

FLORIDA **A&M** UNIVERSITY
Board of Trustees

Budget, Finance, and Facilities Committee Meeting

Trustee Craig Reed, Committee Chair

Wednesday, June 7, 2023 Location: FAMU Grand Ballroom

MINUTES

Committee Members Present: Craig Reed, Otis Cliatt, Kelvin Lawson, Belvin Perry, and Kenny Stone

Call to Order/Roll Call

Chair Reed called the meeting to order. Ms. Schloss called the roll. A quorum was present.

ACTION ITEMS

Approval of Minutes – February 15, 2023.

There were no revisions to the minutes.

The motion to approve this action item was carried.

2023-24 Preliminary Operating Budget

VP Brown requested board approval of the 2023-2024 Preliminary Operating Budget.

Questions/Comments re: 2023-24 Preliminary Operating Budget

- a. Trustee Stone asked about the process of the Preliminary Operating Budget, expressing interest in a more detailed analysis. He asked if a deeper dive was planned.

Response: VP Brown responded that the final budget would be brought back to the retreat for approval, with a plan to tease out a few departments in detail, as well as the budget workshop to educate the board.

- b. Trustee Stone mentioned the potential impact of additional information from different departments and asked how it would affect the budget.

Response: VP Brown responded that it was yet to be determined and hopeful that it will change northward. Additional items are expected from the state, but they are subject to the Governor's veto.

Response: Budget Director Murry responded that this budget doesn't include the state investment that was presented by Dr. McMurray. It was noted that several line items are currently in a pre-veto stage and will be brought back for consideration in August. Budget Director Murry also stated that the Auxiliaries department is subject to fluctuation. In relation to BOT Policy 2005-05, Murry stated that the final submission will be an exact replica of the existing system data. Therefore, the committee members will be approving the budget based on the information already in the system during the August meeting.

The motion to approve this action item was carried.

Amendment to BOT Regulation 3.017-Schedule of Tuition and Fees

VP Brown requested board approval to amend BOT Regulation 3.017-Schedule of Tuition and Fees to increase the 2023-24 repeat course fee rate to \$204.65 as mandated by the Florida Board of Governors.

The motion to approve this action item was carried.

2024-2025 Fixed Capital Outlay Budget: Capital Improvement Plan (CIP)

All state universities are required to submit a five-year Capital Investment Improvement Plan (CIP) to the Board of Governors by July 1, 2023. VP Brown requested board approval for the 2024-2025 Fixed Capital Outlay Budget-Capital Improvement Plan (CIP).

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The motion to approve this action item was carried.

Continuing Services Vendors

VP Brown, requested board approval to select proposed Continuing Services vendors and authorize the President to execute the necessary contracts and agreements, not to exceed \$4 million. The contracts will be executed after the Board's approval, and review and comments by the Office of General Counsel.

Questions/Comments re: Continuing Services Vendors

- a. Trustee Stone inquired what percentage of the vendors were MWBE/MBE.

Response: VP Brown stated that the percentage of minority spending for the third quarter would be discussed later in the information items.

The motion to approve this action item was carried.

Amendment to BOT Regulation 3.019-Settlement of Delinquent Accounts; Collection and Returned Check/Electronic Payment Fees; Write-off of Uncollectible Accounts

VP Brown requested board approval to amend BOT Regulation 3.019 to update the language in accordance with the Board of Governors Regulation 7.002, "Tuition and Fee Assessment, Collection, Accounting and Remittance."

