

**Florida Agricultural and Mechanical University
Board of Trustees**



Budget, Finance, and Facilities Committee

**Meeting Materials
August 16, 2019**

**Florida Agricultural and Mechanical University
Board of Trustees**



Budget, Finance, and Facilities Committee Meeting

Date: Friday, August 16, 2019

Time: 9:00 a.m.

Location: BOT Retreat, Tampa, FL

Committee Members: Kimberly Moore, Chair
Matthew Carter, Kelvin Lawson, Harold Mills, Belvin Perry, Craig Reed

AGENDA

- | | | |
|-----|---------------|---------------|
| I. | Call to Order | Trustee Moore |
| II. | Roll Call | Mrs. Turner |

ACTION ITEMS

- | | | |
|------|---|--------------------------------------|
| III. | Approval of a Banking Resolution | General Counsel Wallace |
| IV. | Approval of Final 2019-20 University Budget | Interim VP Schweigert /
AVP Bouie |

INFORMATION ITEMS

- | | | |
|-------|---|--------------------------------------|
| V. | Carry-Forward
a. Legislative Session | Interim VP Schweigert /
AVP Bouie |
| VI. | Cyber Security Plan Update | AVP Henry |
| VII. | Performance Based Funding (At-a-Glance Report)
a. Priorities | Provost Edington |
| VIII. | Adjournment | Trustee Moore |

**Florida Agricultural and Mechanical University
Board of Trustees**



Action Item:

Approval of a Banking Resolution



Florida Agricultural and Mechanical University Board of Trustees Action Item

Meeting Date August 16, 2019

Agenda Item: **III**

Item Origination and Authorization				
Policy _____	Award of Bid _____	Budget Amendment _____	Change Order _____	
Resolution <u> X </u>	Contract _____	Grant _____	Other _____	

Action of Board				
Approved _____	Approved w/ Conditions _____	Disapproved _____	Continued _____	Withdrawn _____

Subject: Resolution designating the University President, its Interim Chief Financial Officer, and its Interim Associate Vice President/Chief Accountant as authorized signatories on checks issued to pay the just obligations of the University.

Rationale: Section 1011.42(7), Florida Statutes and University Regulation 1.021 require the Board of Trustees to designate on its records the legal names and position titles of any employees authorized to sign checks to pay the legal obligations of the University. It is in the best interest of the University that the University President, its Interim Chief Financial Officer, and its Interim Associate Vice President/Chief Accountant be authorized signatories on checks issued to pay the just obligations of the University and that such checks be signed by the University President and at least one other of the authorized signatories.

Recommendation: Resolve that the University President, Larry Robinson; its Interim Chief Financial Officer, Richard Schweigert; and its Interim Associate Vice President/Chief Accountant, Archie Bouie be authorized signatories on checks issued to pay the just obligations of the University and that such checks be signed by the University President and at least one other of the authorized signatories.

RESOLUTION NO. __-19

A RESOLUTION OF THE BOARD OF TRUSTEES OF FLORIDA A&M UNIVERSITY (THE “UNIVERSITY”) DESIGNATING BY NAME AND TITLE THE PRESIDENT, THE INTERIM CHIEF FINANCIAL OFFICER AND/OR THE INTERIM ASSOCIATE VICE PRESIDENT/CHIEF ACCOUNTANT AS PERSONS HAVING AUTHORITY TO SIGN CHECKS TO PAY LEGAL OBLIGATIONS OF THE UNIVERSITY (“AUTHORIZED SIGNATORIES”) AND TO OPEN ANY ACCOUNTS AS NECESSARY TO HOUSE AND MANAGE FUNDS OF THE UNIVERSITY; REQUIRING THAT ALL CHECKS ISSUED BY THE UNIVERSITY BE SIGNED BY THE PRESIDENT AND AT LEAST ONE OF THE OTHER AUTHORIZED SIGNATORIES; AUTHORIZING THE USE OF MECHANICALLY GENERATED SIGNATURES OF SAID AUTHORIZED SIGNATORIES; RESCINDING ANY PRIOR AUTHORIZATIONS AND DESIGNATIONS; PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

WHEREAS, Section 1011.42(7), Florida Statutes and University Regulation 1.021 require the Board of Trustees to designate on its records the legal names and position titles of any employees authorized to sign checks to pay the legal obligations of the University; and

WHEREAS, it is in the best interest of the University to provide for the names of the President, the Interim Chief Financial Officer or the Interim Associate Vice President/Chief Accountant (“Authorized Signatories”) to sign checks to pay legal obligations of the University and to open accounts as necessary to house and manage funds of the University; and

WHEREAS, it is in the best interest of the University that all checks issued by the University be signed by the President and at least one of the other Authorized Signatories; and

WHEREAS, it is in the best interest of the University that mechanically generated signatures of the Authorized Signatories be authorized for the use on any checks issued by the University.

