

Budget, Finance, and Facilities Committee

Meeting Materials

August 9, 2018

Action Item:

Approval of 2018-2019 Final Operating Budget

Budget, Finance & Facilities Committee

August 9, 2018

Agenda Item: 2018-19 Budget

Item Origination and Authorization				
Policy ____	Award of Bid ____	Budget Amendment ____	Change Order ____	
Resolution ____	Contract ____	Grant ____	Other ____	X

Action of Board				
Approved ____	Approved w/ Conditions ____	Disapproved ____	Continued ____	Withdrawn ____

Subject: Approval of Fiscal Year 2018-19 Final Operating Budget

Rationale: Pursuant to Board of Governor’s Regulation 9.007 State University Operating Budgets, the FY 2018-19 preliminary operating budget must be approved by the University Board of Trustees (BOT) prior to submission to the Board of Governors. The final operating budget is due to the Board of Governors by August 20, 2018.

Attachments: 2018-19 Final Operating Budget

Recommendation: It is recommended that the Board of Trustees approve the 2018-19 Final Operating Budget.

Prepared by: Budget Office

Approved by: Vice President Wanda Ford

FLORIDA A&M UNIVERSITY
2018-19 E&G PRELIMINARY OPERATING BUDGET

ADMINISTRATION	2017-18 BASE BUDGET	2017-18 NONRECURRING	5% BUDGET REDUCTIONS	2018-19 BASE BUDGET	WORLD CLASS FACULTY & SCHOLAR PROG	PROFESSIONAL/ GRAD DEGREE PROGRAM	OPERATIONAL SUPPORT	2018-19 E&G BUDGET	2018-19 TITLE III BUDGET	TOTAL 2018-19 BUDGET
PRESIDENT	1,724,884		(96,490)	1,628,394				1,628,394	555,517	2,183,911
CONTRACTS AND GRANTS	401,388		(18,669)	382,719				382,719		382,719
COMMUNICATIONS	1,256,788		(65,100)	1,191,688				1,191,688		1,191,688
VP ADMINISTRATION	9,055,881		(306,643)	8,749,238				8,749,238	350,000	9,099,238
VP DEVELOPMENT	1,429,972		(58,067)	1,371,905				1,371,905	330,000	1,701,905
VP AUDIT AND COMPLIANCE	1,071,012		(34,398)	1,036,614				1,036,614		1,036,614
VP LEGAL AFFAIRS	1,633,960		(65,855)	1,568,105				1,568,105		1,568,105
ITS	8,782,720		(421,780)	8,360,940				8,360,940	571,368	8,932,308
VP STRATEGIC PLANNING	1,880,321		(4,931)	1,875,390				1,875,390	850,000	2,725,390
UNIVERSITY RESERVES			7,000,235	7,000,235				7,000,235		7,000,235
CAMPUS SECURITY	2,919,971			2,919,971				2,919,971		2,919,971
TOTAL ADMINISTRATION	30,156,897	0	5,928,302	36,085,199		0	0	36,085,199	2,656,885	38,742,084
PLANT OPERATIONS & MAINTENANCE										
PHYSICAL PLANT	19,066,366		(980,564)	18,085,802				18,085,802		18,085,802
FACILITIES PLANNING	1,195,884			1,195,884				1,195,884		1,195,884
ENVIRONMENTAL SAFETY	891,776			891,776				891,776		891,776
TOTAL PO&M	21,154,026	0	(980,564)	20,173,462		0	0	20,173,462		20,173,462
LIBRARIES	4,429,002		(234,496)	4,194,506				4,429,002	486,789	4,915,791
STUDENT SERVICES										
VP STUDENT AFFAIRS	9,735,673		(259,814)	9,475,859			298,000	9,773,859		9,773,859
TUITION Differential NEED BASE	2,100,000			2,100,000				2,100,000		2,100,000
WOMEN ATHLETICS	734,790		(35,362)	699,428				699,428		699,428
TOTAL STUDENT SERVICES	12,570,463	0	(295,176)	12,570,463		0	298,000	12,573,287		12,573,287
TOTAL NON I&R	68,310,388	0	4,418,066	68,310,388		0	298,000	73,260,950	3,143,674	76,404,624
INSTRUCTIONS AND RESEARCH										
VP ACADEMIC AFFAIRS	8,522,140	(1,000,000)	(4,418,066)	3,104,074			3,940,309	7,044,383	3,429,600	10,473,983
ESI	1,708,736			1,708,736				1,708,736		1,708,736
ARCHITECTURE	3,490,061			3,490,061				3,490,061		3,490,061
SOCIAL SCIENCES	13,387,018			13,387,018				13,387,018		13,387,018
SBI	7,521,476			7,521,476			149,897	7,671,373	115,433	7,786,806
CAFS and BROOKSVILLE	5,295,725			5,295,725				5,295,725	200,000	5,495,725
JOURNALISM	2,680,742			2,680,742				2,680,742		2,680,742
EDUCATION	6,399,878			6,399,878				6,399,878	158,372	6,558,250
NURSING	2,318,915			2,318,915			720,000	3,038,915	120,000	3,158,915
PHARMACY	12,321,187			12,321,187				12,321,187		12,321,187
ALLIED HEALTH	3,976,464			3,976,464				3,976,464	620,707	4,597,171
SCIENCE AND TECHNOLOGY	8,336,655			8,336,655			891,794	9,228,449	354,090	9,582,539
GRADUATE STUDIES	479,951			479,951				479,951		479,951
QEP	525,728			525,728				525,728		525,728
WORLD CLASS FACULTY/SCHOLAR PROGRAM	1,748,715			1,748,715	512,131			2,260,846		2,260,846
PROFESSIONAL/GRAD DEGREE PROGRAM	1,959,484			1,959,484		312,679		2,272,163		2,272,163
LAW SCHOOL	12,172,630			12,172,630				12,172,630		12,172,630
TUITION DIFFERENTIAL	4,900,000			4,900,000				4,900,000		4,900,000
TOTAL I&R	97,745,505	(1,000,000)	(4,418,066)	96,745,505	512,131	312,679	5,702,000	98,854,249	4,998,202	103,852,451
TOTAL ALLOCATED BUDGET	166,055,893	(1,000,000)	0	165,055,893	512,131	312,679	6,000,000	172,115,199	8,141,876	180,257,075
UNALLOCATED STUDENT FEE BUDGET AUTHORITY	5,272,491			5,272,491				5,272,491		5,272,491
GRAND TOTAL ALLOCATIONS	171,328,384	(1,000,000)	0	170,328,384	512,131	312,679	6,000,000	177,387,690	8,141,876	185,529,566

