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# State of Florida Board of Governors University of North Florida

Credit Presentation  
May 2024



# Board of Governors Updates

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**Florida remains the #1 state for higher education for 8 years running**  
(US News and World Report)

## **2024 Legislative Session \***

### ➤ **Education & General Budget = \$4.89B (+12.5%)**

- State appropriation

Includes \$100M preeminent universities, \$100M recruitment & retention, and \$384M operational enhancements.

- Student tuition/fee

The legislature removed the Student Tuition & Fee Trust Fund appropriation from the General Appropriations Act beginning in Fiscal Year 2023-24.

Universities may now spend what they are able to collect for Tuition and Fees. The 2023-24 estimated Tuition & Fees revenue is approximately \$1.8B; an increase over the \$1.6B in revenues collected in FY 2022-23.

### **Performance-based Funding remained at \$645M**

The State continues to drive innovation within the University System through performance-based funding.

### ➤ **Total Fixed Capital Outlay (FCO) Funding = \$667M**

- \$50.5M for Capital Improvement Fee (CITF) projects
- \$616M for Public Education Capital Outlay projects, including \$186M General Revenue and \$430M PECO, and unchanged in terms of last year's total funding.

This year's appropriations include approximately \$154M in remodeling, renovation and critical infrastructure projects, reflecting continued significant State investment in addressing deferred maintenance needs.

\*As per General Appropriations Act as of 3/5/24 (Final Conference), subject to Governor's approval.

# UNF Board of Trustees and Senior Management Changes

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- Senior Management Changes:
  - Andrea Jones appointed Vice President of Marketing and Communications
  - Dr. Paul Eason appointed Vice President of Strategy and Innovation
  - Dr. Richmond Wynn appointed Vice President of Community Engagement and Partnerships
- BOT Changes
  - Michael Barcal member as new Student Body President
  - Jay Demetree appointed as new Board of Trustee member

# University Initiatives & Strategic Plan

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- Update to Strategic Plan undertaken upon President Limayem's appointment
  - Approved by the Board of Governors January 2024
  - Will be presented to Board of Governors this fall
  - Key Goals:
    - Top 100 Public Institution in U.S. News rankings
    - Grow enrollment to 25,000 students by 2028
  - Areas of focus include:
    - Advanced Manufacturing
    - Coastal Resilience
    - Data Science, Cybersecurity, and Information Technologies
    - Health Care and Health Sciences
    - Transportation and Logistics

# Financial Performance & Budget Highlights

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## Fiscal Year 23 Financial Performance Highlights

- Net Position increased by 12%
- Increase due to increases in capital appropriations, net investment income, and auxiliaries
- Overall performance stable

## Fiscal Year 24 Budget Highlights

- \$25 million additional recurring operational support funding from State
- \$10 million in non-recurring funding for recruitment and retention efforts for faculty
- \$27 million of PECO funding for addition and renovation of the Coggin College of Business
- \$9 million of PECO funding for renovation of Brooks College of Health

# State Appropriations

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-2025
<b>Operating Appropriations</b>						
General Revenue	\$103,150,572	\$107,672,686	\$101,441,498	\$101,626,440	\$135,366,538	\$146,552,480
Lottery	<u>17,235,827</u>	<u>19,590,528</u>	<u>23,259,651</u>	<u>28,894,106</u>	<u>33,099,195</u>	<u>31,189,299</u>
Total Operating	\$120,386,399	\$127,263,214	\$124,701,149	\$130,520,546	\$168,465,733	\$177,741,779
<b>Capital Appropriations</b>						
General Revenue	-	-	-	-	-	-
PECO	-	-	\$5,880,000	-	\$33,663,698	\$40,242,365
CITF	<u>\$2,080,550</u>	<u>\$2,397,673</u>	<u>\$2,398,719</u>	<u>\$2,167,266</u>	<u>\$2,150,665</u>	<u>-</u>
Total Capital	\$2,080,550	\$2,397,673	\$8,278,719	\$2,167,266	\$35,814,363	\$40,242,365
<b>Total State Appropriations</b>	<b>\$122,466,949</b>	<b>\$129,660,887</b>	<b>\$132,979,868</b>	<b>\$132,687,812</b>	<b>\$204,280,096</b>	<b>\$217,984,144</b>

# State Appropriations

FY23 vs FY24 Operating Budget (including tuition appropriation budget)