NOW THEREFORE, BE IT DULY RESOLVED BY THE FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY BOARD OF TRUSTEES that:

SECTION 1: The Board of Trustees hereby approves and designates the following persons to sign checks to pay legal obligations of the University and to open any accounts necessary to house and manage funds of the University:

- A. President – Larry Robinson
- B. Interim Chief Financial Officer – Richard Schweigert

C. Interim Associate Vice President/Chief Accountant – Archie Bouie, II

(the “Authorized Signatories”).

SECTION 2: All checks issued by the University are required to be signed by the President and at least one of the other Authorized Signatories.

SECTION 3: Any check issued by the University may bear the mechanically generated signature(s) of any two Authorized Signatories.

SECTION 4: Any authorizations or designations provided to persons prior to the effective date of this resolution are rescinded.

SECTION 5: For all accounts opened to house and manage funds of the University, the President shall provide a report to the Board of Trustees at its regularly scheduled meeting after the opening of any such accounts.

SECTION 6: The Corporate Secretary shall insure that a copy of this resolution and minutes of the Board of Trustees are provided to any financial institution serving as a depository of University funds.

SECTION 7: This resolution shall take effect immediately upon passage.

PASSED AND ADOPTED THIS ___th DAY OF AUGUST, 2019.

**FLORIDA AGRICULTURAL AND
MECHANICAL UNIVERSITY
BOARD OF TRUSTEES**

ATTEST:

Kelvin Lawson, Chair

Corporate Secretary

Approved as to form and legal sufficiency:

D. Denise Wallace, General Counsel

August __, 2019

**Florida Agricultural and Mechanical University
Board of Trustees**



Action Item:

Approval of Final 2019-2020 University Budget



**Florida Agricultural and Mechanical University
Board of Trustees
ACTION ITEM**

Budget, Finance & Facilities Committee

Meeting Date: August 16, 2019

Agenda Item: IV

Item Origination and Authorization			
Policy ___	Award of Bid ___	Budget Amendment ___	Change Order ___
Resolution ___	Contract ___	Grant ___	Other <u>X</u>

Action of Board				
Approved ___	Approved w/ Conditions ___	Disapproved ___	Continued ___	Withdrawn ___

Subject: Approval of Fiscal Year 2019-20 Final Operating Budget

Rationale: Pursuant to Board of Governor’s Regulation 9.007 State University Operating Budgets, the FY 2019-20 operating budget must be approved by the University Board of Trustees (BOT) prior to submission to the Board of Governors. The final operating budget is due to the Board of Governors by August 21, 2019.

Attachments: 2019-20 Final Operating Budget
Budget Certification Form

Recommendation: It is recommended that the Board of Trustees approve the 2019-20 Final Operating Budget.

