

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

Budget, Finance, and Facilities Committee Meeting
Trustee Craig Reed, Committee Chair
Wednesday, December 6, 2023 Location: FAMU Grand Ballroom

MINUTES

Committee Members Present: Jamal Brown, Kristin Harper, Kelvin Lawson, Craig Reed, and Michael White.

Call to Order/Roll Call

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

ACTION ITEMS

Approval of Budget Amendment for Athletics

VP Brown for Finance and Administration/CFO requested board approval of the Budget Amendment for Athletics.

Questions/Comments re: Approval of Budget Amendment for Athletics

- a. Trustee Washington asked if requesting the budget authority means we are only able to expend what is relative to the anticipated revenues, or is it going to be two separate reconciliation processes?
Response: VP Brown asked if this question pertained to the budget previously presented by AD Sykes. Confirming that it did, she replied affirmatively, explaining that the funds involved were mainly pass-through dollars. She further remarked that this would not deepen or increase the deficit that was presented earlier and that a small profit would be recognized.
- b. Trustee Washington inquired whether VP Sykes and her team would have the ability to use the budget before the anticipated revenues, which are based on projections rather than actual figures, are received.
Response: VP Brown stated that they will have access to expend. Trustee Washington commented that if the anticipated revenues are not made, will we still have the authority to spend? VP Brown responded that the revenues are guaranteed and that we don't allow departments to spend more than what they have.

The motion to approve this action item was carried.

INFORMATION ITEMS

Budget Workshop Overview

Budget Director Murry offered a comprehensive overview of the university's financial operations. In her presentation, she detailed the university's management within eight funding categories — Education & General, Contracts & Grants, Auxiliary Enterprise, Student Activities, Intercollegiate Athletics, Technology Fee, Student Financial Aid, and Concessions. She also explained the relevant statutes, regulations, and policies, and their implications for university operations.

Following this, VP Brown presented a detailed chart outlining the steps involved in the operating budget process. This begins with university-wide strategic planning, followed by a three-part annual planning cycle. VP Brown elaborated on each phase, emphasizing the board's integral role in this process.

Budget Director Murry then provided a comparative analysis of state appropriations over the years, shedding light on the reasons behind the fluctuation in general revenue and lottery funds. She elaborated on the university's requirement to achieve a 70-point score in the performance-based metric for funding eligibility. A notable addition she highlighted was the nursing pipeline, introduced in the 2022-2023 period, discussing its impact compared to the previous year. The allocation for Recruitment and Retention,

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dedicated solely to academic purposes, was mentioned as a non-recurring fund, usable exclusively for faculty recruitment and retention. Lastly, Murry clarified that student authority is not a budget from the state but rather an authorization for the university to collect up to \$67.8 million, a figure directly linked to student enrollment.

Questions/Comments re: Budget Workshop Overview/State Appropriations

- a. Trustee Brown asked what portion of the recruitment and retention is being spent on relationships with faculty. Trustee Brown also mentioned that a lot is going into the recruitment of new faculty and would like to know how it relates to faculty, not on the recruiting side, and how those funds are being used.
Response: Budget Director Murry deferred to Provost Watson. Provost Watson explained in detail the plan for the recruitment of new faculty and the plans for retaining faculty.

- b. Trustee Washington inquired about the variance of the nursing pipeline funds and whether the variance was due to requirements due to the statute or performance.
Response: Budget Director Murry explained it's a calculation that was given.

Budget Director Murry showed our performance-based fund from 2016 to the present, highlighting that our highest score was 82 in 2021. Mrs. Murry explained that two new colleges were added, and the numbers were recalculated. The performance-based funding has helped our students with student success initiatives, student financial support, transfer infrastructure enhancements, strategic initiatives, academic program support, and institutional operational support.

a. FY 2023-2024 University Carryforward Spending Plan

Budget Director Murry provided a synopsis of the carryforward plan detailing why the board of governors requires one and a breakdown of the university's spending plan line by line.

Questions/Comments re: Budget Workshop Overview/Historical E&G by Functional Expenses

- a. Trustee Harper asked what was driving the decrease in student services.
Response: Budget Director Murry indicated that the year-over-year changes in student services are closely related to financial aid, which stemmed from the funding received through the CARES Act.

President Robinson commented that the out-of-pocket costs now have two categories. One is the cost with HERF and CARES funds included, and the second is the cost without those dollars. President Robinson noted that HERF and CARES dollars allowed the university to do a lot in terms of student support and eliminating student debt. He also explained that we are a state-supported school and the E&G funds are appreciated, but we still have to find more money elsewhere to support the operation of the University.

b. Fixed Tuition and Fees/Credit hours and Tuition

Mrs. Murry presented a comparative analysis of in-state versus out-of-state tuition and its impact on the university's budget. She showcased a graph of the fee schedule for undergraduate, graduate, and law programs, illustrating a stable rate over a 10-year period. Budget Director Murry noted that there are no immediate plans to increase the fee schedule. Additionally, a tuition revenue chart was displayed, comparing revenue to student headcount. Mrs. Murry emphasized that there was a noticeable decline in revenue in the 2021-2022 academic year, attributing it to a decrease in enrollment following the return to campus post-COVID-19.

