



Finance and Facilities Committee  
February 13, 2025  
FIU, Modesto A. Maidique Campus, Graham Center Ballrooms

MINUTES

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**1. Call to Order and Chair's Remarks**

The Florida International University Board of Trustees' Finance and Facilities Committee meeting was called to order by Committee Chair Marc D. Sarnoff at 9:57 AM on Thursday, February 13, 2025.

General Counsel Carlos B. Castillo conducted roll call of the Finance and Facilities Committee members and verified a quorum. Present were Trustees Marc D. Sarnoff, *Committee Chair*; Dean C. Colson, *Committee Vice Chair*; Alan Gonzalez; Alberto R. Taño; and Roger Tovar, *Board Chair*.

The following Board members were also in attendance: Trustees Noël C. Barengo; Francesa Casanova; Carlos A. Duarte, *Board Vice Chair*; George Heisel; Jesus Lebeña; Alexander M. Peraza; and Yaffa Popack.

Committee Chair Sarnoff welcomed all Trustees and members of the University administration.

**2. Approval of Minutes**

Committee Chair Sarnoff asked if there were any additions or corrections to the minutes of the Finance and Facilities Committee meeting held on November 21, 2024. Hearing none, a motion was made and unanimously passed to approve the minutes of the Finance and Facilities Committee meeting held on November 21, 2024.

**3. Action Item** (*Committee Action; Full Board Information Only*)

**3.1 Approval of Contracts greater than or equal to \$1,000,000 and less than \$3,000,000:**

1) EAB Global, Inc.; and 2) Podium Education, Inc.

Senior Vice President for Finance and Administration and Chief Financial Officer Aime Martinez presented the contracts with EAB Global, Inc. and Podium Education, Inc. for Committee review and approval. She noted that Educational Advisory Board Global Inc. ("EAB") provides consulting services and is part of a membership that provides decision tools, strategic insights and advice based on research of member institutions. She highlighted the following services that EAB has provided during the initial term: 360 degree listening tour that developed a comprehensive report providing guidance on the optimal structure for the Math Department; on-campus presentation with enrollment leaders equipping them with actionable strategies to effectively recruit Gen Z students, attract adult learners and drive enrollment growth; working with department chairs, deans and administrators of FIU Online to enhance their programs competitiveness; and providing strategic

advice based on research of member institutions to University areas, including the Division of Human Resources, Student Affairs, the Division of Information Technology, Auxiliary and Enterprise Development, and University Advancement. Sr. VP and CFO Martinez stated that a prior two (2) term contract that ended in December 2024 with EAB totaled \$581,000. She noted that the current renewal is for a three (3) year term beginning December 2024 through December 2027 with a total spend of \$938,000. She added that the total spend for five (5) years is \$1.5M.

Sr. VP and CFO Martinez commented that the contract with Podium Education Inc. is being requested by FIU Global and the Office of Education Abroad to provide student access to the Global Career Accelerator Program, which is a for-credit, online program that equips college students with soft skill development in communication, collaboration, and industry-leading intercultural competency training in real-world experience. She added that participating students will pay credit hour tuition in addition to the \$1,600 participation fee and will earn an Intercultural Specialist Badge upon completion. Sr. VP and CFO indicated that the contract with Podium Education Inc. is for five years, beginning May 2024 through May 2029. She remarked that since the inception of the agreement, approximately 190 students participated for a cost of \$336,600 and that if the current level of enrollment is sustained, the University could spend up to an additional \$2.4M. She pointed out that the contract is funded by Continuing Education auxiliary funds and allows for an automatic renewal for three (3) years unless either party provides the other party with written notice of non-renewal at least six (6) months prior to the end of the then-current term.

In response to Committee Chair Sarnoff, Sr. VP and CFO Martinez confirmed that the funding sources for the contracts with EAB and Podium Education, Inc. are unrestricted funds, and neither contract is funded from Education and General (E&G). Committee Chair Sarnoff requested that moving forward, in addition to including the funding sources for proposed contracts, it also be identified whether said funding sources are restricted funds. In response to Board Vice Chair Carlos A. Duarte, Provost and Executive Vice President Elizabeth M. Bejar commented that the membership with EAB is comprehensive, utilized University-wide, and has helped to support student development. Board Vice Chair Duarte commented that as the Committee reviews contracts, it is beneficial to understand the impact of those investments to the University. Responding to Board Vice Chair Duarte regarding the contract with Podium Education, Inc., Sr. VP and CFO Martinez pointed out that the University is subsidizing \$200 of the student participation fee for the Global Career Accelerator Program.

