



BUDGET AND FINANCE COMMITTEE

Tuesday, June 16, 2026

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES FOR THE April 21, 2026 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 April 21, 2026 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 _____



FLORIDA ATLANTIC UNIVERSITY

Board of Trustees

Budget And Finance Committee

MINUTES

Tuesday, April 21, 2026

BF: A-M ROLL CALL AND APPROVAL OF MINUTES FOR FEBRUARY 17, 2026. BOT BUDGET, AND FINANCE COMMITTEE MEETING.

Mrs. Sherry Murray, Vice Chair of the Board of Trustees (BOT), Mr. William Trapani, Mr. Darsham Gonzalez, Mr. Jon Harrison, Mr. Jonathan Satter, Ms. Tina Vidal-Duart, Mr., Jonathan Satter, Mr., Scott McCleneghen, and Mrs. Linda Stoch.

The following university officials participated: Mr. Adam Hasner, President; Mr. Josep Van de Bogart, Vice President for Legal Affairs & General Counsel; and Mr. Jayson Iroff, Vice President of Financial Affairs and CFO. The Budget and Finance Committee (BFC) convened this meeting at 10:00 a.m. The role commenced with the following: Chair, Mr. Paez; Vice Chair, Scott McCleneghen. Trustees, Mr. Jonathan Satter, Mrs. Linda Stoch, and Mrs. Sherry Murphy, Chair, you have a quorum.

A motion was made and seconded to approve the minutes of February 17, 2026, without change or correction. **The motion passed unanimously.**

BF: I-1 Update on University Financial Performance – Fiscal Year 2025-2026 Second Quarter Period Ended December 31, 2025

Mr. Jayson Iroff will brief you on the University's financial performance through the second quarter, ending December 31, 2025. With the added benefit of preliminary insight into third-quarter performance through March 31—which will be formally presented at our June Board meeting—I can confidently state that our second-quarter performance trends continue to hold true through Q3.

The slides used today are a subset of the full quarterly financial report previously shared and highlight the University's continued strong financial performance. Overall Financial Performance: The University continues to perform well. As you may have noticed, this is the most comprehensive financial package we have produced to date, providing greater transparency and clarity. We are proud to share this with you.



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Key drivers of performance include:

- **Tuition Plan Stability:** Despite early downside pressure in graduate out-of-state enrollment, the University remains on track to meet its tuition targets due to enrollment shifts.
- **Research Growth:** Research continues to perform strongly, with increased revenue and expenditures reflecting a larger, more active portfolio.
- **Expense Management:** Spending remains within budget and aligned with expectations.

Operating Budget Overview

All financial presentations begin with the State’s “colors of money,” representing the eight funds that comprise the University’s operating budget. Each fund serves a specific purpose and is depicted as a pyramid:

- **Education & General (E&G) Fund:** Largest fund (~44% of the budget); supports core operations.
- **Concessions Fund:** Smallest fund (less than 0.1%)

Today’s presentation focuses on three key funds due to their materiality:

- **Education & General (E&G)**
- **Contracts & Grants**
- **Carry Forward**

These funds total approximately **\$833 million** and demonstrate the University's adaptation to the evolving landscape of higher education.

Second Quarter Operating Results

Through the second quarter:

- Revenue and expenses remain aligned with expected academic and operating patterns.
- No significant anomalies have been identified.
- Trends do not indicate structural concerns.
- The full-year outlook remains consistent with the approved budget.



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Education & General (E&G) Fund Performance

At mid-year, E&G performance is tracking as expected.

Revenue Highlights:

- First-half revenue: **61.4% of budget** (above midpoint due to academic timing)
- Primary drivers:
 - Tuition & fees
 - State appropriations (58.4%)
 - Investment income
- Tuition & fees now represent **41.6%** of revenue and continue to grow year-over-year (up ~3%)
- Strong in-state enrollment offsets lower graduate out-of-state enrollment.

Revenue Outlook:

Expected to **finish above budget**.

Expense Highlights:

- First-half spending: **45.2% of budget** (consistent with prior years)
- Expense composition:
 - **69%** Salaries & benefits
 - **31%** Operating expenses

Expense Outlook:

Expected to remain **within budget**.

Tuition & Enrollment Update

Tuition performance has deviated from initial projections due to:

- Federal policy changes impacting international graduate enrollment.

However, the University responded with agility by increasing:

- Undergraduate in-state enrollment
- Undergraduate out-of-state enrollment
- Graduate in-state enrollment.



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Results:

- Total credit hours increased **4% year-over-year** (~814,000)
- Now projecting a **modestly favorable outcome**

Mr. Kenneth Donald Dawson Scully, I want to provide you with some insight into the partnership between the Division of Academic Affairs and the Division of Financial Affairs.

Cross-Divisional Collaboration

- Ongoing partnership between Academic Affairs and Financial Affairs
- Regular meetings (biweekly) to assess and respond to changing financial and enrollment dynamics.
- Emphasis on agility in adapting to evolving conditions.

Student Retention as a Key Driver

- Identified student retention as a critical factor in maintaining a stable budget.
- Significant improvement over time:
 - Increased from approximately **60% to the mid-80% range** over the past 15 years.
- Success attributed to collaboration across:
 - Deans
 - Faculty
 - Staff supporting student success.

Enrollment Strength and Student Quality

- Record-high number of student applicants in the University's history.
- Enhanced ability to:
 - Maintain strong academic quality.
 - Select and shape incoming classes strategically.
- Reduced need to compromise academic metrics to meet enrollment targets.



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Strategic Enrollment Initiatives

- Expansion of **summer enrollment** through deliberate institutional efforts
- Strong support from deans and faculty in increasing course offerings
- Planned growth in **transfer student enrollment**.
 - Increased number of articulation agreements

Mr. Jayson Iroff, on sponsored research and the Division of Research in the changing research landscape, we also see continued good performance. The revenue drivers within research are grant revenues, sponsored project reimbursements, and research support activity. When reviewing our half-year performance, first-half revenue is 48.5% of the budget, near the midpoint pace. The higher revenue base reflects a larger, more active spot and an active sponsored portfolio. Our outlook on research revenue is that it is expected to finish at or near budget by the end of the year.

On the expense side, as expected, research expenses are closely aligned with research revenues. Drivers of research expenditures are grant-funded salaries and benefits, Project Support, cost, and research administration and compliance. First-half spending is 49.1% of the budget, near the midpoint pace, with expense recognition tracking the timing of sponsored activity. The growth reflects higher research volume and the support needed to sustain a larger active portfolio. Research expenditures are expected to remain within budget at year's end.

Last, we look at our carry-forward budget. This is a multi-year budget driven by underspending on annual operating expenditures and outperformance in operating revenues. In the for-profit world, you would think of carry forward as retained earnings. When we review our board-approved uses of the fund, we have significant investments in deferred-maintenance capital projects and strategic institutional investments. These investments are lined with Board of Governors and Board of Trustees directives to utilize these funds in the manner just described. Last, a very important point to make before concluding my presentation is that we are targeting a carry-forward balance of approximately \$150 million, as you can see in the top right. We started the year at close to 266 million. We intend to bring FAU's carry-forward balance in line with the state university system average. That average is based on the proportionality between the size of the university's E&G budgets and carry-forward balances. A directive to achieve this in a responsible manner, by investing in infrastructure improvements and long-term strategic goals, was communicated directly to us by the legislature and the Board of Governors staff. That concludes my presentation,

ADJOURNMENT OF MEETING. With no other issues to discuss, a motion was made and seconded to adjourn the meeting. The meeting adjourned at 10:16 am.