

MINUTES

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
FLORIDA STATE UNIVERSITY
JANUARY 24, 2024

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1. Call to Order and Opening Remarks

Mr. Levine, Chair, convened the meeting of the Budget and Finance Committee at 10:45 a.m. on January 24, 2024. Members present for roll call were: Tim Cerio, Pat Frost, Jack Hitchcock, Brian Lamb, Charlie Lydecker, and Eric Silagy.

2. Minutes of Committee Meeting held on November 8, 2023

Mr. Jones moved that the Committee approve the meeting minutes from November 8, 2023. Mr. Silagy seconded the motion, and members of the Committee concurred.

3. Approval of a Loan at Florida State University

Mr. Levine introduced the next item which allows Florida State University (FSU) to execute a loan to their athletics department in accordance with Regulation 9.013. This loan was approved by the FSU Board of Trustees the same morning. This issue is a little different than the ones we are use to dealing with. Given the uncertainty of the amount of loan needed, Mr. Levine proposed giving FSU provisional authority today and delegating to the Chair the final authority once all the details have been worked out if that should be the mood of the Board.

Mr. Lamb indicated that this is a pretty unique situation and has a lot of confidence in the Board of Trustee Chair, the president and the athletic director. Mr. Lamb indicated he is glad to help anyway the Committee sees fit.

Mr. Silagy stated that he is a champion of giving universities more flexibility in the way they use their resources, especially non-appropriated funds. However, Mr. Silagy expressed concerns about the process of delegating this to the Chair and this would not be considered a best practice. Mr. Silagy asked that the Committee consider this given the Board's fiduciary responsibilities. Mr. Silagy indicated he is supportive of what FSU is trying to do but is concerned about the process.

Mr. Levine thanked Mr. Silagy for his comments and reiterated that Mr. Silagy is supportive of the loan, just concerned about the process and delegation to the Chair and the precedent this might set.

Mr. Kyle Clark, Vice President of Finance & Administration at FSU presented the issue. Mr. Clark reviewed Regulation 9.013 with the Committee and noted the loan was for strategic non-capital issues within the athletics department. Mr. Clark stated that no appropriated funds would be used, there is no amount or timeline associated with the loan, and there are established procedures to ensure the transaction is recorded appropriately.

Mr. Clark reiterated that they are committed to meeting all the requirements in the Board regulation.

Mr. Levine read the requirements of the regulation and what is expected to be submitted as a part of the review of any use of auxiliary funds to ensure transparency. So, the issue that needs to be resolved is an issue of process. Mr. Levine asked the FSU Board of Trustees Chair Collins and the president if they would entertain a provisional approval and come back to the Board with the details, once they are known and we can have a special meeting to consider the item.

Chair Collins stated that they don't have any details at the moment and coming back isn't that big of an issue, it's just the fact they would have to come back again. Right now, they don't know when that would be, what it will be for, or if it will even happen.

Chair Lamb committed to moving with agility the minute we need to get something done in a fair and transparent way.

Mr. Levine offered the following motion to provisionally authorize the university to loan funds to their athletics department with the understanding that the loan of funds will adhere to Board Regulation 9.013 and ultimately, with the final approval of the transaction including the loan amount and terms and the applicable impact to auxiliaries, would return to the Board of Governors for final approval in an expediated meeting in accordance with Florida law.

Mr. Silagy moved the motion and Mr. Ken Jones seconded the motion, and members of the Committee concurred.

4. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 10:57 a.m.

Tim Jones, Senior Vice Chancellor
Finance and Administration

Alan Levine, Chair