Board of Trustees

Budget, Finance & Facilities Workshop

Wednesday, March 7, 2018

Florida Agricultural and Mechanical University
Welcome

Trustee Kimberly Moore
Budget, Finance, and Facilities Chair

Florida Agricultural and Mechanical University
Workshop Overview

PRESENTED BY

Wanda Ford, D. M.
Interim VP, Finance and Administration/CFO

Florida Agricultural and Mechanical University
FAMU’s Public-Private Partnership (P3) Process

PRESENTED BY

Jones Lang LaSalle
Public-Private Partnership Team

**External**
- P3 Development Team
- Architects & Engineers
- Construction
- US Department of Education
- Private Lenders
- City/County/State
- Blueprint

**Internal**
- Board of Trustees
- Senior Leadership Team
- Finance and Administration
- Student Affairs
- University Housing
- FAMU PD/Parking
- Facilities, POM, EHS
- ITS
- Auxiliaries
- Consultants
  - Master Plan
  - P3
  - Financial Analyst
  - Legal

**Regulatory**
- Board of Governors
- Division of Bond Finance
- Legislature and Governor
Public-Private Partnership Team

- Bryant Miller Olive
- FAMU
- NOVOGRADAC & COMPANY
- JLL
P3 Development Team

The team is led by Master Developer, CTG. CTG is one of the largest and most successful African American owned and operation development firms in the state of Florida. The firm is headed by its Chairman, Derrick Wallace, a FAMU alumnus.

To ensure the success of the P3 project, CTG has in place a Best in Class development team to perform specific services, including firms with extensive experience in Florida and on university campuses.

Key members of the development team include:

• FINFROCK
• Clark Construction
• McCullers Sports Management Group
• The Genterra Group
• Stifel Nicolaus
• EB-5 Affiliate Network
• Atwater Infrastructure Partners
P3 Process – Technical Assistance

• Board of Governors (BOG P3 Guidelines)
• Consultant – Jones Lang LaSalle (JLL)
• John Pittman - University of Central Florida
Overview of Current Status -
Financial Overview/Considerations

PRESENTED BY

Ben Watkins, Director of Division of Bond Finance
Financial Overview / Considerations – DOE HBCU Capital Financing Program

• Program is designed to provide low-cost capital to finance improvements to the infrastructure of the nation’s HBCUs
• Privately placed loan with US Department of Education
• Lowest cost of funds
• Preserves single housing system and full University control
• Overall finance plan would include solution for entire housing system deferred maintenance needs – critical under any funding option
• All existing debt would be refinanced to provide adequate cash-flow to help meet housing system’s deferred maintenance needs with goal of proper asset/liability matching
• Deviation from BOG debt guidelines may be needed to restructure debt
• Requires passage of legislation to allow other University funds to be pledged due to offsets of federal funds in event of payment default – SB1712/HB375
• No bond ratings needed
Financial Overview/Considerations - Bond Financing

- Issuance by BOG/DBF using existing bond documents
- Bonds issued as parity debt with currently outstanding $59 million housing system bonds
- Low cost of funds
- **Preserves single housing system and full University control**
- Certain level of refinancing and debt restructure would be needed to preserve cash-flow for other deferred maintenance needs – deviation from BOG debt guidelines
- Advance refunding of bonds on tax-exempt basis no longer allowable which somewhat limits ability to restructure outstanding debt
- Would require maintenance of bond rating and could result in downgrade
Financial Overview / Considerations – Public-Private Partnership (P3)

- Ground lease to P3 Partner (CTG); financing provided by CTG
- Likely higher cost of funds than traditional bonds or HBCU loan program
- P3 for housing project on stand-alone basis would create a financial strain on remaining housing system and repayment of existing debt obligations
- Creates competition for demand with other University housing
- Does not address other significant deferred and on-going maintenance needs of the housing system
- Net project cash-flow to University after all project debt, operating costs and fees to P3 Partner are paid
- Actual net cash-flow received compared to estimates can vary dramatically due to unrealistic assumptions in pro-forma
- P3 Partner involved in on-going operations and maintenance of facility, budgeting and rate-setting, resulting in some level of loss of control by the University under agreements still to be negotiated
- Most likely results in a downgrade of existing system bond rating due to creation of competing on-campus housing facility
## Financial Overview/Considerations – Comparison of Financing Options

