

**FINANCE & BUSINESS
COMMITTEE**



FLORIDA STATE UNIVERSITY
FINANCE AND ADMINISTRATION
Office of the Vice President for Finance & Administration

MEMORANDUM

TO: BOT Finance and Business Committee Members

FROM: Kyle Clark, Vice President for Finance and Administration

DATE: February 18, 2021

SUBJECT: Finance and Business Committee Meeting

The Board of Trustees Finance and Business Committee is scheduled to meet from 4:00 pm to 5:00 pm on Thursday, February 18, 2021 in Room 208 of the Augustus B. Turnbull III Florida State Conference Center. Items to be discussed at the meeting include:

- I. Request for Approval of Minutes from November 19, 2020 Meeting
- II. Actions Items:
 1. Request for Amendment: FSU Regulation FSU 2.0249, Installment Tuition and Fee Contracts (Consent)
 2. Request for Amendment: FSU Regulation FSU 2.0422, Special Fines, Fees, Penalties (Consent)
 3. Request for Approval: 2020-2021 Budget Projections for Auxiliaries with Outstanding Revenue Bonds (Consent)
- III. Informational Items
 1. 2020 Annual Financial Report
 2. Fixed Capital Outlay Budget Report
- IV. Adjourn

**THE FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES
Finance and Business Committee Meeting Minutes**

Thursday, November 19, 2020

Florida State University
Augustus B. Turnbull III Conference Center
Room 208
Tallahassee, Florida

Members Present: Max Alvarez, Kathryn Ballard, Jim Henderson, Bob Sasser, William Buzzett

- I. Call to Order at 1:53 pm (EST)
- II. Approval of September 10, 2020 Minutes
- III. Action Items:
 - i. Request for Amendment: Campus Development Agreement (Consent)
 - a. A request is being asked for approval of the one year extension to the Campus Development Agreement. Universities are required to develop, maintain and update their campus master plans and associated campus development agreements with local government. The extension is needed so can modify the campus master plan for the changes and altercations brought on by the COVID pandemic. The new leadership in facilities, Dave Irvin will take the request to the President's Cabinet for review and approval. The Board of Trustees will be involved and have two hearings for approval. Today, asking for approval of the one year extension, and asking for President Thrasher and Kyle to execute the agreement with the City of Tallahassee. The city has already approved the one year extension of the plan. The approval of the Board of Trustees will be the final action for the extension.

Motion for Approval: Approved
 - ii. Request for Approval: Status Report on Construction Projects over 2.0 million and Change Orders (Consent)
 - a. All item details and change orders were included in the Board of Trustees packet. The Major Construction Project Status Report identifies all the active projects taking place currently and valued over \$2.0 million along with a change order summary report for FY 2019-2020. Upon asking for further question and comments, Trustee Buzzett questions the opening date of the Panama City residence hall. Kyle explains the goal is to be ready for Fall 2021 and the leasing has begun.

Motion for Approval: Approved

- iii. Request for Amendment: FSU Regulation FSU 2.0249, Installment Tuition and Fee Contracts (Consent)
 - a. The university was able to purchase a new automated electronic accounts-receivable software system called CashNet. CashNet has a robust payment plan functionality for collecting and processing online payments from students. The system will allow students to enroll and predefine payment plans. Many other significant features that are included in the software were discussed. Both Florida statute and Florida Board of Governors regulations permit universities to enter into payment arrangements, but FSU would have to update policies to take advantage of the full functionality of the software system. The proposed revision allows for better alignment with Board of Governors regulations and to give more benefits and flexibilities to the students. A clean lined version is included with a red lined version to show all changes. Approval is being asked in the meeting today, but might see again due to a thirty day notice period that is given.

Motion for Approval: Approved

- iv. Request for Amendment: FSU Regulation FSU 2.02422, Special Fines, Fees, and Penalties (Consent)
 - a. Due to the new software installation CashNet, a revision of the service charge from \$10.00 to \$15.00 is needed to allow for additional payment plans for students and help offset administration costs. The fee increase is in accordance with Board of Governors regulations. An approval is asked for this fee change.

