



**Board of Trustees Budget, Finance, and Facilities
Committee Meeting**

June 6, 2018

PRESENTED BY

Finance and Administration

Florida Agricultural and Mechanical University



ACTION ITEM IV: Capital Improvement Program

PRESENTED BY

Sameer Kapileshwari P.E., Associate Vice President for Facilities

Florida Agricultural and Mechanical University



Capital Improvement Plan (CIP) 2019-2024

Background:

Each year all SUS Universities are required to prepare and submit their five year Capital Improvement Plan (CIP) requests. These requests for academic facilities should be consistent with the findings of the University's Educational Plant Survey and the Master Plan.

Our CIP project requests for the year are listed in order of priority. The CIP due date to the Board of Governors is August 1, 2018.

Recommendation: Board of Trustees approve the Five-Year Capital Improvement Plan 2019–2024 and authorizes the President to forward the Board approved plan to the BOG.





Capital Improvement Plan 2019-2024

PECO-ELIGIBLE PROJECT REQUESTS		
Priority	Project Title	Cost
No		
1	STUDENT AFFAIRS BUILDING/CASS	\$40,728,149
2	INFRASTRUCTURE -CENTRAL PLANT IMPROVEMENTS	\$21,126,000
3	CLASSROOM TECHNOLOGY/ DISTANCE LEARNING UPGRADE/NEW	\$10,836,984
4	LEE HALL AUDITORIUM RENOVATIONS	\$21,457,233
5	FAMU/FSU COLLEGE OF ENGINEERING BUILDING C ***	\$87,000,000
6	INTERDISCIPLINARY RESEARCH BUILDOUT	\$13,898,451
7	STEM TEACHING LAB /DYSON BUILDING RE-PURPOSE (REMODEL)	\$18,805,700
8	ARMY ROTC /HOWARD HALL RE-PURPOSE (REMODEL)	\$10,225,118
9	FOOTE-HILYER GROUND AND 1 ST FLOOR RE-PURPOSE (REMODEL)	\$23,784,456
10	NAVY ROTC/PERRY-PAIGE RE-PURPOSE (REMODEL) /ADDITION	\$28,777,653
11	COMPUTER INFORMATION SYSTEMS BUILDING	\$52,261,794
12	SCIENCE TEACHING FACILITY (STEM)	\$52,274,695
13	SOCIAL SCIENCES BUILDING	\$31,168,064
14	ENGINEERING TECHNOLOGY BUILDING	\$23,757,174
15	GENERAL CLASSROOM PHASE II	\$38,713,915
16	LAND ACQUISITIONS	\$21,340,000





**ACTION ITEM V: CASS Amendment #3 for
Construction Manager**

PRESENTED BY

Sameer Kapileshwari P.E., Associate Vice President for Facilities and Safety

Florida Agricultural and Mechanical University



CASS Amendment #3 for Construction Manager

- **Amendment #3** will incorporate provisions for a foundation, plumbing and electrical stub outs, vertical steel and structural package and a roof with shingles, as included in the design package issued by the project architect (JRA). The completion of this phase will be scheduled around June 2019.
- **Recommendation:** Authorize the President to execute **Amendment #3** in the amount of **\$9,442,497** to the existing agreement with Ajax, subject to the review and approval of the Office of the General Counsel. **This cost is included in the total estimated project cost of \$40,728,149.**

Construction Manager Contract

Existing Construction Manager (CM) Contract Amount	\$3,756,359
ADD: CM Contract Amendment #3	\$9,442,497
CM Contract Amount to Date	\$13,198,856





**ACTION ITEM VI: Approval of Performance Contract
Invitation to Negotiate - Selection**

PRESENTED BY

Sameer Kapileshwari P.E., Associate Vice President for Facilities and Safety

Florida Agricultural and Mechanical University



Approval of Performance Contract Invitation to Negotiate - Selection

Approval of Guaranteed Energy Performance Savings Recommendation

- To continue the University's energy savings initiatives, the Office of Procurement Services and Plant Operations and Maintenance advertised an Energy Savings Performance solicitation (0004-2018) in December 2017
- Intent of the Solicitation: Select an energy savings contractor to enter into a guaranteed energy, water, and wastewater performance savings contract
- In accordance with Section 1013.23, Florida Statutes, Honeywell Building Technologies is being recommended by the University to begin the negotiation process





Approval of Performance Contract Invitation to Negotiate - Selection

Approval of Guaranteed Energy Performance Savings Recommendation

Recommendation:

Authorizes the University staff to commence negotiations with Honeywell Building Technologies for energy performance contracting with the University. Authorize the President to execute such documents as may be necessary and appropriate and reviewed and approved by the Office of General Counsel to facilitate the energy performance contracting for the University.





