



Item: BF: A-M

BUDGET AND FINANCE COMMITTEE

Friday, December 6, 2019

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES FOR THE June 4, 2019 BOT BUDGET AND FINANCE COMMITTEE MEETING.

PROPOSED COMMITTEE ACTION

Initiate roll call to document member participation to ensure appropriate quorum numbers are achieved and to approve the minutes of the June 4, 2019 Budget and Finance Committee meeting.

COMMITTEE MEMBERS

Mr. Robert Stilley, Chair	_____
Mr. Brent Burns, Vice Chair	_____
Mr. Anthony Barbar (ex-officio)	_____
Mr. Abdol Moabery (ex-officio)	_____
Mr. Shaun Davis	_____
Mr. Mary Beth McDonald	_____
Mr. Robert Rubin	_____
Dr. Kevin Wagner	_____

BOT MEMBERS

Mr. Kevin Buchanan	_____
Dr. Michael Dennis	_____
Dr. Malcolm Dorman	_____
Dr. Jeffrey Feingold	_____
Mr. Brad Levine	_____



**BUDGET AND FINANCE COMMITTEE
DRAFT MINUTES
Tuesday, June 4, 2019**

BF: A-M. Roll Call and Approval of Minutes for the November 13, 2018 BOT Budget and Finance Committee Meeting.

Mr. Robert Stilley, Chair of the Board of Trustees (BOT) Budget and Finance Committee, convened this meeting at 11:25 a.m. Roll call commenced with the following Committee members, in addition to Mr. Stilley, participating: Mr. Brent Burns, Vice Chair; Mr. Anthony Barbar (ex-officio), Mr. Abdol Moabery (ex-officio), Mr. Shaun Davis, Ms. Mary Beth McDonald, Mr. Robert Rubin and Dr. Kevin Wagner.

Other Trustees attending the meeting included: Dr. Michael Dennis, Dr. Malcolm Dorman, Dr. Jeffrey Feingold, Mr. Brad Levine and Mr. Kyle MacDonald.

The following University officials participated: Dr. John Kelly, President; Mr. Jeff Atwater, Vice President for Strategic Initiatives and CFO, Ms. Stacy Volnick, Vice President for Administrative Affairs and CAO; Mr. Brian White, Vice President of Intercollegiate Athletics; Mr. Art Kite, Deputy CFO; Ms. Lynn Asseff, Assistant Vice President, Financial Management; Ms. Sharon Brown, Assistant Vice President of Finance and Administration; Mr. Gabe Eszterhas, Sr. Associate Dean for Finance; Ms. Louisa Kelly, Business Manager College of Nursing and Mr. Kevin Buchanan; Former Student Body President.

Upon call, a motion was made and seconded to approve the minutes of the November 13, 2018 Budget and Finance Committee meeting without change or correction. The motion passed unanimously.

BF: A-1. Review and Approval of the FAU 2019-20 Proposed Operating Budget.

Mr. Atwater presented the 2019-20 Proposed Operating budget to the board which totals \$868,175,429, an increase of 0.5% over the prior year. With a comparison to prior year data, the budget was summarized and explained by each fund type. Comments were presented by several Trustees regarding additional data on future financial presentations and Mr. Atwater has committed to address that feedback. Upon query, Mr. Atwater explained that if an area has expenses greater than the anticipated budget, it is addressed by using revenues, carryforward dollars or auxiliary fund dollars. There also could be a savings built up over time for a specific initiative.

A motion was made and seconded to recommend BOT approval of the 2019-20 FAU Operating Budget and authorize the University President to amend the Budget as necessary consistent with Board of Governors and Board of Trustees directives and guidelines. The motion passed.

BF: A-2. Review and Approval of the Usage of University Resources by Direct Support Organizations.

Mr. Atwater presented a slide showing each Direct Support Organization (DSO) and the use of University property, facilities and personnel. The state's Auditor General has requested that each State University will annually obtain BOT approval of actual resources provided to the DSOs.

A motion was made and seconded to recommend BOT approval of the usage of University resources by Direct Support Organizations. The motion passed unanimously.

BF: A-3. Approval of the FAU 2019-20 Fixed Capital Outlay (FCO) Budget.

Ms. Volnick presented the fixed capital outlay budget. Section 1013.61, Florida Statutes, requires the Florida Atlantic University Board of Trustees to adopt a capital outlay budget for the ensuing year to inform the public of the University's capital outlay needs. The capital outlay budget is part of the annual budget and shall be based upon the Board's capital outlay plan. Every project listed at \$2M and above had been previously included in the capital improvement plan.

Ms. Volnick explained the two proposed Energy Savings Contract (ESCO) projects and the projected costs and savings: #36 Electrical Infrastructure Project and #37 Energy Conservation Project.

A motion was made and seconded to recommend BOT approval of the 2019-20 Fixed Capital Outlay budget. The motion passed unanimously.

BF: A-4a. Review and Approval of the 2019-20 Budget for the FAU Finance Corporation (FAUFC).