- a. Trustee Brown asked if distant campuses are able to capture the funds collected from those students and how are they being utilized. He also inquired if there was a mechanism in place to route those resources to students at distant campuses.
Response: VP Brown explained that there are MOUs in place once the health fee is paid and students have access to local health agencies.

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Response: VP Hudson stated that the same is true for the law school, which includes transportation and parking services. A&S fees, by law, are allocated funds that go directly back to the institution.

- b. Trustee Washington asked for clarity on what is included in the undergraduate fee structure.
Response: Budget Director Murry explained that the statutory fees are board-approved and that the approval happens in the spring.
Trustee Washington also inquired about the average revenue, the overall tuition collection and what is the average per student.
Response: Budget Director Murry responded that she would bring the requested information back.
Trustee Washington asked if we track non-collected revenue due to fee waivers.
Response: Budget Director Murry responded that she would provide that information to Trustee Washington later that day or tomorrow.

Questions/Comments re: Budget Workshop Overview/Contracts and Grants

- c. Trustee Reed asked what was the goal for contracts and grants for the year.
Response: Budget Director Murry deferred to Dr. Robinson. President Robinson explained that we use the expenditure rate as opposed to the amount garnered, which is often a much bigger number, and how they classify the institutions as an R1 versus an R2. Dr. Robinson noted that they look at how you spend, which is a much better indication when it comes to research and development enterprise. No exact number could be provided at the time.
- d. Trustee Lawson commented that the cost of attendance is flat, and he wanted to highlight the LBR process and pressure to fundraise because the cost of the product has stayed the same, but the cost of producing is going up incorrectly.
- e. President Robison noted that the Board of Governors has not allowed any fee increases over the last 10-plus years.

Budget Director Murry continued her presentation by showing slides on the impact of auxiliary services, highlighting the pass-through for financial aid, the remaining fund types, and Athletics.

Questions/Comments re: Budget Workshop Overview/Auxiliary Services/Financial Aid/Remaining Fund Types and Athletics

- f. Trustee Washington asked about the pass-through for financial aid and what type of aid.
Response: Budget Director Murry said it's comprised of all types of aid.
- g. Trustee Harper asked to explain 2022-2023 concessions.
Response: Budget Director Murry explained that concessions are snack vending machines, laundry and drink machines. Those monies are collected by auxiliaries and then transferred to the concessions department. Auxiliaries decided to move only \$180,000.00 of actual revenue. Due to COVID, concessions continued to transfer revenue into the account. Mrs. Murry noted that concessions fund some recruitment activities that E&G can't pay for and some scholarships.

c. Capital Improvement Plan Overview

AVP Jones provided insight, background, and the process of the Capital Improvement Plan given by the Board of Governors.

Questions/Comments re: Capital Improvement Plan

- a. President Robinson asked that Mr. Jones provide an overview and status update of the current projects on campus.

Response: Mr. Jones provided a synopsis of the 26 million deferred maintenance, primarily focusing on mechanical improvements, including the replacement of a boiler and chiller. He mentioned that the facilities team is currently in the planning and design phases for a satellite chiller plant, which is intended to support the campus's expansion. Additionally, Mr. Jones updated on the 700-bed housing project, noting that some preparatory work is scheduled for this month, with the anticipation of commencing construction in March 2024.

Compensation Study Update

VP Brown reported that the compensation study is still on track with finalizing phase four. VP Brown congratulated the HR team, the Provost, the COO, the budget director, and the chief of staff for academic affairs for their hard work with this study. The expectation is to bring the final report back to the board in February for understanding and to vote on the final draft.

Questions/Comments re: Compensation Study Update

- a. Trustee Brown asked if he could receive some comparative data from other SUS institutions with salary compensation updates. He asked because he has learned that there are a lot of different factors that may change based on what the salaries are from one state institution to another.

Response: VP Brown stated that she had not seen the draft report, but Provost Watson has made a decision on how and what the salary structure will be, and I will defer to Provost Watson to respond.

Response: Provost Watson responded by appreciating the observation and commenting that she thought it might be anecdotal. Provost Watson stated that when they looked at the data trends provided by the Segal group, in more cases than not, our faculty are paid equally or higher than those of their counterparts in the State University System (SUS), and also nationwide.

- b. Trustee Harper commented that she appreciated the question and response. She also commented that the anecdotal piece came from feedback that was solicited from a survey and the strategic planning process. Trustee Harper thinks the data is important as it relates to the comparisons and how FAMU stacks up once the data is released.

The meeting adjourned.