



## Budget and Finance Committee

October 30, 2020

### Minutes

The meeting was called to order at 9:01 a.m. by Governor Barnhill via video conference. Secretary Miller called the roll. A quorum was present.

**Committee Members Present:** Governors Barnhill, Kelly, Kumar, Stancato and Thompson; Paul Beavers, Faculty Representative, Linda Beale, Faculty Alternate Representative; Jasmine Coles, Student Representative and Amina Khalique, Student Alternate Representative

**Also Present:** Governors Busuito, Gaffney, and O'Brien; and President Wilson; Provost Clabo; Vice Presidents Burns, Cooke, Lanier, Lessem, Lindsey, Schweitzer, Staebler, and Wright; and Secretary Miller

### **APPROVAL OF MINUTES, JUNE 5, 2020 SPECIAL MEETING**

**ACTION:** Upon motion made by Governor Stancato, and supported by Governor Kumar, the Minutes of the June 5, 2020 Special Meeting of the Budget and Finance Committee were approved as submitted. The motion carried.

### **CONTINGENCY RESERVE**

VP Cooke reviewed the recommendation for a transfer of \$177,288, the remaining balance from the FY 2020 contingency reserve, for the search for the Provost and Senior Vice President of Academic Affairs.

**ACTION:** Upon motion made by Mr. Beavers, and supported by Governor Stancato, the Budget and Finance Committee approved the request to transfer \$177,288 to fund search activities for the Provost and Vice President of Academic Affairs. The motion carried.

### **ACQUISITION OF A FIELD EMISSION TRANSMISSION ELECTRON MICROSCOPE TO ENABLE MULTIDISCIPLINARY MATERIALS RESEARCH EDUCATION AND OUTREACH IN DETROIT**

Governor Stancato asked about the use of the equipment for Detroit students. Dr. Lanier noted that many of the grants that are funded through this mechanism from the National Science Foundation have an outreach educational component. Upon submission of the proposal there is a specific section about how the equipment will be made available to

students in the STEM area. He referred to the Director of STEM Learning Innovation and Associate Provost for Inclusive Workforce Development, Tonya Matthews with the K-12 platform, as that connection. The grants are very competitive and in the review sessions this particular item of educational outreach is specifically scored. Professor Beale asked if there is a 30% match that was part of the award mechanism? VP Lanier confirmed the match. Governor O'Brien asked how K-12 students will be using and interacting with the acquisition. VP Lanier did not have the specifics of the proposal at hand, but can provide that information. Prior to COVID, VP Lanier noted that many of these types of programs had the kids come to campus and tour the Lumigen Instrument Center (LIC) in the Department of Chemistry, where there many similar types of instruments are housed. Governor Stancato noted she is familiar with Dr. Tonya Matthews from her previous position as head of the Michigan Science Center and her work with the Detroit Area Pre-K College Engineering Program, and that information provided enough of a connection to answer her question.

**ACTION:** Upon motion made by Governor Stancato and supported by Governor Thompson, the Budget and Finance Committee recommended that the Board of Governors authorize the President, or his designee, to award a contract not to exceed \$1.4 million to FEI Company, a part of ThermoFisher Scientific, to procure a Talos G2 F200X Electron Microscope with 3D Tomography to be funded by a National Science Foundation MRI award (\$980,000) in combination with an institutional match from the Office of the Vice President for Research not to exceed (\$420,000). The motion carried.

## FISCAL YEAR 2021 GENERAL FUND BUDGET

VP Cooke advised that the budget planning committee started meeting in February with individual schools, colleges and divisions and later determined further reductions in expenses were needed to balance the FY 2021 budget. Individual units provided the proposed cuts at the school, college and division level and this information helped develop the plan that included an average 5% cut among schools and colleges, and an average 7% cut for the divisions. A contingency plan was also developed that could be implemented if enrollment were to fall below the University estimate, or the state cuts appropriations. VP Cooke expressed her thanks to the many people across the university who provided information, analysis, and recommendations as part of this process and group effort.

