date or extended date, whichever is later, will result in the student being assessed the $100 late registration/late payment fee.

2. Third Party Billings. Deferment is permitted when formal contractual arrangements have been made with the University for payments by an approved third party. The President or designee is responsible for negotiating such third party contracts.

3. Delay in Financial Aid Delivery. Deferral of tuition and fees is permitted for those students receiving financial aid from federal, state, or University assistance programs when delivery of the aid is delayed through circumstances beyond the control of the student. Failure to make timely application for such aid shall be insufficient reason to receive such deferral. The Director of Financial Aid shall certify a student's eligibility
for deferral to the University Controller or designee for each student for each academic term for which receipt of aid is delayed.

4. Extraordinary circumstances exist and the deferment has the approval of the President or his designee.

O. Withdrawal or Course Changes Due to Military Service

A student who is called to, or enlists in, active military service in the United States Armed Forces may choose to withdraw from the University or any course(s) with a full refund of tuition and fees paid and without academic penalty. In the alternative, a student may elect not to withdraw and to complete the course(s) at a later date. A student who elects to complete the course(s) at a later date shall re-enroll and begin completion of the course(s) requirements no later than within six months after discharge or release from active military duty.

1. Notification of withdrawal or course change(s) due to military service shall be made to the Office of the Registrar as soon as practicable. The student, or a representative of the military service on the student's behalf, shall provide verification of the official active duty orders and/or discharge to the Office of the Registrar.

2. The transcript of a student will be annotated to reflect that the above withdrawal or course change(s) is due to active military service.

3. A student living in University housing or registered for a meal plan will receive a pro rata refund of fees paid based on the date of withdrawal or the date of election to complete the course(s) at a later date, or the terms of the meal plan.

4. The student is responsible for returning any outstanding library materials and University equipment, and for the payment of any parking fines assessed by the University.

Action by Florida Gulf Coast University Board of Trustees 06/29/2017

Action by the Florida Board of Governors 07/19/2017

Specific Authority
§§1004.07, 1009.01, 1009.21, 1009.24, 1009.26, 1009.27, 1009.28, 1009.285, Florida Statutes; Board of Governors Regulation 7.001

History of Regulation
New 11/13/05; Amended 6/29/06, 6/19/07, 7/27/07, 6/17/08, 10/27/08, 6/29/09, 6/15/10, 07/05/11, 6/21/12, 6/19/13, 6/18/14, 6/11/15, 06/10/16, 07/19/2017

Effective Date of Regulation 07/19/2017
Florida Gulf Coast University Board of Trustees  
June 5, 2018

SUBJECT: 2018-2019 Operating Budget

PROPOSED BOARD ACTION

Approve FGCU 2018-2019 Operating Budget

BACKGROUND INFORMATION

2. Delegate to the University President the ability to amend the Sponsored Research and Financial Aid Budgets in accordance with funding and awards that may be received during the fiscal year.
3. Delegate to the University President operating budget amendment authority, not to exceed 5% of the total operating budget less Sponsored Research and Financial Aid budgets, subject to the availability of resources.
4. The University President or his designee shall report on fiscal operations, amendments, and variances from the budget to the Board at normally scheduled meetings.

Supporting Documentation Included: (1) Summary Memo, and (2) 2018-2019 Operating Budget with Additional Information

Prepared by: Director of University Budgets David Vazquez

Legal Review by: N/A

Submitted by: Vice President for Administrative Services and Finance Steve Magiera
TO: FGCU Board of Trustees
FROM: Steve Magiera, Vice President Administrative Services and Finance
SUBJECT: 2018-19 Operating Budget
DATE: June 5, 2018

The Operating Budget for FY 2018-19 is more challenging than most years but not as difficult as the current year that we are bringing to a close. We anticipate having $17.5 million in new Educational and General Revenue (E&G) over the previous year. As a reminder, E&G consists of State Appropriations, Tuition and Lottery Funds. In arriving at the $17.5 million, we have several additions and a few subtractions from last year’s budget. We are also going with the best information we have available to us which is that we are out of the bottom three per the Performance Based Funding model and we are expecting to receive about $9 million in performance base funding. However, we have not yet received an official confirmation of our position in the performance based funding model.

Since the E&G portion of our budget must balance, we will have net new increases in expenditures of $17.5 million. Similar to the revenue side, we will have both increases and decreases in expenditures. We have made one major change to the way we are presenting budgets. As I explained in an earlier item (Finance Budget Update FY 2017-18), we posted budget to expenditures before they were fully vetted resulting in a number of variances in the expenditures. This year since we have a significant increase in funding, Dr. Martin plans to release budget over time in order to make sure the expenditures receive proper vetting. You will see a line item entitled Unallocated on the report; this amount is approximately $12.8 million. The plan is to allocate approximately $7 million in July and the balance in September. We will update the Board accordingly at each of the quarterly meetings of the Board as to how much was allocated and where it was allocated.

