



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 3, 2022
SUBJECT: Finance and Business Committee Meeting

The Board of Trustees Finance and Business Committee is scheduled to meet from 5:00pm to 7:00pm on Tuesday, February 3, 2022 virtually. Items to be discussed at the meeting include:

- I. Request for Approval of Minutes from October 26, 2021 Meeting
- II. Actions Items:
 1. Request for Approval: 2022-2023 Budget Projections for Auxiliaries with Outstanding Revenue Bonds (Consent)
 2. Request for Approval: FSU Research Foundation \$44M Interdisciplinary Research and Commercialization Building (IRCB) Financing (Full Board)
 3. Request Approval: Regulation Amendment FSU-2.02422. Special Fines, Fees, and Penalties (Consent)
- III. New Business
- IV. Other Business
 1. 2021 Annual Financial Report
- V. Adjourn

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

Tuesday, October 26, 2021

Members Present: Max Alvarez, Jim Henderson, Peter Collins, Jorge Gonzalez, Drew Weatherford

I. Call to Order at 2:26pm (EST)

II. Approval of September 23, 2021 Minutes

III. Action Items:

i. Request for approval: Status Report on Construction Projects over \$2.0 million and Change Orders (Consent)

- a. Vice President Clark began with the Major Construction Projects Summary Report listing projects over \$4 million dollars. Eight projects are on the list and currently active. The first project reviewed was the Student Union. The Student Union's challenges, costs, and timeline were discussed. After discussing, questions were acknowledged. Chairman Henderson asked if there was a performance bond on the project. Larry Rubin explained, projects over \$200,000 is bonded with bigger projects having a more robust bond. Trustee Alvarez commented on the construction challenges at this time. Trustee Weatherford inquired of the contractor's rationale behind asking for \$3 million additional dollars. Vice President Clark clarified that it is pertaining to site issues and unexpected costs in materials and equipment. Trustee Weatherford asked for an explanation of the adjusted timeline. Vice President Clark explained that the Student Union was supposed to be completed in May of 2021. Currently, the completion date is tentatively May 2022. The timeline is indefinite due to supply issues. Ajax is the contractor for the Student Union and discussions with them regarding cost, timeline, and supplies will continue.

Chairman Henderson questioned efforts on the Interdisciplinary Research and Commercialization Building and the College of Business Building. Vice President Clark explained a third vendor party was hired to create budgets for these buildings. Both range about 30% higher in cost than anticipated. IRCB has funds if needed and will break ground approximately Winter of 2022. The College of Business Building is not fully funded, and the design documents are not complete. Phasing the project's construction in pieces is being discussed as a solution. Vice President Clark commented on the other projects listed, Huffman Teaching Lab, Bio Unit One, STEAM Classroom Building, Center for Advanced Power

Systems and Bayside Residence Hall in Panama City are complete except a few punch-list items and closing out financials. Approval for the status report to go before the full board in November is requested.

Motion for Approval: Approved

IV. New Business

i. Collective Bargaining Update

Associate Vice President Gibbs explained that bargaining is complete for this year except for one outstanding contract with the United Faculty of Florida (UFF). UFF includes the teachers in the developmental research school; discussions will start November 2nd. Final negotiation for GAU, AFSCME, FNA, and PBA bargaining groups were discussed. Two collective bargaining multi-year agreements were signed with PBA and GAU. Vice President Clark explained the process behind gathering market data used for determining faculty and graduate student wages. The cost of living and merit promotions are other factors figured when negotiating contracts.

ii. FSU Police Department Overview & Security Report

Vice President Clark stressed the importance of knowing the services and mission of the FSUPD. He introduced Chief Maloy to explain with more detail the services provided by FSUPD. Chief Maloy described that the Department's mission is to promote a safe and secure higher education environment while providing proactive police service. Customer service is the key component to the Department's success and in keeping the University a welcoming and safe place for faculty, staff, students, and visitors. The core values of pride, enthusiasm, professionalism, and integrity are important as well.

The Department is a full-service, accredited law enforcement agency with eighty-four sworn officers and numerous support staff, which includes the Panama City campus and The Ringling campus in Sarasota. The command staff and specialty units were broken down and an FSUPD organizational chart was provided. Education is top priority with the agency. Officers attend many training programs. The variety of safety programs available to the FSU community were discussed. To keep relationships strong, communication is constant between officers, deans, and students.

