

## FAU OFFER – As of 2/26/07

### **(Contingent upon legislative approval of annual and one-time funding.)**

1. State Funding Requested from the Florida Legislature  
Annual - \$13.750M increase over current levels (see attached details)  
One-Time - \$44.641M (see attached details)
2. Employees  
All HBOI employees receive a one year guaranteed employment offer at the same salary they are presently earning, subject to standard FAU employment contract terms and conditions.
3. Organization  
HBOI would remain intact as an FAU research institute and would report to the University Provost's Office. Staff (HR, Finance, IS/IT, etc.) would become part of the FAU staff as per #2 above, but would still support HBOI.
4. Land – two options:
  - a) All land not deeded to the county would be deeded to FAU, to support development and operations of FAU HBOI campus. Under this option, FAU would make available necessary space for the new HBOI Foundation to construct a permanent Foundation office facility.
  - b) Approximately 125 acres would be deeded to FAU. Any remaining lands would be owned by the new HBOI foundation. The title documents of the remaining lands would reflect that any future sales, leases, or other disposition by the new HBOI foundation would be subject to the approval of the FAU Board of Trustees. The new HBOI foundation would retain the proceeds of any approved future sales or leases of the remaining land to use for the benefit of HBOI.
5. Loans  
Repayment of existing loans would be from the new HBOI Foundation as an FAU Direct Support Organization (DSO) (See Item 6 below.). Proceeds from the sale of property to St. Lucie County and/or other entities would be deposited with the Foundation. The Foundation could then elect to:
  - a) Repay the loans in question from proceeds of the land sale with the balance being added to the corpus of the endowment; or,
  - b) Add the proceeds of the land sale to the corpus of the endowment and subsequently retire the loans from endowment earnings.
6. HBOI Foundation  
HBOI Foundation would become a separate, stand-alone DSO of FAU, certified by the FAU Board of Trustees as operating for the benefit of FAU and HBOI. It would thus remain independent of the existing FAU Foundation, Inc., and as such would retain sole discretion for its funding or support of HBOI in terms of grants, endowments etc. This arrangement could result in the doubling of grants and endowments to HBOI that meet the requirements of the State of Florida's matching program for donations to state university DSOs. The new HBOI foundation's board would have 2 appointees from FAU. The current endowment will remain with the new HBOI foundation.

**Florida Atlantic University  
and  
Harbor Branch Oceanographic Institution**

**Summary of One-time State Funding**  
(Status as of 2/19/07)

1. IRM Infrastructure	\$ 1,100,000	
2. On-site Science Expansion	4,500,000	
3. Site Conditions/Environmental	2,736,000	
	<b>Subtotal (1-3)</b>	<b>\$ 8,336,000</b>
4. Two options:		
Option A: Deferred Maintenance	21,278,153	
Demolition	301,936	
<b>Subtotal (Option A)</b>	<b>21,580,089</b>	
<b>----OR----</b>		
Option B: Deferred Maintenance	\$ 9,243,843	
Demolition	1,062,141	
New Building	26,000,000	
<b>Subtotal (Option B)</b>	<b>\$36,305,984</b>	<b><u>\$36,305,984</u></b>
<b><u>Revised Option B Selected:</u></b>	<b>TOTAL with OPTION B</b>	<b><u>\$44,641,984</u></b>

Florida Atlantic University  
Harbor Branch Oceanographic Institution  
Recurring State Funding

**Summary**

Salary, Benefits, Support - President/CEO, COO, & Center Directors (Includes addition of \$130K for administrative support and other expenses for Center Directors)	1,022,000
Development & Institutional Advancement (Reduced by \$364K - to be absorbed into FAU budget)	-
General & Administrative (Reduced by \$1,490K - expenses to be maintained by HBOI foundation)	329,000
Human Resources	350,000
Information Systems (Includes addition of \$100K for additional staff)	436,000
Contracts & Grants Administration (To be assumed by OVPR from ICRE - Reduction of \$418K)	-
Safety/Security (EHS) (Includes addition of \$142K for Annual Security Guard costs & Homeland Security Administration)	250,000
Government & External Affairs	126,000
Finance (Includes addition of \$168K for CFO/Controller)	853,000
General Services (Includes Media Lab, AV Services, Visitor Center, Associates Progr (Includes addition of \$69K for additional staffing and expenses at Visitor Center)	457,000
Library (Includes addition of \$200K for additional staffing and expenses)	253,000
Education (Administration of K-12 education programs, etc.)	233,000
Facilities (Includes addition of \$1,924K for additional staffing and expenses)	4,394,000
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Sub-total	8,703,000
<b>Additions:</b>	
Funding required to transfer 75% Indirect Cost Recovery to FAU	2,625,000
Science Program Expansion	<hr/> 2,422,559
<b>TOTAL Recurring State Funding</b>	<hr/> <b>13,750,559</b> <hr/>