At the Board meeting, I will once again have a power point presentation to detail what I have explained above. The goal of course is to provide a good understanding of the budget and its components.
## Grand Summary

<table>
<thead>
<tr>
<th>Summary of Revenues</th>
<th>FY 17-18 Budgeted Revenues</th>
<th>FY 18-19 Budgeted Revenues</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>FY 18-19 Budgeted Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue</td>
<td>65,760,187</td>
<td>87,427,428</td>
<td>7,285,219</td>
<td>15,299,800</td>
</tr>
<tr>
<td>Tuition &amp; Fees</td>
<td>57,453,104</td>
<td>58,120,724</td>
<td>1,482,078</td>
<td>22,074,251</td>
</tr>
<tr>
<td>Lottery</td>
<td>6,383,204</td>
<td>7,633,918</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carryforward</td>
<td>6,000,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Student Activity Revenue</td>
<td>4,236,983</td>
<td>4,360,490</td>
<td>98,111</td>
<td>1,580,678</td>
</tr>
<tr>
<td>Athletic Revenue</td>
<td>11,870,840</td>
<td>12,111,799</td>
<td>345,243</td>
<td>2,755,889</td>
</tr>
<tr>
<td>Concessions</td>
<td>335,000</td>
<td>335,000</td>
<td>16,750</td>
<td>33,500</td>
</tr>
<tr>
<td>Financial Aid Revenue</td>
<td>27,323,428</td>
<td>30,030,000</td>
<td>330,330</td>
<td>2,667,685</td>
</tr>
<tr>
<td>Grant Associated Revenue</td>
<td>12,545,674</td>
<td>12,714,989</td>
<td>826,474</td>
<td>1,652,940</td>
</tr>
<tr>
<td>Auxiliary Revenue</td>
<td>50,035,035</td>
<td>51,161,137</td>
<td>2,257,252</td>
<td>14,045,124</td>
</tr>
</tbody>
</table>

## Summary of Expenditures

<table>
<thead>
<tr>
<th>Summary of Expenditures</th>
<th>FY 17-18 Budgeted Expenditures Through July</th>
<th>FY 18-19 Budgeted Expenditures Through July</th>
<th>FY 17-18 Budgeted Expenditures Through August</th>
<th>FY 18-19 Budgeted Expenditures Through August</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>120,674,914</td>
<td>132,473,580</td>
<td>5,983,334</td>
<td>23,926,241</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>13,280,906</td>
<td>12,477,729</td>
<td>959,825</td>
<td>2,399,563</td>
</tr>
<tr>
<td>General Expense</td>
<td>49,202,101</td>
<td>47,905,051</td>
<td>5,829,195</td>
<td>9,340,179</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>5,181,297</td>
<td>1,064,167</td>
<td>96,478</td>
<td>159,847</td>
</tr>
<tr>
<td>Financial Aid/ Scholarship</td>
<td>29,277,728</td>
<td>31,466,771</td>
<td>275,167</td>
<td>1,684,021</td>
</tr>
<tr>
<td>Library Resources</td>
<td>2,262,451</td>
<td>1,740,377</td>
<td>415,094</td>
<td>518,632</td>
</tr>
<tr>
<td>Unallocated, General Revenue</td>
<td>-</td>
<td>12,781,565</td>
<td>7,000,000</td>
<td>12,781,565</td>
</tr>
<tr>
<td>Transfer to DSO</td>
<td>17,969,931</td>
<td>18,392,928</td>
<td>5,785,673</td>
<td>6,400,098</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>237,589,309</strong></td>
<td><strong>256,303,166</strong></td>
<td><strong>28,364,767</strong></td>
<td><strong>35,488,580</strong></td>
</tr>
</tbody>
</table>

---

Page 1 of 4
## General Revenue

<table>
<thead>
<tr>
<th></th>
<th>FY 17-18 Budgeted Revenues</th>
<th>FY 18-19 Budgeted Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Revenue</strong></td>
<td>65,760,187</td>
<td>87,427,428</td>
</tr>
<tr>
<td><strong>Tuition &amp; Fees</strong></td>
<td>57,453,104</td>
<td>58,120,724</td>
</tr>
<tr>
<td><strong>Lottery</strong></td>
<td>6,383,204</td>
<td>7,633,918</td>
</tr>
<tr>
<td><strong>Carryforward</strong></td>
<td>6,000,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total E&amp;G Revenue</strong></td>
<td>135,596,495</td>
<td>153,182,070</td>
</tr>
</tbody>
</table>

## Education and General (E&G) Revenue

<table>
<thead>
<tr>
<th></th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>FY 18-19 Budgeted Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries and Benefits</strong></td>
<td>95,241,572</td>
<td>106,183,809</td>
</tr>
<tr>
<td><strong>Other Personal Services</strong></td>
<td>8,355,442</td>
<td>6,892,640</td>
</tr>
<tr>
<td><strong>General Expense</strong></td>
<td>25,173,182</td>
<td>25,020,762</td>
</tr>
<tr>
<td><strong>Capital Expenditures</strong></td>
<td>4,397,187</td>
<td>451,146</td>
</tr>
<tr>
<td><strong>Financial Aid/Scholarship</strong></td>
<td>228,681</td>
<td>113,771</td>
</tr>
<tr>
<td><strong>Library Resources</strong></td>
<td>2,202,431</td>
<td>1,740,377</td>
</tr>
<tr>
<td><strong>Unallocated</strong></td>
<td>-</td>
<td>12,781,563</td>
</tr>
<tr>
<td><strong>Total E&amp;G Expenditures</strong></td>
<td>135,596,495</td>
<td>153,182,070</td>
</tr>
</tbody>
</table>
## Student Related Activities