Chief Maloy presented the annual Security and Fire Safety Report. The history of the report, called Clery Act & Crime Reporting, was explained along with all the information the report entails. Safety & Crime Prevention efforts were also discussed.

Vice President Clark added, the biggest challenge is pedestrian safety. Efforts are continuing with state and county officials to improve pedestrian safety.

iii. Enrollment Trends

Vice President Clark brought to light; FSU is currently up on enrollment hours. There are currently 34,000 additional semester hours for in-state students than budgeted for. There are almost 16,000 more semester hours for out-of-state students than budgeted for. There are over 50,000 tuition differentials. This would bring additional non-recurring funds that could be spent one time on strategic initiatives. The situation is being monitored closely and Chairman Henderson will be kept up to date while the situation progresses.

iv. Stimulus Money Update

Approximately \$155 million was received from the federal government. After funds are disbursed to appropriate areas, about \$30 million will be left for operating funds to help mitigate the effects from COVID-19. These funds are to be spent by the end of April 2022.

v. Audit Updates

Vice President Clark gave updates on current audits that were taking place. Recently an audit for the stimulus money occurred with no issues to report; the University's operational audit is almost complete. The financial statements are being finalized and the state auditor is starting to review. The Board of Governors is currently working on a comprehensive audit on State University System's direct support organizations controls.

Chairman Henderson asked for any ideas the committee might want to hear reported in the future. State funding was suggested by Chairman Henderson. Vice President Clark asked for emails on different ideas for his presentation as it relates to state funding, along with continuing discussions on student fees. The rating process is another topic that will be discussed with the committee in the future.

Meeting Adjourned at 4:32pm (EST)



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

MEMORANDUM

TO: Richard McCullough, President

FROM: Kyle Clark, Vice President for Finance & Administration

DATE: February 3, 2022

SUBJECT: Request for Approval
2022-2023 Budget Projections for Auxiliaries with Outstanding Revenue Bonds

The Board of Governors Regulation 9.008 “University Auxiliary Facilities with Outstanding Revenue Bonds” was amended effective June 22, 2017, to include additional language regarding maintenance and equipment reserves, as well as reporting requirement clarifications, for certain auxiliary revenue bond issues.

The university’s Housing System and Parking System auxiliary revenue bonds contain covenant language requiring an annual Income and Expenditure Statement be submitted to the Board of Governors for approval. The operating budgets for these auxiliary facilities must be approved by the University Board of Trustees in advance of submission to the Board of Governors. The Board of Governors is charged with approving the Income and Expenditure Statements as required by bond covenants that have been previously endorsed by the respective University Board of Trustees.

I recommend approval of the 2022-2023 Budget Projections for Auxiliaries with Outstanding Revenue Bonds.

KC

Attachments

**HOUSING SYSTEM REVENUE BONDS
INCOME AND EXPENDITURE STATEMENT**

	2020-2021 Actual	2021-2022 Estimated	2022-2023 Projected
Revenue			
Operating Revenues	\$ 32,755,792	\$ 49,163,667	\$ 51,064,491
Interest Income - Operating Funds	631,880	613,025	459,769
Interest Income - Reserve Funds	882,577	807,291	744,773
Other	1,968,862	3,190,875	505,100
Total Revenues	36,239,111	53,774,858	52,774,133
Expenditures			
Salaries and Matching	9,239,639	11,203,715	11,203,715
Other Personal Services	2,025,856	3,028,667	3,457,720
Operating Expenses	7,143,989	8,321,870	9,049,500
Repairs and Maintenance	1,126,246	2,737,652	2,250,000
Debt Service	15,289,560	14,675,000	14,720,000
Repair and Replacement Expense	930,000	4,200,000	4,200,000
Operating Capital Outlay	0	90,750	90,750
Other Expense & Transfers Out	3,702,055	3,065,870	3,057,675
Total Expenditures	39,457,345	47,323,524	48,029,360
Transfers Out From Reserve Fund	0	5,676,000	0
Net Income	(3,218,234)	775,334	4,744,773
Beginning Balance	76,799,251	73,581,017	74,356,351
Ending Balance	\$ 73,581,017	\$ 74,356,351	\$ 79,101,124

	2020-2021 Actual	2021-2022 Estimated	2022-2023 Projected
Reserve Fund - Beginning Balance	\$ 47,748,085	\$ 49,394,066	\$ 49,651,685
Interest Income	882,577	807,291	744,773
Transfers In	763,404	5,126,328	4,000,000
Transfers Out	0	(5,676,000)	0
Reserve Fund - Ending Balance	\$ 49,394,066	\$ 49,651,685	\$ 54,396,458

