

## Charles Parker

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**From:** Kathy Mitchell  
**Sent:** Sunday, November 11, 2018 2:21 PM  
**To:** Tracy Clark; Christina Tant  
**Subject:** FW: BOT Investigation  
**Attachments:** UCF's Capital Project Assumptions

FYI

**From:** Kathy Mitchell  
**Sent:** Sunday, November 11, 2018 2:18 PM  
**To:** joey.burby@bclplaw.com; Robert E Gallagher <robert.e.gallagher@pwc.com>  
**Cc:** Michelle Lynn Davis <michelle.l.davis@pwc.com>; Leftheris, Julie <Julie.Leftheris@flbog.edu>  
**Subject:** RE: BOT Investigation

I had a conversation with Chris Kinsley. I've copied Julie Leftheris, BOG IG, since she was standing with us at the time. I know Julie hasn't been in the weeds with us on all of the capital project funding questions, but since she was there, she may have heard some of this differently than I did.

I asked Chris if the BOG was going to give the universities some written guidance on the use of E&G funds for capital projects. Chris first said that no one had asked for guidance, but I countered that I had indeed sent an email directly to him and to Tim Jones on 11/2/18 asking precisely for that guidance (see attached). He said that he wasn't going to respond to that email. To which I asked if he could understand the position that puts us in? He said he understood. I told him that in the absence of anything definitive from the BOG, the SUS Council of Counsels (the General Counsels) and the CAFA group (the CFOs) had agreed upon a common set of guidelines, and that UCF had certified as to the use of E&G funds on capital projects using those guidelines.

The time pressure for us now is that BOG has asked all universities to come up with a plan for their carryforward balances, present the plans for approval by the local BOTs, then present the plans for BOG approval by January 4 in time for the January 30 BOG meeting. So backing into that timeline, we've picked an 11/30/18 "as of" date as the latest we can use and still get the carryforward plan approved in time (who needs time with their families during the holidays?!?).

Which means that before 11/30/18, we need to make any reversals to the E&G corrections that were made (including about \$10 million of the \$38 million for Trevor Colbourn Hall plus all of the \$13.8 million for the other buildings). Chris definitely doesn't want us to reverse anything related to Trevor Colbourn Hall before the AG's report comes out and would prefer that we wait until after the first of the year. But BOG has tied our hands by requiring us send in a report on our planned use of carryforward funds and telling us we'll have to send in another report next year about the actual use of those funds. We have to have our E&G carryforward balances straightened out by 11/30/18 to accomplish both of those things, but we have no control over when the AG report will be released (it was submitted to Tallahassee for review in August, but we still don't have the preliminary and tentative draft of the report).

For BOG to not allow UCF to reverse the overcorrections we've made to our E&G funds puts UCF at a disadvantage compared to our SUS peers. So long story short, we're no better off than we were before the BOG meeting. Can you hear the frustration in my voice?

We plan to discuss the situation and possible next steps with BOT Chairman Marchena when he's on campus for the BOT meeting this Thursday (11/15/18).



I'm in the office now until 4:30 and will be again tomorrow afternoon if you'd like to give me a call. On Tuesday, I have back to back meetings all day starting at 9am, so the only time I'll available is 8-8:45 am.

Best regards,  
Kathy

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**From:** Burby, Joey <[joey.burby@bclplaw.com](mailto:joey.burby@bclplaw.com)>  
**Sent:** Sunday, November 11, 2018 1:22 PM  
**To:** Kathy Mitchell <[Kathryn.Mitchell@ucf.edu](mailto:Kathryn.Mitchell@ucf.edu)>; Robert E Gallagher <[robert.e.gallagher@pwc.com](mailto:robert.e.gallagher@pwc.com)>  
**Cc:** Michelle Lynn Davis <[michelle.l.davis@pwc.com](mailto:michelle.l.davis@pwc.com)>  
**Subject:** RE: BOT Investigation  
**Importance:** High

Hi Kathy,

We'd like to schedule a call with you for tomorrow (Monday) or Tuesday morning if possible. Please let us know when you're available. We're eager to hear about the feedback you got from the BOG last week about the certification you provided and methodology, as it stands to significantly impact our investigation.

Thanks,  
Joey



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## Charles Parker

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**From:** Kathy Mitchell  
**Sent:** Friday, November 2, 2018 10:21 AM  
**To:** Chris Kinsley; Jones, Tim  
**Cc:** Misty Shepherd; Tracy Clark; Lee Kernek  
**Subject:** UCF's Capital Project Assumptions

Good morning Chris and Tim,

In an effort to ensure UCF provides complete and accurate information to the Board of Governors, I'm providing the understanding with which we're certifying the appropriateness of E&G funds utilized for capital projects. Based on prior board guidance, we will certify based on the following:

1. The \$2 million cap applies only to new construction costs.
2. There is no cap on the use of E&G funds for Furniture, Fixture, and Equipment.
3. There is no cap on the use of E&G funds for Planning and Design of new capital projects.
4. There is no cap on the use of E&G funds for Repairs or Renovations.
5. For a project to be considered a capital project, it must add/create square footage, change the use, or extend the useful life of a building.

Please let us know early this afternoon if our understanding is incorrect so that we may have time to provide complete and accurate information for the certification the board has requested by the close of business today.

Thank you for your assistance and guidance as we work to restore the confidence of the Board of Governors, our local Boards of Trustees, and the Legislature in the universities' ability to properly manage state funds.

Best regards,  
Kathy

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