ACTION ITEM VII – Approval of Housing Project Plan – Phase 1A

PRESENTED BY

Mr. Sameer Kapileshwari P.E., Associate Vice President for Facilities and Safety

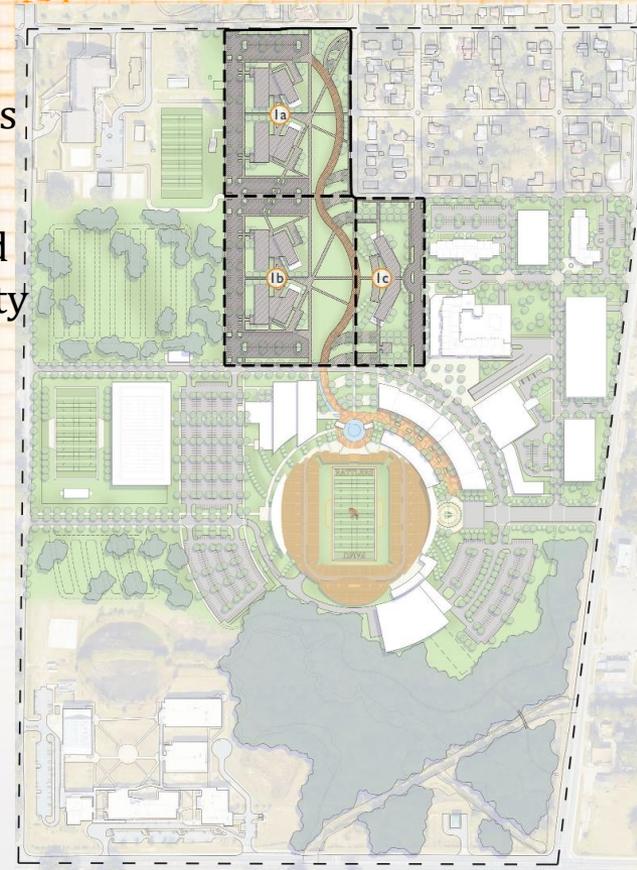
Mr. Archie Bouie, Associate Vice President, Administration and Finance

Florida Agricultural and Mechanical University



FAMU On-Campus Student Housing Project

- Phase 1a – Student Housing: A priority development of:
 - 700 beds (Phase 1a) to be developed based on University's student housing building replacement program
 - An additional up to 1,400 beds - [700 beds (Phase 1b) and 700 beds (Phase 1c)] – to be developed based on University growth projections and demand for additional beds of student housing
- FAMU will manage student experience such as Residential Life and Education
- Project supports ACUHO-I 21st Century Project four defining concepts: community, flexibility, sustainability, and technology
- Anticipated Project Completion: Fall 2020





Conceptual Rendering #1



BUILDING PERSPECTIVE

FAMU STUDENT HOUSING

ORLANDO, FLORIDA | A1
01-22-18



FINFROCK
FINFROCK DESIGN, INC.

MANICA
architecture

Kimley»Horn
SKB STUDIO





Conceptual Rendering #2



BUILDING PERSPECTIVE

FAMU STUDENT HOUSING

ORLANDO, FLORIDA
01-22-18

A3



FINFROCK
FINFROCK DESIGN, INC.

MANICA
architecture

Kimley»Horn

SKB STUDIO





Conceptual Rendering #3



FINFROCK
FINFROCK DESIGN, INC.

MANICA
ARCHITECTURE

Kimley»Horn
S&Kb STUDIO

BUILDING PERSPECTIVE

FAMU STUDENT HOUSING

ORLANDO, FLORIDA | A4
01-22-18





Financial Overview/Considerations – Comparison of Financing Options

Options→	DOE HBCU Capital Financing	Bond Financing	Public-Private Partnership (P3)
Pros	<ul style="list-style-type: none"> -Lowest cost of funds -Maintains single housing system -Ability to refinance all debt -Ability to restructure debt provides annual cash-flow for deferred maintenance -No bond rating required 	<ul style="list-style-type: none"> -Low cost of funds -Maintains single housing system -Allows for additional cash-flow for system deferred maintenance 	<ul style="list-style-type: none"> -Financing provided by P3 provider -Net cash-flow to University for other housing needs
Cons	<ul style="list-style-type: none"> -Acceleration and offsets of federal funds required under US DOE loan documents in the event of payment default 	<ul style="list-style-type: none"> -Limited ability to refinance outstanding debt under current tax law -Requires maintenance of bond rating and could result in downgrade 	<ul style="list-style-type: none"> -Not a comprehensive solution to housing system needs -Creates competition between project and existing housing system-existing debt repayment at risk -Likely higher cost of funds -Most likely results in rating downgrade on existing debt
Other Considerations	<ul style="list-style-type: none"> -Requires passage of legislation allowing offsets of Federal funds -Deviation from BOG guidelines may be needed to restructure debt 	<ul style="list-style-type: none"> -Deviation from BOG guidelines needed to restructure debt 	<ul style="list-style-type: none"> -What level of control of facility (including operating budget and rate setting) would University retain?



Financial Overview

DOE HBCU Capital Financing Program

- Program is designed to provide low-cost capital to finance improvements to the infrastructure of the nation's HBCUs
- Privately placed loan with US Department of Education
- Lowest cost of funds
- **Preserves single housing system and full University control**
- **Overall finance plan would include solution for entire housing system deferred maintenance needs – critical under any funding option**
- All existing debt would be refinanced to provide adequate cash-flow to help meet housing system's deferred maintenance needs with goal of proper asset/liability matching
- Deviation from BOG debt guidelines may be needed to restructure debt
- Requires passage of legislation to allow other University funds to be pledged due to offsets of federal funds in event of payment default - SB1712/HB375
- No bond ratings needed





Debt Management Guidelines

Checklist as of 5/30/18

Items 1 – 6 of 20

Status	#	Item Description
<i>Pending</i>	1	A resolution of the DSO board of directors approving the debt issuance, if applicable, and a resolution of the university Board of Trustees (the “BOT”) approving the debt issuance and authorizing the university to request Board approval of the debt issuance.
✓	2	The project program, feasibility studies or consultant reports (if available), and an explanation of how the project being proposed is consistent with the mission of the university.
✓	3	Estimated project cost, with schedules drawn by month and including start and completion dates, estimated useful life, and the date bond proceeds are required.
✓	4	The sources-and-uses of funds, clearly depicting all costs, funding sources expected to be used to complete the project and the estimated amount of the debt to be issued.
✓	5	An estimated debt service schedule with the assumed interest rate on the debt clearly disclosed.
✓	6	One consolidated debt service schedule separately showing all outstanding debt related to or impacting the debt being proposed, the proposed debt and the new estimated total debt service.