In September, Bryan Dadey and VP Cooke met individually and in small groups with Board members to obtain feedback on the proposal. At that time, there was not majority support from the Board members for the proposed budget. Several Board members requested a budget proposal that minimized or delayed layoffs and used the University reserves to fund the deficit in the operating budget. Further, based on data from the fall student census, tuition revenue was overestimated by around \$7 million, and further cuts would be required. Based on these discussions, and the further adjustments needed, the presentation of the budget at the September 2020 Board meeting was postponed, and rescheduled for today's meeting. In updating the materials for today's meeting, the changes incorporated had significant impact on the preliminary budget book that had

been developed for the September Board meeting, and creation of a revised full budget book was not possible for today's meeting. Instead, members of the Board and committee were provided with budget schedules and graphs as well as summary information for the meeting. VP Cooke called on Bryan Dadey, Senior Associate Vice President and Deputy Chief Financial Officer, for presentation of the revised budget proposal.

Mr. Dadey noted that the budget challenge for fiscal year 2021 includes a shortfall of \$32.5 million. The challenge is not only pandemic driven, but a trend in higher education over the last decade that is seeing operating expenses significantly outpacing operating revenues. From the revenue side, there was a slight decrease in tuition and fees based on credit hour projections. Credit hours remain flat but the student mix has changed with more undergraduate students than graduate and international students.

Low interest rates have resulted in lower investment income, impacting the University's investment portfolio. On the expense side, increases in salary and benefits are driven by contractual increases to employees in collective bargaining units. Debt services are dropping this year but will be back up next year, and there are increases in financial aid, inflationary contractual increases and other budget corrections that impact the bottom line.

Mr. Dadey presented 2020 and 2021 comparison data discussing the \$32.5 million shortfall in 2021 and the \$12.7 million shortfall in 2020. The most significant difference in these two years is on the revenue side, as 2020 revenues included an increase in tuition and a slight increase from the state. There were increases on both the budget and actual side in financial aid, and there is work collaboratively on the budget forecasts to align the budget and actuals in this area. The student mix this year has more undergraduate students and fewer international students, translating to fewer graduate students and less discounting. Overall nationally, post-secondary enrollment is down 40%, with the biggest drop seen in first time students, 16.1% nationwide, and 22.7% at community colleges. Governor Thompson asked Secretary Miller to send a copy of the presentation to the Board. VP Cooke apologized for the presentation not being delivered in advance, as they were working on it throughout the week. Professor Beale asked that the meeting be recessed so the presentation could be reviewed. Governor O'Brien noted that changes in documents sent to the board are not highlighted so it is difficult to identify the changes. At 9:24am, Governor Barnhill called for a 20 minute recess, to allow time for the Board and Committee members to review the presentation, and asked that the committee reconvene at 9:45am.

At 9:45 a.m. the committee reconvened. Mr. Dadey continued his presentation, and asked if he could finish his presentation first, and then take questions. He explained that to cover a large shortfall, positions will be impacted. For FY 2021, non-represented employees will forgo a pay increase, providing a \$1.5-million-dollar savings to the budget. Pay reductions include a 5% reduction for executive staff, and a 10% reduction for the president. Furloughs will be implemented for non-represented employees. Those with salaries between \$100,000 and \$200,000 include a furlough equivalent to 2.5% of their salary, and for those with salaries over \$200,000, a 4% reduction. Schools and colleges will see an \$8-million-dollar reduction in their budgets, Divisions will see a \$7.7-million-

dollar budget reduction and the central account will be reduced by \$1.3 million. The proposed budget includes a request to use Rainy Day funds to cover the \$12.7million dollar shortfall and to continue with the IT consolidation to implement administrative efficiencies. The implementation date for those positions scheduled for elimination under the IT consolidation will be delayed. Mr. Dadey commented that as a financial executive, he believes it is not financially prudent to use reserves to cover an operating budget shortfall as it weakens the University's financial position. Further, those reserves will not be available for later use if needed, and challenges in future years are expected. He added that he does not believe that the university has sufficient and significant reserves to be used and that this action will be looked at negatively by credit agencies, factoring into the University's credit rating going forward. He cautioned that most budgets have contingency funding to compensate for variances, but this budget does not have appropriate contingency funding. The university's contingency reserve is \$500,000, which is not a significant amount for a budget of this size. In addition, the budget does not include sufficient funds for preventive and routine maintenance and for capital improvements. The impact will cause deferred maintenance for items such as elevators, roofs, and floors to continue to increase and with no means to generate funds from the operating budget for these purposes, the University will be more reliant on debt financing for capital improvement.