Motion for Approval: Approved

- v. Request for Amendment: FSU Regulation 2.02414, Fee Waivers (to be renamed Waivers and Exemptions of Tuition and Fees) (Consent)
 - a. This amendment will allow for needed updates and will address recent audit comments. The updated regulation will incorporate all mandatory waivers by reference and several waiver categories will be addressed; the Board of Trustees will have the ability to approve new waivers as needed.

Motion for Approval: Approved

IV. New Business

i. Budget Updates

Chairman Sasser asks Kyle to give an update of the budget and the COVID-19 mitigation and its financial impact. Charts and graphs of the breakdowns are included in the Trustee's packets. Kyle speaks of the 2020-2021 Total Operating Budget and explains the biggest hit areas. The State University System chart is discussed showing Florida State University at 12% of the SUS budget. Next the construction budget is clarified with the estimation of \$147million in the construction budget. It's the same budget that the Board of Trustees approved in June and September 2020. The component units of the operating budget were discussed with accentuation to the international program which was severely impacted by COVID-19. Credit hours budgeted for 2020-2021 were shown in graphs. There are approximately 45,000 additional credit hours generated that were not anticipated. These unanticipated funds will help offset any reductions and pose a positive aspect to the budget.

Next discussed were the financial impacts of COVID-19. The shared chart explains the loss revenues and projected loss revenues of individual departments. The losses are in predominately auxiliary enterprises. To better explain the impacts that COVID-19 had, Kyle gives greater details of the international program's losses since it was one of the hardest hit areas; athletics and housing were significantly impacted as well. President Thrasher and Kyle met with different groups to create plans to prepare and take care of existing teams. Each Vice President created strategies and plans to make the appropriate reductions needed, yet continue to perform strategically at high levels to make the goals as relates to US news performance preeminence.

Chairman Sasser asked about the COVID-19 infection rate and the testing on campus. Kyle explained the challenges faced at the beginning but with all teams working together, improvements were made. Kyle complements Dr. Zedaker and the College of Medicine working with Tallahassee Memorial Hospital to insure the testing site and lab; Dr. Pritchard has been working with contact tracing so can have advantage over the virus spread. CDC Director visited campus and was very impressed with FSU. President Thrasher made comment on the good work all accomplishments. He explains the plan for students for Thanksgiving Break. Kyle mentions the extra precautions and procedures taken for safety while on campus and safety measures for testing on campus. There is an anticipation of a larger number of students for Spring semester and a plan for having the ability to test everyone. Vaccination procedures are being discussed for when it's available to the campus community. Dr. Zedaker will also oversee the vaccination efforts. Chairman Sasser asks what the positivity rate in Florida is at the time. Kyle states that the rate of FSU campus relative to the county is lower than the county, but more exact numbers will be given at the full board meeting.

Kyle next explains the analysis of the CARES act funding and its relativity to the federal funding and the fund's allocations. The Department of Education and Dr. McCall will continue to assist and make sure all operational funding is leveraged responsibly.

Governor De Santi's 6% hold back for all state agencies and its ramification of the E&G funds were explained; for FSU, this is an estimate of \$30 million from the budget. Kyle reminds that there are no planned operations or maintenance for new buildings, and no tuition increases will be given.

ii. Student Union

COVID-19 has impacts on the advancement of the Student Union construction. Unforeseen conditions, COVID-19 impacts and cost increases of the Student Union project were explained. With the help of project changes and funding resources, the Student Union is expected to get back on track. Cam Whitlock of Whitlock and Associates and Jay Smith of Ajax construction are acknowledged for their support. The time line was impacted, so completion date is now estimated for October 2021. Financial penalties will initiate December 2021 if not completed prior. New Chief Facilities Officer, Dave Irvin was commended for confidently taking over the project and bringing in new aspects and explanations.

iii. Graduate Assistants Union

After twenty-eight sessions of negotiations, agreements were met. The agreement was explained and discussed.

Meeting Adjourned at 2:59pm(EST)