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 Roger Tovar at 10:13 a.m. on Thursday, June 16, 2022.

General Counsel Carlos B. Castillo conducted roll call of the Finance and Facilities Committee members and verified a quorum. Present were Trustees Roger Tovar, Committee Chair and Board Vice Chair; Jose J. Armas, Committee Vice Chair (joined after roll call); Cesar L. Alvarez; Dean C. Colson, Board Chair (via Zoom); Natasha Lowell (via Zoom); Joerg Reinhold; Chanel T. Rowe (via Zoom); and Marc D. Sarnoff.

Trustees Carlos A. Duart, Donna J. Hrinak, Cristhofer E. Lugo, Gene Prescott, and Carlos Trujillo, and Interim University President Kenneth A. Jessell also were in attendance.

Committee Chair Tovar welcomed all Trustees and members of the University administration. He also welcomed Trustees attending via the virtual environment and the University community and general public accessing the meeting via the University’s webcast.

2. Approval of Minutes
Committee Chair Tovar asked if there were any additions or corrections to the minutes of the Finance and Facilities Committee meeting held on April 26, 2022. A motion was made and unanimously passed to approve the minutes of the Finance and Facilities Committee meeting held on April 26, 2022.

Committee Chair Tovar pointed out that Board of Trustees members are thoroughly briefed in anticipation of every Board meeting.

3. Action Items
FF1. Proposed 2021-22 University and DSO Operating Budgets
Interim Chief Financial Officer and Senior Vice President for Finance and Administration Aime Martinez presented, for Committee review, the University and Direct Support Organizations (DSOs) Operating Budgets, totaling $1.7B. In terms of changes over the prior year, she commented on the $56M reduction to student financial aid and lower contracts and grants by $11.9M, primarily the result of reduced Higher Education Emergency Relief Fund (HEERF) funding. She pointed out that the reduction in student loans is the result of additional financial aid. Interim CFO and Sr. VP Martinez commented on the slight reduction in undergraduate enrollment which is being offset by
an increase in fully online enrolment. She explained that similar enrollment declines are being experienced throughout the State University System, noting that said reductions are being offset primarily by higher Education and General (E&G) appropriations of $8.4M. She stated that higher auxiliary enterprises of $32M are reflective of the growth in continuing education programs.

In response to Trustee Cesar L. Alvarez, Interim CFO and Sr. VP Martinez indicated that the University has experienced fringe benefit and utility increases, noting that units have been asked to identify 1.5% in reductions to cover the increased escalations given that the University must continue operations and cannot increase tuition or appropriations.

Interim CFO and Sr. VP Martinez commented on legislative highlights, primarily that FIU was the recipient of $5M in operational support for rankings, research, and student success initiatives and $4.8M for the Nursing Education Pipeline. In terms of Fixed Capital Outlay Budget, she pointed out that $6.2M was approved for Capital Improvement Trust Fund (CITF), $30.8M was received for deferred maintenance, $33.5M for the Engineering Building Phase II, and $0.5M for the Nursing Sexual Assault Exam Center. She remarked on other legislative highlights, including that no tuition increases were approved, the current level of Performance Based Funding of $560M for the State University System was maintained, and the Select STEM Waiver Program was expanded from eight (8) to ten Programs of Strategic Emphasis.

Committee Chair Tovar commented on the importance of engaging with the State’s legislature.

Interim CFO and Sr. VP Martinez indicated that Educational and General (E&G) funds are comprised of state appropriations and tuition and fees and that projected E&G expenditures totaled $546.7M for the University and $51.6M for the Herbert Wertheim College of Medicine (HWCOM). She remarked on the net reduction in tuition revenue of $2M, stating that the total projected enrollment for fall 2022 is 55,728, representing a slight decrease when compared to the fall 2021 enrollment of 56,092. She mentioned that HWCOM accepted 120 students from over 7,400 applicants for the class of 2026 with a total projected enrollment of 480 students for fall 2022. She provided an E&G funding summary, noting that total revenues totaled $546.4M.

