



BUDGET AND FINANCE COMMITTEE

Tuesday, February 17, 2026

**SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES FOR THE
NOVEMBER 18, 2025 BOT BUDGET AND FINANCE COMMITTEE MEETINGS**

PROPOSED COMMITTEE ACTION

Initiate roll call to document member participation to ensure appropriate quorum numbers are achieved and to approve the minutes of the November 18, 2025 Budget and Finance Committee meetings.

COMMITTEE MEMBERS

- Mr. Pablo Paez, Chair _____
- Mr. Scott McCleneghen, Vice Chair _____
- Mr. Jonathan Satter _____
- Mr. Linda Stoch _____
- Mr. Piero Bussani (ex-officio) _____
- Mrs. Sherry Murphy (ex-officio) _____

BOT MEMBERS

- Mr. Darsham Gonzalez _____
- Mr. Jon Harrison _____
- Mr. Brad Levine _____
- Mr. Thomas Mersch _____
- Mrs. Samantha Stilley _____
- Dr. William Trapani _____
- Ms. Tina Vidal-Duart _____



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Budget Finance Committee Minutes Tuesday, November 18, 2025

BF: A-M Roll Call and Approval of Minutes for September 9, 2025, BOT Budget, and Finance Committee Meeting.

Mr. Piero Bussani, Chair of the Board of Trustees (BOT), Mr. Gonzalez, President of Student Government, Mr. Jon Harrison, Mr. Levine, Mr. Johathan Satter, Mr. William Trapani, Mrs. Linda Stoch, and Mrs. Tina Vidal-Duart.

The Budget and Finance Committee (BFC) convened this morning at 10:00 a.m. The roll commenced with the following: Chair, Mr. Paez; Vice Chair, Flippo. Trustee, Mr. Shaun Davis, Mr. Scott MCCLENEGHEN, Mrs. Shery Murphy, and Mr. Piero Bussani, Chair, you have a quorum.

The following university officials participated: Mr. Adam Hasner, President; Dr. Stacy Volnick, EVP of Administrative Affairs; Mr. Jayson Iroff, Vice President of Financial Affairs and CFO; and Dr. Larry Faerman, Vice President of Student Affairs.

A motion was made and seconded to approve the minutes of September 9, 2025, without change or correction. **The motion passed unanimously.**

BF: A-1 Request Approval of Notice of Proposed Changes to Non-Resident Tuition Fees:

Mr. Jayson Iroff, we are recommending approval of the amendment to regulation 8.001, tuition fee schedule, percentage of cost. The proposed amendment increases non-resident fees for undergraduate and graduate college of medicine tuition by 15% and, correspondingly, increases the applicable non-resident student financial need fees. These increases will become effective in the fall of 2026. This proposal does not affect tuition fees for in-state students, and the revenue generated by the fee increase will support the quality of our academic programs and student services by covering the rising costs of construction and operational support. Revenue Impact and Financial Aid Implications. The proposed nonresident tuition and fee increase would result in a total increase of \$77.78 per credit hour, or approximately \$2,300 annually when all tuition and fees are combined. In gross dollars, Column One of the presentations reflects the current fee structure, while Column Two reflects the proposed 15% increase and its projected revenue impact. For fiscal year 2026–2027, the increase is expected to generate approximately \$13.8 million in additional revenue. By 2030, annual revenue from the increase is projected to reach \$16.5 million, bringing total revenue to approximately \$191.1 million.



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Over the FY 2026–2030 period, the increase would generate approximately \$37.4 million, compared to \$21.1 million if the University were to maintain the current fee structure and enrollment mix.