Debt Management Guidelines

Checklist as of 5/30/18 continued

Items 7 – 9 of 20

√	7	A description of the security supporting the repayment of the proposed debt and the lien position the debt will have on that security. If the lien is junior to any other debt, the senior debt must be described. Furthermore, a description of why the debt is proposed to be issued on a junior lien basis must be provided. A statement citing the legal authority for the source of revenues securing repayment must also be provided.
N/A	8	If debt is to be incurred on a parity basis with outstanding debt, a schedule showing estimated compliance with any additional bonds requirement set forth in the documents governing the outstanding debt. The applicable provisions of the documents for bonds of DSOs should be provided.
√	9	Financial statements for five years, if available, for the auxiliary, if auxiliary revenues are pledged.



Debt Management Guidelines

Checklist as of 5/30/18 continued



Items 10 – 11 of 20

<p style="text-align: center;">√ <i>See Item 6</i></p>	<p style="text-align: center;">10</p>	<p>A five-year history, if available, and five-year projection of the revenues securing payment. The 10 years must be shown on one table and debt service coverage ratios must be included. The information should also be provided to Board staff in Microsoft Excel format and:</p>
		<ul style="list-style-type: none"> i) to the extent applicable, the projections must be shown on the individual project as well as the entire system; ii) all revenue items securing repayment must be clearly set forth as separate line items; iii) an explanation must be provided with regard to growth assumptions, and to the amount and status of approval of any rate increases; iv) the effect of the rate increases on the projections and expected revenues and expenses for the new facility should be clearly set forth as a separate line item; v) if rate increases are necessary, a commitment must be made to increase rates to the needed levels; and vi) major categories of any operating expenses should be set forth as separate line items with an explanation of assumptions regarding increases or decreases.
<p style="text-align: center;">√</p>	<p style="text-align: center;">11</p>	<p>Evidence that the project is consistent with the university's master plan or a statement that the project is not required to be in the master plan.</p>



Debt Management Guidelines

Checklist as of 5/30/18 continued



Items 12 – 13 of 20

N/A	12	For variable rate debt proposals: <ul style="list-style-type: none">i) the expected reduction in total borrowing costs based on a comparison of fixed versus variable interest rates;ii) a variable rate debt management plan that addresses liquidity and interest rate risks and provides, at a minimum: a description of budgetary controls, a description of liquidity arrangements, a discussion of why the amount of variable rate debt being proposed is appropriate, and a plan for hedging interest rate exposure. If interest rate risks are to be mitigated by the use of derivatives, then evidence that the counterparty has a long term rating of at least an A/A2 and a swap management plan as set forth in the Board's Debt Management Guidelines must be submitted;iii) a pro forma showing the fiscal feasibility of the project using current market interest rates plus 200 basis points;iv) the total amount of variable rate debt including the proposed debt as a percentage of the total amount of university and DSO debt outstanding; andv) the individual or position that will be responsible for the reporting requirements for variable rate debt as set forth in these guidelines.
✓	13	If all or any portion of the financing is contemplated to be done on a taxable basis, then evidence demonstrating that the issuance of taxable debt is in the best interest of the university must be submitted.



Debt Management Guidelines

Checklist as of 5/30/18 continued



Items 14 – 17 of 20

<i>N/A</i>	14	A statement explaining whether legislative approval is required, and if required, an explanation as to when legislative approval will be sought or evidence that legislative approval has already been obtained.
√	15	A statement that the debt issuance is in accordance with the university's debt management policy or, if not, an explanation of the specific variances as well as the reasons supporting the variances.
<i>N/A</i>	16	If a request is made to employ a negotiated method of sale, an analysis must be provided supporting the selection of this method that includes a discussion of the factors set forth in section IV of these Guidelines.
<i>Pending</i>	17	A description of the process used to select each professional engaged in the transaction, showing compliance with the competitive selection process required by these Guidelines. Specific contact information for each selected professional, must be included, and at a minimum, should disclose the professional's name, firm name, address, email address, phone number and facsimile number.



Debt Management Guidelines

Checklist as of 5/30/18 continued



Items 18 – 20 of 20

<i>N/A</i>	18	The most recent annual variable rate debt report.
√	19	An analysis must be prepared and submitted which provides quantitative metrics justifying the need for the construction or acquisition of the project and explains why the project is essential to the university's core mission. There must also be a detailed assessment of private sector alternatives and a determination of whether the private sector can offer a comparable alternative at a lower cost. This information may be included as part of a project feasibility study or may be a stand-alone report.
<i>Pending</i>	20	An analysis must be prepared which calculates the expected return on investment or internal rate of return for a revenue-generating project or another appropriate quantitative measure for a non-revenue generating project.



CTG Phase 1.A 700 Bed Preliminary Conceptual Cost Assumptions				
Schedule of Values		Beds/ Cost Per Bed		Notes/Comments
Category	Amount	\$ 700	%	
Design Builder Conceptual Hard Cost and Contingency	\$ 42,656,400	\$ 60,938		Conceptual Estimate will be updated at the Schematic Design Close out and upon the completion of the Schematic Design Development (SDD) (GMP Phase)
Projected Site Cost Allowance	\$ 1,920,000	\$ 2,743		Delayed waiting on university supplied data
Permits, Inspections, and Fees	\$ -	\$ -		University Related Cost TBD
Total Building Hard Costs	\$ 44,576,400	\$ 63,681	100%	Projected hard Development cost Including Contingency allowance
Soft Costs				
Soft Costs	Amount	\$ 700	%	Notes/Comments
A&E Cost	\$ 1,783,056	\$ 2,547	4%	Budget number final cost at GMP % of Hard Cost
Construction Administration -CA	\$ 891,528	\$ 1,274	2%	Budget number final cost at GMP % of Hard Cost
Professional services, Builders Risk & Other Soft Cost Allowance	\$ 334,323	\$ 478	0.75%	Budget number final cost at GMP % of Hard Cost
Total Soft Costs	\$ 3,008,907	\$ 4,298		
Total Hard & Soft Cost	\$ 47,585,307	\$ 67,979	100%	
Construction Managment Cost				
Construction Managment Cost	Amount	\$ 700	%	Notes/Comments
CM-Construction Management at-Risk CMR	\$ 2,379,265.35	\$ 3,399	5%	
Total Hard/ Soft & CM Cost	\$ 49,964,572	\$ 71,378	100%	BOG Budget set at \$52 M
Dining Hall Addition Allowance				
Projected Dining Hall Addition	\$ 2,750,000	Conceptual EST only need more detail Project placed on hold by the University		
FF&E Allowance				
FF&E Allowance	\$ 1,750,000	\$ 2,500		
CTG Conceptual Cost				
Total Costs	\$ 54,464,572	\$ 64,041		





Approval of Housing Project Plan Phase 1A

Subject: Student Housing Project – Phase 1A.