In response to Committee Chair Tovar, Interim Provost and Executive Vice President Elizabeth M. Bejar stated that the University has taken a proactive approach and is mitigating the enrollment decline through moving students across semesters for earlier enrollment. She added that a large percentage of the transfer pipeline is heavily reliant on FIU’s largest partner, Miami Dade College, noting that Miami Dade College has experienced, as has been the trend nationally, over double-digit declines in enrollment. She noted that while the University expects to be in a better position next year, it is responsible to plan for a 4% decline as was experienced in the current year. Responding to Trustee Marc D. Sarnoff, Interim Provost Bejar commented on national trends where more women are enrolling in higher education than men, indicating that while this is also the case at FIU, the percentages are not as high as in other states. She added that the University is examining the issue further to compare male and female graduation rates. Also responding to Trustee Sarnoff, Interim Provost Bejar indicated that there have been no tuition increases at the University for the past 11 years. She added that increased efficiencies along with entrepreneurial and innovative faculty and staff have helped to offset static tuition and inflationary increases in operational costs.
Interim CFO and Sr. VP Martinez delineated a historical overview of State appropriations and tuition in terms of Full-time Equivalent (FTE) student, highlighting that current funding per FTE is lower than it was in 2007-08. She remarked that the University’s E&G and HWCOM’s carryforward balances, less the 7% statutory requirement and the continuation of projects previously approved by the Board of Trustees are estimated at $19M and $17M, respectively. She added that approximately 39,000 students will receive financial aid, including 20,727 Pell recipients. Interim CFO and Sr. VP Martinez stated that HEERF grant awards of $101M for emergency financial aid grants to students will be fully spent by fiscal year 2021-22, noting that 36,061 students received an average award of $2,726. She commented that sponsored research grants revenue is greater than the previous year’s budget, $23.6M, as the Office of Research and Economic Development projects greater federal sponsored and privately funded sponsored research. Interim CFO and Sr. VP Martinez remarked on Intercollegiate Athletics, stating that the increase of $2M in expenditures is primarily due to the resumption of all sports and their related expenses. She added that the $4.8M fund balance can absorb the increase in expenditures, further stating that Intercollegiate Athletics is developing a plan focused on growing the revenue base.

In response to Trustee Chanel T. Rowe, Interim Provost Bejar commented on the University’s efforts aimed at retaining talent. She added that in terms of faculty recruitment, moving into the south Florida area is currently a tenuous situation, particularly for young assistant professors who are at the bottom of the pay scale of faculty professorial. Interim President Kenneth A. Jessell commented that, as is trending nationally, FIU is also experiencing employee turnover, labor shortages, and counteroffers. He stated that the matter will be further examined by University leadership at its upcoming retreat. Interim President Jessell remarked on rising costs, including housing, insurance, and property taxes, noting that said increases pose a challenge in terms of attracting and retaining new talent. He mentioned that the University would like to reward top performing employees appropriately. Committee Chair Tovar requested a follow-up report at the Committee’s next regularly scheduled meeting. Committee Vice Chair Jose J. Armas requested that the report include specific data related to the number of resignations, turnover rates, and ability to attract talent.

Interim CFO and Sr. VP Martinez commented on the Technology Fee, noting that the University has factored in the projected 4% decline in enrollment which has resulted in expenditures that exceed the revenues. She added that there are adequate fund balances to absorb the additional expenditures. In terms of the requirements delineated under Florida Statutes Section 1004.28 and FIU Regulation 1502 pertaining to resources and space utilized by the University’s DSOs, she indicated that approximately 131.3 FTE of personal services and approximately 14,439 square feet of space, valued at $414K, are utilized.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Florida International University Board of Trustees (the BOT) approve the FIU 2022-23 University and Direct Support Organizations Operating Budgets and authorize the University President to amend the budgets consistent with Legislative, Board of Governors and BOT directives and guidelines.
FF2. Proposed 2022-23 Fixed Capital Outlay Budget/Capital Improvement
Interim CFO and Sr. VP Martinez presented the proposed 2022-23 Fixed Capital Outlay Budget/Capital Improvement for Committee review. She indicated that FIU’s request for 2022-23 Public Education Capital Outlay Projects (PECO)/Capital Improvement projects totaled $64,798,655 for deferred maintenance, $30,798,655; Engineering Building Phase II, $33,500,000; and the Nursing Sexual Assault Exam Center, $500,000.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend to The Florida International University Board of Trustees (the BOT) approval of Florida International University’s 2022-23 Fixed Capital Outlay Budget and authorize the University President to amend the budget as necessary, consistent with Legislative, Florida Board of Governors’ and BOT directives and guidelines.