**PARKING SYSTEM REVENUE BONDS
INCOME AND EXPENDITURE STATEMENT**

	2020-2021 Actual	2021-2022 Estimated	2022-2023 Projected
Revenue			
Operating Revenues	\$ 11,608,872	\$ 12,607,179	\$ 12,656,000
Interest Income - Operating Funds	148,674	165,000	95,309
Interest Income - Reserve Funds	64,345	33,158	35,000
Other	559,100	0	0
Total Revenues	12,380,991	12,805,337	12,786,309
Expenditures			
Salaries and Matching	1,174,092	1,320,827	1,435,499
Other Personal Services	41,916	62,199	150,000
Operating Expenses	3,145,134	4,685,001	4,662,666
Repairs and Maintenance	192,730	168,950	163,977
Debt Service	4,739,296	4,739,560	3,966,437
Repair and Replacement Expense	0	0	0
Operating Capital Outlay	0	0	0
Other Expense & Transfers Out	166,251	408,799	252,865
Total Expenditures	9,459,419	11,385,336	10,631,444
Transfers Out From Reserve Fund	26,910	0	0
Net Income	2,894,662	1,420,001	2,154,865
Beginning Balance	9,127,853	12,022,515	13,442,516
Ending Balance	\$ 12,022,515	\$ 13,442,516	\$ 15,597,381

	2020-2021 Actual	2021-2022 Estimated	2022-2023 Projected
Reserve Fund - Beginning Balance	\$ 3,605,985	\$ 3,670,330	\$ 3,703,488
Interest Income	64,345	33,158	35,000
Transfers In	26,910	0	0
Transfers Out	(26,910)	0	0
Reserve Fund - Ending Balance	\$ 3,670,330	\$ 3,703,488	\$ 3,738,488



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FINANCE AND ADMINISTRATION
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MEMORANDUM

TO: Richard McCullough, President

FROM: Kyle Clark, Vice President for Finance & Administration

DATE: February 3, 2022

SUBJECT: Request for Approval
FSU Research Foundation \$44M Interdisciplinary Research and
Commercialization Building (IRCB) Financing

In compliance with the Board of Governors Debt Management Guidelines, The Board of Trustees must adopt a formal resolution(s) requesting the Board of Governors approval to issue debt in an amount not to exceed \$45,000,000 for the purpose of financing a portion of IRCB.

I recommend approval of the attached resolution, authorizing the FSU Research Foundation to issue debt not to exceed \$45,000,000 for IRCB.

KC

Attachments



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

MEMORANDUM

TO: Richard McCullough, President

FROM: Kyle Clark, Vice President for Finance & Administration

DATE: February 3, 2022

SUBJECT: Request Approval of Regulation Amendment
FSU-2.02422. Special Fines, Fees, and Penalties

This proposed amendment clarifies the definition of “cost” as it relates to the Housing fee. Neither the applicable statute, Section 1009.24(14)(j), F.S. nor the corresponding Board of Governor’s Regulation, BOG-7.003, Fees, Fines and Penalties limits the housing rates to “cost”, but the current Florida State University Regulation sets housing rates at “cost”. See FSU-2.02422. Special Fines, Fees, and Penalties.

These fees are all currently dedicated to and used solely for housing program purposes but clarification of the applicable definition of “cost” would be useful. Such fees may also be needed and appropriate for payments if required by bonding and for a reserve for facility replacement. This amendment will provide that the “cost” definition specifically includes such charges and expenses and clarify any possible ambiguity.

This proposed amendment complements and does not conflict with the general definition of “cost” in BOG 7.003 which provides: “For purposes of clarification, the term "at cost" or "cost" as used in this regulation includes those increased costs that are directly related to the delivery of the goods, services, or programs.

I recommend this proposed regulation amendment be submitted to the Board of Trustees for approval

KC

Attachments

FSU-2.02422. Special Fines, Fees, and Penalties.