Student Financial Aid Fee Impact: The gross student financial aid fee increases modestly under the proposal, rising from \$8.8 million to \$9.3 million, an increase of approximately \$0.5 million. By 2030, the student financial aid fee is projected to grow by \$5.6 million above baseline growth assumptions. Over the three-year period, the total increase above projected baseline revenues is estimated at \$2.3 million, bringing total student financial aid fee revenues to approximately \$36.9 million. These funds are dedicated exclusively to student financial aid and support students through institutional aid programs that help offset the overall cost of attendance. As previously noted, any increase in nonresident tuition requires an agreement with the **Board of Governors** to maintain enrollment percentages consistent with Fall 2024 levels. Specifically, the University must preserve its current enrollment mix of approximately **85% resident students and 15% nonresident students**. All financial projections presented reflect this required enrollment distribution, which will remain in place in future years. From an affordability standpoint, the University remains highly competitive. Statewide, the University's nonresident tuition rates are currently the **third lowest in the United States**, while resident tuition rates are among the lowest nationally. The last tuition increase occurred approximately in 2011, marking a 14-year period without an adjustment. The affordability analysis presented includes comparative graphs of resident and nonresident undergraduate tuition. These data demonstrate that the University remains well below the national average. The average nonresident tuition nationwide is approximately \$31,800, compared to \$23,400 across the State University System, with the University's actual tuition and fees falling even lower than that benchmark. By comparison, institutions in Michigan exceed \$45,000 annually. Even with the proposed increase, the University would remain the **third lowest nonresident tuition rate in the country**, preserving its strong value proposition and continued appeal to out-of-state students. In response to concerns raised across the State University System regarding the potential displacement of in-state students, the administration emphasized that safeguards are firmly in place. The **15% cap on nonresident enrollment** prevents expansion beyond current levels. Additionally, a study conducted by an external consulting firm confirmed that the **admission rate for in-state students is approximately 12% higher** than for out-of-state students. These findings confirm that the proposal is not intended to displace Florida residents but rather to modestly adjust tuition while preserving access and affordability for in-state students. The student financial aid fee remains capped at 5% of combined tuition and nonresident fees. As tuition increases, the financial aid fee adjusts proportionately but does not exceed this cap. All financial aid fee revenues are used exclusively for student aid. Revenue generated from the nonresident tuition increase is classified as **Education and General (E&G) funds**, which support academic programs and university operations. Approximately **75% of the University's overall budget** is dedicated to academic operations, ensuring that most of the new revenue directly supports the academic mission.



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BF: A-2 Request Approval of Rental Rate of Talon Hall:

Dr. Larry Faerman presents the proposed Talon Hall Rates. Talon Hall is presented today with a proposal for **approved rental rates**, which are included in your board packet and reflected in the accompanying slide presentation. The slides also show the **currently approved housing rates for the 2026–2027 academic year** for comparison purposes. The first rendering depicts Talon Hall as seen from the west, **facing east**. The following rendering shows the building from the **east side facing west**. To provide context on how we arrived at this point, in **Fall 2022**, the University engaged **Brailsford & Dunlavy** to conduct a feasibility study for additional on-campus housing. Concurrently, the University worked with **Hanbury-Evans** on the campus master plan, including site selection and development of the program scope for the new facility.

During the **Spring 2023 semester**, data were collected through Institutional Effectiveness surveys and student focus groups. Throughout **Summer and Fall 2023**, a formal program statement was developed. Following site selection, the architectural firm **HKS** and construction management firm **Balfour Beatty** were selected through a competitive bid process. The project received approval from the **FAU Finance Corporation** on **January 17, 2024**, followed by approval from the **FAU Board of Trustees** on **March 20, 2024**, and final approval from the **Florida Board of Governors** on **June 27, 2024**. Bonds were issued in **Fall 2024**, and construction commenced shortly thereafter.

Room Types and Proposed Rental Rates

The presentation includes the finalized room layouts for Talon Hall, detailing room types and proposed **per-semester rental rates**. Today, approval is requested for the following rates, which are based on the approved pro forma and systemwide housing benchmarks:

- **Three-bedroom, one-bath suite (single occupancy): \$5,500 per semester**
- **One-bedroom, one-bath suite (single occupancy): \$5,834 per semester**

These rates were approved by the **FAU Finance Corporation Board** on **October 28, 2025**, and have been posted on the Housing and Residential Education website as pending Board approval since that date. On **November 14, 2023**, the Board of Trustees approved a **three-year increase** in student housing rental rates for **FY 2025 through FY 2027**. At that time, the projected rates for Talon Hall were expected to align closely with rates for comparable single-occupancy units at **Glades Park Towers**, specifically:

- **Four-bedroom, two-bath suite: \$5,574 per semester**
- **Two-bedroom, one-bath suite: \$5,684 per semester**



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The proposed rate for the **one-bedroom, one-bath suite** is also consistent with similar units located on the **Jupiter campus**, as reflected in Residence Hall 3.

Included in your packet are the **currently approved 2026–2027 housing rates**, along with slides showing approved rates across multiple housing types, including suite-style, apartment-style, and Jupiter campus housing. These slides are provided for reference and demonstrate alignment within the overall housing system.

Affordability, Market Position, and Rate-Setting Approach

In establishing housing rates, University Housing evaluates several factors, including operating costs, affordability, access to on-campus housing, and competitiveness with off-campus housing options. Off-campus housing typically requires **12-month leases**, whereas University housing is offered on an **academic-year basis**, which affects direct comparisons.

When the Board approved the three-year rate increase, the University had not increased housing rates in more than a decade. The approved approach averaged approximately **5% per year**, allowing for gradual increases without creating significant financial impact for current or prospective students.