<table>
<thead>
<tr>
<th>Budgeted Expenditures Through</th>
<th>FY 17-18</th>
<th>FY 18-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>Budgeted</td>
<td>Budgeted</td>
</tr>
<tr>
<td>August</td>
<td>Through</td>
<td>Through</td>
</tr>
<tr>
<td>September</td>
<td>Revenues</td>
<td>Revenues</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Aid/Scholarship</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Student Related</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### FY 17-18

- **Student Activity Revenue**: 4,236,093
- **Athletic Revenue**: 11,070,440
- **Concessions**: 335,000
- **Financial Aid Revenue**: 27,323,425

### FY 18-19

- **Student Activity Revenue**: 4,360,490
- **Athletic Revenue**: 12,113,799
- **Concessions**: 335,000
- **Financial Aid Revenue**: 30,016,900

### Total Student Related Expenditures

- **Salaries and Benefits**: 31,275,000
- **Other Personal Services**: 12,113,799
- **General Expense**: 3,650,490
- **Financial Aid Revenue**: 2,016,727
- **Capital Expenditures**: 317,976
- **Intercollegiate Athletics**: 5,727,450
- **Total Student Activities Expenditures**: 11,123,799

### Concessions

- **General Expense**: 191,600
- **Financial Aid**: 330,000
- **Total Concessions Expenditures**: 200,200

### Financial Aid

- **General Expenses**: 5,727,450
- **Other Personal Services**: 10,000
- **Financial Aid/Scholarship**: 27,323,425
- **Total Financial Aid Expenditures**: 27,323,425

### Student Related Expenditures

- **Salaries and Benefits**: 6,610,202
- **Other Personal Services**: 2,152,626
- **General Expense**: 5,852,824
- **Financial Aid/Scholarship**: 28,840,547
- **Total Student Related Expenditures**: 35,986,285
## Grant and Auxiliary Activity

### Grant and Auxiliary Revenues

<table>
<thead>
<tr>
<th></th>
<th>FY 17-18 Budgeted Revenues</th>
<th>FY 18-19 Budgeted Revenues</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>FY 18-19 Budgeted Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Associated Revenue</td>
<td>12,549,674</td>
<td>12,744,999</td>
<td>826,474</td>
<td>1,652,949</td>
</tr>
<tr>
<td>Auxiliary Revenue</td>
<td>50,015,039</td>
<td>50,161,157</td>
<td>2,257,252</td>
<td>14,045,124</td>
</tr>
<tr>
<td><strong>Total Grant and Auxiliary Revenues</strong></td>
<td><strong>62,564,713</strong></td>
<td><strong>62,876,146</strong></td>
<td><strong>3,063,726</strong></td>
<td><strong>15,698,073</strong></td>
</tr>
</tbody>
</table>

### Grant Activities

<table>
<thead>
<tr>
<th></th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>FY 18-19 Budgeted Expenditures</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>FY 18-19 Budgeted Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>7,053,603</td>
<td>7,228,118</td>
<td>555,885</td>
<td>1,398,636</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>399,071</td>
<td>1,141,071</td>
<td>87,775</td>
<td>219,437</td>
</tr>
<tr>
<td>General Expense</td>
<td>4,495,000</td>
<td>4,072,200</td>
<td>356,318</td>
<td>814,440</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>350,000</td>
<td>200,600</td>
<td>-</td>
<td>18,760</td>
</tr>
<tr>
<td>Scholarships</td>
<td>200,000</td>
<td>75,000</td>
<td>33,750</td>
<td>33,750</td>
</tr>
<tr>
<td><strong>Total Grant Activities Expenditures</strong></td>
<td><strong>12,491,674</strong></td>
<td><strong>12,714,989</strong></td>
<td><strong>999,947</strong></td>
<td><strong>2,444,371</strong></td>
</tr>
</tbody>
</table>

### Auxiliary Activities

<table>
<thead>
<tr>
<th></th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>FY 18-19 Budgeted Expenditures</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>FY 18-19 Budgeted Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>11,771,537</td>
<td>12,098,766</td>
<td>930,674</td>
<td>2,326,688</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>2,295,767</td>
<td>2,259,496</td>
<td>173,807</td>
<td>434,518</td>
</tr>
<tr>
<td>General Expense</td>
<td>13,671,095</td>
<td>12,932,617</td>
<td>1,487,215</td>
<td>2,586,523</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>334,010</td>
<td>312,421</td>
<td>6,248</td>
<td>12,497</td>
</tr>
<tr>
<td>Scholarships</td>
<td>8,500</td>
<td>5,000</td>
<td>-</td>
<td>841</td>
</tr>
<tr>
<td><strong>Total Auxiliary Activities Expenditures</strong></td>
<td><strong>46,050,840</strong></td>
<td><strong>46,004,228</strong></td>
<td><strong>3,830,654</strong></td>
<td><strong>11,760,322</strong></td>
</tr>
</tbody>
</table>

### Grant & Auxiliary Activities

<table>
<thead>
<tr>
<th></th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>FY 18-19 Budgeted Expenditures</th>
<th>FY 17-18 Budgeted Expenditures</th>
<th>FY 18-19 Budgeted Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>18,823,140</td>
<td>19,324,884</td>
<td>1,486,530</td>
<td>3,716,324</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>2,694,838</td>
<td>4,006,567</td>
<td>261,582</td>
<td>653,955</td>
</tr>
<tr>
<td>General Expense</td>
<td>18,166,095</td>
<td>17,004,817</td>
<td>1,843,568</td>
<td>3,400,963</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>684,010</td>
<td>513,021</td>
<td>6,248</td>
<td>14,503</td>
</tr>
<tr>
<td>Scholarships</td>
<td>208,500</td>
<td>86,000</td>
<td>-</td>
<td>18,750</td>
</tr>
<tr>
<td><strong>Total Grant &amp; Auxiliary Expenditures</strong></td>
<td><strong>58,546,514</strong></td>
<td><strong>58,719,217</strong></td>
<td><strong>3,939,601</strong></td>
<td><strong>14,204,593</strong></td>
</tr>
</tbody>
</table>
FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES
JUNE 5, 2018