**FLORIDA A&M UNIVERSITY
REALLOCATION ENHANCEMENT**

FLORIDA A&M UNIVERSITY REALLOCATION ENHANCEMENT		
1) Scholarships *		700,000
2) Terminal Leave Payout *		1,000,000
3) University Reserve *		3,500,235
4) FAMU Website **		500,000
5) Replacement of Boiler **		1,300,000
Total 5% Budget Reductions		7,000,235
* Recurring ** Non-Recurring		

1. These funds will be used to provide student scholarships.
2. In the past three years terminal leave payouts have been an average of \$800,000. Prior to major budget cuts by the legislature, the University used a forced salary lapse to cover the payouts. This allocation would allow the University to re-institute the salary lapse process.
3. The reserve amount will be added to the University's carryforward. This funding is over and beyond the 5% required by the BOT and the 5% mandated by the BOG.
4. The FAMU website is critical for communication and recruitment at the University. The current website is out of date. It was built 18 years ago and it is not functional in a 21st century environment.
5. The replacement of the Central Plant Boiler is a campus critical infrastructure priority. The boiler is currently not operable and a complete refurbishment of internal tubing and new controls are required. Any additional failures can jeopardize the campus infrastructure grid, especially the heating system.

FLORIDA A&M UNIVERSITY GENERAL OPERATIONAL ENHANCEMENTS*		
		Recommendation
Enhancing Pathways to Degree Attainment		
Enhance Academic Support Services to Increase Retention and Graduation Rates		
25 Intrusive Advisors and Academic Coaches		1,250,000
100 Peer Mentors/Peer Tutors		300,000
Early Alert System		100,000
ALEK Testing		45,000
Living Learning Communities (LLC)		200,000
Predictive Analytics		100,000
Student Support - 2 Title IX, IGNITE Assistant Director, and Licensed Psychology		298,000
Summer Bridge		100,000
SLS Courses		80,000
Total Enhance Academic Support Services		2,473,000
Strengthen Academic Programs		
1 Nursing Faculty		240,000
2 SOAHS Faculty		480,000
5 Math and 2 Organic Chemistry Instructors		600,000
2 Cybersecurity Faculty		291,794
1 Business Analytics Faculty		149,897
Support Packages for New and Existing Faculty		575,000
General Operating Support		375,965
Laboratory Instrumentation and Instruct Tech		614,344
Total Strengthen Academic Programs		3,327,000
Online Course Offerings		
1 Instructional Designers		100,000
Faculty Training and Development		100,000
Total Online Course Offerings		200,000
Total Enhancing Pathways to Degree Attainment		6,000,000

*These *recurring* funds were appropriated by the 2018-2019 General Appropriations Act , HB5001. The University requested \$14 million in the BOT approved 2018-19 Legislative Budget Request for general operational enhancements and received a total of \$6m in recurring funds (as shown above).