FY23 Base Budget:	\$210,799,263
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FY24 Budget:	\$210,799,263
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Operational Support:	\$25,000,000
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Faculty Research & Retention	<u>\$10,000,000</u>
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Total FY24 Budget:	\$245,799,263*
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\*\$25,873,514 non-recurring



# Enrollment and Demand

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Total Headcount	17,308	17,043	16,709	16,555	16,570
Total FTE Enrollment	15,449	15,276	14,890	15,041	14,587
Undergraduate Headcount	14,915	14,662	14,275	14,312	14,377
Undergraduate FTE	13,643	13,401	13,061	13,302	12,913
Freshman Applicants	8,978	12,733	13,505	17,861	18,727
Freshman Acceptances	5,172	9,982	10,285	12,565	10,305
Freshman Matriculants	1,013	2,535	2,183	2,817	2,062
Retention Rate (Fresh. to Soph.)	83%	83%	79%	80%	80%
Six Year Graduation Rate	58%	61%	60%	61%	61%
Total students from in-state	16,348	16,192	15,774	15,473	15,374
Average ACT Score	24	24	23	22	24
Average SAT Score	1251	1140	1119	1120	1129

# Fall 2024 Enrollment Projections

Fall Enrollment		
Source Origin Category	2023 Actuals	2024 Projections
FTIC	9,363	9,442
Transfer	4,247	4,262
Post Baccalaureate	490	514
Masters	1,754	1,978
Doctoral	450	459
Non-Degree (include DE)	290	323
TOTAL	16,594	16,978

# Tuition and Fees

- We do not plan to have any changes in tuition or fees in the next couple of years.
- We continue to enhance our scholarship dollars to offset student tuition and fees. This includes a commitment to provide an additional \$1.5 million annually for 4-year scholarships in merit-based aid.

# Research

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- From FY22 to FY23, UNF's research expenditures increased from \$18.4M to \$26.8M
  - Continuing a growth trajectory that started in FY14 with \$3.7M
- UNF continues to diversify the sources of funding, with \$10.7M of expenditures from numerous federal agencies
  - Includes NSF, NASA, NIH, DOE, Dept of Education, NOAA, and more
- UNF is also making substantial investments in R&D infrastructure to increase its competitiveness for government and industry funding
  - Internal funding on a new research facility has already resulted in nearly \$4M of new external contracts and grants

# Fundraising

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- UNF is not currently in a fundraising campaign
  - FY24 fundraising goal:\$30 million
    - YTD: just under \$25 million
  - In FY23 UNF raised \$26.6 million
  - The Alumni Participation Rate for FY23 was 2.32%
    - UNF is taking active steps to grow alumni participation rate in FY24

# Endowment

- Endowment Market Value @ February 29, 2024: \$148,872,133
- Investment Performance:
  - Month to Date: 2.18%
  - Fiscal Year to Date: 7.67%
  - One Year: 12.20%
  - Three Year: 5.25%
  - Five Year: 8.46%
  - Ten Year: 7.00%
  - Inception to Date: 7.63%  
(1/1/2012 to 2/29/24)

Asset Allocation						
	Current Amount	Current Percent	Long-term Target %	Difference (%)	Policy Range (%)	Within Policy?
Global Equities	\$74,713,874	50.2%	50.00%	0.2%	30% - 70%	Yes
Global Fixed Income	11,898,525	8.0%	5.00%	3.0%	2% - 30%	Yes
Absolute Return	10,566,369	7.1%	10.00%	-2.9%	5% - 30%	Yes
Real Assets	18,918,450	12.7%	15.00%	-2.3%	0% - 25%	Yes
Private Capital	32,287,567	21.7%	20.00%	1.7%	0% - 35%	Yes
Cash, Other Assets & Liabilities	<u>487,348</u>	<u>.3%</u>	0.00%	0.3%	--	--
<b>Total Portfolio</b>	<b>\$148,872,133</b>	<b>100.00%</b>				

# Endowment

- The spending allocation for endowments is calculated annually using the three-year rolling average of each endowment account on the last day of the calendar year multiplied by the approved spending rate. Spending allocation is distributed to endowed operating accounts on July 1 of the following fiscal year. Accounts determined to be underwater per the Underwater Policy will not receive a spending allocation during the following fiscal year, unless an exception is approved by the Board
- UNF Foundation assumes great responsibility in providing prudent fiduciary management and oversight of the endowment. The Investment Committee determines the appropriate percentage of the “average market value” of the endowed balance to be made available for distribution each year