SUBJECT: Building for Student and Community Counseling Center

PROPOSED BOARD ACTION

Approve the building funding plan for the Student and Community Counseling Center

BACKGROUND INFORMATION

The funding plan consists of a $5 million loan from the FGCU Financing Corporation to be repaid by auxiliary and other non-State funds. If approved, this item will be presented to the FGCU Financing Corporation Board of Directors at its meeting tomorrow (June 6, 2018).

Supporting Documentation Included: Memo from President Mike Martin

Prepared by: Vice President for Administrative Services and Finance Steve Magiera

Legal Review by: N/A

Submitted by: Vice President for Administrative Services and Finance Steve Magiera
To: FGCU Board of Trustees  
From: Mike Martin  
cc: President’s Cabinet  
Date: May 15, 2018  
Re: Building for Student and Community Counseling Center

As part of our Student Success Initiative, we have been working to rearrange the allocation of space on campus so as to create a “one stop, student-centric, service zone” in the area of Howard Hall, McTarnaghan Hall, Wellness Building, and Cohen Center. To do so, we had planned to create office space through acquiring additional modular buildings. However, a deeper assessment indicates we can build a two-story permanent facility of 18,000 gross square feet (14,000 net square feet) in the core campus instead of purchasing modular units for temporary space.

Thus, we would move forward as follows:
- We will plan and move to construction on a site near the Family Resource Center.
- The building is estimated to cost $5 million, which will be funded from a loan by the FGCU Financing Corporation to be repaid with auxiliary and other non-State funds. It will require no State money, nor will it require approval by the Army Corps of Engineers.
- The site can accommodate a second building should we need one in the future.
- It will house the Bartley Counseling Clinic (a commitment made quite some time ago), and our Counseling and Psychological Services (CAPS) for students.
- If the building is approved today by the FGCU Board of Trustees, the $5 million loan will be added to the agenda for discussion and action by the FGCU Financing Corporation Board of Directors at its meeting tomorrow.

Thanks goes to Vice President Steve Magiera, Director of Facilities Planning Tom Mayo, and Vice President Chris Simoneau for both developing a plan and making it actionable.
ITEM: 15

Florida Gulf Coast University Board of Trustees
June 5, 2018

SUBJECT: 2019-2020 Fixed Capital Outlay Budget Request

PROPOSED BOARD ACTION

Approve 2019-2020 Fixed Capital Outlay Budget Request

BACKGROUND INFORMATION

Florida law requires the annual submission of a fixed capital outlay budget request. This 2019-2020 fixed capital outlay budget request incorporates various projects for Florida Gulf Coast University. The Capital Improvements Plan (CIP) is submitted by each university and is designed as a mechanism for presenting additional academic and academic support facilities needed by each institution in the State University System during the subsequent five-year period. The Florida Board of Governors (BOG) has asked that each university board of trustees approve its respective fixed capital outlay budget request. Institutions also are asked to submit initial information on bonded projects, projects to be financed and constructed by a direct support organization and those projects for which general revenue operational funding is requested. The BOG deadline for each university’s submission is August 1, 2018.

Supporting Documentation Included: (1) Summary Memo, and (2) Five-Year Capital Improvement Plan and Legislative Budget Request for Fiscal Years 2019-2020 through 2023-2024

Prepared by: Vice President for Administrative Services and Finance Steve Magiera

Legal Review by: N/A

Submitted by: Vice President for Administrative Services and Finance Steve Magiera
TO: FGCU Board of Trustees
FROM: Steve Magiera, Vice President Administrative Services and Finance
SUBJECT: 2019-2020 Fixed Capital Outlay Budget Request
DATE: June 5, 2018

The CIP (Capital Improvement Plan) for Fiscal Years 2019-20 through 2023-24 is identical to last year with the following changes.

- Priority 1 – The request for the Integrated Watershed and Coastal Studies (previously the School of Water Resources & Integrated Sciences) has a request of $21,080,288 for 2019-20. This assumes that we receive the scheduled $14 million appropriation for fiscal year 2018-2019. If we do not receive the appropriation or any portion of it, the request will be adjusted upwards for the difference. The Board of Governors has their own costing structure for all buildings. Based on their new report, the costs of our building has increased by $3,639,997 million over the last two years. This brings the total cost of the building to $56,133,792. Year 2’s request of $4.5 million is for the furniture and equipment of the building and remains unchanged.

- Priority 2 – The request for the Health Sciences building (previously the multipurpose Educational Facility) has increased from $51,162,950 to $54,531,665 based on new costs estimates from the Board of Governors. We have not received any funding to date on the building.