FLORIDA A&M UNIVERSITY						
2018-2019 E&G ALLOCATIONS						
	General Revenue	Lottery	Student Fees	Student Financial Assistance	Risk Management Insurance	Total Appropriations
2017-2018 FINAL BUDGET	\$87,877,609	\$13,304,267	\$67,801,614	\$624,417	\$1,410,483	\$171,018,390
2017-18 Non Recurring (On-line Course Offerings)	(\$1,000,000)					(\$1,000,000)
						\$0
2018-19 Beginning Base Budget	\$86,877,609	\$13,304,267	\$67,801,614	\$624,417	\$1,410,483	\$170,018,390
Fund Shift from GR to Lottery	(2,606,815)	2,606,815				\$0
Florida Retirement System Administrative Fee	261,250					\$261,250
Reduction 2017-18 Base PLUS Reduction of 2018-19 Appropriation for Institutional Investment in Performance Based Incentives.	(14,765,439)					(\$14,765,439)
Reduction 2017-18 Base for Institution Investment for Performance Funding						\$0
World Class Faculty and Scholar Program	512,131					\$512,131
Professional and Graduate Degree Excellence Program	312,679					\$312,679
Operational Support	6,000,000					\$6,000,000
						\$0
Total 2017-2018 Final Budget	76,591,415	15,911,082	67,801,614	624,417	1,410,483	162,339,011
Amendment #1 Performance Funding Allocation of Institutional Investment	14,765,439					\$14,765,439
Amendment #3 Risk Management Adjustment					283,240	\$283,240
2017-2018 GRAND TOTAL	91,356,854	15,911,082	67,801,614	624,417	1,693,723	177,387,690

FLORIDA A&M UNIVERSITY
STATE UNIVERSITY SYSTEM OF FLORIDA
2018-2019 OPERATING BUDGET
SUMMARY SCHEDULE I

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	-----Local Funds ⁴ -----							Faculty Practice Plan ⁵	Summary Totals
				Student Activities	Student Financial Aid	Concessions	Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees		
1 Beginning Fund Balance :	\$ 37,491,612	\$ (1,902,444)	\$ 38,347,486	\$ 1,145,025	\$ 2,897,745	\$ 215,632	\$ -	\$ 834,062	\$ -	\$ -	\$ -	\$ 79,029,118
3 Receipts/Revenues												
4 General Revenue	\$ 93,674,994											\$ 93,674,994
5 Lottery	\$ 15,911,082											\$ 15,911,082
6 Student Tuition	\$ 67,801,614											\$ 67,801,614
7 Phosphate Research												\$ -
9 Other U.S. Grants		\$ 50,782,250			\$ 33,575,287							\$ 84,357,537
10 City or County Grants												\$ -
11 State Grants		\$ 4,981,860	\$ 60,219		\$ 267,781							\$ 5,309,860
12 Other Grants and Donations					\$ 6,245,702							\$ 6,245,702
13 Donations / Contrib. Given to the State												\$ -
14 Sales of Goods / Services							\$ 3,322,000					\$ 3,322,000
15 Sales of Data Processing Services												\$ -
16 Fees			\$ 17,681,068	\$ 3,130,895	\$ 2,898,110		\$ 3,920,000	\$ 1,952,080				\$ 29,582,153
17 Miscellaneous Receipts			\$ 1,842,065		\$ 6,643,918		\$ 1,642,000					\$ 10,127,983
18 Rent												\$ -
19 Concessions			\$ 242,347			\$ 227,629	\$ 100,000					\$ 569,976
20 Assessments / Services												\$ -
21 Other Receipts / Revenues ⁶												\$ -
22 Subtotal:	\$ 177,387,690	\$ 55,764,110	\$ 19,825,699	\$ 3,130,895	\$ 49,630,798	\$ 227,629	\$ 8,984,000	\$ 1,952,080	\$ -	\$ -	\$ -	\$ 316,902,901
23 Transfers In			\$ 4,298,068				\$ 989,653					\$ 5,287,721
24 Total - Receipts / Revenues:	\$ 177,387,690	\$ 55,764,110	\$ 24,123,767	\$ 3,130,895	\$ 49,630,798	\$ 227,629	\$ 9,973,653	\$ 1,952,080	\$ -	\$ -	\$ -	\$ 322,190,622
25												
26 Operating Expenditures												
27 Salaries and Benefits	\$ 132,703,773	\$ 22,327,473	\$ 9,238,040	\$ 763,096	\$ 2,260,227		\$ 4,002,409					\$ 171,295,018
28 Other Personal Services	\$ 3,110,894	\$ 7,122,964	\$ 2,590,964	\$ 217,789	\$ 644,000		\$ 258,731					\$ 13,945,342
29 Expenses	\$ 34,953,900	\$ 21,555,145	\$ 20,557,498	\$ 1,241,756	\$ 46,625,616	\$ 281,549	\$ 5,712,513	\$ 2,119,845				\$ 133,047,822
30 Operating Capital Outlay	\$ 119,054	\$ 1,020,970	\$ 329,178	\$ 18,399				\$ 150,000				\$ 1,637,601
31 Risk Management	\$ 1,693,723											\$ 1,693,723
32 Financial Aid	\$ 624,417											\$ 624,417
33 Scholarships												\$ -
34 Waivers	\$ 130,838											\$ 130,838
35 Finance Expense												\$ -
36 Debt Service												\$ -
37 Salary Incentive Payments	\$ 1,514,846											\$ 1,514,846
38 Law Enforcement Incentive Payments	\$ 14,799											\$ 14,799
39 Library Resources	\$ 2,323,446											\$ 2,323,446
40 Institute of Government												\$ -

