



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

Budget, Finance, and Facilities Committee Minutes

Trustee Kimberly Moore, Committee Chair
Wednesday, March 3, 2021
Location: Zoom Conference Call

MINUTES

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

Call to Order/Roll Call

Chair Moore called the meeting to order. Dr. Turner called the roll. A quorum was present.

ACTION ITEMS

Approval of Minutes – December 2, 2020.
There were no revisions to the minutes.

The motion to approve this action item was carried.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) Budget
VP Robertson stated that the university has been awarded \$20.8 million earmarked for coronavirus relief through the Higher Education Emergency Relief Fund (HEERF II) Funds 210 and 211. A budget has been developed in collaboration with the divisions of Academic Affairs, Finance and Administration and Student Affairs as follows: Student Support Services (\$7.8 million), Distance Education and Instruction (\$2.6 million) and Operating Cost (\$10.4 million). The budget has been approved by the University President's Senior Leadership team and the University Budget and Planning Council.

The recommendation is for the board to approve the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) Budget and spending plan.

Questions/Comments re: CRRSAA Budget

- Trustee Washington asked if the previous funds had been spent and if there would be prudence in drawing down the new funds since there is a time limit to depleting the funds.



Response: VP Robertson responded that the previous funds have been spent and that, upon board approval, the committee will move to begin expending the current funds since there is a 90-day window to approve or reject.

The motion to approve this action item was carried.

Accounts Receivable Write-offs

AVP Jackson, University Controller, submitted a request for approval of the student accounts receivable write-offs list for uncollected receivables recorded prior to June 30, 2021. The accounts are older than two years and are written off for financial reporting purposes. Records of debt to the university are maintained and students are not allowed to register or obtain transcripts prior to satisfying their debt.

The recommendation is for the board to approve the \$3.4 million write-off for FY21.

Questions/Comments re: Accounts Receivable Write-offs

- Trustee Dubose asked for recommendations from the committee on how to reduce the uncollected receivables.

Response: VP Robertson responded by stating that this is the unfortunate part of students not succeeding and leaving the university with a financial balance. The university has implemented a payment plan to make it easier for families to budget the gap. Students have also seen an increase in financial assistance, which has also reduced their student loan debt.

- Trustee Lawson stated that, as in previous years, there were some large equipment items in the report and wanted to ensure that the appropriate documents and/or police reports to substantiate the loss.

Response: VP Robertson indicated that the amount is strictly student receivables.

- Trustee Dortch asked if the liability fall back on the university if student loan debt is canceled.

Response: VP Robertson stated that student loans are processed through the federal government or private institutions. Therefore, they are not the university's obligation.

The motion to approve this action item was carried.

Revision to BOT Policy 2005-05: Preparation and Submission of Budget

VP Robertson and Director Murry requested an increasing in the authority limit to amend budgets to \$1 million from the current \$100,000. They expressed concerns regarding the policy, which has not been updated since December 2009. The changes in the Board approved budgets is necessary to accommodate situations where additional revenues are collected or due to an extraordinary increase in costs. The current limit creates exception processing or payment delays if the transactions must wait until the next board meeting.



Questions/Comments re: Revision to BOT Policy 2005-05: Preparation and Submission of Budget

- Trustee Lawson expressed reservations with the recommendation. He stated that \$1 million of FAMU's budget is much larger than other SUS institutions. He agreed to increasing the threshold, but recommended that the board move to a step change rather than a 10-fold change.
- Trustee Dortch requested to hear President Robinson's feedback.
Response: President Robinson stated that he is totally confident that the team can manage the higher limit and in this framework.
- Trustees Cliatt and Stone agreed with Trustee Lawson in the board looking at the increase in phases. They, along with Trustee Cavazos, support the \$500,000 threshold increase rather than the \$1 million. Trustees Reed, Perry and Washington posed additional questions regarding the average amount and the number of times the requests comes before the board for approval annually. Trustee McClinton supported the increase and stated his concern of not having the ability to assist students during the fall semester due to allocations of funds after the December board meeting.