Mr. Atwater reviewed the proposed FAUFC 2019-20 Operating Budget recognizing the three components of housing, administration and the stadium associated with this budget. During the April 18, 2019 FAUFC board meeting, this budget was approved. Mr. Atwater noted that housing occupancy currently is 104% and anticipated for Fall over 110%.

A motion was made and seconded to recommend BOT approval of the FAUFC 2019-20 Operating Budget and authorize the University President to amend the Budget as necessary consistent with Board of Governors and Board of Trustees directives and guidelines. The motion passed unanimously.

BF: A-4b. Review and Approval of the 2019-20 Budget for the FAU Research Corporation (FAURC).

Ms. Asseff reviewed the proposed FAURC Operating Budget for 2019-20 noting that this budget was approved at the April 11, 2019 board meeting. The budget is separated into Restricted and Unrestricted categories showing revenues and expenses. Revenues are on an upward trend.

A motion was made and seconded to recommend BOT approval of the FAURC 2019-20 Operating Budget and authorize the University President to amend the Budget as necessary consistent with Board of Governors and Board of Trustees directives and guidelines. The motion passed unanimously.

BF: A-4c. Review and Approval of the 2019-20 Budget for the FAU Clinical Practice Organization (FAUCPO).

Mr. Eszterhas reviewed the proposed CPO Budget for 2019-20 for the College of Medicine portion, noting that this budget was approved at the April 18, 2019 board meeting. The total CPO budget is \$5.2M in which the College of Medicine accounts for \$4.1M or approximately 78% of the budget. Upon query, Mr. Eszterhas explained the self insurance program.

Ms. Kelly reviewed the proposed 2019-20 CPO Budget for the College of Nursing portion which accounts for 22% of the budget or \$1M. The College of Nursing budget has increased about 8% every year. A grant of \$650,000 was applied for and Ms. Kelly should know the status of that in late August.

With no questions, a motion was made and seconded to recommend BOT approval of the FAUCPO 2019-20 Operating Budget and authorize the University President to amend the Budget as necessary consistent with Board of Governors and Board of Trustees directives and guidelines. **The motion passed unanimously.**

BF: A-4d. Review and Approval of the 2019-20 Budget for the FAU Foundation, Inc. (FAUF).

Ms. Brown reviewed the proposed 2019-20 Foundation Operating Budget that the FAUF Board of Directors approved during their April 25, 2019 meeting. The budget totals \$5.7M, a 6% increase over the prior year. A major capital campaign is upcoming which is the source of some of the increased expenses. Ms. Brown will follow up with the Trustees to provide additional data regarding expenses. Upon query, Ms. Brown stated that the donations the Foundation brought in was approximately \$40M last year and close to the \$50M goal this year.

A motion was made and seconded to recommend approval of the 2019-20 FAUF Operating Budget and authorize the University President to amend the Budget as necessary consistent with Board of Governors and Board of Trustees directives and guidelines. **The motion passed unanimously.**

BF: A-5. Review and Disapproval of the 2019-20 Annual Budget for FAU Harbor Branch Oceanographic Institute (HBOIF).

Mr. Atwater stated that the HBOIF budget was approved by their board on April 25, 2019. The budget includes \$350,000 in fees on the expense side to fund litigation that HBOIF has initiated against the University. It is the opinion of the administration that the litigation fees are inappropriate expenses and therefore recommends that the Trustees reject this budget and have HBOIF provide a revised budget. Upon query, Mr. Kian explained the litigation and confirmed that a representative from HBOIF was not present although they were notified of the meeting. The budget was given to FAU, however; approval is not being sought.

A motion was made and seconded to disapprove the 2018-19 HBOIF Operating Budget. The motion passed unanimously.

BF: A-6. Request to Amend Regulation 8.001 – Tuition, Fee Schedule and Percentage of Cost.

Mr. Kian explained that beginning with the 2019-20 academic year, the University is proposing to increase the Athletic Fee from \$17.27 to \$19.27 per credit hour for undergraduate and graduate resident

and non-resident students. The university is not proposing any other increase to any fee or to the undergraduate, graduate, or College of Medicine tuition rates.

Mr. White spoke briefly from an athletics perspective and believes this will increase student body engagement which is a big component to having a highly successful athletic department.

Dr. King explained that the \$2 fee increase was unanimously recommended by the Athletic Fee Committee, in accordance with the requirements of Florida Statutes Section 1009.24 and Florida Board of Governors Regulation 7.003.

Mr. Buchanan reiterated that this will help grow campus culture and provide the ability to expand and relocate the student section in the football stadium to the 50-yard line. This will benefit all sports including men's and women's basketball, baseball, soccer and volleyball. He puts his full support behind this proposal.

A motion was made and seconded to recommend BOT approval of the amendments to Regulation 8.001. The motion passed unanimously.

With no further questions or comments put forth, a motion was made and seconded to adjourn the meeting. **The meeting was adjourned at 1:00 p.m.**