FLORIDA A&M UNIVERSITY
STATE UNIVERSITY SYSTEM OF FLORIDA
2018-2019 OPERATING BUDGET
SUMMARY SCHEDULE I

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	-----Local Funds ⁴ -----							Board - Approved Fees	Faculty Practice Plan ⁵	Summary Totals
				Student Activities	Student Financial Aid	Concessions	Intercollegiate Athletics	Technology Fee	Self-Insurance				
41 Regional Data Centers - SUS												\$ -	
42 Black Male Explorers Program	\$ 198,000											\$ 198,000	
43 Phosphate Research												\$ -	
44 Other Operating Category (Provide Details)												\$ -	
45 Total Operating Expenditures :	\$ 177,387,690	\$ 52,026,552	\$ 32,715,680	\$ 2,241,040	\$ 49,529,843	\$ 281,549	\$ 9,973,653	\$ 2,269,845	\$ -	\$ -	\$ -	\$ 326,425,852	
46													
47 Non-Operating Expenditures													
48 Transfers		\$ 4,257,706	\$ 18,509,791	\$ 1,423,180	\$ 300,000			\$ 136,191				\$ 24,626,868	
49 Fixed Capital Outlay												\$ -	
50 Carryforward (From Prior Period Funds)												\$ -	
51 Other ⁷												\$ -	
52 Total Non-Operating Expenditures :	\$ -	\$ 4,257,706	\$ 18,509,791	\$ 1,423,180	\$ 300,000	\$ -	\$ -	\$ 136,191	\$ -	\$ -	\$ -	\$ 24,626,868	
53													
54 Ending Fund Balance :	\$ 37,491,612	\$ (2,422,592)	\$ 11,245,782	\$ 611,700	\$ 2,698,700	\$ 161,712	\$ -	\$ 380,106	\$ -	\$ -	\$ -	\$ 50,167,020	
55													
56 Fund Balance Increase / Decrease :	\$ -	\$ (520,148)	\$ (27,101,704)	\$ (533,325)	\$ (199,045)	\$ (53,920)	\$ -	\$ (453,956)	\$ -	\$ -	\$ -	\$ (28,862,098)	
57 Fund Balance Percentage Change :	0	27.34%	-70.67%	-46.58%	-6.87%	-25.01%	#DIV/0!	-54.43%				-36.52%	

