

**Florida Agricultural and Mechanical University
Board of Trustees**

Budget, Finance, and Facilities Committee

Trustee Kimberly Moore, Committee Chair

Wednesday, June 2, 2021

Location: Grand Ballroom

MINUTES

Committee Members Present: Kimberly Moore, Otis Cliatt, Kelvin Lawson, Belvin Perry, Craig Reid, and Kenny Stone

Call to Order/Roll Call

Chair Moore called the meeting to order. Mrs. Taylor called the roll. A quorum was present.

ACTION ITEMS

Approval of Minutes – March 3, 2021.

There were no revisions to the minutes.

The motion to approve this action item was carried.

2021-2022 Preliminary University Budget

VP Robertson and Director Murry presented the 2021-2022 preliminary operating budget that is \$335.6 million compared to last year's budget of \$376 million. The difference compared to last year's budget are in general revenue and educational enhancements. The preliminary operating budget must be submitted to the Board of Governors by June 22, 2021 to allow access to the FY22 budget on July 1, 2021.

The motion to approve this action item was carried.

2021-2022 Fixed Capital Outlay Budget

VP Robertson stated each year the university updates and gets the Board of Governor's approval of the Capital Improvement Plan (CIP), which is to be submitted by July 1, 2021. Based on the findings of FAMU's peer group in the Plant Survey, and in alignment with the Master Plan, the FY2021-22 CIP projects requests were presented to the board in priority order.

The motion to approve this action item was carried.

Phase II Bragg Stadium Construction Management Firm Contract

VP Robertson stated that for Phase II Bragg Stadium Construction, a construction management firm is to be selected for pre-construction and construction services. The contract is a guaranteed-minimum price contract and construction will begin November 2021. The anticipated completion is September 2022, the beginning of football season.

The motion to approve this action item was carried.

Amendment to Regulation 3.017, Schedule of Tuition and Fees

VP Robertson stated that this is an amendment to decrease the repeat course fee rate from \$198.86 to \$189.76 per credit hour in accordance with other SUS institutions. VP Robertson indicated no significant budget impact due to the small amount and a quantitative analysis will be provided to the Board.

The motion to approve this action item was carried.

Non-Recurring Performance Wage Increase

VP Robertson requested approval of a one-time, non-recurring \$2000 lump sum payment for E&G and non-E&G, faculty, A&P, USPS and graduate assistant employees. The E&G employees payment proposed is merit-based and would be funded by the release of the 6% holdback (approx. \$7.3 million) from the Governor. President Robinson commented that this action is important to him because of the great work of the faculty, staff and students since the pandemic this year and last year. He added that a policy must be developed to address a compensation strategy. The total cost of the one-time payment is \$3.9 million.

Questions/Comments re: Non-Recurring Performance Wage Increase

- Trustee Harper asked if the university had a compensation philosophy.

Response: VP Robertson stated that there is no Board or University policy and that this is an extremely important topic that was discussed at the SLT Retreat last week. Trustee Moore agreed that it is a priority and must be completed.

- Trustee Stone wanted to clarify that the university had an inflow of \$7.3 million and will award \$3.9 million to the university employees.

Response: VP Robertson clarified that the \$7.3 million is a release of the 6% held back on the E & G side and approximately \$2.8 million will go to E&G employees. The difference would be used in the E&G budget for this year and any funds remaining will carryforward to the next fiscal year.

- Trustee Dubose asked the university to address the ongoing merit increase process and the commitment to the budget going forward to ensure that we retain employees beyond this year.

Response: VP Robertson stated this is a priority and consideration of this will be built in next year's budget.

- Trustee Cavazos asked how the criteria for making the decision of who would receive the merit performance increase is decided.

Response: VP Robertson stated that it will involve the direct supervisors as well as the Vice Presidents in the allocation. Office of General Counsel is also working with HR to speak with the unions regarding their requirements for the implementation.

- Trustee Washington commented on the 7% state-required minimum in the E&G budget and asked how was the carryforward balance zero.

Response: VP Robertson stated the carry forward balance is at zero after the 7% required minimum.

The motion to approve this action item was carried.

Name Change – Beggs Avenue to FAMU Law Lane

VP Robertson introduced Ms. Suwana Jean Janvier, Student Bar Association (SBA) President, to present this agenda item. Ms. Jean Janvier stated that the SBA is excited about the work in progress to change the name of the street in front of the law school to FAMU Law Lane. This effort is supported by the Mayor of Orlando and Commissioner Regina Hill. The SBA requests this board's approval of the application so that the request can go through the first and second reading of the county commission. The submission deadline to the City of Orlando is June 21, 2021. No opposition to the application is anticipated.

The motion to approve this action item was carried.

CDW Government LLC Participation Agreement

VP Robertson requested the agreement to join the piggyback contract with our sister institutions to commit to a minimum purchase of \$2 million for the purchase of typical office supplies, computer software, computers and computer equipment. Our current spend is approximately \$2.2 million for this year and \$2.1 million the prior year. This agreement will save the university a considerable amount of money for commodities and equipment spending.

The motion to approve this action item was carried.

