



Item: BF: A-M

BUDGET AND FINANCE COMMITTEE

Tuesday, November 13, 2018

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES FOR THE MAY 15, 2018 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 May 15, 2018 Budget and Finance Committee meeting.

COMMITTEE MEMBERS

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

BOT MEMBERS

Dr. Michael Dennis	_____
Mr. Brad Levine	_____
Dr. Jeffrey Feingold	_____
Mr. Abdol Moabery	_____
Dr. Malcolm Dorman	_____



**BUDGET AND FINANCE COMMITTEE
DRAFT MINUTES
Tuesday, May 15, 2018**

BF: A-M. Roll Call and Approval of Minutes for the November 14, 2017 BOT Budget and Finance Committee Meeting.

Mr. Robert Stilley, Chair of the Board of Trustees (BOT) Budget and Finance Committee, convened this meeting at 9:25 a.m. Roll call commenced with the following Committee members, in addition to Mr. Stilley, participating: Mr. Shaun Davis, Vice Chair; Mr. Anthony Barbar (ex-officio), Mr. Brent Burns, Ms Mary Beth McDonald, Mr. Robert Rubin, Dr. Kevin Wagner and Kyle MacDonald.

Other Trustees attending the meeting included: Dr. Michael Dennis, Mr. Brad Levine, Mr. Abdol Moabery (via phone) and Dr. Malcolm Dorman.

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. Art Kite, Deputy CFO; Ms. Sharon Brown, Assistant Vice President of Finance and Administration; Ms. Stacey Bell, Associate Vice President for Financial Affairs and Budget Director; Mr. Gabe Eszterhas, Sr. Associate Dean for Finance; and Ms. Louisa Kelly, Business Manager College of Nursing.

Upon call, a motion was made and seconded to approve the minutes of the November 14, 2017 Budget and Finance Committee meeting without change or correction. **The motion passed unanimously.**

BF: A-1a. Review and Approval of the 2018-19 Budget for the FAU Finance Corporation (FAUFC).

Mr. Atwater introduced Mr. Kite who reviewed the proposed FAUFC 2018-19 Operating Budget recognizing the three components of housing, administration and the stadium associated with this budget. During the April 30, 2018 FAUFC board meeting, this budget was approved. Two items to note were the savings from the stadium refinance and that housing occupancy is over 100% this year.

Upon question, Mr. Kite explained that the \$4M in scholarships was the “up to” amount approved by the Finance Corporation.

A motion was made and seconded to recommend BOT approval of the FAUFC 2018-19 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-1b. Review and Approval of the 2018-19 Budget for the FAU Research Corporation (FAURC).

Ms. Bell reviewed the proposed FAURC Operating Budget for 2018-19 noting that this budget was approved at the April 11, 2018 board meeting. Grants & contracts, as well as royalties, have increased and growth in research grants is expected which may be presented in future budgets.

A motion was made and seconded to recommend BOT approval of the FAURC 2018-19 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-1c. Review and Approval of the 2018-19 Budget for the FAU Clinical Practice Organization (FAUCPO).

Mr. Eszterhas reviewed the proposed CPO Budget for 2018-19 for the College of Medicine noting that this budget was approved at the April 6, 2018 board meeting. The increase is due to the graduate medical education program, the Galvin clinic and starting up the psychiatry residency this year. Upon question, Mr. Eszterhas explained that the effect of the neurology program is not reflected yet. Residency programs are currently net neutral but will move to positive in the future as more clinical services are added. The plan for the clinical practice is available and will be shared.

Ms. Kelly reviewed the proposed 2018-19 CPO Budget for the College of Nursing portion which has a projected revenue of \$1M in FY19. The budget is very much the same as the prior year. Upon query, Ms. Kelly explained that revenue is generated by seeing patients, the community health center and psych mental health.

With no further questions, A motion was made and seconded to recommend BOT approval of the FAUCPO 2018-19 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-1d. Review and Approval of the 2018-19 Budget for the FAU Foundation, Inc. (FAUF).

Ms. Brown reviewed the proposed 2018-19 Foundation Operating Budget that the FAUF Board of Directors approved during their April 26, 2018 meeting. The foundation is expanding in all areas and asking for a 20% higher budget.

With no questions, a motion was made and seconded to recommend approval of the 2018-19 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-2. Review and Approval of the FAU 2018-19 Proposed Operating and Capital Budgets.

Mr. Atwater presented the 2018-19 Proposed Operating and Capital Outlay budgets to the board which totals \$810,030,199, an increase of 4.2% over the prior year with growth in research and auxiliaries.

With a comparison to prior year data, the budget was summarized as follows:

Fund Type	2014-15	2015-16	2016-17	2017-18	2018-19 **	1 year % Change
Educational & General	\$ 280,809,499	\$ 299,810,290	\$ 322,709,744	\$ 325,455,424	\$ 331,521,896	1.9
Student Financial Aid	202,133,102	196,558,935	197,953,827	200,859,417	201,483,899	0.3
Contracts & Grants	55,498,239	59,098,850	60,514,705	62,484,912	69,961,765	12.0
Auxiliary Enterprises	125,346,933	139,559,277	142,153,266	148,209,958	164,680,639	11.1
Athletics						
Athletics Operations	22,133,710	21,385,170	22,187,469	24,586,083	27,053,405	
Stadium Operations/Debt Service	<u>5,275,853</u>	<u>4,961,259</u>	<u>4,917,562</u>	<u>4,745,122</u>	<u>4,076,822</u>	
Total Athletics	27,409,563	26,346,429	27,105,031	29,331,205	31,130,227	6.1
Student Government	11,217,531	9,876,445	9,497,901	10,102,456	10,626,773	5.2
Concessions	<u>510,000</u>	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	-
TOTAL	\$ 702,924,867	\$ 731,875,226	\$ 760,559,474	\$ 777,068,372	\$ 810,030,199	4.2

*Includes inter-fund transfers
**2018-19 E&G Proposed Budget

Upon query, Mr. Atwater stated that the E&G funding percentage is relatively consistent to other state universities in Florida. Trend lines will be provided in the future.

A motion was made and seconded to recommend BOT approval of the 2018-19 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 unanimously.**

BF: A-3. Recommend Approval of Amendments to Regulation 7.003, University Traffic and Parking.

Mr. Volnick explained the new virtual parking system that uses license plates.

A motion was made and seconded to recommend BOT approval of the amendments to Regulation 7.003. **The motion passed unanimously.**

BF: A-4. Recommend Approval of Amendments to Regulation 8.002, Tuition and Fee Assessment, Remittance and Refunds.

Mr. Atwater explained that payment plans will now be available for the summer terms.

A motion was made and seconded to recommend BOT approval of the amendment to Regulation 8.002. **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 9:55 a.m.**