Prepared by: Budget Office

Approved by: Interim Vice President Richard Schweigert

FLORIDA A&M UNIVERSITY
2019-2020 E&G OPERATING BUDGET

ADMINISTRATION	2018-19 BASE BUDGET	2019-20 REDUCTION	5% BUDGET REDUCTIONS	19-20 RECURRING	WORLD CLASS	PROFESSIONAL DEGREE	SUB-TOTAL	PERFORMANCE BASED FUNDING	2019-20 BASE BUDGET	2018-19 TITLE III BUDGET	TOTAL 2019-20 BUDGET
PRESIDENT	1,522,448						1,522,448	13,750,113	15,272,561	555,517	15,828,078
CONTRACTS AND GRANTS	402,378						402,378		402,378		402,378
COMMUNICATIONS	1,290,656						1,290,656		1,290,656		1,290,656
VP ADMINISTRATION	8,822,982						8,822,982		8,822,982	350,000	9,172,982
VP DEVELOPMENT	1,418,178						1,418,178		1,418,178	330,000	1,748,178
VP AUDIT	767,608			130,680			898,288		898,288		898,288
COMPLIANCE AND ETHICS	272,240						272,240		272,240		272,240
VP LEGAL AFFAIRS	1,571,742						1,571,742		1,571,742		1,571,742
ITS	8,540,772						8,540,772		8,540,772	571,368	9,112,140
VP STRATEGIC PLANNING	1,532,147						1,532,147		1,532,147	850,000	2,382,147
UNIVERSITY RESERVES	-	(1,582,585)	7,000,235	(130,680)			5,286,970		5,286,970		5,286,970
CAMPUS SECURITY	2,940,372						2,940,372		2,940,372		2,940,372
TOTAL ADMINISTRATION	29,081,523	(1,582,585)	7,000,235	0	0	0	34,499,173	13,750,113	48,249,286	2,656,885	50,906,171
PLANT OPERATIONS & MAINTENANCE											
PHYSICAL PLANT	18,417,373						18,417,373		18,417,373		18,417,373
FACILITIES PLANNING	882,291						882,291		882,291		882,291
ENVIRONMENTAL SAFETY	910,953						910,953		910,953		910,953
TOTAL PO&M	20,210,617	-	-	-	-	-	20,210,617	-	20,210,617	0	20,210,617
LIBRARIES	4,247,848	-	-	-	-	-	4,247,848	-	4,247,848	486,789	4,734,637
STUDENT SERVICES											
VP STUDENT AFFAIRS	11,334,647						11,334,647		11,334,647		11,334,647
TUITION Differential NEED BASE	2,300,000						2,300,000		2,300,000		2,300,000
WOMEN ATHLETICS	691,455						691,455		691,455		691,455
TOTAL STUDENT SERVICES	14,326,102	0	0	0	0	0	14,326,102	-	14,326,102	0	14,326,102
TOTAL NON I&R	67,866,090	(1,582,585)	7,000,235	0	0	0	73,283,740	13,750,113	87,033,853	3,143,674	90,177,527
INSTRUCTIONS AND RESEARCH											
VP ACADEMIC AFFAIRS	8,241,056				2,003,984		10,245,040		10,245,040	3,429,600	13,674,640
ESI	1,610,673						1,610,673		1,610,673		1,610,673
ARCHITECTURE	3,547,249						3,547,249		3,547,249		3,547,249
SOCIAL SCIENCES	13,194,873						13,194,873		13,194,873		13,194,873
SBI	7,289,334					68,004	7,357,338		7,357,338	115,433	7,472,771
CAFS	4,939,287						4,939,287		4,939,287	200,000	5,139,287
BROOKSVILLE	423,000						423,000		423,000		423,000
JOURNALISM	2,667,037						2,667,037		2,667,037		2,667,037
EDUCATION	5,957,952						5,957,952		5,957,952	158,372	6,116,324
NURSING	2,428,793						2,428,793		2,428,793	120,000	2,548,793
PHARMACY	12,783,016					65,481	12,848,497		12,848,497		12,848,497
ALLIED HEALTH	4,559,833					80,000	4,639,833		4,639,833	620,707	5,260,540
SCIENCE AND TECHNOLOGY	9,188,299						9,188,299		9,188,299	354,090	9,542,389
GRADUATE STUDIES	999,481						999,481		999,481		999,481
LAW SCHOOL	12,502,399					1,562,112	14,064,511		14,064,511		14,064,511
TUITION DIFFERENTIAL	5,000,000						5,000,000		5,000,000		5,000,000
TOTAL I&R	95,332,282	0	0	0	2,003,984	1,775,597	99,111,863	-	99,111,863	4,998,202	104,110,065
TOTAL ALLOCATED BUDGET	163,198,372	(1,582,585)	7,000,235	0	2,003,984	1,775,597	172,395,603	13,750,113	186,145,716	8,141,876	194,287,592
UNALLOCATED STUDENT FEE BUDGET AUTHORITY	4,500,000						4,500,000		4,500,000	-	4,500,000
GRAND TOTAL ALLOCATIONS	167,698,372	(1,582,585)	7,000,235	0	2,003,984	1,775,597	176,895,603	13,750,113	190,645,716	8,141,876	198,787,592

Reallocation Enhancement Options

FLORIDA A&M UNIVERSITY	
Option 1: REALLOCATION ENHANCEMENT	
1) Base Funding Reduction*	1,582,585
2)Scholarship*	700,000
3)Terminal Leave Payout*	1,000,000
4) Audit Director Position*	130,680
5)FAMU-FSU College of Engineering*	500,000
6)Faculty and Staff Retention**	2,586,970
7) University Reserves/Minor Projects*	500,000
Total 5% Budget Reductions	7,000,235
*Recurring **Non-Recurring	

