



**Board of Trustees
Committee Meeting
Rudolph Jones Student Center
Room 242**

**COMMITTEE ON BUDGET AND FINANCE
Wednesday, September 24, 2025
1:15 p.m.**

AGENDA

Call to Order	Dr. Donald Moore, Committee Chair
Welcome and Opening Remarks	Dr. Donald Moore
Roll Call	Karen Bussey
Approval of Minutes:	June 11, 2025

Information Items:

A. Financial Update	Kenny Spayd <i>Chief Financial Officer</i>
B. Housing Study Report	Dr. Hector Molina Chief Operating Officer

Action Items:

There are no action items to be presented at this committee meeting.

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
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BUDGET AND FINANCE COMMITTEE

Wednesday, June 11, 2025

1:00 PM

The Committee on Budget and Finance of the Fayetteville State University Board of Trustees convened Wednesday, March 26, 2025, in the Rudolph Jones Center Room 242 and via Microsoft Teams. The meeting was called to order at 1:00 p.m.

ROLL CALL

The following Trustee Committee members were in attendance: Mr. Stuart Augustine, Mr. Will Warner, Mr. Glenn Adams, and Dr. Kimberly Jeffries Leonard.

Staff in attendance were Chancellor Darrell Allison, VC Kenny Spayd, VC Hector Molina, VC Wesley Fountain, AVC Sandra Williams, Dr. Juanette Council, Provost Monica Leach, and VC Wanda Jenkins.

APPROVAL OF MINUTES

Trustee Will Warner motioned to approve the minutes of the Committee on Budget and Finance meeting held on March 26, 2025, as presented. Trustee Glenn Adams seconded the motion. The motion carried.

FINANCE UPDATE

Chief Financial Officer, Mr. Kenny Spayd, updated the committee on state funded operations and auxiliaries. As of May 31st, FSU is tracked to have a sizable surplus. This surplus will be applied in the next fiscal year as an operating reserve to cushion against any funding reductions. Additionally, FSU is tracking toward a \$4 million surplus from non-state funding. The surplus makes up \$2.2 million in athletic funding, \$600,000 in dining, and \$400,000 in interest income.

LEGISLATIVE UPDATE

VC Spayd discussed the legislative funding priorities of the UNC System, as well as other provisions impacting FSU. Budget priorities on enrollment growth will only be funded in the first year of the two-year cycle, in which FSU is due to receive \$2.6 million in Fiscal Year 2026. FSU is also due to receive \$745,000 in performance funding.

Additionally, The NC Promise is fully funded in both years, however, a change is directed to the current \$2,500 nonresident undergrad tuition in both the Senate and House budget. Trustee Glenn Adams asked how much tuition was before NC Promise, in which VC Spayd answered \$14,500. Trustee Adams further asked if it would be accurate to say that tuition will still be cheaper with the ~\$3,000 increase than before NC Promise? VC Spayd responded that yes, by far probably half the cost.

VC Spayd shared other provisions within the Senate and House budgets showing mostly reductions except a potential increase in the sports wagering allocation from the current \$2 million received.

Trustee Stuart Augustine asked if the cuts would trickle down to any academic programs and if the cuts would be made by the university or the UNC System and legislators. VC Spayd shared that the university would work with the UNC System Office on any next steps regarding the reductions.

Following, Mr. Wesley Fountain, Vice Chancellor for External Affairs and Military Relations updated the Committee on the UNC System Completion Assistance Program and impact to FSU. The funding would allocate \$1 million recurring to each of five institutions to provide completion assistance grants for students who face small, unmet financial needs that could prevent them from earning their degrees. The five institutions include Fayetteville State University, Elizabeth City State University, North Carolina Central University, UNC Pembroke, and Winston-Salem State University.

Since implementing the program, FSU's summer enrollment surged to 4,463 students in 2024, with 4,500+ projected in 2025. The retention rate climbed from 63% in 2020 to 80% in 2025. The graduation rate rose from 19.46% in 2024 to 24% in 2025, with projections showing a 29% four-year graduation rate by 2026. From 2020 to 2024, FSU students collectively avoided over \$2.5 million in student loans that would have otherwise been needed to pay for summer coursework.

CAPITAL PROJECTS AND MAJOR/MINOR RENOVATIONS UPDATE

VC Spayd shared the progress of several construction and capital projects, all in which are making satisfactory progress toward completion.

New Residence Hall: The new residence hall project is in the final stage and is on target to be completed in August 2025. The building will house 336 additional beds on campus.

New College of Education: The new College of Education building project is in the construction phase and is set to open in August 2026.

Health and Wellness Center: The project has officially broke ground and site work is underway. Completion is in March 2026. The 24,631 square foot center will house student health services and campus wellness.

New Parking Deck: The Parking Deck project is in the contract acceptance phase and will open July 2026.

Renovations on the Chick, Rosenthal, and Cook buildings are also progressing.

ACTION ITEM:

The Committee recommended one action items to the Full Board for approval.