- CITF Project Requests Priority 1 – Student Health and Life Fitness Center (previously Student Recreation Center) Phase 1 has a request of $3,235,221 for 2019-20. This assumes that we receive the scheduled $1,768,773 appropriation for fiscal year 2018-19. If we do not receive the $1,768,773, the request goes back up to $5,003,994. Although the Board of Governors does not have cost estimates for these types of buildings, we increased the project costs at the same rate as the other buildings.
• Requests from Non-State Sources Priority 1 – Student and Community Counseling Center. In a previous agenda item, we requested approval for the Student and Community Counseling Center. The Board of Governors staff suggested that we include this building on this report in order to create a complete record of buildings planned in the next five years.
• All other items remain the same.

We are requesting approval of the 2019-2020 Fixed Capital Outlay Budget as listed and requesting the flexibility to change PECO-Eligible Project Request Priority 1 and CITF Project Request Priority 1 back to the amounts disclosed in the this summary if funding is not provided for fiscal year 2018-2019.
## PECO-ELIGIBLE PROJECT REQUESTS

<table>
<thead>
<tr>
<th>Priority No</th>
<th>Project Title</th>
<th>2019-20</th>
<th>2020-21</th>
<th>2021-22</th>
<th>2022-23</th>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Integrated Watershed and Coastal Studies (Prev. Classrooms/Offices/Labs - Academic 9) (C,E)</td>
<td>$21,080,288</td>
<td>$4,500,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Health Sciences (Prev. Multipurpose Education Facility) (P.C,E)</td>
<td>$3,842,000</td>
<td>$46,189,665</td>
<td>$4,500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Utilities/Infrastructure/Capital Renewal/Roots (P,C)</td>
<td>$3,000,000</td>
<td>$4,000,000</td>
<td>$5,000,000</td>
<td>$7,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td>$21,080,288</td>
<td>$11,342,000</td>
<td>$50,189,665</td>
<td>$9,500,000</td>
<td>$7,000,000</td>
</tr>
</tbody>
</table>

## CITF PROJECT REQUESTS

<table>
<thead>
<tr>
<th>Priority No</th>
<th>Project Title</th>
<th>2019-20</th>
<th>2020-21</th>
<th>2021-22</th>
<th>2022-23</th>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Student Health and Life Fitness Center - Phase 1 (Prev. Student Recreation Center) (C,E)</td>
<td>$3,235,221</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td>$3,235,221</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>
### Requests from Other State Sources

<table>
<thead>
<tr>
<th>Priority No</th>
<th>Project Description</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Academic or Other Programs to Benefit from Projects</th>
<th>Net Assignable Square Feet (NASF)</th>
<th>Gross Square Feet (GSF)</th>
<th>Project Cost</th>
<th>Project Cost Per GSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Performing Arts Center (P,C,E)</td>
<td>$3,480,000</td>
<td>$32,520,000</td>
<td>$4,000,000</td>
<td></td>
<td></td>
<td>Fine Arts</td>
<td>3,300</td>
<td>80,000</td>
<td>$40,000,000</td>
<td>$500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>University</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Alumni Center (P,C,E)</td>
<td>$2,200,000</td>
<td>$23,800,000</td>
<td></td>
<td></td>
<td></td>
<td>Advancement</td>
<td>42,400</td>
<td>55,120</td>
<td>$26,000,000</td>
<td>$472</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Campus wide</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Land Acquisition (LA)</td>
<td>$5,000,000</td>
<td>$5,000,000</td>
<td>$5,000,000</td>
<td></td>
<td></td>
<td>Classrooms/labs</td>
<td>54,000</td>
<td>81,000</td>
<td>$35,000,000</td>
<td>$432</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Project</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Academic 10 (P,C,E)</td>
<td>$3,000,000</td>
<td>$32,000,000</td>
<td></td>
<td></td>
<td></td>
<td>Classrooms/labs</td>
<td>54,000</td>
<td>81,000</td>
<td>$35,000,000</td>
<td>$432</td>
</tr>
</tbody>
</table>

**Total**

|                |                                                          | $27,550,730 | $61,320,000 | $12,000,000 | $32,000,000 | $32,000,000 |

### Requests from Non-State Sources, Including Debt

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Academic or Other Programs to Benefit from Projects</th>
<th>Net Assignable Square Feet (NASF)</th>
<th>Gross Square Feet (GSF)</th>
<th>Project Cost</th>
<th>Project Cost Per GSF</th>
<th>Expected Source of Funding (if known)</th>
<th>Master Plan Approval Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student and Community Counseling Center (P,C,E)</td>
<td>$5,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Student Success</td>
<td>14,000</td>
<td>18,000</td>
<td>$5,000,000</td>
<td>$278</td>
<td>University Foundation</td>
<td>Pending</td>
</tr>
<tr>
<td>Student Housing - Phase 14</td>
<td>$30,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Student Housing</td>
<td>190,000</td>
<td>250,000</td>
<td>$30,000,000</td>
<td>$120</td>
<td>Housing Revenues</td>
<td>12/16</td>
</tr>
<tr>
<td>Parking Garage 5</td>
<td>$11,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Event Parking</td>
<td>350,000</td>
<td>$11,000,000</td>
<td>$31</td>
<td>Parking Revenues</td>
<td>4/12</td>
<td></td>
</tr>
</tbody>
</table>

**Total**

|                |                                                          | $5,000,000 | $0        | $0       | $11,000,000 | $30,000,000 |

---

FGCU Board of Trustees - June 5, 2018

Page 2
Florida Gulf Coast University Board of Trustees  
June 5, 2018

SUBJECT: 2019 Legislative Budget Request Submission for Board of Governors

PROPOSED BOARD ACTION

Approve the 2019 Legislative Budget Request submission for the Board of Governors

BACKGROUND INFORMATION

On April 30, Tim Jones, Vice Chancellor for Finance and Administration of the Board of Governors, issued a memo providing the guidelines and instructions with a July 20, 2018 deadline for the submission of the 2019 Legislative Budget Requests (LBR) for operations.