INFORMATION ITEMS

Vice President for Finance and Administration's Report:

a. Financial Status Report / Quarterly Budget Review

VP Robertson presented the board-approved operating budget of \$374 million for FY21, which is a reduction from the approved FY20 budget of \$382 million. Despite the lower budget, we have maintained and will end the year balanced. He stated that the CARES Act money insulated our base budget from the shocks of the pandemic.

b. Report on MWBE

VP Robertson reported of the approximate \$40 million spend, 9% (\$3.8 million) was spent with MWBE.

Questions/Comments re: Report on MWBE

- Trustee Harper asked if there was an opportunity to explore Tier II spending that happens in supplier diversity where large companies that are not diverse will have a percentage of their spend with Tier II diverse suppliers? *Response: VP Robertson stated that the larger businesses are encouraged to participate in sub-contracting (with Tier II firms) as part of our vendor diversity program.*

c. Project Updates – University Construction / Operations

VP Robertson informed the board of the three construction projects. The Student Service Center Dining Hub and the Student Amphitheater are complete. The Bragg Memorial Stadium Phase I has begun.

COVID 19 Relief Spending Plan

President Robinson first clarified that this item is an information item rather than an action item. Then, President Robinson emphasized that funds must be spent consistent with guidelines received for other DOE funds used for Title III and sponsored research programs. VP Hudson reported that the \$10.8 million for Student Support would go to Title IV-eligible students who demonstrated a financial need and have an unpaid balance. Funding is also available to cover tuition, fees, room, board, books, personal expenses, transportation and health insurance to assist in decreasing the students' debt. Funding was also used to assist financial aid in enhancing its IT support to effectively disburse funds. VP Edington reported that, under Distance Education-Academic Instruction, funds were allocated to continue to offer academic and student support services and enhance the infrastructure for student success. VP Robertson reported on the technology and operational cost.

Questions/Comments re: COVID 19 Relief Spending Plan

- Trustee Dubose asked if any allocations had been earmarked for mental health support costs? He asked what could be done to support students' mental health perspective in light of the pandemic. *Response: VP Hudson indicated that funding had been invested from previous CARES Acts funds And counselor have been hired. Additional mental health and tele-mental health counselors are being hired through the Student Affairs funding.*
- Trustee Whigham commented that the student body completed extensive work in reframing the Victim Advocate Division and Title IX framework last summer. They are focusing on working with students and organizations to ensure that everyone is educated. She indicated that the new counselors were doing a great job with students.
- Trustee Lawson commented that he wants to make sure that the funds are continuously being allocated according to federal guidelines. He asked if we are leveraging the opportunities provided for HBCU's and using this time to increase our footprint inside of Washington for other dollars that may be coming.

Response: Trustee Moore commented on the oversight indicative of VPs Hudson, Edington, Robertson and Executive Director Akins' collaborative involvement and reporting. VP Robertson stated that the monies are restricted similar to the Title III funding and are managed by the Title III team. An initial internal audit of the processes has been completed and it found no issues. In terms of reaching out to DC and looking at other parts of the Coronavirus CARES, HERFF and CARESA monies, there are other allocations and opportunities that are discussed for consideration during the SLT meetings.

- President Robinson commented that the university is aware and extremely thankful for the funds received this past year because, without them, it would have been a different outcome for the university.

COVID-19 Expenditures Report to Date

Dr. Erick Akins, Executive Director, Title III, presented the CARES Act fund distributions ending April 19, 2021 with a breakdown of the \$26.3 million in fund allocations to be spent by June 30, 2021. He reported that the university has reported 100% spend in expenditures and encumbrances to the Department of Education.

Duke Energy Extension

Executive Director Gainous provided a summary and update on the Duke Energy solar field. He informed the board that, as of March 5, 2021, the due diligence project was extended and a \$3,000 non-refundable payment was remitted in accordance with the signed land lease agreement. To date, Duke Energy has eliminated \$30 million from network upgrades and the project is moving forward. By the end of September, Duke Energy will begin onsite efforts. The permitting process will begin in the summer with a projected completion date of 2023. VP Robertson added that the participation agreement would generate approximately \$1 million annually for FAMU once the project is operational.

Housing Facilities Updates

Director Wilder presented demolition projects and preliminary estimates for Paddyfoote and Truth Halls. The department also presented housing projections for fall 2021. As of May 21, 2021, confirmed occupancy is 10% higher than 2019, a pre-COVID year. Housing is preparing for full capacity, but anticipate a normal room occupancy rate of 90% for the 2021-2022 academic year.

Questions/Comments re: Housing Facilities Updates

- Trustee Lawson asked if the master plan included any plans for the Paddyfoote area after demolition.

Response: VP Robertson stated that surface parking or green space would be great for the area, however housing is not designated for those sites according to the master plan. He added that topic will be discussed further in the Board's August Retreat.

- Trustee Cavazos asked, since the university is returning to normal room occupancy, will there be a mandate for students that share rooms to be vaccinated? Trustee Whigham asked if there will be options for students to select roommates based on their vaccination status.

Response: Director Wilder responded that we cannot mandate students to have a vaccination and housing is not privy to students' medical information (due to HIPAA policies).

Strategic Retreat – Discussion Topics

Trustee Moore solicited topics from BFF committee members for discussion at the upcoming Board Retreat. Recommended topics were housing- deferred maintenance and demolition, budget, the master plan review, compensation philosophy program prioritization status updated, Tier II procurement opportunities, and recruitment and support of African American males at the university. The opportunity for additional input will be presented during the June 3, 2021 BOT meeting.

The meeting adjourned.