Mr. Dadey discussed the FY22 outlook, including annual inflationary increases, compensation and salary increases of approximately \$11 million dollars annually, contractual increases of roughly \$1.9 million dollars and debt service, which is scheduled to go up by \$1.5 million dollars. Inflationary increases are expected at \$14.4 million dollars, including carryover from this budget, with an expected shortfall of \$28.8 million. Other factors to consider that will impact the shortfall for next year include lower tuition revenue from enrollment declines, change in student mix, state appropriations for fiscal year 2021, additional concerns for fiscal year 2022 and other normal annual budget adjustments.

In terms of the FY 2021 Auxiliary Fund Budget, Mr. Dadey began by noting that while the FY 2020 approved budget for auxiliaries anticipated a \$455,000 shortfall, the actual shortfall was \$1.2 million. That shortfall, carried over into the FY2021 budget, increases to a \$3.2 million shortfall, attributable to the pandemic, with the main impact in housing and parking. With the \$12.5 million shortfall for the general fund and the \$3.2 million shortfall for the auxiliary fund, the total shortfall is \$15 million. He added that the university's other auxiliaries with shortfalls have sufficient fund balances to cover those shortfalls, while housing and parking do not.

Professor Beale asked for clarification of the numbers in the slide referencing fiscal year 2021 budget actions, shortfall, executive pay reductions and furloughs. Mr. Dadey explained that for the executive pay reductions, the executive team is continuing with the 5% pay reduction and the president is continuing with his 10% pay reduction. Other non-represented employees making between \$100,000 and \$200,000 will have furloughed days with the equivalent of a 2.5% reduction in pay and non-represented employees making over \$200,000 will have the equivalent of a 4% pay reduction. Governor Kelly asked for a clarification of the meaning of furlough day's pay reduction. Mr. Dadey

clarified that furloughs are unpaid time off. The details of the program still need to be worked out.

Mr. Beavers asked about the process used in moving from the September 25<sup>th</sup> budget proposal to the funds budget being presented today. Mr. Dadey advised that from the revenue side, enrollment projections were adjusted because actual numbers were available from the census. The result of that adjustment was a reduction of about \$7 million in tuition and fee revenue. On the expense side the budget that was going to be presented in September would have included more layoffs, and through discussions leading up to that meeting, board guidance indicated that layoffs should be minimized as much as possible. President Wilson clarified that this was a view of a portion of the Board. Mr. Dadey noted that removing those layoffs accounts for the difference in the expense budget.

Professor Beale expressed some concerns about the C&IT consolidation, specifically that the consolidation had not been done in consultation with the senate, its budget committee or the policy committee. She thought there was clarification needed regarding the timing of the proposed 27 layoffs, as VP Cooke advises they would be completed by year-end, but Rob Thompson, the interim CIO, described a two-year process. She also asked what would occur if the committee did not approve the budget at this meeting, and whether or not a full budget book would be provided at a future date.

President Wilson asked Rob Thompson Interim Associate Vice President, C&IT, for clarification on the timeline question. Mr. Thompson noted that the two-year timeline is a long-term alignment of IT and full reconciliation of IT services. This includes having new services for the departments in place and new equipment, knowing the reporting lines, all the needs of the campus inventory and discovery process, and implementation of the new board structure and the new consolidated IT in the first quarter of 2021. Professor Beale urged the board for more transparency and understanding about what the budget means, which she feels is not possible without the full budget book. Governor Barnhill noted that if consensus is not reached in this meeting then they will continue to meet until they are able to achieve that.