After analyzing and reviewing FGCU’s mission and current available resources, the attached document was developed as the LBR for submission to the Board of Governors for its consideration and support.

The documentation provides a list of programs and initiatives designed to improve FGCU’s performance metrics, and the continuation of the 3-year operational funding plan, which will continue to strengthen the university’s commitment to student success.

Supporting Documentation Include: (1) Educational and General FGCU LBR FY 2019-2020 Form I; (2) FGCU LBR FY 2019-2020 Education and General Position Fiscal Summary Operating Budget Form II; and (3) FGCU LBR FY 2019-2020 Operational Funding Summary

Prepared by: Jennifer Goen, Director of Government Relations; David Vazquez, Director of University Budgets; Dr. Mitchell Cordova, Vice President for Student Success & Enrollment Management and Senior Associate Provost and Dr. Paul Snyder Associate Vice President Planning and Institutional Performance

Legal Review by: N/A

Submitted by: President Mike Martin
Education and General
2019-2020 Legislative Budget Request
Form I

<table>
<thead>
<tr>
<th>University(s):</th>
<th>FGCU Operational Funding/Student Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue Title:</td>
<td></td>
</tr>
<tr>
<td>Recurring Funds Requested:</td>
<td>$12,385,000</td>
</tr>
<tr>
<td>Non-Recurring Funds Requested:</td>
<td></td>
</tr>
<tr>
<td>Total Funds Requested:</td>
<td>$12,385,000</td>
</tr>
</tbody>
</table>

Please check the issue type below:

- [ ] Shared Services/System-Wide Issue for Fiscal Year 2019-2020
- [x] Unique Issue for Fiscal Year 2019-2020

### I. Description – 1.
Describe the service or program to be provided and how this issue aligns with the goals and objectives of the strategic priorities and the 2018 University Accountability Plan established by your institution (include whether this is a new or expanded service/program). If expanded, what has been accomplished with the current service/program? 2. Describe any projected impact on academic programs, student enrollments, and student services.

Student success is at the core of Florida Gulf Coast University’s (FGCU) mission and is the primary focus of our trustees, administration, faculty, students, staff, alumni and the southwest FL community. To further advance the core of our mission, FGCU is limiting enrollment growth, increasing scholarship funds, incentivizing student performance, fostering scholarship and encouraging and rewarding educational efficiency.

Building upon FGCU’s 2017-2022 Strategic Plan and 2018 Accountability Plan, the FGCU Board of Trustees and administration have created a 3-year operational funding legislative budget request (LBR) that will enable FGCU to serve its increasingly diverse student population in an engaging and proactive environment characterized by continuing to improve: 4-year graduation and retention rates, rigorous instruction, experiential learning opportunities, accessible information resources, entrepreneurship, and a career/ professional development focus. Both the 2017-2022 Strategic Plan and 2018 Accountability Plan contain the following key initiatives and investments to emphasize student success.

- Execute a comprehensive 4-year graduation improvement plan, which is responsive to the “Florida Excellence in Higher Education Act of 2018”

2019-2020 LBR
and includes the implementation of a Student Success & Enrollment Management initiative;

- Attract and graduate high-achieving students to develop a strong foundation for students to graduate in four years and enter the workforce;
- Utilize predictive and prescriptive data analytics to closely track and advise students that will improve retention and persistence leading to greater academic engagement and decreased time to degree completion;
- Deliver entrepreneurship access through the implementation of an adult degree completion program and a graduate certificate program to serve the regional business community; and
- Strengthen the connection between Florida Gulf Coast University and the region by increasing partnerships with local businesses and organizations for internship opportunities, leverage online learning for degree completion, and develop targeted educational services to address identified talent gaps throughout the region.

In order to accomplish the objectives of our strategic plan and maintain a high-level of accountability focused on student success, the FGCU 2019-2020 LBR will require targeted operational funding for the second phase of our 3-year plan. The funds will be utilized in the following areas of focus with specific steps imbedded into each:

- Graduation Rate Improvements
  
  o Provide incentive driven scholarship, focusing on freshman to sophomore retention, decreasing transfer out rate of sophomores rising to their junior year, and motivating students to take a minimum of 30 credits per academic year.
  
  o Further the direct connection between academic progress and employment through improved and expanded student services in the areas of career counseling and enhanced orientation.

- Targeted Program and Workforce Improvements
  
  o Deliver Entrepreneurship access for both traditional students and non-traditional in the form of degree completion programming.
  
  o Capitalize on public-private educational partnerships to realize an innovative public-private educational partnership with major employers in the region’s economy. By leveraging the utilization of existing industrial campuses, FGCU’s engineering and business programming in collaboration with industry-based adjunct instructors, will provide customized workforce development to sustain and grow the region’s biomedical science presence.
o Enhance and leverage partnerships with the community to produce value added internships, targeted educational services, service learning opportunities, online learning delivery, and offer an integrated studies degree completion program to serve the five-county area.

o Provide targeted industry supported programs in agribusiness to respond to the needs of the Southwest Florida region.

o Partner with the region’s K-12 system to support and graduate a pipeline of educators equipped with the latest directed curriculums and produce better prepared students.

