Committee and Board members present:
Thomas G. Kuntz (Committee Chair and Board Vice Chair), David C. Bloom, Richard P. Cole, Christopher T. Corr, James W. Heavener, Morteza “Mori” Hosseini (Board Chair), Daniel T. O’Keefe, Rahul Patel, Marsha D. Powers, and Anita G. Zucker.

Others present:
W. Kent Fuchs, President; Chris Cowen, Senior Vice President and Chief Financial Officer; Jodi Gentry, Vice President for Human Resources; Amy Hass, Vice President and General Counsel; Mark Kaplan, Vice President for Government and Community Relations and University Secretary; David Nelson, Senior Vice President for Health Affairs and President of UF Health; Curtis Reynolds, Vice President for Business Affairs; George Kolb, Assistant Vice President of Financial Analysis and Budget; Olga Weider, University Controller; members of the University of Florida community, and the public.

1.0 Call to Order and Welcome
Committee Chair Thomas G. Kuntz welcomed everyone in attendance and called the meeting to order at 9:00 a.m.

2.0 Roll Call
Senior Vice President Chris Cowen conducted a roll call of all Committee and Board members present.

3.0 Review Draft Agenda for October Meeting
The following items were addressed by the Committee:

3.1 Review Action Items
Committee Chair Kuntz began the discussion by explaining that SVP Cowen will provide an overview of each action item. These items will be approved at the Board of Trustees meeting immediately following this FSPPM pre-meeting.
FSPPM1 Board of Governors Operating Budget FY 21-22
Senior Vice President Chris Cowen gave an overview of the operating budget explaining that the format used for the action item is required by the Board of Governors and does not net out transfers. He indicated that the university has seen some growth and that the budget reflects a return to more normal operations since COVID. There was a conversation about the potential Scripps Research Institute Jupiter campus acquisition initiated by Board Chair Mori Hosseini that discussed the research indirect cost recovery rates and potential gap in expenses over research revenues. SVP Cowen explained that there is the potential to negotiate rates. Board Chair Hosseini asked the committee to take a look at what SCRIPPS and other institutions are doing in regard to ICR and report back to the board. Following the discussion, Committee Chair Kuntz returned to the operating budget and suggested that the university is in good financial shape and asked SVP Cowen to briefly provide a breakdown of revenues. SVP Cowen provided a breakdown and explained that there is only about $19M left in Carryforward. Trustee Bill Heavener questioned what would happen if all carryforward funds were used, i.e. do we have other sources of funding or access to lines of credit or savings. SVP Cowen explained that UF is legally prohibited from having a line of credit for operating expenses but that the budget is conservatively realistic and provides the opportunity to reallocate funds from various areas if needed. Trustee O’Keefe questioned a line item that indicates donations and contributions. Assistant Vice President George Kolb explained that the line includes transfers from DSOs and does not reflect any contributions. There was also a discussion about CARES and HERF funds, in which AVP Kolb provided a breakdown of these monies were disbursed from the government and allocated to the university. Committee Chair Kuntz mentioned the state appropriation increase and SVP Cowen explained that much of it was for the New Worlds Reading Initiative. Committee Chair Kuntz asked for a motion to approve Action Item FSPPM1 and it was approved unanimously.

FSPPM2 FY 2021-2022 Carryforward Spending Plan
SVP Cowen provided an overview of the action item explaining the carryforward spending plan and how it is devised. He mentioned that much of it is held by colleges, and that it’s not all centrally controlled. Committee Chair Kuntz indicated how important it is that this item be reviewed by the committee and full Board of Trustees. Trustee O’Keefe asked for an explanation of the 7% reserve. Committee Chair Kuntz explained that it is required by the Board of Governors and that anything over that amount must have a plan and the university must show how it is used. Committee Chair Kuntz asked for a motion to approve Action Item FSPPM2 and it was approved unanimously.

FSPPM3 FY 2021-2022 DSO and Affiliate Budgets
SVP Cowen reviewed the action item and explained that the university is working on making some changes in regard to DSOs and how they report financially. He mentioned the state is doing an audit on all DSOs within the state university system and that ours includes UF Health. Senior Vice President David Nelson explained that SVP Cowen has been intimately involved with UF Health along with Trustees’ Kuntz, Powers, and Hosseini indicating full Board involvement. Committee Chair Kuntz suggested that SVP Cowen should be able to explain changes in DSO budgets and the FSPPM committee should be able to fully understand the numbers presented. SVP Cowen indicated that he is working on a more systemic way for the CFO’s Office to be involved with DSOs
and provide greater visibility. Committee Chair Kuntz suggested that a summary sheet that looks at each DSO and gives an explanation of significant changes would be very helpful and requested it at the next meeting. There was a conversation about governance in which Board Chair Hosseini asked that SVP Cowen or someone he designates sits on each DSO Board. After the Board has approved their budget, the CFO office should provide notice of the Board of Trustees approval to each DSO and Affiliate and reinforce the approval process. Committee Chair Kuntz agreed and stated that by sitting on these Boards there will be reinforcement and reminders that the BOT approves their budgets. Committee Chair Kuntz asked for a motion to approve Action Item FSPPM3 and it was approved unanimously.

Following the discussion, Board Chair Hosseini reminded the committee that the budget must be submitted this week. He also mentioned that going forward it be approved at the June Board of Trustees meeting and suggested that the FSPPM committee begin looking at the budget in January. There was also a brief discussion about the 5% holdback across the enterprise, in which President Kent Fuchs indicated that Executive Chief of Staff, Winfred Phillips is leading the project and making good progress.

4.0 New Business
There was no new business to come before the committee.

5.0 Adjourn
There being no further discussion, Committee Chair Kuntz adjourned the meeting at 11:57 a.m.