Rationale:

In support of the FAMU Strategic Priority 1 of Exceptional Student Experience, FAMU envisions a phased development to strategically enhance campus residence and resolve critical housing issues and aesthetic concerns.

Phase 1A: The project will have a dual focus; refinancing and restructuring of the existing debt, and the development and construction of a new 700-bed student housing and dining facility. Also of note, this phase will be a replacement for the proposed decommissioning of Paddyfote, Truth Hall, and Palmetto North. Phase 1A will replace the lost 500 beds due to the aforementioned decommissioning and also provide the University with 200 net new beds. This agenda item is seeking approval of the project plan for Phase 1A.

Recommendation: Approval of the project plan for phase 1A based on State University System of Florida Debt Management guidelines.

Attachment: Project Plan and debt management checklist for phase 1A





**ACTION ITEM VIII – Approval of Budget
2018-19 Preliminary Budget**

PRESENTED BY

Director Ronica Mathis

Florida Agricultural and Mechanical University



Budget Development Process

Units Submit Budget Requests

- List of unit priorities, goals, and objectives
 - Consistent with the priorities, goals, and objectives set forth by the President
 - Used to guide the development of budget request
- Planning document
 - No more than five (5) pages
 - Consider the following:
 - a) Explain accomplishments with previous year's funds
 - b) Describe continuing efforts toward performance metrics and University's strategic mission
 - c) List next fiscal year's major areas of concern
 - Elevated risks
 - Vulnerabilities
 - Possible disruptions
 - d) Provide brief overview of staffing & strategic goals
 - e) Identify opportunities for new or modified programs, policies or processes
 - Potential interdisciplinary collaboration
 - Elimination or reduction of programs and/or process within next 3 years for cost savings
 - f) Indicate quality improvements to academic programs or administrative services in previous year





Budget Development Process

Units Submit Budget Reduction Plans

- Budget reduction calculation based on 5% of 2016-17 actual expenditures
- Units provide reduction impact explanations
- Areas exempt from budget reductions:
 - Campus Security and Parking Services
 - Financial Aid
 - Land Grant Matching
 - Brooksville
 - Tuition Differential
 - Risk Management
 - Black Male Explorers Program





Budget Development Process

Conduct Budget Review Committee Meeting

Participants Include:

- University President
- Provost
- Vice Provosts (2)
- Assistant Vice President of Academic Affairs
- Vice President for Finance & Administration
- Vice President of Strategic Planning
- Faculty representative
- Budget Director





Budget Development Process

Next Level Approvals:

- President
- Budget and Finance Committee
- University BOT
- Board of Governors



FLORIDA A&M UNIVERSITY
2018-19 E&G PRELIMINARY OPERATING BUDGET

ADMINISTRATION	2017-18 BASE BUDGET	2017-18 NONRECURRING	5% BUDGET REDUCTIONS	2018-19 BASE BUDGET	WORLD CLASS FACULTY & SCHOLAR PROG	PROFESSIONAL/ GRAD DEGREE PROGRAM	OPERATIONAL SUPPORT	2017-18 E&G BUDGET	2017-18 TITLE III BUDGET	TOTAL 2017-18 BUDGET
PRESIDENT	1,724,884		(96,490)	1,628,394				1,628,394	555,517	2,183,911
CONTRACTS AND GRANTS	401,388		(18,669)	382,719				382,719		382,719
COMMUNICATIONS	1,181,788		(65,100)	1,116,688				1,116,688		1,116,688
VP ADMINISTRATION	8,772,641		(306,643)	8,465,998				8,465,998	350,000	8,815,998
VP DEVELOPMENT	1,371,905		(58,067)	1,313,838				1,313,838	330,000	1,643,838
VP AUDIT AND COMPLIANCE	944,114		(34,398)	909,716				909,716		909,716
VP LEGAL AFFAIRS	1,588,960		(65,855)	1,523,105				1,523,105		1,523,105
ITS	8,782,720		(421,780)	8,360,940				8,360,940	571,368	8,932,308
VP STRATEGIC PLANNING	1,809,321		(4,931)	1,804,390				1,804,390	850,000	2,654,390
UNIVERSITY RESERVES			7,000,235	7,000,235			6,000,000	13,000,235		13,000,235
CAMPUS SECURITY	2,919,971			2,919,971				2,919,971		2,919,971
TOTAL ADMINISTRATION	29,497,692	0	5,928,302	35,425,994		0	6,000,000	41,425,994	2,656,885	44,082,879
PLANT OPERATIONS & MAINTENANCE										
PHYSICAL PLANT	19,066,366		(980,564)	18,085,802				18,085,802		18,085,802
FACILITIES PLANNING	1,195,884			1,195,884				1,195,884		1,195,884
ENVIRONMENTAL SAFETY	891,776			891,776				891,776		891,776
TOTAL PO&M	21,154,026	0	(980,564)	20,173,462		0	0	20,173,462		20,173,462
LIBRARIES	4,429,002		(234,496)	4,194,506				4,429,002	486,789	4,915,791
STUDENT SERVICES										
VP STUDENT AFFAIRS	9,735,673		(259,814)	9,475,859				9,475,859		9,475,859
TUITION Differential NEED BASE	2,100,000			2,100,000				2,100,000		2,100,000
WOMEN ATHLETICS	734,790		(35,362)	699,428				699,428		699,428
TOTAL STUDENT SERVICES	12,570,463	0	(295,176)	12,570,463		0	0	12,275,287		12,275,287
TOTAL NON I&R	67,651,183	0	4,418,066	67,651,183		0	6,000,000	78,303,745	3,143,674	81,447,419
INSTRUCTIONS AND RESEARCH										
VP ACADEMIC AFFAIRS	8,898,105	(1,000,000)	(4,418,066)	3,480,039				3,480,039	3,429,600	6,909,639
ESI	1,708,736			1,708,736				1,708,736		1,708,736
ARCHITECTURE	3,490,061			3,490,061				3,490,061		3,490,061
SOCIAL SCIENCES	13,387,018			13,387,018				13,387,018		13,387,018
SBI	7,521,476			7,521,476				7,521,476	115,433	7,636,909
CAFS and BROOKSVILLE	5,295,725			5,295,725				5,295,725	200,000	5,495,725
JOURNALISM	2,680,742			2,680,742				2,680,742		2,680,742
EDUCATION	6,399,878			6,399,878				6,399,878	158,372	6,558,250
NURSING	2,318,915			2,318,915				2,318,915	120,000	2,438,915
PHARMACY	12,321,187			12,321,187				12,321,187		12,321,187
ALLIED HEALTH	3,976,464			3,976,464				3,976,464	620,707	4,597,171
SCIENCE AND TECHNOLOGY	8,336,655			8,336,655				8,336,655	354,090	8,690,745
GRADUATE STUDIES	479,951			479,951				479,951		479,951
QEP	525,728			525,728				525,728		525,728
WORLD CLASS FACULTY/SCHOLAR PROGRAM	1,748,715			1,748,715	512,131			2,260,846		2,260,846
PROFESSIONAL/GRAD DEGREE PROGRAM	1,959,484			1,959,484		312,679		2,272,163		2,272,163
LAW SCHOOL	12,172,630			12,172,630				12,172,630		12,172,630
TUITION DIFFERENTIAL	4,900,000			4,900,000				4,900,000		4,900,000
TOTAL I&R	98,121,470	(1,000,000)	(4,418,066)	97,121,470	512,131	312,679	0	93,528,214	4,998,202	98,526,416
TOTAL ALLOCATED BUDGET	165,772,653	(1,000,000)	0	164,772,653	512,131	312,679	6,000,000	171,831,959	8,141,876	179,973,835
UNALLOCATED STUDENT FEE BUDGET AUTHORITY	5,272,491			5,272,491	0			5,272,491		5,272,491
GRAND TOTAL ALLOCATIONS	171,045,144	(1,000,000)	0	170,045,144	512,131	312,679	6,000,000	177,104,450	8,141,876	185,246,326

FLORIDA A&M UNIVERSITY

STATE UNIVERSITY SYSTEM OF FLORIDA

2018-2019 OPERATING BUDGET

SUMMARY SCHEDULE I

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Local Funds ⁴								Faculty Practice Plan ⁵	Summary Totals
				Student Activities	Student Financial Aid	Concessions	Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees			
1 Beginning Fund Balance :	\$ 35,000,000	\$ (5,368,654)	\$ 23,145,507	\$ 808,982	\$ 5,400,290	\$ 258,813	\$ -	\$ 927,260	\$ -	\$ -	\$ -	\$ 60,172,198	
2													
3 Receipts/Revenues													
4 General Revenue	\$ 93,391,754											\$ 93,391,754	
5 Lottery	\$ 15,911,082											\$ 15,911,082	
6 Student Tuition	\$ 67,801,614											\$ 67,801,614	
7 Phosphate Research												\$ -	
9 Other U.S. Grants		\$ 50,782,250			\$ 43,390,000							\$ 94,172,250	
10 City or County Grants			\$ 335,000									\$ 335,000	
11 State Grants		\$ 4,981,860										\$ 4,981,860	
12 Other Grants and Donations					\$ 3,800,000							\$ 3,800,000	
13 Donations / Contrib. Given to the State												\$ -	
14 Sales of Goods / Services			\$ 22,751,424			\$ 127,629	\$ 1,941,000					\$ 24,820,053	
15 Sales of Data Processing Services												\$ -	
16 Fees			\$ 24,924,873	\$ 3,130,895	\$ 670,000		\$ 3,920,000	\$ 1,892,080				\$ 34,537,848	
17 Miscellaneous Receipts							\$ 3,023,000					\$ 3,023,000	
18 Rent												\$ -	
19 Concessions							\$ 100,000					\$ 100,000	
20 Assessments / Services												\$ -	
21 Other Receipts / Revenues ⁶												\$ -	
22 Subtotal:	\$ 177,104,450	\$ 55,764,110	\$ 48,011,297	\$ 3,130,895	\$ 47,860,000	\$ 127,629	\$ 8,984,000	\$ 1,892,080	\$ -	\$ -	\$ -	\$ 342,874,461	
23 Transfers In						\$ 100,000	\$ 989,653					\$ 1,089,653	
24 Total - Receipts / Revenues:	\$ 177,104,450	\$ 55,764,110	\$ 48,011,297	\$ 3,130,895	\$ 47,860,000	\$ 227,629	\$ 9,973,653	\$ 1,892,080	\$ -	\$ -	\$ -	\$ 343,964,114	
25													
26 Operating Expenditures													
27 Salaries and Benefits	\$ 125,048,284	\$ 22,327,473	\$ 5,363,223	\$ 264,155	\$ 514,429		\$ 4,002,409					\$ 157,519,973	
28 Other Personal Services	\$ 10,206,389	\$ 7,122,964	\$ 2,543,779	\$ 330,700	\$ 619,000		\$ 258,731					\$ 21,081,563	
29 Expenses	\$ 36,608,513	\$ 21,477,010	\$ 14,932,832	\$ 1,291,257	\$ 46,490,000	\$ 224,763	\$ 5,712,513	\$ 2,108,734				\$ 128,845,622	
30 Operating Capital Outlay	\$ 565,351	\$ 1,020,970	\$ 322,144					\$ 150,000				\$ 2,058,465	
31 Risk Management	\$ 1,410,483											\$ 1,410,483	
32 Financial Aid	\$ 624,417											\$ 624,417	
33 Scholarships												\$ -	
34 Waivers	\$ 130,838											\$ 130,838	
35 Finance Expense												\$ -	
36 Debt Service	\$ 1,514,846		\$ 5,923,807									\$ 7,438,653	
37 Salary Incentive Payments	\$ 14,799											\$ 14,799	
38 Law Enforcement Incentive Payments												\$ -	
39 Library Resources	\$ 782,530											\$ 782,530	
40 Institute of Government												\$ -	
41 Regional Data Centers - SUS												\$ -	
42 Black Male Explorers Program	\$ 198,000											\$ 198,000	
43 Phosphate Research												\$ -	
44 Other Operating Category (Provide Details)												\$ -	
45 Total Operating Expenditures :	\$ 177,104,450	\$ 51,948,417	\$ 29,085,785	\$ 1,886,112	\$ 47,623,429	\$ 224,763	\$ 9,973,653	\$ 2,258,734	\$ -	\$ -	\$ -	\$ 320,105,343	