Action Item BF-1: Project Authority – Chesnutt Library Roof Replacement

The University is seeking project authority to replace the roof of the Chesnutt Library. The current roof is at the end of its useful life and the need for repair work has become consistent and costly. The project is estimated to cost \$1.2 million and will be funded with Title III funding. Following approval from the Board of Trustees, the request for approval will go to the Board of Governors. The anticipated timeline for the roof replacement is August 2025 to December 2026.

Trustee Glenn Adams moved to recommend the Full Board's approval to authorize \$1.2 million Chesnutt Roof Replacement project and move forward with BOG approval and designer selection. The motion was seconded by Trustee Will Warner. The motion carried.

ADJOURNMENT

The Committee on Budget and Finance adjourned at approximately 1:41 p.m.

Respectfully Submitted,

Stuart Augustine, Committee Chair
Anita Cheatham, Recorder



BOARD OF TRUSTEES COMMITTEE ON BUDGET AND FINANCE

Kenny Spayd
Chief Financial Officer
September 24, 2025

LEGISLATIVE UPDATE

Select Provisions			
Budget Priorities	Year	UNC System	"Mini-Budget"
UNC Enrollment Change	25-26	\$46,375,508	\$0
Performance Funding Pool	25-26	\$30,000,000	\$0
NC Promise	25-26	\$9,500,000	\$9,500,000
Completion Assistance Program	25-26	\$5,000,000	\$0

Resulting UNC System Action:

Performance Funding: Resources will not be sought from the legislature. The system will “self-fund” this from the 16 universities. This was a net positive for FSU, as we received **\$420K**, after “investing” **\$342K**

Enrollment Change: Resources will be allocated from declining enrollment schools to those that have gained enrollment. We will receive \$1.28M of the \$2.49M now, with the remaining to follow should the legislature pass a subsequent budget bill.

Minor Repair and Renovation Funding: The “Mini-Budget” appropriated funding for Repair and Renovation projects. FSU received \$2M as part of this funding. This is in-line with our prior annual allocations.

FINANCIAL UPDATE

STATE FUNDED OPERATIONS

Notable Changes from the initial approved All Funds Budget

- Tuition +1.3M
- NC Promise +4.3M
- Performance Funding +420K
- Fringe Benefits +640K
- Enrollment Growth **-1.2M**

Tracking well for another surplus.

Fayetteville State University - General Fund		
Revenue	Budget	Through August
State Appropriations	95,358,160	31,539,373
Tuition	14,372,795	4,118,206
Sales and Services	883,000	93,966
Contracts and Grants		
Gifts and Investments		31,280
Other Revenues	2,105,000	22,998
Revenues Total	112,718,955	35,805,823
Expense		
Salaries and Wages	62,194,000	11,522,979
Staff Benefits	21,858,000	3,889,329
Services, Supplies & Materials	14,077,000	3,343,822
Scholarships and Fellowships	4,502,000	1,768,615
Debt Service	900,000	--
Utilities	2,500,000	639,645
Expenses Total	106,031,000	21,164,390

FINANCIAL UPDATE AUXILIARIES

- **Student Fees** are trending +1M higher than budgeted due to record enrollment.
- **Sales and Services** are line with projections
- **Gifts** already exceeding budgeted expectations.

In a great position to build upon recent surpluses and expand our cash position.

Fayetteville State University - Auxiliaries and Other Trust Funds		
Revenue	Budget	Through August
Student Fees	14,410,340	7,537,924
Sales and Services	26,787,592	11,826,176
Gifts and Investments	1,550,000	1,653,486
Other Revenues	3,700,000	2,445,030
Revenues Total	46,447,932	23,462,616
Expense		
Salaries and Wages	8,838,471	1,408,163
Staff Benefits	3,046,182	427,587
Services, Supplies & Materials	26,698,000	4,602,355
Scholarships and Fellowships	1,400,000	531,298
Debt Service	3,036,623	211,592
Utilities	1,095,902	51,896
Expenses Total	44,115,178	7,232,891
Surplus / (Deficit)	2,332,754	16,229,725

COMMENTS OR QUESTIONS?



Housing Master Plan & Capital Projects

Board of Trustees Update

September 2025



AGENDA

Bronco Pride Hall

Housing Master Plan

Process

Findings

Implementation

Next Steps

Q&A

BRONCO PRIDE HALL



BRONCO PRIDE HALL FAST FACTS

-  336 beds
-  2 staff apartments
-  Shared semi-suite and single units
-  98% occupied
-  Delivered on-time and under budget
-  \$50 million project cost

HOUSING MASTER PLAN **PROCESS**

PURPOSE



Fayetteville State University (“FSU”) engaged Rieth Jones Advisors (“RJA”) to create a Housing Master Plan (“HMP”), includes **actionable recommendations** to **advance students’ on-campus housing experience** and position Housing & Residence Life for success.



FSU’s senior leadership recognizes the importance of **on-campus housing** as part of each student’s academic experience and aims to **support student success** throughout their entire lifecycle: from recruitment and admission, to on-campus experiences and retention, graduation and beyond.