FF3. Request for Approval of Florida International University’s 2023-24 Fixed Capital Outlay Legislative Budget Request Consisting of the five-year Capital Improvement Plan
Interim CFO and Sr. VP Martinez presented FIU’s 2023-24 Fixed Capital Outlay FCO Legislative Budget Request consisting of the five-year Capital Improvement Plan for Committee review. She explained that the Florida Board of Governors’ (BOG) process has changed, noting that universities now can only request funding for projects that have already been approved as part of the Educational Plant Survey. She stated that the BOG will only consider for funding those projects that are incomplete PECO projects which received a prior appropriation and requires additional PECO funds to complete; and/or the top two priorities for each university. Interim CFO and Sr. VP Martinez added that FIU’s priorities are the Engineering Building Phase II and the Honors College. She mentioned that FIU is presenting a total of five projects to the Board of Trustees, highlighting the remaining three projects, specifically the Science Laboratory Complex, the Academic Health Center Study Complex, and the remodeling/renovation of the Deuxieme Maison building.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend to The Florida International University Board of Trustees (the BOT) approval of FIU’s 2023-24 Fixed Capital Outlay Legislative Budget Request, consisting of the five-year Capital Improvement Plan and authorize the University President to amend the Legislative Budget Request as necessary, consistent with Florida Board of Governors and BOT directives and guidelines.

FF4. Proposed Amendments to Regulation FIU-1101 Tuition and Fees Schedule for the 2022-23 academic year
Interim CFO and Sr. VP Martinez presented the proposed amendments to Regulation FIU-1101 Tuition and Fees Schedule for the 2022-23 academic year for Committee review. She pointed out that FIU charged separate per-credit tuition cost for each component of the Nurse Anesthesiology program and that with the proposed changes to the FIU Tuition and Fee Schedule, the program will change to a new composite tuition based on 110 credits. She indicated that technical revisions include removing degree-level designations to the Nursing and Health Sciences Practicum/Certification Programs, removing reference to students enrolled before 2006, and
aligning the definition of students to whom the Excess Credit surcharge applies with BOG Regulation 7.003.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Florida International University Board of Trustees approve amended Regulation FIU-1101 Tuition and Fees Schedule and delegate authority to the University President to approve any subsequent non-material amendments based on comments to the Regulation received from the Florida Board of Governors (BOG) and as a result of the regulation-making process.

**FF5. Engineering Building Phase I (BT-919) — Third Amendment to Prior Budget Approval**

Interim CFO and Sr. VP Martinez presented, for Committee review, the third amendment to the prior budget approval for the Engineering Building Phase I. She indicated that the architect is Perkins + Will, noting that the building will be located on the northeast corner of the Modesto A. Maidique. She pointed out that on December 8, 2021, the FIU Board of Trustees approved an increase in building size to 120,695 gross square feet and a budget increase to $75.4M. Interim CFO and Sr. VP Martinez stated that due to increases in market construction costs and changes associated with final design, an additional $4.3M is being requested, increasing the total project cost from $75.4M to $79.7M. She delineated the major components related to the increased costs, including construction market cost escalation, $2.8M; lab exhaust $353,000; fifth and sixth floor air handlers, $715,000; and fifth and sixth floor restrooms, $438,000. Interim CFO and Sr. VP Martinez commented that $1.7M will come from a reallocation of an E&G Carryforward project that has been postponed due to construction costs escalations that have made the project unfeasible at this time and the remaining shortfall will be funded from an additional $2.6M in E&G Carryforward.

In response to Committee Chair Tovar, Interim President Jessell stated that the University is in the process of preordering as many materials as possible to mitigate rising costs in construction materials.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend to the Florida International University Board of Trustees approval of the request to expand the size and budget of Engineering Building Phase I from the currently approved budget of $75.4 million to $79.7 million to accommodate cost increases in the construction market and refinements in the project’s design since December 2021.