Benchmarking against peer institutions within the state indicates that FAU's housing rates generally fall within the **upper third of systemwide pricing**, largely because FAU primarily offers **suite-style housing** and does not provide some lower-cost, traditional double-occupancy options found elsewhere in the system. Current occupancy levels across university housing remain strong, at approximately **99–100%**. Student demand continues to favor **single bedrooms**, even when this results in higher cost, reflecting changing student preferences and expectations.

The **one-bedroom, one-bath units** in Talon Hall serve a dual purpose: some are designated for student staff, while others are included to take advantage of building footprint efficiencies that allow additional units to be incorporated. While these units are larger—approximately **50% more square footage** than an individual share in a three-bedroom suite—the number of non-staff one-bedroom units is limited and does not materially affect overall pricing strategy. Rates were intentionally set to avoid significant disparities between similar unit types, which could create confusion or inequities and negatively impact competitiveness and occupancy stability.



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Long-Term Financial and Strategic Considerations

Maintaining high occupancy levels—historically around 99.7%—is essential to supporting future housing development, securing favorable credit ratings, and demonstrating financial stability to bond rating agencies. As the University approaches the end of the current three-year rate cycle, future adjustments will be evaluated based on market conditions, demand, and occupancy performance.

Trustees suggested that future analyses include **per-square-foot comparisons** between on-campus housing and local market rates to further inform pricing decisions, particularly for larger unit types. Administration agreed this would be a valuable addition. Trustees expressed interest in a deeper discussion in the future regarding housing inventory, demand trends, and long-term housing strategy. Suggestions included creating a **real estate or housing committee**, conducting facility tours, and expanding discussion to include off-campus development opportunities. Administration welcomed these suggestions and agreed they would add value to future board deliberations.

A motion was made and seconded to approve the Rental Rates of Talon Hall. **The motion passed unanimously.**

BF: I-1 Update on University Financial Performance – Year End Fiscal Year 2025, and Fiscal Year 2026 First Quarter, July – September 2025.

Mr. Jayson Iroff, this item is presented for information purposes only. As you know, we have previously briefed the Board on these results. I have been out for the past 10 days due to surgery, so we prepared a **more condensed package** than in prior presentations. Much of the graphical content has been removed, and the materials you see today are **primarily table-driven**, focusing on year-end results for the last fiscal year and performance through the first quarter of the current fiscal year.

This streamlined format is a **one-time approach**, and I apologize in advance for the volume of numbers presented. Unfortunately, that is inherent to this type of financial update.

Today's discussion covers:

- **Audited year-end revenues and expenses as of June 30, 2025 (FY 2024–25)**
- **High-level commentary on first-quarter performance for the current fiscal year**

Final audited financial statements will be completed in early **calendar year 2026**. At that time, we will return to the Board to formally present those results. We do not anticipate any material changes, but we will review them once the audit is finalized.



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The slide that previously showed a pyramid of funds has been reformatted. Education and General (E&G) remains, by far, the largest component of the operating budget and is now presented in a more straightforward table format.

Fiscal Year 2024–25 Year-End Results (Audited)

Overall, FY 2024–25 ended with very strong financial results.

- **Total revenues finished \$67.3 million above budget**, representing a **7.0% favorable variance**, and **\$53.3 million (5.5%) above the prior year**.
The primary drivers were **strong enrollment growth** and **higher-than-expected investment performance**.
- **Total expenses finished \$21.0 million below budget**, a **2.1% favorable variance**, while still increasing **7.4% (\$65.8 million) year over year**, driven largely by salary and benefit increases.

This performance aligns with the themes discussed throughout last year's quarterly updates.

Research Grants and Contracts

Throughout the year, research grants were the one area we monitored closely, as they lagged earlier in the fiscal year. Dr. Fields briefed the Board on several occasions and consistently indicated that activity would accelerate later in the year. That projection proved accurate, as research revenues strengthened in the fourth quarter and finished above budget. This was a key concern that was resolved positively by year's end.

Revenue Highlights by Category

- **Education & General (E&G) revenues increased 0.5% (\$2.3 million) year over year** and finished **4.4% (\$18.7 million) above budget**, driven by:
 - **\$12.9 million in investment income**, and
 - **\$6.8 million from enrollment growth**, with total student credit hours up **3.3%** (undergraduate +3.1%, graduate +4.6%).
- **Student Financial Aid** revenues, which scale with enrollment, finished **11.2% (\$25.8 million) above budget** and **8.4% (\$19.3 million) above the prior year**.
- **Auxiliary Enterprises** revenues finished **6.9% (\$10.5 million) above budget** and **12.7% (\$18.3 million) over the prior year**, reflecting higher enrollment-driven demand for executive programs, food services, parking, and other campus operations.



