

MINUTES

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
TALLAHASSEE, FLORIDA
MARCH 28, 2019

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and its Committees are accessible at <http://www.flbog.edu/>.*

Mr. Syd Kitson, Chair, convened the meeting of the Budget and Finance Committee at 11:19 a.m. Members present for roll call were Tim Cerio, Wayne Huizenga, Ned Lautenbach, Fernando Valverde, and Jalisa White. Other Board members present included Shawn Felton, Pat Frost, Darlene Jordan, Alan Levine, Ed Morton, Jay Patel, Norman Tripp, and Zach Zachariah.

1. Call to Order

Mr. Kitson called the meeting to order.

2. Minutes of Committee Meeting

Mr. Lautenbach moved that the Committee approve minutes from the January 31, 2019, meeting. Mr. Huizenga seconded the motion, and members of the Committee concurred.

3. FAMU and UCF Carryforward Plan Update

Mr. Kitson recapped the discussion from the January meeting in which each university presented their institution's carryforward expenditure plan. During the Florida Agricultural and Mechanical University (FAMU) presentation, Trustee Moore indicated that the university was working on a plan to obligate \$8.9 million that was previously held as a Trustee Reserve.

Trustee Vice Chair Moore presented the FAMU plan.

Mr. Huizenga moved that the Committee approve the FAMU carryforward plan as presented. Ms. White seconded the motion, and members of the Committee concurred.

Mr. Kitson reminded the Committee that, during the January meeting, the Committee approved \$20 million in carryforward for numerous deferred maintenance projects. However, the Committee did not approve \$40 million requested for a scholarship program and \$20.5 million for other educational projects. The university has updated their plan and Trustee Chair Garvey is here to present the information.

The Committee commended UCF Trustees for looking at the plan and providing more detail on the particular uses of carryforward funds.

Mr. Lautenbach moved that the Committee approve the UCF carryforward plan as presented. Ms. Huizenga seconded the motion, and members of the Committee concurred.

Mr. Kitson reminded the universities that the detailed carryforward plans and Trustee scrutiny is exactly what is expected of Boards.

4. Auxiliary Facilities that have Bond Covenants Requiring Approval of Estimated 2019-2020 Operating Budgets

Mr. Tim Jones presented the university auxiliary budgets. He noted that additional scrutiny and clarification of inputs have been requested.

Mr. Lautenbach moved that the Committee approve the auxiliary operating budgets as presented. Mr. Huizenga seconded the motion, and members of the Committee concurred.

5. Legislative Budget Update

Mr. Jones presented an overview of the House and Senate budget recommendations. He noted that an amendment was filed to delete \$295,000 for Board Office IT projects and move those resources to the University of Florida – Institute of Food and Agricultural Sciences (IFAS).

6. 2020-2021 Legislative Budget Request Guidelines

Mr. Kitson noted that no changes have been made to the guidelines that were presented at the January meeting.

Mr. Huizenga moved that the Committee approve the guidelines as presented. Mr. Lautenbach seconded the motion, and members of the Committee concurred.

7. Board of Governors Regulations

Mr. Kitson requested that Mr. Jones present the next two regulations.

Mr. Jones reviewed the change to Regulation 9.014 – Collegiate License Plate Revenues. There is one change to reflect an allocation modification made by the UNF Board of Trustees.

Mr. Huizenga moved that the Committee approve the guidelines as presented. Ms. White seconded the motion, and members of the Committee concurred.

Mr. Jones reviewed Regulation 9.007 – State University Operating Budgets. The proposed changes include requiring Boards of Trustees to approve carryforward budgets and defining repair, maintenance, and renovations. It is expected that more changes may be necessary once the legislative session is over. Staff will revisit this regulation and bring final changes to the Committee in June.

Mr. Kitson stated that these changes are extremely important, especially the requirement that Trustees be more active in reviewing the carryforward budgets. Even though we are not noticing these changes at this time, Mr. Kitson directed each university to implement a process to take the carryforward budget to the Board of Trustees for approval starting with the upcoming 2019-2020 budget cycle.

Mr. Kitson reiterated the importance of Trustees continuing their involvement and fiduciary responsibility when it comes to reviewing the universities' budget.

Mr. Kitson asked the Committee about their thoughts on having the President and CFO certify that funds are being spent according to State Statute and Board of Governors Regulation. The Committee thought it was a good idea.

Governor Tripp recommended that Board of Trustee Chairs sign the certification as well. Members agreed.

Mr. Kitson directed staff to work on a certification form that universities would submit with the operating budget materials.

8. Financial Training Update

Mr. Jones reviewed the financial training materials that have been provided to each university. He noted that FAMU and UNF have already provided the training material to their Trustees. Mr. Jones stated the information is on the Board's website as a resource for all universities.

9. Concluding Remarks and Adjournment

Mr. Kitson informed the Committee that a firm has been selected to review university business processes. Crowe LLP, working with Huron Consulting Group, was the selected firm. They will begin work immediately, present an oral report at the August meeting, and a final report at the October meeting.

Having no further business, the meeting was adjourned at 11:55 a.m.

Tim Jones, Vice Chancellor
Finance and Administration

Syd Kitson, Chair