The motion to approve this action item was carried

II INFORMATION ITEMS

Vice President for Finance and Administration's Report

a. Department Spotlight: Budget Office

VP Brown highlighted the Budget Office's achievements accompanied with a short video presentation showcasing their services and accomplishments.

b. Quarterly Financial Report- Budget to Actuals

VP Brown presented an update of the budget to actuals, comparing the third quarter FY21-22 to FY22-23. The overall percentage of the budget expended in this quarter was 77%, in contrast to 89% during the same period in previous fiscal years. VP Brown proceeded to explain the variances within specific categories, with a margin of plus or minus 10%. The first category discussed was the technology fee, which experienced a significant increase of 61%. This rise was attributed to the shift in funding from COVID relief funds to technology fees for certain expenditures. Similarly, the second category, concessions, saw an increase due to additional funds being allocated for recruitment efforts. Lastly, in the category of contracts and grants, there was a decline of 15% in expenditures. This decrease was attributed to an overall budget reduction resulting from the dwindling COVID relief dollars from the previous fiscal year.

c. Compensation Study Update

VP Brown reported that the compensation study was progressing according to schedule and would be finalized in December 2023. She outlined the five phases of the study, showing Phases 1 and 2 had been completed. The study is currently in Phase three, which is focused on Competitive Assessment. The update included the progress made in conducting interviews with faculty and staff members by Segal during February, March, and April. As a result of these interviews, draft interview themes and a compensation philosophy were developed. Moving forward, Phase 4, which involves the development of a salary structure, is scheduled to begin in the summer and conclude in the fall.

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Questions/Comments re: Compensation Study Update

- a. Trustee Perry asked for a brief summary of the findings from Phases 1 and 2, and what would be of interest at this point.
Response: Ms. Kiselyuk explained that they received valuable feedback related to retention, salary structure, flexibility, and rewards systems. The responses were positive, indicating satisfaction with the organizational culture and employees' happiness working at FAMU.
- b. Trustee Dubose emphasized the importance of highlighting the talent and cultural aspects for public record, aligning with the three-year strategic plan.
- c. Trustee Harper requested that the external reports be shared once they were completed.
- d. Trustee Gibbons expressed his positive experience with similar studies in the past, finding them effective.

d. Master Plan Update

VP Brown provided an updated schedule for the 2020-2030 campus master plan, stating that Phases 1 - 6 had been completed, and they were currently in Phase 7, which involved adopting the Campus Master Plan.

e. Project Updates

VP Brown presented updates on several ongoing university projects, including Al Lawson Videoboard, Gaither Gymnasium Scoreboard, Bragg Memorial Stadium Parking Lot Renovation, Bragg Memorial Stadium Videoboard, Proposed Housing Facilities, and Deferred Maintenance and Utility Infrastructure projects. The updates indicated that the Al Lawson and Bragg videoboards were on track for completion by August 31, 2023, with no anticipated delays. Both facilities have become available and the content management system had been fabricated.

The Bragg Memorial Stadium Parking Lot renovation is progressing as scheduled, with a substantial completion date of September 12, 2023. Mr. Jones stated majority of the work left to be done is on the north end of the stadium.

Questions/Comments re: Bragg Memorial Stadium Parking Lot

- a. Trustee Cliatt requested a video link showcasing the updates and completed work on the projects.
Response: Mr. Jones confirmed that they would incorporate video links in future updates.
- b. Trustee Dubose inquired about the layout of the parking lot, whether it was going up in layers since everything seemed to be flat or on one level.
Response: Mr. Jones clarified that the parking lot would not be on a single level and that they were utilizing all usable surfaces.
- c. Trustee Dubose asked if any thoughts were considered about expansion further down the road.
Response: Mr. Jones stated it could be considered on the next master plan or the existing one could be amended.
- d. Chair Reed suggested Mr. Jones take it as an opportunity to consider the long term plan of facilities to accommodate the migrating body of students coming back to campus producing more traffic, cars, and individuals.
- e. Trustee Dubose continued by inquiring about the use of electrical stations being added.

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- f. President Robinson stated there is a plan in place for a southeast stadium with parking.

VP Brown continued that the first phase of gradient of the north side of the parking lot and the construction of the bypass driveway were in progress. The remaining tasks entail additional grading, paving, striping, etc.

Next, VP Brown provided an update on the Bragg Memorial Stadium Videoboard, which remains on schedule to be substantially complete by August 28, 2023, with no anticipated delays. Mr. Jones stated they are in the process of finishing the foundation of the footings.