1. The Education and General budget funds the general instruction, research, and public service operations of the universities. Universities have accumulated ending fund balances for activities such as the implementation and maintenance of Enterprise Resource Program systems, contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in utilities, and prior year encumbrances (recorded, estimated liability at year-end for ordered or received goods or services), and compliance with Section 1011.40(2) F.S. on maintaining a 5% reserve.
2. The Contracts and Grants budget contains activities in support of research, public service, and training. Large fund balances are due to the timing of receipt of Federal contracts or grants.
3. Auxiliaries are ancillary support units on each university campus. Some of the major activities include housing, food services, book stores, student health centers, facilities management, and computer support. Ending fund balances includes financial activities such as debt service payments, reserve, repair and replacement reserves for future maintenance costs, construction /renovation of auxiliary facilities, and prior year encumbrances.
4. Local funds include the following university activities:
 - a. Student Activities - Supported primarily by the student activity and service fee and funds operations of the student government, cultural events, organizations, and intramural/club sports.
 - b. Financial Aid - This activity represents the financial aid amounts for which the university is fiscally responsible. Examples include: student financial aid fee, bright futures, federal grants, college work study, and scholarships. The ending fund balance represents a timing difference between the receipts of funds and disbursement to the students.
 - c. Concessions - These resources are generated from various vending machines located on the university campuses.
 - d. Athletics - Revenues are primarily derived from the student athletic fee, ticket sales, and sales of goods. Sufficient fund balances are maintained to provide the necessary support for ongoing athletic activities.
 - e. Technology fee - Collections are used to enhance instructional technology resources for students and faculty.
 - f. Self-Insurance Program - These programs are directed by the respective self-insurance councils and the captive insurance companies (These companies underwrite the risks of its owner and the owner's affiliates.). These activities are supported by premiums charged to the insured individuals and entities (primarily medical faculty and institutions).
 - g. Board-Approved Fees - Student fees proposed by each university and authorized by the Board of Governors to address specific student-based needs not addressed through another service or fee.
5. Faculty Practice - The Faculty Practice Plan collects and distributes income from faculty billings for patient services provided in conjunction with state university medical school programs.
6. Other Receipts/Revenues includes categories such as interest, penalties, refunds, admissions, fines, taxes, etc.
7. Other Non-Operating Expenditures includes categories such as refunds, payment of sales taxes, or indirect costs.

Action Item:

Approval of Center for Access and Student Success
(CASS) Amendment #3



Florida Agricultural and Mechanical University
Board of Trustees
ACTION ITEM

Budget, Finance & Facilities Committee
August 9, 2018
Agenda Item: CASS Amendment #3

Item Origination and Authorization				
Policy _____	Award of Bid _____	Budget Amendment _____	Change Order _____	
Resolution _____	Contract _____	Grant _____	Other _____	

Action of Board				
Approved _____	Approved w/ Conditions _____	Disapproved _____	Continued _____	Withdrawn _____

Subject:

Amendment #3 to the agreement between Owner and Construction Manager for the Center for Access and Student Success Building. **This cost is included in the total estimated project cost of \$40,728,149.**

Rationale and Benefit:

Background: The FAMU Center for Access and Student Success (CASS) is designed to be a multipurpose building serving as a one-stop shop for programs like recruitment, admissions, financial aid and enrollment management. This building will also house registrar, scholarship office, counselling services, and the Center for Disability Access and Resources.

This project will contribute towards improving the retention and graduation rates for students, by expanding outreach and recruitment, increasing counselling services, and improving the overall customer service for students, parents, and alumni.

Total funds requested for this project is \$40,728,149 (based on current estimate), of which \$16,155,000 has been received.

Current Status: To date, University has procured and selected A/E services and preconstruction services. University has also contracted for construction audit services.

The project team has completed the conceptual and advanced schematic design, site utility analyses, design development, early site package design phase and the full building design. Previously, Amendment #1 and Amendment #2 have been approved. These amendments focused on the utility work and the civil related work. Using the appropriated funding to date, the plan is to address building foundation, electrical and plumbing stub outs, vertical structure and steel and a roof, via Amendment #3. CASS will continue to remain #1 priority project on the University Capital Improvement Plan. The University will continue to seek necessary funding to complete the balance of the building construction and build out. In the event no funding is available next year, the



Florida Agricultural and Mechanical University
Board of Trustees
ACTION ITEM

University is prepared to invest up to \$3.5M to ensure the building shell is complete and the building is protected from the elements.

With funding appropriated to date, the University will complete the first three phases of the project by spring 2019.

Current Construction Manager Contract - \$3,756,359

Requesting Amendment #3 for Construction Manager - **\$9,442,497** (*current request*)

New contract amount - **\$13,198,856** (*if approved*)

Amendment #3 will incorporate provision of a building foundation, plumbing and electrical stub outs, vertical steel and structural package and a roof with shingles, as include in the design package issued by the project architect (JRA). The completion of this phase will be scheduled around June 2019.

Recommendation: Authorize the President to execute **Amendment #3** in the amount of **\$9,442,497** to the existing agreement with Ajax, subject to the review and approval of the Office of the General Counsel. **This cost is included in the total estimated project cost of \$40,728,149.**