<table>
<thead>
<tr>
<th>Options</th>
<th>DOE HBCU Capital Financing</th>
<th>Bond Financing</th>
<th>Public-Private Partnership (P3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pros</strong></td>
<td><em>Lowest cost of funds</em></td>
<td><em>Low cost of funds</em></td>
<td><em>Financing provided by P3 provider</em></td>
</tr>
<tr>
<td></td>
<td><em>Maintains single housing system</em></td>
<td><em>Maintains single housing system</em></td>
<td><em>Net cash-flow to University for other housing needs</em></td>
</tr>
<tr>
<td></td>
<td><em>Ability to refinance all debt</em></td>
<td><em>Allows for additional cash-flow for system deferred maintenance</em></td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>Ability to restructure debt provides annual cash-flow for deferred maintenance</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>No bond rating required</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cons</strong></td>
<td><em>Acceleration and offsets of federal funds required under US DOE loan documents in the event of payment default</em></td>
<td><em>Limited ability to refinance outstanding debt under current tax law</em></td>
<td><em>Not a comprehensive solution to housing system needs</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Requires maintenance of bond rating and could result in downgrade</em></td>
<td><em>Creates competition between project and existing housing system-</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><em>existing debt repayment at risk</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><em>Likely higher cost of funds</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><em>Most likely results in rating downgrade on existing debt</em></td>
</tr>
<tr>
<td><strong>Other Considerations</strong></td>
<td><em>Requires passage of legislation allowing offsets of Federal funds</em></td>
<td><em>Deviation from BOG guidelines needed to restructure debt</em></td>
<td>*What level of control of facility (including operating budget and rate setting) would University retain?</td>
</tr>
<tr>
<td></td>
<td><em>Deviation from BOG guidelines may be needed to restructure debt</em></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Overview of Current Status - BOG & BOT Required Approvals

PRESENTED BY
Attorney David Self

Florida Agricultural and Mechanical University
Term Sheet
Terms and Conditions

Florida Agricultural and Mechanical University
Tallahassee, Florida
Public-Private Partnership
Term Sheet for Master Development Agreement

- Obligations of CTG
- Obligations of FAMU
- Pre-Development Work Scope
- Timing and Deliverables
- Pre-Development Expenses
- Timeline and Deliverables
- Remedies & Termination

Transformational Development

Note: This is not an exhaustive list of the terms and conditions.
P3 Overview

Chris Kinsley, Assistant Vice Chancellor, Finance and Facilities Board of Governors

Disclaimer – the views expressed by Mr. Kinsley are solely his own, and do not represent an official position of the Board of Governors or the Chancellor.
Board of Governors P3 Guidelines

• Approved by Board of Governors on 9/3/15
• Guidelines drafted in concert with all 12 universities and the State Board of Administrations’ Division of Bond Finance
• Based on the Ground Lease authority in S. 1013.171 Florida Statutes
• Not University Debt

http://flbog.edu/board/regulations/guidelines.php
State University System Project Applicability

- Applicable to projects over $5 million
- Project ground lease over 40 years must be justified
- Project debt should not exceed 30 years without justification
- Project revenues should provide at least a 1.2 coverage ratio
Feasibility Determination

• Costs to the students is a prime consideration
• The lease adequately protects the university interest
• The credit rating of the university is not affected negatively
• The Project will generate adequate debt coverage and funds in reserve
• Project owner qualifications
• Term of lease (< 40 years)
• Term of debt (< 30 years)
Board of Governors Considerations for Approval

- Project necessary to fulfill need and consistent with university mission
- Project shown to be needed, in demand, and financially prudent
- Adequate recourse in the event of default – in general, the university can step in the event of default, and assume control of the Project without any recourse to private interests in the Project
- Reasonableness of the return to the private partner relative to risk
- Impact on existing university bonds
- Student costs, especially any mandatory costs
- Is the project the best use of campus real estate
FAMU’s Public-Private Partnership (P3) Process
PRESENTED BY
Jones Lang LaSalle
### University Goals

<table>
<thead>
<tr>
<th>University Goals</th>
<th>P3 Advantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modernize the campus with amenities that students demand</td>
<td>Access to Additional Financial Resources and Delivery Structures</td>
</tr>
<tr>
<td>Focus institutional investment on state-of-the-art facilities for instruction and research rather than amenities</td>
<td>Operational Efficiencies and Life-Cycle Savings</td>
</tr>
<tr>
<td>Keep new construction projects credit rating neutral</td>
<td>Risk Allocation &amp; Mitigation</td>
</tr>
<tr>
<td>Generate revenue</td>
<td>Monetization of Existing Assets</td>
</tr>
</tbody>
</table>
# History of Journey

<table>
<thead>
<tr>
<th>Key Actions</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Request For Qualifications Process</strong></td>
<td>September 2015 – February 2016</td>
</tr>
<tr>
<td>• Task 1: JLL drafted RFQ document</td>
<td></td>
</tr>
<tr>
<td>• Task 2: FAMU and JLL evaluated 11 responses</td>
<td></td>
</tr>
<tr>
<td><strong>Feasibility Study</strong></td>
<td>March - May 2016</td>
</tr>
<tr>
<td><strong>Student Housing Market Demand Study (Novogradac)</strong></td>
<td>June – September 2016</td>
</tr>
<tr>
<td><strong>Invitation To Negotiate Process</strong></td>
<td>August 2016 - Present</td>
</tr>
<tr>
<td>• Task 1: FAMU published ITN (August 2016)</td>
<td></td>
</tr>
<tr>
<td>• Task 2: Initial Analysis of 2 Responses / Offers (January 2017)</td>
<td></td>
</tr>
<tr>
<td>• Task 3: Follow-Up Clarifications (March 2017)</td>
<td></td>
</tr>
<tr>
<td>• Task 4: Short-List / Interviews (February 2017)</td>
<td></td>
</tr>
<tr>
<td>• Task 5: Final Selection (May 2017)</td>
<td></td>
</tr>
<tr>
<td>• Task 6: Contract Negotiations (May – present)</td>
<td></td>
</tr>
</tbody>
</table>
## Current Status