RJA’s primary objective is to create a **comprehensive strategy** that will strengthen the housing system’s **financial position**, enhance the **student experience**, and further support the **University’s ability to meet its overall strategic goals**.

APPROACH TIMELINE



The following key findings from the Housing Master Plan were shared with the Administration in November 2024:

- 1. ENROLLMENT:** FSU's consistent enrollment growth, including a 14% increase in full-time, first-time freshmen since 2019 and a 10% overall increase since 2019, allows the University to strive to meet its 2027 strategic enrollment goal of 8,000 students.
- 2. HOUSING INVENTORY:** FSU's housing portfolio, offering a mix of traditional, suite, and apartment-style options across nine communities, will expand capacity by 22% (336 net-new beds) in fall 2025 with the new residence hall.
- 3. RENTAL RATES:** Fayetteville State's current housing inventory has a weighted average price of \$2,915 per semester based on fall 2024 rates. The University increased housing rates for the first time in six years in fall 2024 and plans to further increase rates in fall 2025.
- 4. HOUSING PARTICIPATION AND OCCUPANCY:** FSU has strong historical occupancy rates (95% in fall 2024) that recovered quickly post-pandemic. Opportunities exist to accommodate the 22% capacity increase next year and further mitigate occupancy risk by re-evaluating current procedures and implementing a first-year live-on requirement.
- 5. STUDENT FEEDBACK:** Students provided feedback through focus groups and a campus-wide student survey. Students are generally satisfied with FSU's student housing options but expressed desires for additional private and apartment-style units. Laundry was a key concern voiced by on-campus residents.
- 6. DEMAND:** The demand analysis shows that the current 176-bed shortage for fall 2024 will be alleviated by the opening of the new residence hall. Assuming the University reaches its target enrollment of 8,000 students in 2027, there will be an 85-bed shortage (4.8% of total capacity) which does not indicate the need for net-new beds at this point.
- 7. LIVE-ON REQUIREMENT:** An analysis was conducted on the potential implementation of a first-year live on requirement, showing positive and neutral student feedback to policy implementation (91%). Results preliminarily identified 124 additional students could be captured within FSU's on-campus housing.
- 8. FINANCIAL ANALYSIS:** The anticipated opening of the new residence hall is expected to transform FSU's system into a cash-flow-positive operation by FY26, which will enhance both the University's ability to reinvest into its existing facilities and the student experience. Maintaining and exceeding a targeted 1.20x DSCR necessitates operating expense diligence, which will enhance the system's financial stability and capacity for reinvestment.

Laundry Services Provider Procurement

- Student survey and focus groups conducted during the 2024 HMP process identified **laundry as a top concern and area for improvement.**
- HRL, Facilities, and Procurement worked together to select **Caldwell & Gregory** as Housing's **new laundry service provider.**
- In August, Caldwell and Gregory installed **145 brand-new Speed Queen washers and dryers.**
- A **new mobile app** now allows students to track cycles, check machine availability, and submit issues seamlessly from their phones.
- These changes have received **positive initial feedback** and resulted in greater capacity, higher quality machines, and an **improved student experience.**

Facilities Conditions Assessment Procurement

- The HMP process identified the need for **updated knowledge on FSU's housing inventory** through a Facilities Condition Assessment Process ("FCAP").
- HRL, Facilities, and Procurement partnered to procure a physical conditions assessment for all on-campus housing inventory. The RFP process resulted in 19 respondents, with FSU ultimately selecting **Architectural Testing, Inc. ("Intertek").**
- Intertek **completed their on-site assessments** in early August and is finalizing its findings, with reports expected in **late September.**
- These results will ultimately inform a **data-driven, long-term renovation and replacement strategy**, that will help ensure that Housing is positioned to deliver similar **quality experience** to all residents.

**Caldwell
& Gregory**



intertek
Total Quality. Assured.

HOUSING MASTER PLAN **IMPLEMENTATION**



The completion of Bronco Pride Hall, on-boarding of a new laundry vendor, and launch of a comprehensive facilities condition assessment represent significant progress for Fayetteville State University Housing and the residential experience it delivers.

See below for next steps on each initiative:

Bronco Pride Hall

1. Complete commissioning and A/E punch list
2. Close out all change orders and remaining University directives
3. Receive final completion from State Construction Office (SCO)
4. Ensure all ongoing maintenance requests and warranty issues are remedied and work order processes are in place

Laundry

1. Final install of additional machines
2. Complete install of IT-related equipment in select halls
3. Continue resident education efforts through HRL
4. Discuss expanded laundry operations in older residence halls to improve student satisfaction and marketability

FCAP

1. Receive Intertek's final report (due by September 30th)
2. Analyze report findings and layer into Housing Master Plan
3. Understand all funding options and building scenarios
4. Finalize 10-year renovation and replacement plan and present at December BOT

Q&A





RIETH JONES

ADVISORS

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