FLORIDA A&M UNIVERSITY

STATE UNIVERSITY SYSTEM OF FLORIDA

2018-2019 OPERATING BUDGET

SUMMARY SCHEDULE I

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Local Funds ⁴							Faculty Practice Plan ⁵	Summary Totals
				Student Activities	Student Financial Aid	Concessions	Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees		
1 Beginning Fund Balance :	\$ 35,000,000	\$ (5,368,654)	\$ 23,145,507	\$ 808,982	\$ 5,400,290	\$ 258,813	\$ -	\$ 927,260	\$ -	\$ -	\$ -	\$ 60,172,198
2												
23 Transfers In						\$ 100,000	\$ 989,653					\$ 1,089,653
24 Total - Receipts/ Revenues:	\$ 177,104,450	\$ 55,764,110	\$ 48,011,297	\$ 3,130,895	\$ 47,860,000	\$ 227,629	\$ 9,973,653	\$ 1,892,080	\$ -	\$ -	\$ -	\$ 343,964,114
25												
45 Total Operating Expenditures :	\$ 177,104,450	\$ 51,948,417	\$ 29,085,785	\$ 1,886,112	\$ 47,623,429	\$ 224,763	\$ 9,973,653	\$ 2,258,734	\$ -	\$ -	\$ -	\$ 320,105,343
46												
47 Non-Operating Expenditures												
48 Transfers		\$ 4,253,098	\$ 12,032,846	\$ 1,433,765	\$ 300,000			\$ 135,524				\$ 18,155,233
49 Fixed Capital Outlay												\$ -
50 Carryforward (From Prior Period Funds)												\$ -
51 Other ⁷												\$ -
52 Total Non-Operating Expenditures :	\$ -	\$ 4,253,098	\$ 12,032,846	\$ 1,433,765	\$ 300,000	\$ -	\$ -	\$ 135,524	\$ -	\$ -	\$ -	\$ 18,155,233
53												
54 Ending Fund Balance :	\$ 35,000,000	\$ (5,806,059)	\$ 30,038,173	\$ 620,000	\$ 5,336,861	\$ 261,679	\$ -	\$ 425,082	\$ -	\$ -	\$ -	\$ 65,875,736
55												
56 Fund Balance Increase/ Decrease :	\$ -	\$ (437,405)	\$ 6,892,666	\$ (188,982)	\$ (63,429)	\$ 2,866	\$ -	\$ (502,178)	\$ -	\$ -	\$ -	\$ 5,703,538
57 Fund Balance Percentage Change :	0	8.15%	29.78%	-23.36%	-1.17%	1.11%		-54.16%				9.48%

- The Education and General budget funds the general instruction, research, and public service operations of the universities. Universities have accumulated ending fund balances for activities such as the implementation and maintenance of Enterprise Resource Program systems, contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in utilities, and prior year encumbrances (recorded, estimated liability at year-end for ordered or received goods or services), and compliance with Section 1011.40(2) F.S. on maintaining a 5% reserve.
- The Contracts and Grants budget contains activities in support of research, public service, and training. Large fund balances are due to the timing of receipt of Federal contracts or grants.
- Auxiliaries are ancillary support units on each university campus. Some of the major activities include housing, food services, book stores, student health centers, facilities management, and computer support. Ending fund balances includes financial activities such as debt service payments, reserve, repair and replacement reserves for future maintenance costs, construction/renovation of auxiliary facilities, and prior year encumbrances.
- Local funds include the following university activities:
 - Student Activities - Supported primarily by the student activity and service fee and funds operations of the student government, cultural events, organizations, and intramural/club sports.
 - Financial Aid - This activity represents the financial aid amounts for which the university is fiscally responsible. Examples include: student financial aid fee, bright futures, federal grants, college work study, and scholarships. The ending fund balance represents a timing difference between the receipts of funds and disbursement to the students.
 - Concessions - These resources are generated from various vending machines located on the university campuses.
 - Athletics - Revenues are primarily derived from the student athletic fee, ticket sales, and sales of goods. Sufficient fund balances are maintained to provide the necessary support for ongoing athletic activities.
 - Technology fee - Collections are used to enhance instructional technology resources for students and faculty.
 - Self-Insurance Program - These programs are directed by the respective self-insurance councils and the captive insurance companies (These companies underwrite the risks of its owner and the owner's affiliates.). These activities are supported by premiums charged to the insured individuals and entities (primarily medical faculty and institutions).
 - Board-Approved Fees - Student fees proposed by each university and authorized by the Board of Governors to address specific student-based needs not addressed through another service or fee.
- Faculty Practice - The Faculty Practice Plan collects and distributes income from faculty billings for patient services provided in conjunction with state university medical school programs.
- Other Receipts/Revenues includes categories such as interest, penalties, refunds, admissions, fines, taxes, etc.
- Other Non-Operating Expenditures includes categories such as refunds, payment of sales taxes, or indirect costs.