Response: VP Robertson and Ms. Murry clarified with the board that the recommendation is for additional budget authority after collections have taken place. In other words, the recommendation is only for expenditures that are collected above the original budget amounts. The increase limit is consistent with the President's current spending approval limits.

The committee recommended that the BOT temporarily approve the revision to BOT Policy 2005-05 that gives the president the authority to amend the approved operating budget as necessary to accommodate changes in revenue, expenditures, statutory increases and technical amendments without additional Board of Trustee's approval up to \$500,000 and revisit the item at the next board meeting with appropriate data outlining what the situations are.

The motion to approve this action item was carried.

Prior to the full Board of Trustees (BOT) meeting on the following day (Thursday, March 4, 2021) General Counsel's office informed there could not be a policy that includes the language "temporarily". Therefore this Action Item was removed from the BOT Consent Agenda and was not considered for vote by the full board. In a future meeting, the Action Item will be revisited for consideration.



Revision to BOT Policy 2007-01A: Enterprise Information Systems Security and Controls

VP Robertson opened the discussion by introducing Mr. Ron Henry, CIO, and stated that the proposed revisions to BOT Policy 2008-01A are the result of the recommendations of several internal and external audits.

Mr. Henry presented the revisions to the policy adopted in 2008 to eliminate redundancy, to bring it into compliance with federal guidelines established by the National Institute of Standards and Technology (NIST), and proposed modifications that specifically identifies compliance with the university's enterprise information system security and controls protocols.

The staff recommended that the board approve the revisions to the university policy to improve the overall cybersecurity for the university, which clearly identifies the goal of compliance for both NIST protocols.

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 \$375.5 million for FY21, which is a reduction from the approved FY20 budget of \$387.8 million. The current run rate is 75%. Predictions indicate a balanced budget with a small surplus for FY21.

b. COVID-19 Expenditures Report to Date

Dr. Erick Akins, Executive Director, Title III, presented the CARES Act fund distributions ending February 5, 2021 with a breakdown of the initial \$26.3 million in fund allocations. He reported that the university has reported \$16.6 million in expenditures to the Department of Education and has approximately \$5 million remaining.

Questions/Comments re: COVID-19 Expenditures Report to Date

- Trustee Washington requested clarification of the spend amount.
Response: Director Akins reported 93.5% expenditure of the HBCU and 83.8% expenditure of HBCI.
- Trustee Reed asked if there were defined categories of expenditures.
Response: Director Akins indicated that there were no set categories, only expenditures as a result of COVID-19.
- Trustee Lawson asked if there were expenditures that were encumbered that could not be paid for with the CARES Act dollars.



Response: Director Akins responded that there any not been any instances.

- President Robinson asked for an explanation of the certain types of restrictions for use of CARES Act dollars.

Response: Director Akins stated that CARES Act dollars could not be used for such projects as construction projects and funding athletic programs.

c. Project Updates – University Construction / Operations

Trustee Moore stated that, since there are monthly construction oversight meetings, the committee would forego in-depth discussions on project updates unless there were questions. In general, the projects are moving forward with no concerns. VP Robertson informed the board for Bragg Stadium a micro-site is being constructed to provide pictures and time-lapsed videos of the progress of the stadium renovations. This micro-site will be available to the university community, stakeholders and the general public.

Duke Energy / Brooksville Update

Executive Director Gainous provided a summary and update on the Duke Energy solar field. He informed the board that the agreement expired on February 28, 2021, but a one-year extension was granted. Duke Energy completed its fifth due diligence study during the month of February 2021 and has an expected project completion date of 2023. Newly appointed trustees will be provided the 2019 report and will be briefed by a member of the university counsel team on the contract.

Housing Facilities Updates

Dr. Wilder presented housing projections for summer and fall 2021. The department is preparing for full capacity for the 2021-2022 academic year with 90% occupancy and will provide updates subject to changes from the CDC, Florida Department of Health and FAMU Student Health. Dr. Wilder also provided updates on the deferred maintenance progress and Gibbs Hall. VP Robertson added that the Gibbs Hall renovations had encountered several major issues. A decision must be made to weather continue with renovations or incorporate a new housing project. An architectural review is underway and a plan will be presented at the next board meeting.

The meeting adjourned.