Governor O'Brien asked when the pay reductions and furloughs for the divisions would begin, how long they would run, and whether the savings will be earmarked for the General Fund. President Wilson noted that the reductions for executives began in April and will run through the fiscal year. The furloughs will begin when the budget is passed, and he confirmed that the savings from these reductions will go to the General Fund. Governor O'Brien asked if there were layoffs at the administrative level. Mr. Thompson noted that the only layoffs were related to the IT consolidation with some management level positions. IT is considered an administrative function. Governor O'Brien asked whether high wage, non-revenue generating earners were experiencing cuts equal to cuts in other divisions. VP Cooke advised that there are no other layoffs except for IT - all other layoffs have been removed from the proposed budget. Governor O'Brien commented that the budget information did not contain enough detail, changes were not highlighted, and she does not think it was not forwarded in a timely manner.

President Wilson noted that the budget process began in February and the changes incorporated involved responding to some members of the board's requests to minimize the layoffs, which caused delays. He advised that there had been an extensive discussion last week with the Board about everything in the budget presented at today's meeting, which contains nothing new except what was agreed upon by majority of the Board members last week, and that is the material now being presented. The type of detailed budget that would normally be presented will not be ready until January. Governor O'Brien asked for clarification on the board agreement from the previous week that President Wilson referenced. Governor Barnhill clarified that it was not a vote but a determination to position the administration to present material to the board that could move the issue forward, considering time constraints facing the institution. President Wilson added that the discussion was held via a phone call with the board, and that the board members present agreed with an approach that he suggested for the budget, and that approach was then taken.

Governor O'Brien noted that she prefers that the 27 layoffs in IT not occur until the end of the fiscal year. President Wilson clarified that there were options for consideration. One is to enact layoffs in fiscal year 2021, which would be immediately, as the University was one month into fiscal year 2021. Another option that Governor O'Brien and some other Board members expressed preference for was that the layoffs occur at the end of fiscal year 2021. He noted that a third option would split in the middle and postpone the layoffs until sometime during fiscal year 2021. There was agreement expressed for this third option, and that is the budget being presented before the board today. He noted that implementation time would be determined by Mr. Thompson but the intention is that the impact will be felt in 2021 and 2022. Governor O'Brien felt that it is bad for layoffs to occur at Christmas and asked when they would occur. President Wilson advised that the intention is to implement at the halfway point. Governor Barnhill noted that he preferred that the decision on the budget be determined by the current board.

Governor O'Brien asked for clarification about the \$13 million budget deficit in financial aid, and noted that in the proposed budget, the department of financial aid is being increased by \$13 million. The notes indicates this increase covers equipment and enrollment initiatives, including Wayne Med Direct. She asked if it this is a one-time fix or an attempt to add \$13 million dollars to the financial aid budget to fund items that have not come to the board for approval.

VP Cooke explained that financial aid is a discount on tuition and a more appropriate definition is that it should be considered as a discount on revenue, as there is essentially less revenue coming in. Five years ago, the board asked the administration to shift financial aid to need based from merit based, not entirely, but that shift is being made. She referenced the presentation, which showed an increase in the budget for that discount at 5% and that is growing closer to 7% a year. The \$13 million dollars is being budgeted as a reflection of what has been spent in prior years and in anticipation of what will be spent, and the discounts to be provided.

These funds will become part of the base budget after this year, if approved. Governor O'Brien asked for further explanation on the funding for the Med Direct Program, which

she believed to be a fully donor funded program, funded at \$11 million in donated funds. She asked whether this action was a way to get funding for Med Direct and other programs that have not come to the Board for approval. President Wilson advised that the Med Direct Program does not require Board approval. VP Lessem concurred and referenced a Board statute that defines what the board does and does not approve, and what is delegated to the President.

VP Lessem explained that the board's role in approving academic issues has to do with areas such as degree granting programs, free standing certificates and the such, but the statute delegates to the president all other authority for lesser modifications in academic programs and it has no reference to how or when the money is paid through whatever source it might be paid. Governor O'Brien asked for clarification, as the Constitution says that the Board is in charge of all expenditures. VP Lessem agreed, explaining that the board is ultimately in charge of all expenditures, and clarified that the board has delegated much of that authority through the board's own policy to the president. Governor O'Brien noted that the information regarding the Med Direct program stated that it would be completely donor funded. President Wilson responded that it would be unprecedented to have a specific academic program completely donor funded. He noted that to make the program sustainable over the long term would require as much endowment as can be raised. There are Med Direct students who have significant financial need and most of them represent minorities, so the program is not costing from a financial aid standpoint.