Spending Policy Components	FY2020	FY2021	FY2022	FY2023	FY2024
Spending Rate	4.10%	4.05%	4.00%	4.00%	4.00%
Operating Rate	1.60%	1.55%	1.50%	1.45%	1.45%
Annual Distribution Rate	5.70%	5.60%	5.50%	5.45%	5.45%

# Capital Projects and Debt Plans

	Funding Source					
Project Name	PECO	Carryforward	CITF Fee	Bonding	Other	Total Costs
CF Small Projects (<\$2M)		\$25,021,733				\$25,021,733
Deferred Building Maintenance		\$115,454			\$10,610,555	\$10,726,009
Alumni Drive Walkway & Bridge		\$2,939,492				\$2,939,492
Academic Affairs Moves		\$3,000,000				\$3,000,000
Brooks College of Health Remod.	\$7,375,282	\$160,000				\$7,535,282
Roy Lassiter Hall Renovation	\$5,880,000	\$1,945,000				\$7,825,000
Coggin College of Business Ph.II	\$26,288,146	\$10,999,750			\$7,000,000	\$44,287,896
Library Improvements			\$1,000,000			\$1,000,000
Boat House Renovation			\$1,167,266			\$1,167,266
Recreation Facility Improvements			\$1,811,929			\$1,811,929
Honors Student Housing				\$76,906,326		\$76,906,326
<b>Total by Funding Source</b>	<b>\$39,543,428</b>	<b>\$44,181,429</b>	<b>\$3,979,195</b>	<b>\$76,906,326</b>	<b>\$17,610,555</b>	<b>\$182,220,933</b>



# UNF & DSO's Liquidity

02/29/2024

## University Liquidity

Type	Amount
Cash & Cash Equivalents	\$69.0 million
Fixed Income	\$108.4 million
State Treasury - SPIA	\$1.5 million
<b>University Total</b>	<b>\$178.9 million</b>
<i>The University's Investment Portfolio can be accessed within 2 days or less</i>	

## DSO Liquidity

Type	Amount
Cash & Cash Equivalents	\$20.7 million
Cash & Cash Equivalents - Restricted	\$1.1 million
Investments - Non-Current	\$168.2 million
<b>DSO Total</b>	<b>\$190.0 million</b>

# Dormitory Facilities

## Revenues, Expenses, and Debt Service Coverage

*Historical Fiscal Years 2019 through 2023 & Projected Fiscal Year 2024*

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Projected 2024</u>
Gross Revenues	\$23,506,157	\$21,576,631	\$26,212,806	\$23,352,846	\$23,374,371	\$24,585,962
Costs of Operation and Maintenance	<u>\$11,553,252</u>	<u>\$10,189,058</u>	<u>\$9,623,822</u>	<u>\$10,899,308</u>	<u>\$10,985,668</u>	<u>\$11,059,917</u>
Net Operating Revenues	\$11,952,905	\$11,387,711	\$16,588,984	\$12,453,538	\$12,388,703	\$13,799,045
Bond Debt Service Component of Lease Revenues	\$9,083,273	\$9,086,331	\$9,085,960	\$9,082,027	\$9,084,148	\$9,086,874
<b>Coverage</b>	1.32x	1.25x	1.83x	1.37x	1.36x	1.52x

# Student Union and Wellness Center Revenues and Debt Service Coverage

*Historical Fiscal Years 2019 through 2023 & Projected Fiscal Year 2024*

## Student Union

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Projected 2024</u>
Activity and Service Fee Revenues	\$1,892,814	\$1,941,410	\$1,921,637	\$1,893,758	\$1,899,686	\$1,905,634
Bond Service Requirement Component of Lease Revenues	\$1,196,825	\$1,198,825	\$1,204,200	\$1,198,075	\$1,200,600	\$1,202,250
Coverage	1.58x	1.62x	1.60x	1.58x	1.58x	1.59x

## Wellness Center

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Projected 2024</u>
Gross Revenues	\$4,484,084	\$4,495,865	\$4,347,932	\$4,392,334	\$4,387,851	\$4,383,374
Annual Debt Service Payments	\$1,319,275	\$1,310,625	\$1,299,350	\$1,052,678	\$996,500	\$996,250
Coverage	3.40x	3.43x	3.35x	4.17x	4.40x	4.40x

