



Item: BF: A-M

BUDGET AND FINANCE COMMITTEE

Tuesday, April 5, 2022

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES FOR THE FEBRUARY 1, 2022 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 February 1, 2022 Budget and Finance Committee meeting.

COMMITTEE MEMBERS

Mr. Brent Burns, Chair	_____
Mr. Shaun Davis, Vice Chair	_____
Mr. Anthony Barbar (ex-officio)	_____
Mr. Brad Levine (ex-officio)	_____
Mr. Daniel Cane	_____
Dr. Kimberly Dunn	_____
Ms. Barbara Feingold	_____

BOT MEMBERS

Ms. Linda Stoch	_____
Ms. Sherry Murphy	_____
Ms. Elycia Morris	_____
Mr. Earnie Ellison	_____
Mr. Piero Bussani	_____
Mr. Maxwell Simonson	_____

BUDGET AND FINANCE COMMITTEE
DRAFT MINUTES
Tuesday, February 1, 2022

Action Items

BF: A-M. Roll Call and Approval of Minutes for the November 16, 2021 BOT Budget and Finance Committee Meeting.

Mr. Brent Burns, Chair of the Board of Trustees (BOT) Budget and Finance Committee (BFC), convened this meeting at 11:00 a.m. Roll call commenced with the following Trustees, in addition to Mr. Burns, participating: Mr. Shaun Davis, Mr. Anthony Barbar, Mr. Daniel Cane, Dr. Kimberly Dunn, Mrs. Barbara Feingold, Mr. Brad Levine, Mr. Piero Bussani, Mr. Earnie Ellison, Ms. Elycia Morris, Mrs. Sherry Murphy, Mr. Maxwell Simonson, Ms. Linda Stoch.

The following University officials participated: Dr. John Kelly, President; Mr. Greg DuBois, Vice President Financial Affairs and CFO; Ms. Stacy Volnick, Vice President Administrative Affairs; Michael Pace, Financial Analyst; Brian Drewke, Associate Director of Financial Planning and Analysis; Dr. Bret Danilowicz, Provost and Vice President of Academic Affairs Dr. Larry Faerman, Acting Vice President Student Affairs and Enrollment Management; Mr. David Kian, Vice President Legal Affairs and General Counsel.

Upon call, a motion was made and seconded to approve the minutes of the November 16, 2021 BFC meeting without change or correction. **The motion passed unanimously.**

BF: A-1. Review and Approval of the 2022 Budget & Finance Committee Work Plan.

Mr. DuBois presented the annual work plan to the board which consists of historically standard items for each upcoming meeting in 2022.

A motion was made and seconded to approve the 2022 Budget & Finance Committee Work Plan without change or correction. **The motion passed unanimously.**

Information Items

BF: I-1. Financial Update.

Mr. DuBois presented a financial update to the board and stated the financial health of the University is good. Upon query, Mr. DuBois explained the revenue share line item increase, on the student fee trust fund breakdown slide, is due to the popularity of the program. Overall, credit hour production has been on an upward trend for the past three years. Discussion ensued around

acquiring and retaining in-state students with President Kelly stating the importance of this with the high number of high schools in the area. Dr. Danilowicz stated that according to recent data, about 90% of FAU students stay in the south Florida area after graduation, even with 14% of enrollment out of state.

Upon question, Dr. Faerman explained that the Student Health Services auxiliary revenue comes predominantly from the student health fee per credit hour. Dr. Danilowicz explained that the Osher Lifelong Learning Institute has tried engaging people virtually, but the participation hasn't been as high.

Mr. DuBois explained that Carryforward is unspent E&G that rolls over from prior years. He presented the plan to spend carryforward and the current priorities within each division. The total carryforward balance is over \$100M with 7% required to be held in reserves. Starting in FY20, the University sends the Board of Governors a spending plan of carryforward funds. Dr. Danilowicz explained the use of some of the funds, which includes Workday Student implementation, summer session funding, faculty start-up and instructional costs.

Upon question, Mr. DuBois explained that Athletics doesn't receive a lot of E&G funds, which won't generate carryforward monies, but they do have money in reserves from lost revenue that were reimbursed through HEERF.

Mr. DuBois explained the major impacts of the pandemic on E&G, Auxiliaries and Carryforward as well as the budget and actuals of the FAU Finance Corporation. Upon query, Chair Barbar explained it was ultimately decided that the funding for UMI, which is a very important initiative, come from the Finance Corporation in FY23. Lastly, Mr. DuBois presented the current credit ratings.

Action Items

BF: A-2. Request for Approval of Amended Carryforward Spending Plan.

Mr. DuBois explained that originally carryforward funds were classified as "governor declared state of emergency" usage, which is restrictive. There is a need to use the funds in a different manner, which was discussed with the Board of Governors who agreed to the name change/fund usage change and asked that it be brought to our Board of Trustees for approval. The request is to change the name of the fund tag from "governor declared state of emergency" to "other operating requirements" which provides less restrictions on how to use the carryforward funds going forward.

Mr. Dubois clarified the reasons for the benefit pool deficit and explained the fringe rates, which will be monitored closely going forward.

Upon call, a motion was made and seconded to approve the amended carryforward spending plan without change or correction. **The motion passed.**

BF: A-3. Request for Approval of FAUFC Capital Project.

Mr. DuBois asked the board to review and approve the addition of a capital project to the FAU Finance Corporation's FY22 budget. The project will replace the air handler in Indian River Tower (IRT), which was originally on the FY23 capital project list. The FY22 budget includes replacement of the IRT roof, which was previously approved by this Board, and for that project to get underway the air handler replacement is now required to be completed first. The FAU Finance Corporation board approved this amended budget last month in the amount of \$1,265,000 and per Regulation 6.013, approval by the Board of Trustees is required since it exceeds one million dollars.

Upon call, a motion was made and seconded to approve the FAUFC Capital Project without change or correction. **The motion passed unanimously.**

With no questions or comments put forth, a motion was made and seconded to adjourn the meeting. **The meeting was adjourned at 12:10 p.m.**