Governor O'Brien asked about the projections for the Med Direct program, with shortfalls appearing to continue through 2024. She asked about the use of the need-based aid for \$370,000 and how many out of state students are in the Med Direct program. President Wilson noted that the \$370,000 was used in the budget to identify a source of funding. He provided further clarification about the difference between the former Med Start program and the current Med Direct program. With the Med Start program, following graduation, regardless of whatever investments that the University made to support participating students, the students could go to medical school wherever they wanted. The Med Direct Program specifically stipulates that students attend Wayne Medical School. Governor O'Brien stated that she preferred that all the students be Michiganders, due to the need in Michigan. President Wilson agreed and noted that the last few cohorts were almost exclusively in-state and consisted of underrepresented minorities. VP Cooke added context to Governor O'Brien's earlier question on how Med Direct is funded, noting that the funds come from the available expenditure portion of the endowments. So, the medical school tuition for students in the Med Direct Program is fully funded from the endowments.

Governor Thompson asked about the details regarding budget expenditures found on page 24 of the budget materials, specifically a chart on the second page of the resolution. She noted that the materials sent to the Board last week have different percentages allocated for different items. Mr. Dadey and VP Cooke noted there were no changes to the materials that they were aware of. Mr. Dadey described two different charts with expenditures. One covers the entire current funds budget and includes the general, designated, auxiliary funds and expendable restricted funds and the other covers the general fund. VP Cooke noted that the general fund referenced by Governor Thompson

is the same one in the resolution. Governor Kelly asked for comment on the risk to the credit rating referenced earlier in the presentation. Mr. Dadey noted that it is a stated opinion, and the credit ratings are a very complicated calculation. Moving forward with a budget shortfall is part of that calculation and would put the University in a negative position. Governor Kelly asked if this is likely or a certainty. Mr. Dadey responded that he could not be certain.

Governor Kelly noted that the budget does not provide appropriate contingency funding for unexpected budget variances or unexpected expenses and asked where monies will come from in such cases. Mr. Dadey noted that fund balances would be used, and President Wilson advised that in some instances, uncommitted reserves would be used. VP Cooke added that in a normal budget year, there is underspending due to vacant positions, which also provides flexibility for unexpected expenses. Governor Kelly highlighted the growing deferred maintenance needs and commented that the insufficient funds for preventative and routine maintenance for capital improvements is a real concern and added that the intended use of the reserves was to decrease deferred maintenance. Mr. Dadey concurred.

Governor Busuito asked how much of the \$13.6 million deficit in the student financial aid represented the Heart of Detroit program. VP Cooke noted that she did not have the numbers in front of her but advised that many of those students enrolled would bring in significant financial aid and the program has resulted in an additional million dollars of tuition revenue. Ms. Coles, student representative, asked whether the student center's reduction in hours noted on page 65 resulted from any benchmarking from a student perspective. She also noted a reduction in student staff by 20-30 students and asked if there were measures to find them jobs. Dean Clabo explained that an assessment was completed that shows there is considerably less traffic in the evening than expected. VP Cooke added that the reduction is in student staff and correlates to the reduction of residents living on campus. With less than 40% capacity for on-campus housing, there is less of a need for residential aid. Student assistants and work study students were all assigned other opportunities.

## **PUBLIC COMMENTS**

Secretary Miller received one request to speak from a member of the University community, whose comments were related to consideration of the budget, and would be heard at this time. Speakers are allocated 15 minutes to present their remarks, with a one-minute warning. Ms. Susan Odgers was called on for comments.

