FAYETTEVILLE STATE UNIVERSITY

Board of Trustees
Committee Meeting
Rudolph Jones Student Center
Multipurpose Room

Committee on Budget and Finance
Wednesday, September 23, 2026
1:30 p.m.

AGENDA

Call to Or(	
Welcome and Opening Remarks	Dr. Donald Moore
Roll Call	Karen Bussey
Approval of Minutes:	June 10, 2026

Information Items:

A. Financial Update	Kenny Spayd, *Chief Financial Officer*
B. Capital Projects Update	Hector Molina, *Chief Operating Officer*
C. Facilities Condition Assessment Program (FCAP) Report	

Action Items:

D. BF-1: Disposition of Real Property
E. BF-2: Chesnutt Roof Increased Authority
F. BF-3: Cook Increased Authority
G. BF-4: Nursing Advance Planning
H. BF-5: Seabrook Advance Planning

Committee Members: Donald Moore, Frederick Nelson, Joyce Adams, Al Ragland, Glenn Adams

Staff Liaison: Kenny Spayd
Board Professional: Anita Shamberger

For further information, please contact:
Kenny Spayd, Chief Financial Officer
910-672-1062

BUDGET AND FINANCE COMMITTEE

Wednesday, June 10, 2026

1:30 PM

The Committee on Budget and Finance of the Fayetteville State University Board of Trustees convened Wednesday, June 10, 2026, in the Charles W. Chesnutt Library, Board Room and via Microsoft Teams. The meeting was called to order at 1:30 p.m.

ROLL CALL
The following trustees were in attendance: Dr. Donald Moore, Mr. Frederick Nelson, Mrs. Joyce Adams, Mr. Al Ragland, and Mr. Glenn Adams.

Staff persons in attendance were Mrs. Sandra Williams, Mrs. Michelle Donegain, and Mr. Greg McElveen.

APPROVAL OF MINUTES
Trustee Al Ragland motioned to approve the minutes of the Committee on Budget and Finance meeting held on March 25, 2026, as presented. Trustee Glenn Adams seconded the motion. The motion carried.

FINANCE UPDATE
CFO Kenny Spayd presented the financial update. The University is on track to expend roughly $10 million on state-funded operations in June, leaving FSU with a sizeable surplus that will be utilized for operations in FY 2027. Trustee Al Ragland asked if there is a limit on how much of the funds, we can carry forward. CFO Spayd responded that the UNC System permits its constituent universities to carry over a maximum of 2.5% of their unspent General Fund (State-appropriated) operating budget into the next fiscal year.

Auxiliary operations remain strong. Enrollment growth led to increases of $1.8 million in student fees and $3.1 million in sales and services. Unrestricted donations outperformed expectations due to the Cape Fear Valley Health gift. Trustee Glenn Adams shared comments from the UNC System meeting to keep the trustees informed.

Next, CFO Spayd reviewed two UNC System reports. The Composite Financial Index report provides a method for understanding institutions' financial health. The university has demonstrated meaningful progress in recent history. The financial score has increased from 2.47 in 2023 to 4.00 in 2025, meeting the minimum threshold for financial health.

The Facilities and Campus Utilization study presented a snapshot of space usage, room characteristics, and building characteristics relative to the UNC System's target. FSU averages approximately 16 hours a week of total classroom use and approximately 8.3 hours of total lab use. While this is lower than the UNC System's average, FSU is on par with other

schools within our peer group.

CAPITAL PROJECTS UPDATE
CFO Spayd provided an update on major construction and renovation projects.

- The College of Education project has a target completion date for August 2026 in time for the new academic year.

- The Health & Wellness Center is experiencing some delays shifting the completion deadline to Fall 2026.

- The Parking Deck project is heavily delayed shifting the deadline to Winter.

- The major renovations are all on schedule. The Department of Police and Public Safety will move into their new building in the coming month. The "Shoe" Food Truck Park will open later this summer. The Military Academic Center is in the design phase.

ADJOURNMENT
The Committee on Budget and Finance adjourned at 1:57 p.m.

Respectfully Submitted,

Donald Moore, Committee Chair
Anita Shamberger, Recorder

FAYETTEVILLE STATE UNIVERSITY

BOARD OF TRUSTEES COMMITTEE ON BUDGET AND FINANCE

Kenny Spayd
Chief Financial Officer

Hector Molina
Chief Operating Officer

September 23, 2026

FAYETTEVILLE STATE UNIVERSITY

FINANCIAL UPDATE

Kenny Spayd
Chief Financial Officer

GENERAL FUND UPDATE

Fayetteville State University - General Fund		
Revenue	**Budget**	**Through August**
State Appropriations	110,455,685	30,591,649
Tuition	15,500,000	8,130,206
Sales and Services	866,000	81,659
Contracts and Grants		-
Other Revenues	2,495,000	43,861
Revenues Total	**129,316,685**	**38,847,374**
Expense		
Personnel	95,683,685	16,700,721
Services, Supplies & Materials	18,984,000	2,469,404
Scholarships and Fellowships	6,651,000	1,474,355
Debt Service	900,000	165,324
Utilities	2,749,000	549,226
Expenses Total	**124,967,685**	**21,359,031**

A generous State Budget and Enrollment Gains necessitated upward revisions to the approved budget.