The Board of Trustees must authorize all tuition and fees assessed. Accordingly, the specific fines, fees and penalties listed in this section, and the tuition and fees defined in Regulation FSU-2.024, are the only fees that may be charged without specific approval of the Board, except as authorized by Florida Statute:

- (1) A nonrefundable application fee \$30.00
- (2) An orientation fee \$35.00
- (3) A fee for security, access, or identification card:
 - (a) Annual card fee (\$5.00 each, Fall and Spring Semester) \$10.00
 - (b) Replacement card fee \$15.00
- (4) A service charge for the payment of tuition in installments \$15.00
- (5) A late registration fee to be assessed to students who fail to initiate registration during the regular registration period \$100.00
- (6) A late payment fee to be assessed to students who fail to pay tuition and fees or who fail to make appropriate arrangements to pay (by means of installment payment, deferment, or third-party billing) by the tuition and fee deadline set by the university \$100.00
- (7) Materials and supply fee (lab fees) to offset the cost of materials and supplies consumed during the course of the student's instructional activities, excluding the cost of equipment replacement, repairs and maintenance Cost
- (8) A fee for miscellaneous health-related charges for services provided at cost by the university health center which are not covered by the health fee set under Section 1009.24(11), F. S Cost
- (9) Housing rental rates and miscellaneous housing charges for services provided by the university at the request of the student Cost
Housing costs may include amounts as required by existing bonds and for long term replacement of the particular facilities.

(10) A charge to represent the reasonable efforts to collect overdue accounts Cost

(11) A service charge on university loans in lieu of interest and administrative handling charges..... \$5.00

(12) Library fines and charges, including:

(a) Damaged and lost library materials, interlibrary loans, and literature searches Cost

(b) Overdue per book or unit per day Not to exceed \$2.00

(c) Overdue Reserve Materials
per book or unit per hourNot to exceed \$4.00 (\$40.00)

(13) Fees relating to duplicating, photocopying, binding, and microfilm services; copyright services, and standardized testing Cost

(14) Fees and fines relating to the use, late return, and loss and damage of facilities and equipment Cost

(15) Returned check fee for unpaid checks returned to the university As provided by Section 832.07, F.S.

(16) Traffic and parking fines, charges for parking decals or permits, and transportation access feeAs provided by FSU-2.009

(17) An Educational Research Center for Child development fee for childcare and services offered by the center..... Cost

(18) Fees for academic transcripts \$10.00

(19) Diploma replacement \$10.00

(20) Internet Payment Convenience Fee Cost

(21) Developmental Research School Fees: Activities Fee Variable

(22) The university president will authorize additional fees in order to meet specific higher education needs of the State when special circumstances result in specific, identifiable increased costs to a university. These fees will be in addition to the regular Student Credit hour fees charged to students enrolling in these courses on-campus. The additional fees charged shall be sufficient to recover all increased costs. The university shall remit the regular Student Credit hour fees

collected for these courses to the appropriated Student Fee Trust Funds. The university shall use the additional fees to cover the increased cost of these courses and reimburse the appropriate Educational and General fund, or the appropriate other fund if the costs are incurred in other than Educational and General funds Variable

(23) Each university president or president's designee will authorize additional fees for off-campus course offerings in order to meet specific higher education needs of the State when special circumstances result in specific, identifiable increased costs to the university. These fees will be in addition to the regular Student Credit hour fees charged to students enrolling in courses on campus. The additional fees charged shall be sufficient to recover all increased costs. The university shall retain the additional fees collected. The university shall use the additional fees collected to cover the increased cost of these courses and reimburse the appropriate Educational and General fund, or the appropriate other fund if the costs are incurred in other than Educational and General funds Variable

(24) Other miscellaneous fines, fees and penalties as approved by the Board of Trustees and authorized by state law.

(25) Each applicant to the university as a freshman (otherwise known as FTIC, First Time in College) or as a law or medical student shall submit a nonrefundable \$200 admissions deposit upon the applicant's acceptance to the university. If the student enrolls, the deposit will be applied towards tuition. If the applicant does not enroll, the deposit will be used as specified in Section 1009.24(14), F.S. The deposit will be waived only upon demonstrated inability to pay.

(26) A technology fee of 5 percent of the tuition per credit hour, beginning with the fall term of the 2010-2011 academic year. The revenue from this fee shall be used to enhance instructional technology resources for students and faculty. The technology fee shall not be included in any award under the Florida Bright Futures Scholarship Program.

Specific Authority: Art. IX, Sec 7, Florida Constitution, BOG Regulation 1.001, BOG Reg. Procedure July 21, 2005. Law Implemented: BOG Regulation 7.003; s. 1009. 24, Florida Statutes History--New 5-5-03, Amended 9-30-03, 10-21-04, 8-3-05, 2-12-07, 11-29-07, 4-3-2008, 2-26-2009, 9-17-2009, 6-25-2010, 9-9-2011, 11-21-2014, 2-19-21, _____