### **Susan Odgers**

Susan Odgers and as President Wilson said, I am an Alum of Wayne State University, very proud, two-time Rumble and I had prepared remarks and I have to tell you listening to the meeting so far, I'm going to move from those a bit because I'm a bit startled by what I learned on this call today. So my first comment is, I want the board to really think about, does this budget reflects Wayne State's values, mission and vision and to think really hard about that before you consider passing



this. I can tell you that there's a lot of concerns throughout the state about Wayne State's research with serving the entire 83 counties and I think that if we had more relationships throughout the state that right now in terms of fundraising dollars, they would be much more substantial and we're going to need all those different partners to offset what all of you are looking at today. So, as an outsider, an alum and taxpayer, I worked very long and hard for some of the documents to be able to do a deeper dive in my comments today, that was really difficult, and I really feel for the board members that did not feel prepared today. I can easily understand where that feeling would come from. I can tell you just as one specific that the LGBTQ+ students had told me that they don't even have office space a major or minor in their queer studies as other universities have these programs. So, that is just one part of the budget that I wonder where that goes. Does it satisfy, is it being worked on in some other way and I just didn't find the information, but the students themselves are telling that that's something they're looking for and we know that areas intersect with race, socioeconomic, age, disability, a lot of other factors that we care about. My recommendation would be to not approve this budget today. I know that the voting has been about a majority rule. However, the board could look at consensus, so that everyone feels they had all the information and all of their questions. I would close with forward as of this right now an opportunity to close in a harmonious way before the new board takes their seats. Thank you.

Mr. Beavers noted that he will vote against the general fund budget for three reasons and indicated that because of the sacrifices made to the schools and colleges, there was not enough information provided for him to feel confident to approve the budget and the 27 layoffs in C&IT. Governor Barnhill noted that the Board arrived at this point in an effort to find consensus, and the current budget is a compromise. He believes aggressive action should now be taken.

**ACTION:** Upon motion made by Governor Kelly and supported by Governor Stancato, the Budget and Finance Committee recommended that the Board of Governors approve the proposed FY 2021 General Fund budget, its projected revenues and expenditures, and the budgets for individual university units and specifically funded programs as summarized in this document. In addition, the Board of Governors authorizes the President to implement the budget management procedures, and budget-related policies, with such modifications as may be deemed necessary during the fiscal year.

The motion carried with the following roll-call vote:

Governor Barnhill - yes  
Governor Stancato - yes  
Governor Kumar - yes  
Governor Kelly - yes  
Governor Thompson - no  
Faculty Representative Paul Beavers - no  
Student Representative Jasmine Coles - no

**AUXILIARY BUDGET**

Governor O'Brien asked for clarification of the information relating to the \$4.1 million net assets to begin the 2021 fiscal year and the negative balance of \$3.1 million. Mr. Dadey explained that each individual auxiliary is its own unit, and they continue with their own fund balance and were in the black by over a million dollars. VP Cooke noted that balances that are carried forward are allocated out to the different areas that earn them and overall, there is a \$3 million deficit. The request for \$1.3 million in rainy day funds is to cover that deficit because the unit that generated the deficit, parking, doesn't have enough money to cover their deficit, and the other areas do. Governor O'Brien asked where the majority of the \$3.1 million deficit belongs. Mr. Dadey did not have the numbers available. VP Cooke noted that most of the positive balance is in housing and they are anticipated to lose \$2 million this year and the rest of them are relatively small balances in comparison.

Professor Beale asked about dining construction and whether it would be paid by the transfer from auxiliaries to debt service? She also asked if there was a possibility of delay given the obvious decrease in use of on campus dining services. VP Cooke advised that the dining contract that cannot be terminated and that the project was completed at the end of the summer.

**ACTION:** Upon motion made by Governor Stancato and supported by Governor Kelly, the Budget and Finance Committee recommended that the Board of Governors approve the proposed FY 2021 budgets for the auxiliary activity units summarized in this document and detailed in the FY 2021 Current Funds Budget materials.