Pursuant to the Delegations of Authority from the Florida International University Board of Trustees to the University President, as reflected in the Resolution on the President's Powers and Duties approved by the Board of Trustees on March 4, 2019, a motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee (i) approve, as listed and described in the Board materials, the University entering into the contracts and purchase orders and/or change orders to the purchase orders and (ii) authorize the University President or his designee to execute, on behalf of the University, the aforementioned contracts, purchase orders, and/or change orders.

#### **4. Discussion Items**

##### **4.1 Financial Performance Review, Second Quarter FY 2024-2025**

Sr. VP and CFO Martinez commented that operating revenues were below estimates by \$9.4M or 1% and that operating expenses were below estimates by \$31.9M or 4.1% with an overall net favorable variance of \$22.5M. She indicated that total investment earnings for the University and Direct Support Organizations were \$32.8M or \$11.7M above plan. She added that the University returns were 2.6% and the FIU Foundation returns were 3.4%.

In terms of revenues, Sr. VP and CFO Martinez commented that student financial aid was below expectations, primarily due to the shortfall of \$19.8M in Pell Grant awards. She noted that Pell Grant budget estimates were based off the Student Aid Index (SAI) modeling tool, which is created by the National Association of Student Financial Aid Administrators (NASFAA). Sr. VP and CFO Martinez indicated that the tool had intended to estimate SAI trends based on prior year data and, due to that limitation, had to make several assumptions that skewed individual SAI from what would be calculated based on 2024-25 data. She added that NASFAA has since discontinued its SAI modeling tool given that the Department of Education has cleared its Institutional Student Information Record (ISIR) backlog and institutions now have access to actual 2024-25 data and official student aid indexes. She indicated that the modeling tool does not add value and is no longer used by FIU. Sr. VP and CFO Martinez noted that the University budgeted that it would award 22,287 students, but 19,057 students were eligible for summer and fall 2024. She added that there are only 324 less eligible students or 1.7% this year when compared to the prior year. She remarked that this did not negatively affect enrollment. She pointed out that sponsored research also fell below expectations by \$2.9M mainly in federal and state-sponsored projects. Sr. VP and CFO Martinez highlighted the following revenues which exceeded expectations: E&G and student fees, \$7.7M, as a result of higher student credit hour enrollment; auxiliaries, \$4.6M, primarily due to a \$3.8M contribution for the new dining facility in housing; and Direct Support Organizations (DSOs), \$.8M, due to greater revenues in the FIU Athletics Finance Corporation resulting from the Pitbull Stadium naming rights and higher net patient revenue in the FIU HealthCare Network. She mentioned that if the assumptions in the financial aid estimates were removed, actual revenues would have exceeded the budget by \$10.2M.

In terms of expenses, Sr. VP and CFO Martinez indicated that the University realized savings of \$31.9M when compared to budget. She noted that Sponsored Research exceeded planned expenditures by \$5.3M. She added that higher commitments and investments made from Facilities and Administration (F&A) funds totaled \$9.8M, which was offset by lower research expenditures of \$4M and less DSO reimbursements of \$.5M. She commented on the following expenses, in which less was spent than budgeted: Student Financial Aid, \$20.1M; and \$17.1M in vacant positions and lower expenses from E&G, auxiliaries and student fees, and DSOs.

In response to Board Vice Chair Duarte, Sr. VP and CFO Martinez stated that the University provided across the board merit-based salary increases to collective bargaining employees as well as to staff and faculty from preeminent funds.