<table>
<thead>
<tr>
<th>Key Actions</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Invitation To Negotiate Process: Task 6 – Contract Negotiations</strong></td>
<td>May 2017 - Present</td>
</tr>
<tr>
<td>• FAMU executed Non-Disclosure Agreement with CTG</td>
<td></td>
</tr>
<tr>
<td>• FAMU executed Exclusive Right to Negotiate Agreement with CTG</td>
<td></td>
</tr>
<tr>
<td>• JLL drafted Term Sheet</td>
<td></td>
</tr>
<tr>
<td>• FAMU reviewed term sheet</td>
<td></td>
</tr>
<tr>
<td>• DRAFT Term Sheet sent to CTG</td>
<td></td>
</tr>
<tr>
<td>• FAMU and JLL negotiated key business terms with CTG</td>
<td></td>
</tr>
<tr>
<td>• Bryant Miller Olive engaged as external counsel for this project</td>
<td></td>
</tr>
<tr>
<td><strong>Key Workshops / Meetings</strong></td>
<td>June 2017 - Present</td>
</tr>
<tr>
<td>• BOT Meeting (June 2017)</td>
<td></td>
</tr>
<tr>
<td>• BOT Workshop for Student Housing (October 2017)</td>
<td></td>
</tr>
<tr>
<td>• Workshop with CTG (October 2017)</td>
<td></td>
</tr>
<tr>
<td>• Design Workshops with FAMU, CTG and City of Tallahassee (January 2018)</td>
<td></td>
</tr>
<tr>
<td>• CTG, Design/Builder and others kicked off the Pre-Development Process to</td>
<td></td>
</tr>
<tr>
<td>assure a Third Quarter 2020 building delivery (January 2018)</td>
<td></td>
</tr>
</tbody>
</table>
Project Design Overview

PRESENTED BY

CTG

Florida Agricultural and Mechanical University
### Overview of FAMU’s P3 Status – Project Details

FAMU envisions a transformational development to serve as a catalyst project to aid in addressing critical housing issues, aesthetic concerns, and simultaneously create a viable marketplace that could promote the long term sustainability of the University.

<table>
<thead>
<tr>
<th>PHASE 1</th>
<th>PHASE 2 &amp; 3</th>
<th>PHASE 2 &amp; 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOUSING &amp; DEMOLITION</td>
<td>MIXED USE DEVELOPMENT</td>
<td>ATHLETIC FACILITIES</td>
</tr>
</tbody>
</table>

**Phase 1 – Student Housing:**
A priority development of 700 beds (Phase 1A) to be developed based on University’s student housing building replacement program.

**Phase 1 - Demolition:**
Removal of the Pentaplex buildings.
- Wheatley
- Cropper hall
- Diamond Hall
- McGuinn Hall

**Surrounding the stadium is a newly proposed Mixed-Use Village.**
- The focal point of this village is the pedestrian street that flows through an active commercial center.
- Ground-level shops and restaurants create an exciting venue to celebrate FAMU before and after the game, as well as throughout the year.
- The FAMU Village will incorporate retail, boutique hotel, restaurant, commercial, wellness, and residential uses.

**The beating heart of this expansion is the New Football Stadium and Athletic Facilities** that is enveloped into a mixed-use village that provides a variety of experiences and activities year round.

**MAJOR ATHLETIC FACILITIES BENEFITS**
- 16 Lounge Boxes
- 1,076 Premium Club Seats
- 3,000 Priority Seats

**Special Features:**
- Up to 35,000 Total Seats
- 20 Leasable Luxury Suites
- 4 Non-leasable, University Utilized Luxury Suites
Overview of FAMU’s P3 Status – Main Street Project Overview
# Overview of FAMU’s P3 Status – Project Phases of Development

## Student Housing
- **Phase 1.A.** – 700 Beds
- Phase 1.B. – 700 additional Beds
- Phase 1.C. – 700 additional Beds

## Mixed Use
- **Phase 1.D.** – Short-Term
- **Phase 1.E.** – Long-Term

## Athletics
- **Phase 1.F.** – Stadium
- **Phase 1.G.** – Athletic Training Facility
- **Phase 1.H.** – Indoor Practice Facility

## Parking
- To support Mixed-Use, if needed.
Overview of FAMU’s P3 Status – Student Housing Phase 1.A. Overview
## Overview of FAMU’s P3 Status – Project Milestone Summary Timeline