# UNF Housing System Update



# Historical Capacity and Occupancy

- UNF has 3,504 on-campus beds and applications routinely exceeded available beds
  - Excluding the fall 2020 semester (COVID-19), occupancy for the fall semester each of the past 10 years has been at least 95% of capacity
  - Goal: provide adequate housing to accommodate each student that wants to reside on campus
  - Utilizes triple rooms to accommodate additional students
- UNF prioritizes providing housing for first time in college ("FTIC") undergraduate students
  - Anticipated number of rooms set aside for FTIC students
  - Remaining rooms are available for upperclassmen, transfer, and graduate students
  - Increased demand for on-campus housing from FTIC students has limited the number of beds available for other students

Fall	Design Capacity	Occupancy <sup>1</sup>	Occupancy Rate
2018	3,508	3,448	98.3%
2019	3,504	3,660	104.5
2020	3,175 <sup>2</sup>	1,990 <sup>3</sup>	62.7
2021	3,424	3,259	95.2
2022	3,504	3,731	106.5
2023	3,504	3,515	100.3

<sup>1</sup> Total occupancy can exceed design capacity due to the conversion of single- and double- occupancy rooms to double- and triple occupancy rooms.

<sup>2</sup> Decrease in capacity for the fall 2020 semester is due to conversion of double-occupancy rooms to single-occupancy rooms and rooms set aside to be used as isolation/quarantine spaces (loss of 329 beds) to comply with public health measures in response to the COVID-19 pandemic.

<sup>3</sup> Demand decreased for the fall 2020 semester as a result of the impacts of COVID-19.

# On-Campus Housing

UNF has a mixture of traditional dormitory-style, semi-suite (ensuite bathroom), full suite (ensuite bathroom and living space), and apartment-style on-campus housing options

Housing Facility	Opened	Unit Style/ Room Configuration	Capacity (Beds) <sup>1</sup>
Osprey Village	1985	1- & 2-Bedroom /1-Bath Apartments (Double Occupancy)	424
Osprey Hall	1989	2 Bed Traditional Dormitory (Double Occupancy)	240
Osprey Landing	1994	2 Bed Semi-Suite (Double Occupancy)	412
Osprey Cove	1998	2 Bed Semi-Suite (Double Occupancy)	414
Osprey Crossings	2001	2 Bed Semi-Suite (Double Occupancy)	448
Osprey Fountains	2009	4 & 6 Bed Suite (Single and Double Occupancy)	970
The Flats at UNF	2014	2-Bedroom/2-Bath & 3-Bedroom/3-Bath Apts. (Single Occupancy)	463
		<b>Total:</b>	<b>3,371</b>

<sup>1</sup> Capacity shown in this table is the current capacity, which does not include 133 non-revenue generating beds (e.g., beds utilized by RAs).

# Projected Pledged Revenues

## Existing Housing Facilities & 2023A Project Projected Pledged Revenues\* *Fiscal Years 2025 through 2027*

<b>Housing System Revenues</b>	<b><u>FY25</u></b>	<b><u>FY26</u></b>	<b><u>FY27</u></b>
Existing Housing Facilities Revenues	\$26,837,399	\$27,790,932	\$27,783,221
Less: Costs of Operation and Maintenance	<u>12,727,043</u>	<u>12,924,574</u>	<u>13,647,517</u>
<b>Net Operating Revenue</b>	\$14,110,356	\$14,866,358	\$14,135,704
Prior Lien Obligations	9,084,887	8,070,463	8,066,949
Debt Coverage Prior Lien Obligations	1.55	1.84	1.75
<b>Surplus Revenues</b>		<b>\$6,795,895</b>	<b>\$6,068,755</b>
<b>Net 2023A Project Revenues</b>			
2023A Project Operating Revenues		\$4,863,682	\$5,290,833
Less: 2023A Project Current Expenses		<u>1,215,757</u>	<u>1,252,229</u>
<b>Net 2023A Project Revenues</b>		<b>\$3,647,925</b>	<b>\$4,038,604</b>
<b>Pledged Revenues</b>		\$10,443,820	\$10,107,359
Annual Debt Service 2023A Bonds		\$5,284,500	\$5,284,375
Maximum Annual Debt Service		\$5,288,750	\$5,288,750
<b>Debt Service Coverage Ratios 2023A</b>			
Annual Debt Service		1.98	1.91
Maximum Annual Debt Service		1.97	1.91
<b>Illustrative Aggregate Housing System Coverage</b>			
<b>Prior Lien Obligations and Annual Debt Service</b>	<b>1.55</b>	<b>1.62</b>	<b>1.51</b>