• Applied Research and Scholarship
  o Implement the developed plan (presented at the FGCU Board of Trustee meeting of April 11, 2017) to fully utilize the Emergent Technologies Institute in supporting engineering, entrepreneurship and research and technology development.
  
o As an environmentally focused institution, water management is to be a key part of the instruction and research at Florida Gulf Coast University. Funding will serve to support water-based studies and research.
  
o Undergraduate research and assistantships funding will be utilized to provide student research scholarships, research assistantships, faculty stipends to work with research students, research related work study, and an undergraduate symposium.

• Facilities and Infrastructure
  o The evolution of programs, research and services requires the retention of quality faculty and staff, along with current technology, information resources and physical infrastructure to support them. This includes everything from the library resources to support existing and emerging research and information, along with the resources required to provide the physical infrastructure of the campus.

Student Success and Enrollment Management

FGCU’s Strategic Plan has established student success as the most critical pillar in its 2017-2022 Strategic Plan. To begin our fundamental shift in addressing all aspects of student success on campus, we have established a comprehensive plan that will improve and enhance all variables that directly and indirectly impact 4-year graduation rates. As such, we are currently in the process of implementing comprehensive student success and enrollment management practices that will lead to significant organizational and cultural changes where new approaches, and accountability measures ensuring greater improvements in retention, persistence, and 4-year graduation rates are being created. Through FGCU’s 2019-2020 LBR
aggressive proactive efforts, the following tasks will be implemented during the 2018-2019 academic year:

1. Align programs, services, and units that directly impact the student experience in a positive manner leading to timely graduation in four years, and employment within a chosen profession paying a competitive salary.

2. Optimally align existing departments and personnel, so that opportunities and synergies for collaboration are enhanced in three main areas: Academic Engagement, Student Engagement, and Enrollment Management.

3. Seamlessly and synergistically integrate the mission, vision, and focus of Student Success & Enrollment Management with all divisions throughout our institution to confirm that the necessary resources will be efficiently and effectively aligned to ensure Student Success.

Therefore, FGCU requests approval of the continuation of our recurring funding LBR request, phase two, in the amount of $12,385,000.

II. Return on Investment - Describe the outcome(s) anticipated, dashboard indicator(s) to be improved, or return on investment. Be specific. For example, if this issue focuses on improving retention rates, indicate the current retention rate and the expected increase in the retention rate. Similarly, if the issue focuses on expanding access to academic programs or student services, indicate the current and expected outcomes.

1. Programs, projects and organizational changes which will increase graduation rates, especially the 4-year graduation rate.
   A. First-Time-In-College (FTIC) 4-Year Graduation Rate:
   B. Time to Degree:

2. Offering or expanding programs which meet the workforce needs of our region including, but not limited to: agribusiness, entrepreneurship, regional lab school and service learning.
   A. Percentage of Bachelors Graduates Enrolled or Employed ($25K or above Annual Salary):
   B. Median Wages of Bachelors Graduates Employed Full-Time:
3. Refine and restructure the Honors College and related programs.
   A. First-Time-In-College (FTIC) 4-Year Graduation Rate:
   B. Time to Degree:

4. Expanding community collaborations, curriculums and workforce.
   A. Percentage of Bachelors Graduates Enrolled or Employed ($25K or above Annual Salary):
   B. Median Wages of Bachelors Graduates Employed Full-Time:

5. Stimulating increased research and scholarship relevant to the unique character, challenges and opportunities in Southwest Florida. A primary goal will be on issues related to water: quality; allocation; availability and management and undergraduate research.
   A. Total Research Expenditures ($M):
   B. Percentage of Research Expenditures Funded from External Sources:

III. Facilities (If this issue requires an expansion or construction of a facility, please complete the following table):

<table>
<thead>
<tr>
<th>Facility Project Title</th>
<th>Fiscal Year</th>
<th>Amount Requested</th>
<th>Priority Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 2019-2020 Legislative Budget Request

**Education and General**

**Position and Fiscal Summary**

**Operating Budget Form II**

(to be completed for each issue)

<table>
<thead>
<tr>
<th>University:</th>
<th>Florida Gulf Coast University</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue Title:</td>
<td>Operational Funding/Student Success</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NON-RECURRING</th>
<th>RECURRING</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faculty</td>
<td>6.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Other (A&amp;P/USPS)</td>
<td>21.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>27.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Salary Rate (for all positions noted above)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
</tr>
<tr>
<td>Other (A&amp;P/USPS)</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

| Salaries and Benefits | $4,125,037 | $0 | $4,125,037 |
| Other Personal Services | $3,320,000 | $0 | $3,320,000 |
| Expenses | $2,816,843 | $0 | $2,816,843 |
| Operating Capital Outlay | $73,120 | $0 | $73,120 |
| Library Resources | $350,000 | $0 | $350,000 |
| Financial Aid | $1,700,000 | $0 | $1,700,000 |
| Total All Categories | $12,385,000 | $0 | $12,385,000 |
Incentive Based Student Costs Reduction: Florida Gulf Coast University lags behind comparable institutions in gift aid per hour, which is evident in the calculation involved as measured in Metric 3 of the Performance Based Funding Model. With funding, the institution would make aid available to remove roadblocks to students in attaining a degree in four years. Aid would be provided to support degree completion, retention, and summer enrollment.