The motion carried with the following roll-call vote:

Governor Barnhill - yes  
Governor Stancato - yes  
Governor Kumar - yes  
Governor Kelly - yes  
Governor Thompson - no  
Faculty Representative Paul Beavers - yes  
Student Representative Jasmine Coles - no

Category	FY 2020 Approved Budget	FY 2020 Projected Actual	FY 2021 Proposed Budget
<b>REVENUES</b>			
Beginning Net Assets	\$3,458.2	\$5,388.2	<b>\$4,159.5</b>
<b>Operating Revenue</b>			
Student Tuition and Fees	\$6,056.5	\$6,056.5	<b>\$6,056.5</b>
Auxiliary Revenues	\$27,770.9	\$19,601.8	<b>\$17,523.3</b>
Total Operating Revenue	\$33,827.4	25,658.3	<b>\$23,579.8</b>
<b>Non-Operating Revenues</b>			
Gifts	\$2,400.0	\$2,300.2	<b>\$2,540.0</b>
Other	\$3,752.1	\$3,308.3	<b>\$1,569.8</b>
Total Non-Operating Revenues	\$6,152.1	\$5,608.5	<b>\$4,109.8</b>
<b>TOTAL REVENUES</b>	<b>\$39,979.5</b>	<b>\$31,266.8</b>	<b>\$27,689.6</b>
<b>EXPENDITURES AND TRANSFERS</b>			
<b>Auxiliary Enterprises</b>			
Compensation	\$13,635.6	\$12,229.6	<b>\$11,228.8</b>
Operating Expenses	\$16,389.1	\$13,809.0	<b>\$13,125.8</b>
Expenditures	\$30,024.7	\$26,038.6	<b>\$24,354.6</b>
<b>Transfers Out/(In)</b>			
Debt Service	\$6,951.9	\$6,951.9	<b>\$6,918.0</b>
Plant & Other	\$5,373.2	\$1,390.7	<b>\$1,376.9</b>
General Fund Support	(\$1,885.7)	(\$1,885.7)	<b>(\$1,803.1)</b>
Subtotal Transfers	\$10,439.4	\$6,456.9	<b>\$6,491.8</b>
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	<b>\$40,464.1</b>	<b>\$32,495.5</b>	<b>\$30,846.4</b>
<b>Operating Surplus / (Deficit)</b>	<b>(\$484.6)</b>	<b>(\$1,228.7)</b>	<b>(\$3,156.8)</b>
<b>Ending Net Assets</b>	<b>\$2,973.6</b>	<b>\$4,159.5</b>	<b>\$1,002.7</b>

Note: General Fund Support is now shown as a transfer item.

### PROPOSED USE OF THE RAINY DAY FUND

Governor O'Brien asked for the current balance of the Rainy Day Fund as of today's date and whether the Rainy Day Fund is housed in the same account as strategic initiatives. Mr. Dadey did not have the exact number to present; VP Cooke advised that the balance is around \$16.5 million dollars. VP Cooke noted that the funds are in separate accounts but listed together.

**ACTION:** Upon motion made by Governor Stancato, and supported by Governor Kelly, the Budget and Finance Committee recommended that the Board of Governors approve the use of the Rainy Day Fund to cover the General Fund net operating budget shortfall of \$12,502,876 as presented in the President's recommended FY 2021 Current Funds Budget. It is further recommended the Board of Governors approve the use of the Rainy Day Fund to cover the Parking net operating budget shortfall of \$1,296,100 as presented in the FY 2021 Auxiliary

Unit Budgets schedule of the FY 2021 Current Funds Budget. A transfer from the Rainy Day Fund to the Miscellaneous Reserve Fund will cover the expected General Fund shortfall. A transfer from the Rainy Day Fund to the Parking Fund will cover the expected Parking Fund shortfall.

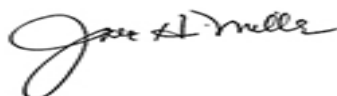
The motion carried with the following roll-call vote:

Governor Barnhill - yes  
Governor Stancato - yes  
Governor Kumar - yes  
Governor Kelly - yes  
Governor Thompson - no  
Faculty Representative Paul Beavers - yes  
Student Representative Jasmine Coles - yes

## ADJOURNMENT

There being no further businesses, the meeting was adjourned at 11:36 a.m.

Respectfully submitted,



Julie H. Miller  
Secretary of the Board