Approval of 2018-19 Preliminary Budget

Subject: Approval of Fiscal Year 2018-19 Preliminary Operating Budget

Rationale:

Pursuant to Board of Governor's Regulation 9.007, the University Operating Budgets, the FY 2018-19 preliminary operating budget must be approved by the University Board of Trustees (BOT) prior to submission to the Board of governors. The preliminary budget is due to the Board of Governors by June 23, 2018. The Board of Governors must submit the approved preliminary budgets to the State Comptroller's Office before June 29, 2018 to have cash releases processed from the State Treasury for the university operations.

The University's Budget Council is currently working to complete the final operating budget. The final operating budget will be presented to the BOT for approval in August 2018.

Recommendation:

It is recommended that the Board of Trustees approve the 2018-19 Preliminary Operating Budget.





**ACTION ITEM IX: Approval to Amend FAMU
Regulation 6 - Procurement**

PRESENTED BY

Mr. Archie Bouie, Associate Vice President, Administration & Finance
Mr. Michael Smith, Interim Director of Procurement Services

Florida Agricultural and Mechanical University



Approval to Amend FAMU Regulation 6 - Procurement

Rationale/Benefit:

The Board of Governors (BOG) has amended its BOG Regulation, 18.001, “Procurement Regulation”. The BOG requires each university Board of Trustees to adopt regulations establishing basic criteria related to procurement. Therefore, FAMU Regulation 6, has been edited.

Summary of Modifications:

- Provide authority for contract extensions and renewals with time limitations which did not exist in the old regulation.
- Clarify the “advertisement” exemption to remove the purchase of media placement as an exempt service. The direct placement of an advertisement toward a targeted audience should be exempt since these cannot be competed, but media placement services are more general and can be competitively placed.
- The removal of auditing and accounting services.
- Update of the protest section.

Recommendation:

It is recommended that FAMU’s BOT approve the amended FAMU Regulation 6, Procurement.

Note: *The FAMU Regulation 6, Purchasing Markup (located in the committee materials has been reviewed by Attorney Thomas)*





**ACTION ITEM X: Approval to Amend BOT Regulation 3.017 –
Schedule of Tuition and Fees**

PRESENTED BY

Ms. Tiffany Holmes, Assistant Vice President/University Controller

Florida Agricultural and Mechanical University



Approval to Amend BOT Regulation 3.017 – Schedule of Tuition and Fees

Subject: Approval to Amend BOT Regulation 3.017 – Schedule of Tuition and Fees

Rationale/Benefit:

An amendment is required to reflect the BOG-determined Repeat Course Fee of \$190.84 for 2018-19. This represents a \$9.72 increase from the 2017-18 rate.

Recommendation:

Approval of the amendment to Regulation 3.017 – Schedule of Tuition and Fees to include the BOG-determined repeat course rate for 2018-2019.





Item XI - Financial Status Report

PRESENTED BY

Ms. Tiffany Holmes, Assistant Vice President/University Controller

Florida Agricultural and Mechanical University

Revenues

		YTD (A)	Year End est
Total Revenue	Budget	270,021,577	334,597,615
	Actual/ Forecast	238,864,844	297,707,740
		88%	89%

Operating Expenses

Total Expenses	Budget	244,637,837	316,822,389
	Actual/ Forecast	225,974,448	292,035,964
		92%	92%

Revenues over Expenses

Budget	25,383,740	17,775,226
Actual/ Forecast	12,890,396	5,671,775
	51%	32%

Other

Sources (Uses) of Cash

(Capex & Debt Service)

Net	Budget	(1,682,363)	(4,155,666)
	Actual/ Forecast	(795,639)	(4,307,746)
		47%	104%

Net Balance

Budget	22,247,304	13,619,560
Actual/ Forecast	12,304,000	1,364,030
	55%	10%





Item XII - Cost Savings (Quarterly Update)

PRESENTED BY

Dr. Wanda Ford, Interim Vice President Finance and Administration/CFO

Florida Agricultural and Mechanical University



Cost Savings – Central Strategies

Strategy	Approx. Savings
Currently in progress for this year:	
• Procurement from shared SUS & consortium agreements	\$644,495*
• Bulk purchases for IT/equipment	\$70,642*
• Virtual Payable Process (Projections for Calendar Year 2018)	\$20,000**
• Utility Savings (Boiler / Energy)	\$380,000*
Strategy	Estimated Implementation
Currently under review:	
• Expense reductions- February thru June	\$2m**
• Purchase/Implementation of Travel Management Software	TBD
• Shared Services Initiatives	TBD
• Annual Leave Payout Process Re-engineering	TBD