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Start Date</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Development</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preconstruction &amp; Design Agreement</td>
<td>January 2018</td>
<td></td>
</tr>
<tr>
<td>Program established</td>
<td>January 2\textsuperscript{nd}, 2018</td>
<td>January 12\textsuperscript{th}, 2018</td>
</tr>
<tr>
<td>50% Schematic Design</td>
<td>January 29\textsuperscript{th}, 2018</td>
<td>March 2\textsuperscript{nd}, 2018</td>
</tr>
<tr>
<td>100% Schematic Design</td>
<td>March 5\textsuperscript{th}, 2018</td>
<td>April 13\textsuperscript{th}, 2018</td>
</tr>
<tr>
<td><strong>Design Development</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50% Development Drawings</td>
<td>April 16\textsuperscript{th}, 2018</td>
<td>May 18\textsuperscript{th}, 2018</td>
</tr>
<tr>
<td>50% DDs: FAMU Review</td>
<td>May 21\textsuperscript{st}, 2018</td>
<td>June 1\textsuperscript{st}, 2018</td>
</tr>
<tr>
<td>100% Development Drawings</td>
<td>May 21\textsuperscript{st}, 2018</td>
<td>July 6\textsuperscript{th}, 2018</td>
</tr>
<tr>
<td>100% DDs: FAMU Review</td>
<td>July 9\textsuperscript{th}, 2018</td>
<td>July 20\textsuperscript{th}, 2018</td>
</tr>
<tr>
<td><strong>Construction Drawing Development (Future Contract)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Drawing Development</td>
<td>June 2018</td>
<td></td>
</tr>
<tr>
<td>3C% Construction Docs</td>
<td>July 23\textsuperscript{rd}, 2018</td>
<td>August 31\textsuperscript{st}, 2018</td>
</tr>
<tr>
<td>30% CDs: FAMU Review</td>
<td>September 3\textsuperscript{rd}, 2018</td>
<td>September 14\textsuperscript{th}, 2018</td>
</tr>
<tr>
<td>6C% Construction Docs</td>
<td>September 3\textsuperscript{rd}, 2018</td>
<td>October 12\textsuperscript{th}, 2018</td>
</tr>
<tr>
<td>60% CDs: FAMU Review</td>
<td>October 15\textsuperscript{th}, 2018</td>
<td>October 26\textsuperscript{th}, 2018</td>
</tr>
<tr>
<td>Permit Construction Docs</td>
<td>October 15\textsuperscript{th}, 2018</td>
<td>December 21\textsuperscript{st}, 2018</td>
</tr>
<tr>
<td>Permit CDs: FAMU Review</td>
<td>December 24\textsuperscript{th}, 2018</td>
<td>January 4\textsuperscript{th}, 2019</td>
</tr>
<tr>
<td>Permit Submit for Review</td>
<td>January 7\textsuperscript{th}, 2019</td>
<td>April 5\textsuperscript{th}, 2019</td>
</tr>
<tr>
<td>Obtain Permit</td>
<td>March 1\textsuperscript{st}, 2019</td>
<td></td>
</tr>
<tr>
<td>Issue Building Construction Drawings</td>
<td>March 15\textsuperscript{th}, 2019</td>
<td></td>
</tr>
<tr>
<td><strong>Construction (Future Contract)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Construction Agreement</td>
<td>March 2019</td>
<td></td>
</tr>
<tr>
<td>Precast Manufacturing</td>
<td>April 5\textsuperscript{th}, 2019</td>
<td>August 2019</td>
</tr>
<tr>
<td>Site Construction</td>
<td>April 8\textsuperscript{th}, 2019</td>
<td>June 2\textsuperscript{nd}, 2019</td>
</tr>
<tr>
<td>Building Construction</td>
<td>June 3\textsuperscript{rd}, 2019</td>
<td>July 31\textsuperscript{st}, 2020</td>
</tr>
</tbody>
</table>
Overview of FAMU's P3 Status – Conceptual Rendering #1
Overview of FAMU’s P3 Status – Conceptual Rendering #2
Overview of FAMU’s P3 Status – Conceptual Rendering #3
Overview of FAMU’s P3 Status – Phase 1.A 700 Bed Project Status

- **Contract Status** – FAMU/Master Developer Non-Binding Term Sheet has been submitted to FAMU Legal.
  - FAMU and Construct Two Construction Managers (“CTCM”) Master Development Agreement (“MDA”) and Pre-Development Agreement which is a part of the MDA is open and moving through the University's approval process.
  - CTCM and project vendors have come to terms on the Pre-Development Services required to develop a firm-fixed Guaranteed Maximum Price contract (“GMP”).
    - Letters of Intent (“LOI”) are in place and pending but cannot be executed and obligated until the MDA between FAMU and CTCM is approved and closed.

- **Design and Cost**
  - Conceptual plans are in place along with a Preliminary ProForma of cost data.
    - The Pre-development Phase will flush out the University’s needs and final scopes with finished designs as well as reasonable cost.

- **Proposed Next Steps**
  - FAMU to close out the negotiations of the MDA and Pre-Development Agreement prior to the next scheduled March 2018 Board of Trustees meeting.
    - The agreements and authorization are critical to allow CTCM to engage vendors to keep project on schedule.
  - Upon approval of both agreements, full Pre-Development services will begin.
  - Upon Completion of the Pre-Development services, a P3-compliant development plan, which will have the source of funding identified, will be presented to the University for approval.
Overview of FAMU’s P3 Status – Project Status Summary

- Construct Two Construction Managers, Inc. (“CTCM”) have complied with all of the requirements of the ITN and will continue to offer insight and services to assist FAMU and State of Florida.