#### **4.2 Update on Student Residence Facility Program and Cost at the Modesto A. Maidique Campus**

Sr. VP and CFO Martinez noted that Board Chair Roger Tovar and Board Vice Chair Duarte have collaborated closely with the team to increase the size of the new student residence facility project. She recognized Mr. David Harper, Executive Vice President of Zyscovich, representing the architect firm designing the project. Sr. VP and CFO Martinez stated that the University has limited on-campus housing and that with 54,764 degree seeking students, only 7.7% of that population are living on campus, which is the lowest ratio in the State University System. She noted that even after opening Tamiami Hall, the University had a waiting list this past fall of 1,330 students. She indicated that Brailsford and Dunlavey estimated immediate demand for 1,400 additional beds, despite the off-campus housing located in the city of Sweetwater that currently offers over 5,200 beds. She commented that in February 2024, the Board of Trustees approved a project that consisted of 816 total beds, at a cost of \$184.5M, resulting in debt issuance of \$182.3M to open by fall 2027. Sr. VP and CFO Martinez added that the University is now proposing 1,174 beds for a total project cost estimate of \$238.3M with the cost per bed reduced to \$202,994, but due to the increased project size, it will more than likely open fall of 2028. She remarked that the project includes a \$20M cash contribution from Housing reserves and the debt issue will total \$237.8M.

Sr. VP and CFO Martinez commented that top firms for construction manager have been shortlisted, and the University should receive a guaranteed maximum price by November 2025. She added that the University anticipates seeking approvals from the Board of Trustees by December 2025 and the Board of Governors by March 2026. She noted that the issuance of bonds is anticipated by June 2026, construction to begin by July 2026, and the facility to open by fall 2028. Sr. VP and CFO Martinez described the financing structure, which consists of \$238M in revenue bonds, \$20M cash contribution, expected interest earnings of \$11.5M, and issuance costs of approximately \$5M. She indicated that construction costs will total \$238M, assuming 24 months of capitalized interest and that the term of the bonds is for 30 years, fixed and tax-exempt debt, assuming a conservative estimated rate of 5.25% as required by the Division of Bond Finance.

Sr. VP and CFO Martinez stated that when projecting the financial performance of the Housing system, including the new project, the University can meet the debt service coverages with the previously approved rate increases and the increased size. She commented that while the debt service coverage ratio is currently 1.77, a temporary drop to 1.32 is anticipated once the proposed student residence is open. In terms of the projections for the standalone building, Sr. VP and CFO Martinez stated that, assuming 95% occupancy levels, \$15.5M in revenues are projected in year one and \$16.4M by 2029-30. She noted that due to the rate and cost of construction driving the excess expenditures over revenues, debt service coverage will not meet the target 1.2 coverage as a standalone project, but in the later years it will eventually have positive performance.

Board Chair Tovar commented that increasing the project size has driven efficiencies by lowering the cost per bed. He added that additional on-campus housing also helps to address the increasing cost of living in South Florida and maintaining affordability for the University's students is critical. He stated that typically first year students are prioritized in terms of housing, but that on-campus housing is also in high demand for returning students.

Sr. VP and CFO Martinez presented project renderings, which highlighted multiple street and exterior views. She noted that the proposed location is behind the Patricia and Phillip Frost Art Museum and southeast of the 13-floor Tamiami Hall residence facility and will encompass 14 floors with an elevation of 17 floors on the south side. She commented that the student residence facility will feature 1,174 beds mainly consisting of four (4) bedrooms with two (2) bathrooms, a shared living area, and a kitchen. Sr. VP and CFO Martinez remarked that the facility will have one (1) main lobby as the primary point of entry and exit, one (1) lounge per floor of approximately 41-person capacity for a total of 12,765 square feet, 2,020 sq. ft. of available retail space, a central laundry facility, offices and a warehouse to store supplies and furniture. She added that the facility will also include a maker space, which will be a dedicated area where students can gather to create, design, and build, encouraging creativity and problem-solving through practical application.

## **5. Reports**

There were no questions from the Committee members in terms of the reports included as part of the agenda materials: Athletics; Business Services; Emergency Management; Facilities and Construction; Safety and Environmental Compliance; Treasury; Procurement; CasaCuba Building; and Foundation.

## **6. New Business**

No new business was raised.

## **7. Concluding Remarks and Adjournment**

With no other business, Finance and Facilities Committee Chair Marc D. Sarnoff adjourned the meeting of the Florida International University Board of Trustees Finance and Facilities Committee on Thursday, February 13, 2025 at 10:44 AM.