- 1. Florida A&M University's portion of the base budget reduction for the SUS totaling \$35,000,000.**
- 2. These funds will be used to provide student scholarships.**
- 3. In the past terminal leave payouts have been on average of \$800,000. Prior to major budget cuts by the legislature, the University used a forced salary lapse to cover the payouts. This allocation will allow the University to re-institute the salary lapse process.**
- 4. The Audit Director position has been established to fill a critical need in the Division of Audit.**
- 5. These funds will be used to assist the FAMU-FSU College of Engineering in meeting their budget shortfall for FY19-20.**
- 6. These funds will be used for Faculty and Staff retention.**
- 7. The reserve amount will be added to the University's carryforward.**

FLORIDA A&M UNIVERSITY	
Option 2: REALLOCATION ENHANCEMENT	
1) Base Funding Reduction*	1,582,585
2)Scholarship*	700,000
3)Terminal Leave Payout*	1,000,000
4) Audit Director Position*	130,680
5) FAMU-FSU College of Engineering	500,000
6) University Reserve*	3,086,970
Total 5% Budget Reductions	7,000,235
*Recurring **Non-Recurring	

1. Florida A&M University's portion of the base budget reduction for the SUS totaling \$35,000,000.

2. These funds will be used to provide student scholarships.

3. In the past terminal leave payouts have been on average of \$800,000. Prior to major budget cuts by the legislature, the University used a forced salary lapse to cover the payouts. This allocation will allow the University to re-institute the salary lapse process.

4. The Audit Director position has been established to fill a critical need in the Division of Audit.

5. These funds will be used to assist the FAMU-FSU College of Engineering in meeting their budget shortfall for FY19-20.

6. The reserve amount will be added to the University's carryforward.

FLORIDA A&M UNIVERSITY						
2019-2020 E&G ALLOCATIONS						
	General Revenue	Lottery	Student Fees	Student Financial Assistance	Risk Management Insurance	Total Appropriations
2017-2018 FINAL BUDGET	\$91,986,448	\$15,911,082	\$67,801,614	\$624,417	\$1,693,723	\$178,017,284
2017-18 Non Recurring (On-line Course Offerings)						\$0
						\$0
2018-19 Beginning Base Budget	\$91,986,448	\$15,911,082	\$67,801,614	\$624,417	\$1,693,723	\$178,017,284
Fund Shift from GR to Lottery	1,799,718	(1,799,718)				\$0
Lottery Redistribution	(5,770,514)	5,770,514				\$0
State Health Insurance 201-20 Annualizations	460,904					\$460,904
2019-20 Base Funding to Performance Funding - Insttutional Investment	(15,306,370)					(15,306,370)
2019-20 Base Funding Reduction	(1,582,585)					(1,582,585)
						\$0
Total 2017-2018 Final Budget	71,587,601	19,881,878	67,801,614	624,417	1,693,723	161,589,233
*Amendment #1 Performance Funding Allocation of Insttutional Investment	15,306,370					\$15,306,370
* Performance Based Funding	13,750,113					\$13,750,113
2019-20 GRAND TOTAL	100,644,084	19,881,878	67,801,614	624,417	1,693,723	190,645,716

40	Institute of Government																		\$	-					
41	Regional Data Centers - SUS																		\$	-					
42	Black Male Explorers Program	\$	198,000																\$	198,000					
43	Phosphate Research																		\$	-					
44	Other Operating Category (Provide Details)																		\$	-					
45	Total Operating Expenditures :	\$	190,645,716	\$	57,717,526	\$	44,255,784	\$	1,980,249	\$	46,932,885	\$	257,533	\$	11,188,735	\$	3,190,103	\$	-	\$	-	\$	-	\$	356,168,531
46																									
47	Non-Operating Expenditures (* Amounts provided as provisional estimates pending final approval and certification of Carryforward Spending Plan and Fixed Capital Outlay Budget at a later date)																								
48	* Carryforward (From Prior Period Funds)	\$	30,231,182																	\$	30,231,182				
49	* Fixed Capital Outlay																			\$	-				
50	Transfers Out ⁸		\$	4,523,302	\$	17,330,319	\$	1,604,829	\$	4,320	\$	-	\$	-	\$	137,849				\$	23,600,619				
51	Other ⁷																			\$	-				
52	Total Non-Operating Expenditures :	\$	30,231,182	\$	4,523,302	\$	17,330,319	\$	1,604,829	\$	4,320	\$	-	\$	-	\$	137,849	\$	-	\$	-	\$	-	\$	53,831,801
53																									
54	Ending Fund Balance :	\$	89,043	\$	3,923,062	\$	38,147,564	\$	75,089	\$	9,537,200	\$	257,452	\$	-	\$	462,363	\$	-	\$	-	\$	-	\$	52,491,773
55																									
56	Fund Balance Increase / Decrease :	\$	(30,231,182)	\$	3,677,898	\$	(12,159,017)	\$	(333,210)	\$	(19,720)	\$	(36,441)	\$	-	\$	(1,030,462)	\$	-	\$	-	\$	-	\$	(40,132,134)
57	Fund Balance Percentage Change :		-99.71%		1500.18%		-24.17%		-81.61%		-0.21%		-12.40%				-69.03%								-43.33%