- Once the Master Development and Pre-Development Agreements are released, CTCM along with its best-in-class vendors are ready to proceed to closing out the fully vetted GMP project cost and design.

- For more information on CTCM and the Main Street Corridor Project, the links below are provided:
Proposed Next Steps

PRESENTED BY
Jones Lang LaSalle

Florida Agricultural and Mechanical University
**Proposed Timeline**

<table>
<thead>
<tr>
<th>Key Actions</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Invitation To Negotiate Process: Task 6 – Contract Negotiations</strong></td>
<td>February – May 2018</td>
</tr>
<tr>
<td>• Bryant Miller Olive to commence drafting Master Development Agreement</td>
<td></td>
</tr>
<tr>
<td>and other key contract documents, such as a Ground Sub-Lease</td>
<td></td>
</tr>
<tr>
<td>• JLL to review MDA</td>
<td></td>
</tr>
<tr>
<td>• FAMU to approve documents</td>
<td></td>
</tr>
<tr>
<td>• Bryant Miller Olive and FAMU to send to CTG for review and commence</td>
<td></td>
</tr>
<tr>
<td>MDA negotiations</td>
<td></td>
</tr>
<tr>
<td><strong>Key Workshops/Meetings</strong></td>
<td>Present – November 2018</td>
</tr>
<tr>
<td>• Program Development Workshops with CTG (Present – April 2018)</td>
<td></td>
</tr>
<tr>
<td>• Design Workshops with FAMU and CTG (April - July 2018)</td>
<td></td>
</tr>
<tr>
<td>• Construction Drawing Reviews (August – November 2018)</td>
<td></td>
</tr>
</tbody>
</table>
Housing Assessment Report

PRESENTED BY

Jennifer A. Wilder, Ed.D.
Director, University Housing
Florida Agricultural and Mechanical University

Florida Agricultural and Mechanical University
Facility Condition Assessment (FCA) Reports

Status (as of 2-15-18)
- All preliminary reports have been submitted
- Awaiting final reports

FCA REPORT CONTENTS

Section 1 - Asset Overview
- Asset Executive Summary
- Asset Summary
- Inspection Team Data
- Definitions

Section 2 – Cost Summaries and Totals
- Renewal Costs Matrix
- Renewal Costs by System
- Facilities Renewal Plan
- Project List by Classification
- Project List by Category Code

Section 3- Nonrecurring Project Details

Section 4 – Lifecycle Component Inventory
- Asset Component Inventory
- Component Renewal Cost by Year
- Recurring Component Expenditure Projections

Section 5 – Drawings/Project Locations

Section 6 – Photographs

Section 7 – Preliminary Energy Assessment
Next Steps

• Review and discuss final Facility Condition Assessment Reports
• Prioritize List of Actions (Short term/Long term)
• Identify Current and Future Funding
• Complete Comprehensive Housing Plan (incorporated in the Division of Student Affairs Strategic Plan)
## Housing Facilities Action Items

**Rev. 2-14-18**

<table>
<thead>
<tr>
<th>ACTION ITEMS</th>
<th>ESTIMATED TIMELINE</th>
<th>STATUS (a/o 2-14-18)</th>
<th>RESPONSIBLE PARTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiate Quarterly Housing Team Meetings</td>
<td>Fall 2017</td>
<td>Completed</td>
<td>VP Hudson</td>
</tr>
<tr>
<td>Explore Relocation of Housing Office</td>
<td>Fall 2017</td>
<td>Provisions have been made to move the housing office to the new CASS building</td>
<td>AVP Kapileshwari / VP Hudson</td>
</tr>
<tr>
<td>Track Repair Costs by Building</td>
<td>Monthly</td>
<td>Tracking occurs monthly</td>
<td>Director Wilder</td>
</tr>
<tr>
<td>Monitor Debt-Coverage Ratio</td>
<td>Per semester</td>
<td>Hired Financial Advisor to help with housing system finances and associated analyses</td>
<td>AVP Holmes</td>
</tr>
<tr>
<td>Monitor Enrollment/Retention</td>
<td>Per semester</td>
<td>Tracking occurs on an on-going basis</td>
<td>VP Hudson</td>
</tr>
<tr>
<td>Survey Students for Continuous Improvement</td>
<td>Per semester</td>
<td>Completed for Fall 2017, planned for Spring 2018</td>
<td>Director Wilder</td>
</tr>
<tr>
<td>Professional Housing Facility Assessment</td>
<td>Spring 2018</td>
<td>Completed December 2017, Awaiting Final Reports</td>
<td>AVP Kapileshwari / Director Wilder</td>
</tr>
<tr>
<td>Technology Implementation: New Housing Assignment System</td>
<td>Spring 2018</td>
<td>In process</td>
<td>Director Wilder</td>
</tr>
<tr>
<td>Fundraising Strategy Launch</td>
<td>Spring 2018</td>
<td>Engage newly appointed Interim VP</td>
<td>VP Friday-Stroud</td>
</tr>
<tr>
<td>Transition of Housing Maintenance</td>
<td>Summer 2018</td>
<td>Initial meeting was conducted with POM, Budget Officer, Controller, and VPs Ford and Hudson. Financial needs have been shared. Discussion continues.</td>
<td>VP Ford / VP Hudson</td>
</tr>
<tr>
<td>Comprehensive Plan for Repairs/Renovations (based on Professional Housing Facility Assessment)</td>
<td>Fall 2018</td>
<td>The University Housing Team will review the final Housing Facility Assessment reports upon receipt.</td>
<td>AVP Kapileshwari / Director Wilder</td>
</tr>
<tr>
<td>P3 Construction Completion</td>
<td>Fall 2020</td>
<td>Phase 1A – 700 beds is tentatively scheduled for Fall 2020 completion</td>
<td>VP Ford/VP Hudson</td>
</tr>
</tbody>
</table>
Roundtable Reflections

