

## **Budget, Finance, and Facilities Committee Meeting**

Trustee Craig Reed, Committee Chair Thursday, December 4, 2025 Location: FAMU Grand Ballroom

## **MINUTES**

Committee Members Present: Jamal Brown, Zayla Bryant, Emery Gainey, Craig Reed, Nicole Washington, and Michael White

#### Call to Order/Roll Call

Trustee Reed called the meeting to order. Ms. Schloss called the roll. A quorum was present.

#### **ACTION ITEMS**

# Approval of the Amendment to BOT Regulation 8.001, Motor Pool and Vehicle Use

AVP Jones requested board approval of the Amendment to BOT Regulation 8.001, Motor Pool and Vehicle Use

The motion to approve this action item was carried.

## Approval of Amendment to BOT Policy 2006-05, Motor Pool and Vehicle Use

AVP Jones requested board approval of the Amendment to BOT Policy 2006-05, Motor Pool and Vehicle Use

The motion to approve this action item was carried.

# **INFORMATION ITEMS**

## **Quarterly Financial Report- Budget to Actuals**

Acting VP/CFO Nichole Murry presented the quarterly financial report, highlighting that 41% of the annual budget had been utilized as of September 30, 2025, compared to 40% at the same time last year. Acting VP Murry provided explanations for variances of 10 percent or over/under. Intercollegiate athletics is the first category to show a decrease, from 57% last year to 28% this year. This reduction is attributed to the identified allowable sources to cover student aid. The second category is student activities. This variance is attributed to the result of ensuring that transfers are being processed more efficiently. Examples of areas impacted include Campus Recreation, the Student Union, Galimore Lanes, and New Beginnings Child Care. Acting VP Murry further advised that, following discussions with Chair Reed, future board materials will be expanded beginning with the next meeting to ensure alignment with Board of Trustees Policy 2005-02 and to provide a more comprehensive view of the University's financial position. In addition to the quarterly financial report, the Board will receive the Statement of Net Position, the Statement of Revenues, Expenditures, and Changes in Net Position, as well as a report on the University's investment and cash balances.

### Questions/Comments re: Quarterly Financial Report-Budget to Actuals

Chair Reed noted that a key focus of his discussion with Acting Vice President and Chief Financial Officer Nichole Murry was identifying ways to evaluate financial performance in the context of planned quarterly or monthly spending. While the current report reflects expenditures as a percentage of the annual budget, it does not fully capture performance from a forecasting perspective. He stated that additional



detail will be provided at the next meeting to offer greater insight into progress against the overall financial plan for the year.

#### Questions/Comments re: Quarterly Financial Report-Budget to Actuals

Trustee Wasington asked about intercollegiate athletics. Is this a change that we're making this year, or is it a change that we're planning to make in perpetuity as far as the scholarships? This goes back to some of the questions we've had about how to ensure we can maintain scholarships, and that does bring down the athletic budget a little bit in perpetuity.

<u>Response:</u> Acting VP Murry clarified that the change does not necessarily reduce the athletics budget. Rather, it allows the athletics department to redirect those expenditures to other operating areas.

### **Deferred Maintenance and Capital Renewal**

AVP Jones provided the board with an overall status update regarding deferred maintenance and capital renewal, as well as the facilities team's efforts to address these issues over the past five years. AVP Jones reported significant progress from 2020 through the current fiscal year (2025).

In 2020, the University's deferred maintenance and capital renewal needs for Educational and General (E&G) facilities were estimated at \$120 million, based on a third-party facility condition assessment. This assessment is conducted every five to six years, with the information maintained and updated annually by staff. Over the last five years, more than \$47 million has been expended on E&G facilities to address ongoing deferred maintenance and capital renewal needs. Funding sources for these efforts included Carryforward funds, PECO, and the University's recently completed energy savings project. AVP Jones noted that during the 2022–2023 legislative session, Florida A&M University received \$26.9 million specifically allocated for deferred maintenance and capital renewal. As a result of these combined efforts, the current outstanding E&G deferred maintenance and capital renewal backlog has been reduced to approximately \$85 million.

For the current fiscal year, 12% of the University's Carryforward (approximately \$6.9 million) has been dedicated to addressing deferred maintenance and capital renewal needs for E&G facilities. This funding source will continue to be used in future years as part of the University's ongoing strategy to reduce the deferred maintenance backlog.

The Committee received an update on the deferred maintenance and capital renewal needs for the University's housing facilities. In 2020, the estimated deferred maintenance and capital renewal needs for housing facilities were \$21 million, based on a facility condition assessment conducted by a third-party vendor. Over the past five years, more than \$9.5 million has been expended to address the ongoing deferred maintenance and capital renewal needs of the housing facilities. These efforts have been funded primarily through housing reserve funds and operating expense resources. The current outstanding deferred maintenance and capital renewal backlog for the housing inventory is estimated at \$7.7 million. Housing resources will continue to be utilized to address both existing and newly identified deferred maintenance and capital renewal needs.

#### Questions/Comments re: Deferred Maintenance and Capital Renewal

Chair Reed commented that it's important to have the best value and the right vendors in place. He also wants to make sure that smaller businesses are involved. deferred maintenance has been a long-standing priority for the institution. Chair Reed recalled earlier assessments that highlighted the significant need for action to improve the condition of University facilities. With the support of the Legislature and the University's internal strategic planning efforts, nearly \$50 million has now been invested in facility improvements. Chair Reed acknowledged this accomplishment and expressed



appreciation for the Facilities team's ongoing work, stating that their efforts have brought the University to a point of greater stability and confidence regarding facility conditions. Chair Reed asked that AVP Jones provide additional insight into the presented data, including how the University's deferred maintenance levels compare to those of other institutions of higher learning in Florida.

<u>Response:</u> AVP Jones responded that when the University began utilizing the \$26 million allocation, Florida A&M University ranked sixth or seventh within the State University System, representing approximately six percent of the total allocation. We are currently in a strong position regarding our ongoing efforts. We have an additional source of funding through carry-forward, from which we receive 12% each year. These carry-forward funds will be used to address the existing backlog. There is hope that the state will begin considering carry-forward separately, which may allow the institution to receive a dedicated allocation in the future.

#### Questions/Comments re: Deferred Maintenance and Capital Renewal

Trustee Washington asked whether the Board of Governors has a system-wide request for deferred maintenance funding for the current year, noting that such requests have been made in prior years.

<u>Response:</u> AVP Jones stated that, based on discussions at the statewide level, there is an effort underway to submit another system-wide request for deferred maintenance funding. He noted, however, that the status of that request within the current legislative session remains uncertain.

## Questions/Comments re: Deferred Maintenance and Capital Renewal

Trustee Washington asked for additional clarification regarding the total amount expended on deferred maintenance and how projects are prioritized, noting the overall size of the deferred maintenance backlog. She acknowledged the progress being made and requested further context on what the reported figures indicate about the current condition of the University's buildings and facilities, including how these conditions are reflected across campus.

<u>Response:</u> AVP Jones responded that most University facilities are currently in fair to good condition. He noted that Banneker Hall has been taken offline, along with several other facilities, and that removing facilities from service positively impacts the deferred maintenance backlog, as any associated deferred maintenance is eliminated from the total. He added that continued use of Carryforward funding is expected to support ongoing efforts to reduce and improve the existing backlog.

Acting SVP Murry added that, consistent with AVP Jones's remarks, recent regulatory requirements now mandate the allocation of 12% of Carryforward funds toward deferred maintenance, in addition to any discretionary amounts the University may choose to contribute, thereby strengthening the institution's ability to address deferred maintenance needs.

The meeting adjourned.