1. The Education and General budget funds the general instruction, research, and public service operations of the universities. Universities have accumulated ending fund balances for activities such as the implementation and maintenance of Enterprise Resource Program systems, contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in utilities, and prior year encumbrances (recorded, estimated liability at year-end for ordered or received goods or services), and compliance with Section 1011.45 F.S. on maintaining a 7% reserve.
2. The Contracts and Grants budget contains activities in support of research, public service, and training. Large fund balances are due to the timing of receipt of Federal contracts or grants.
3. Auxiliaries are ancillary support units on each university campus. Some of the major activities include housing, food services, book stores, student health centers, facilities management, and computer support. Ending fund balances includes financial activities such as debt service payments, reserve, repair and replacement reserves for future maintenance costs, construction/renovation of auxiliary facilities, and prior year encumbrances.
4. Local funds include the following university activities:
 - a. Student Activities - Supported primarily by the student activity and service fee and funds operations of the student government, cultural events, organizations, and intramural/club sports.
 - b. Financial Aid - This activity represents the financial aid amounts for which the university is fiscally responsible. Examples include: student financial aid fee, bright futures, federal grants, college work study, and scholarships. The ending fund balance represents a timing difference between the receipts of funds and disbursement to the students.
 - c. Concessions - These resources are generated from various vending machines located on the university campuses.
 - d. Athletics - Revenues are primarily derived from the student athletic fee, ticket sales, and sales of goods. Sufficient fund balances are maintained to provide the necessary support for ongoing athletic activities.
 - e. Technology fee - Collections are used to enhance instructional technology resources for students and faculty.
 - f. Self-Insurance Program - These programs are directed by the respective self-insurance councils and the captive insurance companies (These companies underwrite the risks of its owner and the owner's affiliates.). These activities are supported by premiums charged to the insured individuals and entities (primarily medical faculty and institutions).
 - g. Board-Approved Fees - Student fees proposed by each university and authorized by the Board of Governors to address specific student-based needs not addressed through another service or fee.
5. Faculty Practice - The Faculty Practice Plan collects and distributes income from faculty billings for patient services provided in conjunction with state university medical school programs.
6. Other Receipts/Revenues includes categories such as interest, penalties, refunds, admissions, fines, taxes, etc.
7. Other Non-Operating Expenditures includes categories such as refunds, payment of sales taxes, or indirect costs.
8. Transfers Out include items such as overhead assessments, Faculty Practice Plan transfers for medical faculty salaries, student financial aid support, etc. **Education & General transfers must be accompanied by detailed information.**



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

2019-2020 Fixed Capital, Operating & Carryforward Budget Certification

University Name: Florida Agricultural and Mechanical University

Fixed Capital Outlay, Operating & Carryforward Budgets Certification Representations

I hereby certify to the Board of Governors that the referenced fixed capital outlay, operating and carryforward budget information provided to the Board of Governors in accordance with my fiduciary responsibility to the university is true and materially correct to the best of my knowledge. I further certify that these budgets have been reviewed and approved by the board of trustees at its meeting held on _____, and that funds will only be expended in accordance with the approved budget as well as all applicable Statutes, Board of Governors Regulations, and university regulations. I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements may render this certification void. My signature below acknowledges that I have read and understand these statements.

Certification: _____ Date _____
Chief Financial Officer

Certification: _____ Date _____
President

I certify that the above referenced university budgets for fiscal year 2019-2020 has been approved by the university board of trustees and is true and materially correct to the best of my knowledge.

Certification: _____ Date _____
Board of Trustees Chair