Student Success & Enrollment Management - Enhancing Support Services for Academic and Student Engagement: Provide staffing to expand critical support in the areas of counseling, advising, career development and mentoring that will further enhance the student and academic engagement on campus. These resources will be critical in continuing the momentum that has been created through the implementation of FGCU’s major Student Success and Enrollment Management (SSEM) initiative that was launched in Spring 2017. SSEM will ensure students will be optimally engaged and connected to the faculty, staff, and services the institution offers in order to facilitate successful retention and persistence to graduation. With the Student Success and Enrollment Management, students will have access to academic and student engagement support services that will be much more synergistic; thereby, optimizing their connection to their major which will lead to greater persistence and an improved 4-year graduation rate. Moreover, students will have their university experience supported by being engaged in multiple service and experiential learning opportunities, internships, and co-ops that are essential for helping students transition immediately following graduation becoming productive members of Florida’s workforce.

Agribusiness: Agriculture is a large part of both the local regional and overall Florida economies. Florida Gulf Coast University is seeking to assist this industry by offering needed programs and support. The intent is to identify regional needs in the agricultural industry and identify the means by which FGCU can best contribute to these endeavors.

Entrepreneurship: As one of the five pillars of FGCU’s strategic plan, additional steps will be made toward the ultimate goal of a free-standing college and national ranking by the Princeton Review. FGCU will expand entrepreneurship access through the implementation of adult degree completion opportunities, graduate certificates to serve the regional business community, and the extension of the highly successful Runway Program to FGCU alumni.

Integrated Studies: FGCU offers a popular customized major to suit student interests and promote degree completion among its traditional-aged student body. By augmenting our integrated studies degree options, FGCU will provide an opportunity to those in SW Florida who have had some college but have been unable to earn a bachelor’s degree due to family and/or work responsibilities that do not allow them to follow a traditional student class schedule. Classes will be offered on weekends, at night, online, and in various locations serving the region.

Local Community Outreach and Partnerships: In order to strengthen the connection between Florida Gulf Coast University and the region, the institution will expand partnerships with local businesses and organizations for internship opportunities, leverage online learning for degree completion, and advance targeted educational services throughout the region.

Regional K-12 Partnership: FGCU will work closely with its five regional school districts to provide career-ladder programming especially at the master’s level to enhance teacher retention and to improve quality of teaching in the K-12 school system in SW Florida.

Service Learning and Civic Engagement: Service Learning provides a grass roots vehicle for students to connect with the community, and provide the opportunity for Florida Gulf Coast University to form relationships with public and private organizations. Funding will be used for innovative course design grants, an existing ambassador program, and staff to support these vital initiatives.
Creative Public-Private Educational Partnerships: FGCU already is a leader in offering majors closely aligned with the needs of local industry. Funds provided will allow FGCU to realize an innovative public-private educational partnership with major employers in the region’s economy. By leveraging the utilization of existing industrial campuses, FGCU’s engineering and business programming in collaboration with industry-based adjunct instructors, can provide customized workforce development to sustain and grow the region’s biomedical science presence.

Water Resource Management and Research: Funds are needed to compete and attract talented faculty and staff, assistantships, and operational activities to bring strategic water-based studies and research to the region. Key to the further development of FGCU’s contributions to environmental engineering and water research is a critical mass of highly qualified graduate research assistants providing support to faculty-led research teams.

Emergent Technologies Institute (ETI) Operational Plan: Requested funding will support Florida Gulf Coast University’s developed plan (presented at the FGCU Board of Trustee meeting of April 11, 2017) that fully utilized the Emergent Technologies Institute in supporting engineering, entrepreneurship and research and technology development.

Undergraduate Research and Scholarship: Funding would be utilized to implement student research scholarships, research assistantships, faculty stipends to work with research students, research related work study, and an undergraduate symposium. These activities will be supported by a project coordinator who will provide oversight and foster greater student participation in undergraduate research.

Learning-Teaching Innovation: Faculty in FGCU’s College of Education are accomplished at translating educational research into applied solutions for regional K-12 educators. Building upon existing district relationships, FGCU can provide real-world applications to stimulate student achievement, support teacher retention, and enhance the quality of educational delivery employing the latest technological tools.

Library Resources: In order to properly support current programs and keep pace with emerging educational demands, scholarly activities and research material offerings within the library must grow to meet the increased demand. Funding will be used to acquire the appropriate materials to facilitate the growth and depth of associated academic programs.

Retention of Faculty and Staff: Higher education is a personnel driven industry, with the majority of expenditures revolving around faculty and staff needed to deliver instructions, programs and services. Funding in this area will support the compensation to retain those who contribute to the success of the institution that in turn provides for strong state economic growth.

Enhance Technological Services: Institutions of higher education demand an ever more robust and capable technological infrastructure, both to keep up with academic requirements as well as the overall operations of the institution. The expectations of technology on campus have never been greater, and they only continue to grow. Recognizing both emerging and current needs, Florida Gulf Coast University is seeking funding to put in place the appropriate personnel, software and hardware to move the university forward and provide optimal service to our students. Funding for enhanced technology is targeted at network and applications development infrastructure, data analytics, and cybersecurity.

Plant Operations: The scarcity of resources has put pressure upon plant operations, which is faced with reducing service offerings to offset rising costs of maintenance and utilities. Funding in this area will be used to reinstate the level of basic services, and offset recent increases in utility costs on campus.