PRESENTED BY

Trustee Kimberly Moore

Florida Agricultural and Mechanical University
Budget Presentation

PRESENTED BY
Director Ronica Mathis

Florida Agricultural and Mechanical University
Guidelines for University Operating Budget Development

- Statutory authority
- 2017 General Appropriations Act (GAA)
- Board of Governors Regulation 9.007
- 2017-2018 Allocation Summary and work papers
Budget Overview

The State University System (SUS) Operating Budget

Four Budget Entities:
1. Education and General, which includes both non-medical and medical entities
2. Contracts and Grants
3. Auxiliary Enterprises
4. Local Funds
Budget Development Process

Guidance for Budget Development

• University Budget Office Policies and Procedures 3.2

• FAMU Strategic Priorities:
  1) Enhancing Student Success
  2) Excellent and Renowned Faculty
  3) High Impact Research, Commercialization, Outreach, and Extension Services
  4) Transformative Alumni, Community, and Business Engagement
  5) First-Class Business Infrastructure
  6) Outstanding Customer Experiences
Units Submit Budget Requests

- List of unit priorities, goals, and objectives
  - Consistent with the priorities, goals, and objectives set forth by the President
  - Used to guide the development of budget request

- Planning document
  - No more than five (5) pages
  - Consider the following:
    a) Explain accomplishments with previous year’s funds
    b) Describe continuing efforts toward performance metrics and University’s strategic mission
    c) List next fiscal year’s major areas of concern
      - Elevated risks
      - Vulnerabilities
      - Possible disruptions
    d) Provide brief overview of staffing & strategic goals
    e) Identify opportunities for new or modified programs, policies or processes
      - Potential interdisciplinary collaboration
      - Elimination or reduction of programs and/or process within next 3 years for cost savings
    f) Indicate quality improvements to academic programs or administrative services in previous year
Units Submit Budget Reduction Plans

- Budget reduction calculation based on 5% of 2016-17 actual expenditures
- Units provide reduction impact explanations
- Areas exempt from budget reductions:
  - Campus Security and Parking Services
  - Financial Aid
  - Land Grant Matching
  - Brooksville
  - Tuition Differential
  - Risk Management
  - Black Male Explorers Program
Budget Development Process

Conduct Budget Review Committee Meeting

Participants Include:
- University President
- Provost
- Vice Provosts (2)
- Assistant Vice President of Academic Affairs
- Vice President for Finance & Administration
- Vice President of Strategic Planning
- Faculty representative
- Budget Director
Budget Development Process

Next Level Approvals:

- President
- Budget and Finance Committee
- University BOT
- Board of Governors
Sources of Funding
Education and General (E&G) Funds

University’s E&G funds:

- General Revenue Fund
- The Florida Lottery
- Student and Other Fees
## Sources of Funding
### Non-E&G Funds

<table>
<thead>
<tr>
<th>Auxiliary Enterprises Revenue</th>
<th>Contracts and Grants</th>
<th>Local Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examples:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Housing fees</td>
<td>• Florida Department of Education Funding for the Developmental Research School (FAMU DRS)</td>
<td>• Student Activities and Service Fees (generated by student government, cultural events, organizations, and intramural/club sports)</td>
</tr>
<tr>
<td>• Dining services</td>
<td>• Pass through funds – funds allocated to external entities, but directed through the University</td>
<td>• Financial Aid</td>
</tr>
<tr>
<td>• Bookstore sales</td>
<td>• Funds awarded to the University by a federal, state, or local governmental agency or a private organization for research, services or training</td>
<td>• Student financial aid fee</td>
</tr>
<tr>
<td>• Parking fees</td>
<td></td>
<td>• Bright Futures</td>
</tr>
<tr>
<td>• Student health center fees</td>
<td></td>
<td>• Federal Grants</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• College work study</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Scholarships</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Concessions from vending machines</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Athletics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Student athletic fees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ticket sales</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sales of other goods and services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Technology Fee (used to enhance instructional technology resources for students and faculty)</td>
</tr>
</tbody>
</table>
Recurring Funds are the permanent appropriated dollars making up the base budget.