**FF6. Approval of Amendment No. 5 to the 2010-20 Campus Master Plan for the Engineering Center Campus Redesignating Land Use to Accommodate the Construction of Academic and Research Facilities**

There were no questions or comments from the Committee members.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Florida International University Board of Trustees approve Amendment No. 5 to the Campus Master Plan for the Engineering Center to accommodate the construction of Academic and Research Facilities.
FF7. Approval of Contracts greater than or equal to $3,000,000:
1. ITN-2022-00057 for Office Supplies and Products, Vendor: ODP Business Solutions
2. Renewal with Oracle America, Inc for Application Support and licenses
3. Renewal with Mythics, Inc, Oracle Cloud Service Subscription

Interim CFO and Sr. VP Martinez presented, for Committee review, contracts greater than or equal to $3M. She commented that the contract with ODP Business Solutions, LLC fka Office Depot Inc. resulted from the ITN for office supplies and products. She indicated that the term of the contract is five (5) years with two (2) additional two (2) year potential renewals at a cost of $13,500,000. She commented on the requests for renewals, specifically Oracle America Inc. for Oracle applications support and licenses for a total cost of $3,708,002.64 for the contract term and Mythics, Inc. for Oracle cloud service subscription for a total cost of $1,200,450 for the contract term.

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, (i) a motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Florida International University Board of Trustees approve the University entering contracts 1-3 as specified in the Board materials and (ii) authorize the University President or his designee to execute, on behalf of the University, the aforementioned contracts and all of the documents, and take all actions, that may be necessary to effectuate the transactions contemplated in the respective contracts.

3. Action Items (Committee Action; Full Board Information Only)

FF8. Approval of Contracts greater than or equal to $1,000,000 and less than $3,000,000:
1. Marketing and Media Services, ITN-2021-00555
2. University Signage, ITN-2021-00048
3. Renewal with Education Advisory Board (EAB) Navigate Services for student success management

Interim CFO and Sr. VP Martinez presented, for Committee review, contracts greater than or equal to $1M and less than $3M. She indicated that the marketing and media services ITN provides flexibility to the University as it relates to agencies that can be engaged with, noting that six (6) were agencies were awarded for a term of three (3) years with the option to renew for two (2) additional, one (1) year terms. She pointed out that the estimated spend over the life of the contracts is $1M for Andwell, LLC., Blue Daisy Media, Moore Communications Group, Inc., and Wragg & Casas Public Relations, Inc. Interim CFO and Sr. VP Martinez noted that the estimated spend over the life of the contracts is $2M for Stinghouse Advertising LLC. and Z Advertising Group LLC. She mentioned that two (2) agencies were awarded for University signage with an approximate spend of $1M for two (2) years with option to renew for three (3) additional, one (1) year terms. She mentioned that the contract with Education Advisory Board (EAB) Navigate pertains to the renewal of services to access to a comprehensive student success management technology platform for a total cost of $1,381,858.

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, (i) a motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee approve the
University entering into the contracts as specified in the Board materials and (ii) authorize the University President or his designee to execute, on behalf of the University, said contracts and all of the documents, and take all actions, that may be necessary to effectuate the transactions contemplated in the respective contracts.

4. Discussion Item
4.1 Financial Performance Review, Third Quarter FY 2021-22
Interim CFO and Sr. VP Martinez presented the University’s financial performance review for the third quarter of FY 2021-22. She indicated that operating revenues are above estimates by $3.1M or 0.3% and that operating expenses are below estimates by $22.3M or 2.0%, with a net favorable variance of $25.4M. She pointed out that the University’s total investment portfolio returned -3% as of March 31, 2022.

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

6. New Business
No new business was raised.

7. Concluding Remarks and Adjournment
With no other business, Finance and Facilities Committee Chair Roger Tovar adjourned the meeting of the Florida International University Board of Trustees Finance and Facilities Committee on Thursday, June 16, 2022 at 11:22 a.m.