VP Brown gave a report on the Proposed Housing Facilities, mentioning that planning and design had begun, bi-weekly meetings were happening, and the housing feasibility study was being updated. A resolution to the board will be brought in August for approval.

VP Brown also reported on the allocation of funds for deferred maintenance, capital replacement/renewal, and campus-wide utility infrastructure during the 2022-23 legislative session. A total of \$26.9 million was allocated for deferred maintenance and capital replacement/renewal, while \$27.7 million was allocated for utility infrastructure. As of now, approximately \$11.5 million of the \$26.9 million has been encumbered for the designated purposes, and approximately \$6.4 million of the \$27.7 million has been encumbered.

f. MWBE Update

VP Brown reported that the university's total expenditure for fiscal year 22-23 is slightly over \$49.6 million, with 2% or \$992,000 being spent with certified suppliers. In the third quarter of the fiscal year, the university's expenditure was \$24.2 million. Approximately 5% of the expenditure was with certified minority businesses, while the remaining 95% was with non-certified vendors. Within the certified minority spend, 98% was with African Americans, 1% with Hispanic individuals, and 1% with American women. For minor projects managed by facilities, planning, and construction, expenditures totaled approximately \$2.6 million, with 51% of these goods and services procured from MWBEs. For major projects, expenditures totaled approximately \$336,000, with 7% being procured from MWBEs. The university presented an action and outreach plan for FY22-23 outlining the steps and partnerships with the Small Business Development Center (SBDC). Mr. McGlockton from the SBDC provided an overview of their services to the University.

Questions/Comments re: MWBE Updates

- a. Trustee Dubose asked how many woman-owned executives are involved in the MWBE program.
Response: Mr. McGlockton explained that the SBDC provides technical assistance in gathering the numbers but does not directly handle MWBE. VP Brown promised to provide the number.
- b. Trustee Lawson suggested sharing the names of reliable suppliers/vendors with other members of the State University System (SUS).

Mrs. Hood responded that they are proposing for the 2023-24 fiscal year to update their suppliers with a list of available minority businesses.

Questions/Comments re: MWBE Updates (cont.)

- c. Trustee Reed asked how are we defining the available spend and how much spend is actually addressable in the total population of our budget.
Response: Mrs. Hood stated they only capture the *actual* spend and VP Brown responded that she would get back with those numbers.
- d. Trustee Stone asked for further clarification on the total budget for MWBE spend.
Response: VP Brown provided explanation on the expended amount of 2.6 million.

g. Stimulus Funding Expenditure

Dr. Akins presented an update on expenditures, encumbrances, pre-encumbrances, and the impact of stimulus funding. He reported that out of the allocated \$195,125,000, there is currently an available balance of 1.8 million. Originally, the grant was set to conclude on June 30, 2023, but a no-cost extension was submitted and approved by the Department of Education. As a result, the stimulus money is now expected to last until June 30, 2024.

Questions/Comments re: Stimulus Funding Expenditure Report to Date

- a. Trustee Reed asked for clarification on the difference between authorized payments and completed payments..
Response: Dr. Akins explained that authorized payments refer to allocations from the budget and available balances, while completed payments are expenditures that have been processed but may not have been necessarily approved.

- b. Trustee Dubose inquired about the budget planning after the stimulus funding is exhausted and how the university intends to manage it.
Response: Director Murry stated that they are evaluating the services funded by stimulus dollars to determine which ones can be continued and which ones cannot. They are approaching it by "pinning" certain items/services until funding alternatives are identified and continuing discussions. VP Brown further stated it would be brought before the Board during the Budget workshop.

- c. Trustee Washington expressed the desire to have a cheat sheet of how the Covid dollars were utilized, which could aid in advocating for investments in HBCUs at the state and federal levels. She also requested information about the percentage of scholarships used for tuition and fees.

- d. Trustee Harper asked for the cheat sheet to also tie into PBF (Performance Based Funds)

The meeting adjourned.