Non-Recurring Funds are the dollars appropriated for one fiscal year only.
Recurring vs. Non-Recurring Funds

**Recurring Funds** are the permanent appropriated dollars making up the base budget.

**Non-Recurring Funds** are the dollars appropriated for one fiscal year only.
Funding Per Student FTE

Florida A&M University
Funding Per FTE Student

- General Revenue Per FTE
- Lottery Funds Per FTE
- Student Tuition Per FTE
- Other Trust Funds Per FTE
- Total Per FTE

Year:
- 1985-86
- 1986-87
- 1987-88
- 1988-89
- 1989-90
- 1990-91
- 1991-92
- 1992-93
- 1993-94
- 1994-95
- 1995-96
- 1996-97
- 1997-98
- 1998-99
- 1999-00
- 2000-01
- 2001-02
- 2002-03
- 2003-04
- 2004-05
- 2005-06
- 2006-07
- 2007-08
- 2008-09
- 2009-10
- 2010-11
- 2011-12
- 2012-13
- 2013-14
- 2014-15
- 2015-16
- 2016-17
- 2017-18
FY 2016-2017
Actual Revenues and Expenses
Estimated FY 2017-2018
Revenues and Expenses
## FY 2017-2018 E&G Operating Budget

**As of January 31, 2018**

<table>
<thead>
<tr>
<th>Administration</th>
<th>2017-18 Budget</th>
<th>Encumbrances</th>
<th>Expenditures</th>
<th>Total Expend/COMMITTED</th>
<th>% Expend/COMMITTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>1,889,221</td>
<td>410,506</td>
<td>769,570</td>
<td>1,180,076</td>
<td>62%</td>
</tr>
<tr>
<td>Contracts and Grants</td>
<td>240,108</td>
<td>106,481</td>
<td>182,686</td>
<td>289,167</td>
<td>72%</td>
</tr>
<tr>
<td>Communications</td>
<td>1,181,788</td>
<td>428,911</td>
<td>701,253</td>
<td>1,130,164</td>
<td>96%</td>
</tr>
<tr>
<td>VP Administration</td>
<td>8,772,641</td>
<td>2,492,008</td>
<td>5,361,027</td>
<td>7,853,035</td>
<td>90%</td>
</tr>
<tr>
<td>VP Development</td>
<td>1,371,905</td>
<td>368,379</td>
<td>966,828</td>
<td>1,065,207</td>
<td>78%</td>
</tr>
<tr>
<td>VP Audit and Compliance</td>
<td>944,114</td>
<td>233,380</td>
<td>345,124</td>
<td>578,504</td>
<td>61%</td>
</tr>
<tr>
<td>VP Legal Affairs</td>
<td>1,547,534</td>
<td>370,292</td>
<td>648,734</td>
<td>1,019,026</td>
<td>66%</td>
</tr>
<tr>
<td>ITS</td>
<td>8,828,720</td>
<td>2,754,748</td>
<td>4,641,129</td>
<td>7,395,877</td>
<td>84%</td>
</tr>
<tr>
<td>VP Strategic Planning</td>
<td>1,715,140</td>
<td>666,868</td>
<td>905,950</td>
<td>1,572,818</td>
<td>92%</td>
</tr>
<tr>
<td>Campus Security</td>
<td>2,627,871</td>
<td>1,055,517</td>
<td>1,555,399</td>
<td>2,610,916</td>
<td>99%</td>
</tr>
<tr>
<td><strong>Total Administration</strong></td>
<td>29,241,042</td>
<td>8,887,090</td>
<td>15,807,700</td>
<td>24,694,790</td>
<td>84%</td>
</tr>
<tr>
<td>Plant Operations &amp; Maintenance</td>
<td>19,036,515</td>
<td>5,331,249</td>
<td>9,432,536</td>
<td>14,763,785</td>
<td>78%</td>
</tr>
<tr>
<td>Physical Plant**</td>
<td>1,221,553</td>
<td>381,063</td>
<td>586,544</td>
<td>967,607</td>
<td>79%</td>
</tr>
<tr>
<td>Facilities Planning</td>
<td>893,560</td>
<td>336,139</td>
<td>502,136</td>
<td>838,275</td>
<td>94%</td>
</tr>
<tr>
<td><strong>Total PO&amp;M</strong></td>
<td>21,151,628</td>
<td>6,048,451</td>
<td>10,521,216</td>
<td>16,569,667</td>
<td>78%</td>
</tr>
<tr>
<td>Libraries</td>
<td>4,313,677</td>
<td>1,123,039</td>
<td>2,933,805</td>
<td>4,056,844</td>
<td>94%</td>
</tr>
<tr>
<td>Student Services</td>
<td>9,983,117</td>
<td>1,982,555</td>
<td>3,421,284</td>
<td>5,403,839</td>
<td>54%</td>
</tr>
<tr>
<td><strong>Total Student Services</strong></td>
<td>12,817,907</td>
<td>2,169,170</td>
<td>5,471,077</td>
<td>7,640,247</td>
<td>60%</td>
</tr>
<tr>
<td><strong>Total Non I&amp;R</strong></td>
<td>67,524,254</td>