- Salary and Benefit increases +$4.5
- Bronco Completion Scholarship +2.0M
- NC Promise +1.3M
- Tuition + 450K

AUXILIARY AND OTHER TRUSTS

Fayetteville State University - Auxiliaries and Other Trust Funds		
Revenue	**Budget**	**Through August**
Sales and Services	29,960,000	13,473,260
Student Fees	17,507,000	7,651,620
Gifts and Investments	1,653,000	248,892
Other Revenues	1,064,000	281,775
Revenues Total	**50,184,000**	**21,655,547**
Expense		
Personnel	10,897,881	1,841,953
Services, Supplies & Materials	27,882,000	4,432,215
Scholarships and Fellowships	1,512,000	577,206
Debt Service	2,166,000	192,163
Utilities	1,430,170	218,518
Expenses Total	**43,888,051**	**7,262,056**
Surplus / (Deficit)	**6,295,949**	**14,393,491**

- Fall revenues are in-line with prior projections
- Management expects a $6 million surplus for FY 27.
- In FY 26, FSU increased its unrestricted non-state cash balances by $11.4 million to $23 million

ACTION ITEM: DISPOSITION OF REAL PROPERTY

Background: The University purchased the current Chancellor's residence in 2006. Since then, FSU has invested nearly $2 million in maintenance, repairs, and renovations. Recent state budget legislation authorizes FSU to retain the net proceeds from the sale and use them to acquire a replacement Chancellor's residence. The property's appraised value is $850,000. The net sale proceeds will be deposited into a special fund with the State Treasurer and restricted to the acquisition of a replacement Chancellor's residence.

Action: Board of Trustees approval is required to proceed with the disposition. Following BOT approval, the State Property Office will manage the sale process. The final transaction will require approval by the Governor and Council of State.

Motion: Move to approve the disposition of the Chancellor's residence.

FAYETTEVILLE STATE UNIVERSITY

FACILITIES UPDATES AND ACTION ITEMS

Hector Molina
Chief Operating Officer

ACTION ITEM: CHESNUTT ROOF INCREASED AUTHORITY

Background: Requesting project authority increase from $1.2M to $1.7M using Title III funds to cover the increase in anticipated construction cost. The increase is required to award a construction contract once construction documents have been approved by State Construction Office.

Action: Authority is required from the Board of Trustees to proceed with seeking additional authority from the UNC Board of Governors.

Motion: Move to approve project authority increase of $500K for the Chesnutt Roof Replacement project.

ACTION ITEM: COOK INCREASED AUTHORITY

Background: FSU currently has project authority of $10M for a comprehensive renovation of the Cook Building. Donations from the McLean Foundation ($250K) and the Cannon Foundation ($100K) have been received to add scope to the current project. These funds will be used for patio and promenade improvements.

Action: Authority is required from the Board of Trustees to proceed with seeking additional authority from the UNC Board of Governors.

Motion: Move to approve increased project authority of $350K for the Cook Renovation project.

ACTION ITEM: NURSING ADVANCE PLANNING

Background: The anticipated renovation of CFV Nursing Building will modernize/increase laboratory space in the building to prepare for program expansion. The anticipated cost of the renovation is $1.8M. Title III funds ($300) are currently available to begin the design work necessary to begin the renovation process.

Action: Approval from the FSU Board of Trustees is required to authorize Advance Planning and proceed with designer selection.

Motion: Move to approve Advance Planning/Programming authority for Cape Fear Valley Nursing Building Renovation Project.

ACTION ITEM: SEABROOK ADVANCE PLANNING

Background: The anticipated renovation of Seabrook Auditorium will provide updates to the many outdated building systems. Total project cost of the renovation is estimated to be $12M. State appropriated carryforward funds ($350K) are currently available to begin the design work necessary to begin the renovation process.

Action: Approval from the FSU Board of Trustees is required to authorize Advance Planning and proceed with designer selection.

Motion: Move to approve Advance Planning/Programming authority Seabrook Auditorium Renovation Project.

FAYETTEVILLE STATE UNIVERSITY

FACILITIES CONDITION ASSESSMENT PROGRAM (FCAP) REPORT

Hector Molina
Chief Operating Officer

Wilson Jones
Reith Jones Advisors

FAYETTEVILLE STATE UNIVERSITY

Board of Trustees

Agenda Item BF-1

Executive Summary

MEETING DATE: September 23, 2026

COMMITTEE: Budget and Finance

SUBJECT: Approval for disposition of real property

BACKGROUND: The current Chancellor's Residence was built in 1974 and was acquired by the University in 2006. Since that time the University has invested nearly $2 million in maintenance, repairs and renovations.