Legend: * Cost Savings ** Cost Avoidance





Item XIII - Project Updates

PRESENTED BY

Sameer Kapileshwari P.E., Associate Vice President for Facilities

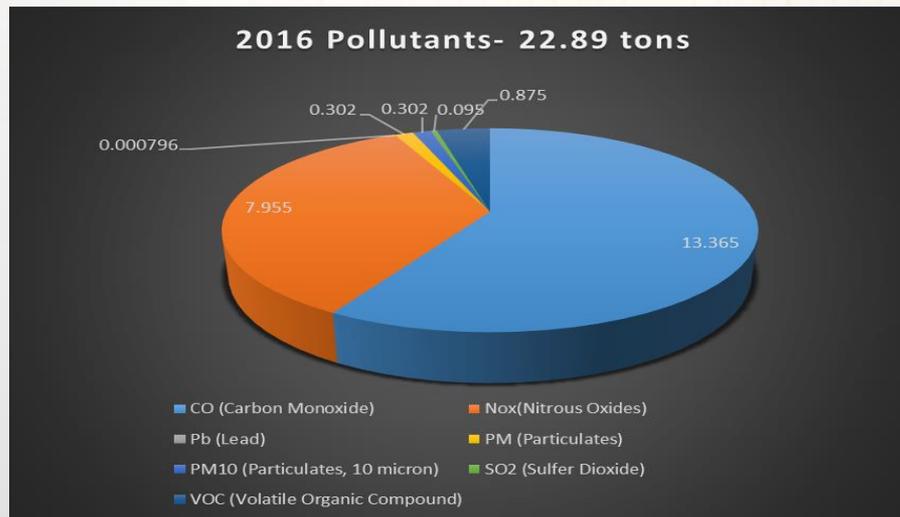
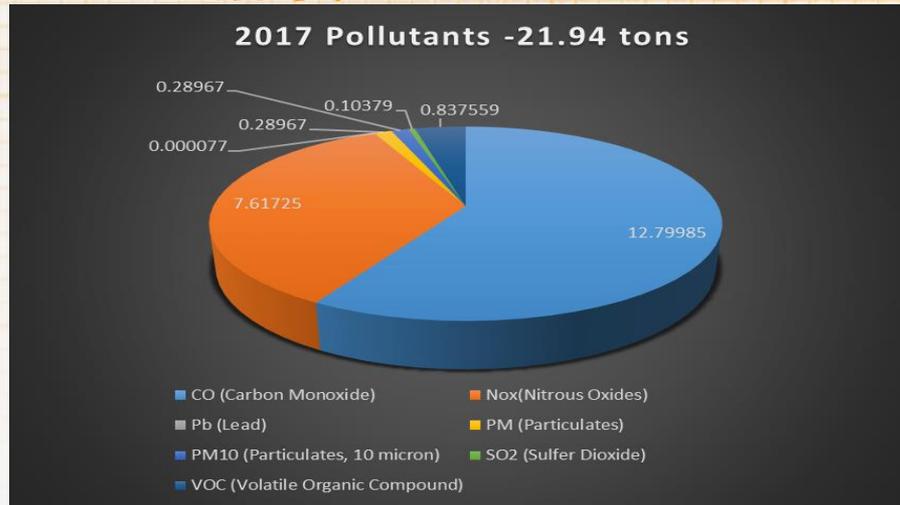
Craig Talton, Director – Facilities Planning and Construction

Dr. Jennifer Wilder, Director, University Housing

Florida Agricultural and Mechanical University



Utility Savings (Central Plant)





Center for Access and Student Success (CASS)

Background:

The FAMU Center for Access and Student Success (CASS) is designed to be a multipurpose building serving as a one-stop shop for programs such as recruitment, admissions, financial aid and enrollment management. This building will also house registrar, scholarship office, counselling services and the Center for Disability Access and Resources.





Center for Access and Student Success (CASS)

Key Project Milestones and Next Steps:

Milestone

- Foundation Work Begins
- Steel Erection Begins
- Construction Funding (Balance) Needed
- Substantial Completion
- Final Completion

Timeline

- April, 2018
- August, 2018
- July 2019
- TBD
- TBD





Housing Facilities Action Items

Dr. Jennifer Wilder

ACTION ITEMS	ESTIMATED TIMELINE	STATUS (a/o 5-22-18)	RESPONSIBLE PARTY
Initiate Quarterly Housing Team Meetings	Fall 2017	Completed	VP Hudson
Explore Relocation of Housing Office	Fall 2017	Provisions have been made to move the housing office to the new CASS building	AVP Kapileshwari / VP Hudson
Track Repair Costs by Building	Monthly	Tracking occurs monthly	Director Wilder
Monitor Debt-Coverage Ratio	Per semester	Hired Financial Advisor to help with housing system finances and associated analyses	AVP Holmes
Monitor Enrollment/Retention	Per semester	Tracking occurs on an on-going basis	VP Hudson
Survey Students for Continuous Improvement	Per semester	Spring 2018 end of semester survey was administered April 9-17, 2018	Director Wilder
Professional Housing Facility Assessment	Spring 2018	Assessments were completed Dec 2017; Review of final reports began March 30, 2018. Bi-weekly meetings with POM, Facilities, and Housing began March 30, 2018	AVP Kapileshwari / Director Wilder
Technology Implementation: New Housing Assignment System	Spring 2018	StarRez went live on April 17, 2018	Director Wilder
Fundraising Strategy Launch	TBD	Meetings will begin in June 2018 to discuss needs and possible fundraising strategies.	VP Friday-Stroud
Transition of Housing Maintenance	Summer 2018	Initial meeting was conducted with POM, Budget Officer, Controller, and VPs Ford and Hudson. Financial needs have been shared. Discussion continues.	VP Ford / VP Hudson
Comprehensive Plan for Repairs/Renovations (based on Professional Housing Facility Assessment)	Fall 2018	The University Housing Team (POM, Facilities & Construction, Housing) began April 2, 2018 with weekly meetings. Currently focused on resolving HVAC and humidity issues in select housing facilities; final recommendations anticipated by June 1, 2018.	AVP Kapileshwari / Director Wilder
Housing Project Plan Phase 1a Completion	Fall 2020	Phase 1A – 700 beds is tentatively scheduled for Fall 2020 completion	VP Ford/VP Hudson





Thank you

Questions?