<td>18,227,750</td>
<td>34,733,798</td>
<td>52,961,548</td>
<td>78%</td>
</tr>
<tr>
<td>Instructions and Research</td>
<td>7,302,591</td>
<td>2,347,503</td>
<td>5,540,919</td>
<td>5,888,422</td>
<td>81%</td>
</tr>
<tr>
<td>VP Academic Affairs****</td>
<td>1,695,503</td>
<td>633,967</td>
<td>887,431</td>
<td>1,521,398</td>
<td>90%</td>
</tr>
<tr>
<td>Architecture</td>
<td>3,362,044</td>
<td>1,272,327</td>
<td>2,013,866</td>
<td>3,285,693</td>
<td>98%</td>
</tr>
<tr>
<td>Social Sciences</td>
<td>13,451,831</td>
<td>4,972,333</td>
<td>7,882,528</td>
<td>12,854,861</td>
<td>96%</td>
</tr>
<tr>
<td>SBI</td>
<td>7,446,454</td>
<td>2,724,075</td>
<td>4,609,707</td>
<td>7,333,782</td>
<td>98%</td>
</tr>
<tr>
<td>CESTA</td>
<td>5,229,355</td>
<td>1,879,813</td>
<td>3,246,439</td>
<td>4,923,580</td>
<td>94%</td>
</tr>
<tr>
<td>Journalism</td>
<td>2,542,706</td>
<td>903,826</td>
<td>1,485,870</td>
<td>2,389,696</td>
<td>94%</td>
</tr>
<tr>
<td>Education</td>
<td>5,807,628</td>
<td>1,979,786</td>
<td>3,827,842</td>
<td>5,530,066</td>
<td>95%</td>
</tr>
<tr>
<td>Nursing</td>
<td>2,240,364</td>
<td>887,604</td>
<td>1,259,752</td>
<td>2,147,316</td>
<td>96%</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>12,595,451</td>
<td>4,605,641</td>
<td>7,290,805</td>
<td>11,862,674</td>
<td>94%</td>
</tr>
<tr>
<td>Allied Health</td>
<td>4,329,143</td>
<td>1,847,470</td>
<td>2,509,033</td>
<td>4,356,503</td>
<td>101%</td>
</tr>
<tr>
<td>Science and Technology</td>
<td>8,426,903</td>
<td>3,189,592</td>
<td>5,082,571</td>
<td>8,722,163</td>
<td>98%</td>
</tr>
<tr>
<td>Graduate Studies</td>
<td>4,634,100</td>
<td>1,925,580</td>
<td>2,675,540</td>
<td>7,235,240</td>
<td>63%</td>
</tr>
<tr>
<td>Law School</td>
<td>12,140,200</td>
<td>4,290,882</td>
<td>7,349,318</td>
<td>11,649,999</td>
<td>96%</td>
</tr>
<tr>
<td>Tuition Differential</td>
<td>4,900,000</td>
<td>1,289,717</td>
<td>2,947,999</td>
<td>4,237,716</td>
<td>86%</td>
</tr>
<tr>
<td><strong>Total I&amp;R</strong></td>
<td>94,203,447</td>
<td>33,254,316</td>
<td>60,949,131</td>
<td>123,208,550</td>
<td>93%</td>
</tr>
<tr>
<td><strong>Total Allocated Budget</strong></td>
<td>161,727,701</td>
<td>51,482,066</td>
<td>89,465,251</td>
<td>140,947,137</td>
<td>87%</td>
</tr>
<tr>
<td>Unallocated Student Fee Budget Authority</td>
<td>9,499,825</td>
<td>9,499,825</td>
<td>9,499,825</td>
<td>9,499,825</td>
<td>94%</td>
</tr>
<tr>
<td><strong>Grand Total Allocations</strong></td>
<td>171,227,526</td>
<td>51,482,066</td>
<td>89,465,251</td>
<td>150,447,142</td>
<td>87%</td>
</tr>
</tbody>
</table>
## BOG and BOT Timelines

<table>
<thead>
<tr>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
</tr>
</thead>
</table>
| • March Legislative session ended  
• Units begin internal budget planning processes  
• Preliminary Allocation from BOG received | • University Budget and Planning Committee will begin  
• Budget and Planning Committee will meet to review E&G and Non-E&G Budget requests  
• Budget and Planning Committee recommendations presented to the President  
• Final allocation from BOG received | • May BOT Budget Workshop | • President approves final allocations  
• Allocations made to respective departments  
• BOT approves preliminary budget  
• Submitted to BOG for review and approval | • Budget Office enters preliminary budget data into PeopleSoft | • Submit Final Operating Budget to BOG August | • BOT approves Operating Budget submitted to the BOG in August |
“At FAMU, Great Things Are Happening Every Day.”
established 1887