A recent appraisal indicated the market value of the property is $850,000. At this value, Board of Trustees approval is required. The State Property Office will manage the sale process. Final approvals will be required of both the State Property Office, the Governor and the Council of State.

The net sales proceeds will be deposited into a special fund with the State Treasurer and will be restricted to the acquisition of a replacement Chancellor's residence.

ACTION: Approval is required from the FSU Board of Trustees in order to proceed.

MOTION: Move to approve the disposition of the Chancellor's residence.

Supporting Document(s) Included: none

Prepared by: Kenny Spayd
Chief Financial Officer

Date: 9/14/2026

FAYETTEVILLE STATE UNIVERSITY

Board of Trustees

Agenda Item BF-2

Executive Summary

MEETING DATE: September 23, 2026

COMMITTEE: Budget and Finance

SUBJECT: Approval of Increased Project Authority for Chesnutt Roof

BACKGROUND: The Board previously approved project authority of $1.2M for the Chesnutt Library Roof Replacement in June 2025. Designer selection was subsequently approved in April 2026. Current designer estimates reflect construction cost 30% higher than originally estimated prior to requesting authority.

Increased project authority will be required to award a construction contract once construction documents have been approved by State Construction Office. Requesting project authority increase from $1.2M to $1.7M in order to cover the increase in anticipated construction cost. The source of funds for the increase will be Title III.

ACTION: Authority is required from the FSU Board of Trustees in order to proceed with seeking additional authority from the UNC Board of Governors.

MOTION: Move to approve project authority increase of $500K for the Chesnutt Roof Replacement project.

Supporting Document(s) Included: none

Prepared by: Gene Cottrell, Director of Facilities Budget & Administration — Date: 9/11/2026

Reviewed by: Dr. Hector Molina, Chief Operating Officer — Date: 9/11/2026

FAYETTEVILLE STATE UNIVERSITY

Board of Trustees

Agenda Item BF-3

Executive Summary

MEETING DATE: September 23, 2026

COMMITTEE: Budget and Finance

SUBJECT: Approval of Increased Project Authority for the H.L. Cook Renovation project

BACKGROUND: FSU currently has project authority of $10M for a comprehensive renovation of the Cook Building. Donations from the McLean Foundation ($250K) and the Cannon Foundation ($100K) have been received to add scope to the current project. These funds will be used for patio and promenade improvements.

ACTION: Authority is required from the FSU Board of Trustees in order to proceed with seeking additional authority from the UNC Board of Governors.

MOTION: Move to approve increased project authority of $350K for the Cook Renovation project.

Supporting Document(s) Included: none

Prepared by: Gene Cottrell, Director of Facilities Budget & Administration — Date: 8/31/2026

Reviewed by: Dr. Hector Molina, Chief Operating Officer — Date: 8/31/2026

FAYETTEVILLE STATE UNIVERSITY

Board of Trustees

Agenda Item BF-4

Executive Summary

MEETING DATE: September 23, 2026

COMMITTEE: Budget and Finance

SUBJECT: Approval of Cape Fear Valley Nursing Building Renovation Advance Planning/Programming

BACKGROUND: The anticipated renovation of CFV Nursing Building will modernize/increase laboratory space in the building to prepare for program expansion. The anticipated cost of the renovation is $1.8M. Title III funds ($300) are currently available to begin the design work necessary to begin the renovation process.

ACTION: Approval from the FSU Board of Trustees is required to authorize Advance Planning and proceed with designer selection.

MOTION: Move to approve Advance Planning/Programming authority for Cape Fear Valley Nursing Building Renovation Project.

Supporting Document(s) Included: none

Prepared by: Gene Cottrell, Director of Facilities Budget & Administration — Date: 9/11/2026

Reviewed by: Dr. Hector Molina, Chief Operating Officer — Date: 9/11/2026

FAYETTEVILLE STATE UNIVERSITY

Board of Trustees

Agenda Item BF-5

Executive Summary

MEETING DATE: September 23, 2026

COMMITTEE: Budget and Finance

SUBJECT: Approval of Seabrook Auditorium Renovation Advance Planning/Programming

BACKGROUND: The anticipated renovation of Seabrook Auditorium will provide updates to the many outdated building systems. Proposed upgrades will include seating, stage lighting, control booth, building mechanical systems as well as interior finishes and building envelope. Total project cost of the renovation is estimated to be $12M. State appropriated carryforward funds ($350K) are currently available to begin the design work necessary to begin the renovation process.

ACTION: Approval from the FSU Board of Trustees is required to authorize Advance Planning and proceed with designer selection.

MOTION: Move to approve Advance Planning/Programming authority Seabrook Auditorium Renovation Project.

Supporting Document(s) Included: none

Prepared by: Gene Cottrell, Director of Facilities Budget & Administration — Date: 9/11/2026

Reviewed by: Dr. Hector Molina, Chief Operating Officer — Date: 9/11/2026