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- **Foundation** revenues finished **7.3% (\$1.2 million) above budget**, but **6.5% (\$1.2 million) below the prior year**, reflecting the completion of athletics capital projects in FY 2023–24 and a shift toward Henderson FAU Health renovations in FY 2024–25.
- **Henderson FAU Health** revenues finished **37.2% (\$4.8 million) above budget** and **28.5% (\$3.9 million) above the prior year**, driven by operational growth and additional legislative funding tied to the Institute for Innovation and Education.
- **Sponsored Research / Division of Research** revenues finished **0.9% above budget** and **2.2% (\$1.6 million) above the prior year**, as activity increased in the fourth quarter.
- **Total Contracts and Grants** revenues finished **6.0% (\$6.7 million) above budget** and **3.8% (\$4.3 million) above the prior year**.
- **Athletics** revenues finished **15.7% (\$5.6 million) above budget** and **25.4% (\$8.3 million) above the prior year**, reflecting enrollment-driven student fees, Board-approved support, and new revenue from the Flagler Credit Union naming rights agreement.
- **Student Government** revenues finished **9.7% (\$1.0 million) above budget** and **4.7% (\$0.5 million) above the prior year**, consistent with enrollment growth.
- **Concessions** revenues finished **9.9% below budget**, but **73.7% (\$0.3 million) above the prior year**, primarily due to planned use of fund balances.

In total, **FY 2024–25 revenues finished 7.0% above budget**, driven broadly by enrollment growth across nearly all categories.

Expense Highlights by Category

- **Education & General (E&G)** expenses finished **6.1% (\$26.0 million) below budget**, while increasing **6.6% (\$25.1 million) year over year**, largely due to salary and benefit increases approved for bargaining and non-bargaining units.
- **Student Financial Aid** expenses finished **8.5% (\$19.3 million) above budget**, directly tied to higher enrollment.
- **Auxiliary Enterprises** expenses finished **7.9% (\$12.9 million) below budget**, reflecting the multi-year timing of capital projects.
- **Foundation** expenses finished **7.3% above budget**, but **\$1.2 million below the prior year**, due to the completion of prior-year capital initiatives.
- **Henderson FAU Health** expenses finished **11.4% below budget**, while increasing **\$1.9 million year over year**, with instructional and support costs remaining controlled.
- **Sponsored Research / Division of Research** expenses finished **1.1% above budget**, but **3.6% (\$3.1 million) below the prior year**, reflecting award timing.
- **Athletics** expenses finished **1.6% above budget** and **10.1% (\$3.1 million) above the prior year**, due to expanded operations and programming.



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- **Student Government** expenses finished **13.9% below budget**, with modest year-over-year growth as student-led initiatives remained within approved plans.
- **Concessions** expenses finished **13.2% below budget**, tracking closely with expectations.

Overall, FY 2024–25 expenses finished **2.1% (\$21.0 million) below budget**.

Carryforward and Deferred Maintenance

Carry-forward spending finished **74.7% below budget**, or **\$202 million lower**, reflecting the multi-year nature of required reserves and deferred maintenance initiatives. These projects are budgeted upfront but expended over several years. As deferred maintenance efforts accelerate—particularly under Dr. Volnick’s leadership—spending levels are increasing in the current fiscal year and will continue to ramp up.

First Quarter FY 2025–26 Performance

The first quarter began with solid momentum:

- **Revenues totaled \$352.6 million**, representing **34.2% of the budget** and an increase of **4.1% (\$137 million) year over year**.
- **Expenses totaled \$293.0 million**, or **27.9% of budget**, and increased **9.2% (\$24.8 million) year over year**.

Fall enrollment is a critical indicator for the full fiscal year. When enrollment meets or exceeds targets in the fall, it typically does so throughout the year. Based on first-quarter performance, we are starting the year on a **stable and positive financial trajectory**.

There are no material concerns in the first-quarter expense trends. Minor timing variances, including a temporary decline in concessions revenue, are expected to normalize as the year progresses. Increased spending in carry-forward and deferred maintenance aligns with planned project acceleration.

In summary, the University closed FY 2024–25 with **very strong financial performance** and has started the current fiscal year with **positive momentum**. Enrollment remains the primary driver of favorable results, and there are currently no significant financial concerns.

Motion to adjourn the FAU Finance Corporation update.

Without question or comment, a motion to adjourn the meeting was made and seconded. **The meeting was adjourned at 10:55 am.**