Florida A&M University
Board of Trustees
Budget and Finance Committee Meeting

June 04, 2014
AGENDA

I. Call to Order

Chairman Rufus Montgomery

ACTION ITEMS

II. Approval of Minutes – March 05, 2014

Chairman Rufus Montgomery

III. Approval of the Preliminary Operating Budget for FY 2014-15

Mr. Joseph Bakker

INFORMATION ITEMS

IV. Business Auxiliaries at the Law School

Mr. Joseph Bakker

V. Updates

- Contracts over $100,000
  Mr. Joseph Bakker
- Quarterly Financial Report
  Mr. Joseph Bakker
- Government Relations
  Mr. Tola Thompson
- From the Budget and Finance Committee Workshop
  - Athletics
    Mr. Kellen Winslow
  - Salary Adjustments for Colleges of Pharmacy and Engineering
    Provost Wright
  - Direct Support Organizations
    Dr. Thomas Haynes
  - University Compensation
    Mr. Joseph Bakker
  - University Training
    Mr. Joseph Bakker
I. CALL TO ORDER
II. APPROVAL OF MINUTES
III. APPROVAL OF FY 2014-15
PRELIMINARY OPERATING BUDGET

- BOG requires BOT-approved Operating Budget before July 01 for cash and budget releases.
- Preliminary Operating Budget approved by BOT in June
- Final Operating Budget submitted to BOT for approval in August
- BOT-approved final Operating Budget submitted to BOG for approval in August
IV. BUSINESS AUXILIARIES AT THE LAW SCHOOL

• Bookstore – books, limited FAMU merchandise, limited operating hours
• Vending – Beverages, ice cream, snacks
• Parking – For Students and Faculty
V. UPDATES- CONTRACTS OVER $100,000

• Contractor – Perceptive Software
• Contract Amount: $276,870.25
• Scope of Services: Providing software and technical support to expand and maintain the University’s electronic document and workflow system for processing, filing, and retrieval of documents.
V. UPDATES- CONTRACTS OVER $100,000

• **Contractor** – Digital Architecture
• **Contract Period:** 2/27/2014 – Active until terminated
• **Contract Amount:** $100,651
• **Scope of Services:** Web-based service that will create, host, and manage FAMU’s online academic catalog.
V. UPDATES - QUARTERLY FINANCIAL REPORTS

- The University’s financial position remains sound
- Expenditures continue to be within budget
- Cash and investment balances are healthy
GOVERNMENT RELATIONS
Government Relations Report

FAMU Funded Issues

- $10.8 million Performance Funding (R)
- $10 million for Pharmacy Building Phase II (construction/completion)
- $10 million for FAMU-FSU College of Engineering Building III (construction)
- $2.5 million for STEM Enhancement (R)
- $1.5 million for FAMU Crestview Operational Support
- $1 million FAMU Distance Learning/Online
- $700,000 for Pharmacy Faculty Salary Adjustment (R)

Key (R) = recurring dollars
Major Policy Issues that Passed


• In-State Tuition for Military Veterans

• In-State Tuition for certain undocumented immigrants

• Differential & Cost of Living Tuition Increases gone
Florida A&M University
Department of Intercollegiate Athletics

Board of Trustees Budget and Finance Committee Meeting

June 4, 2014
## Department of Athletics

### Current Year Projections (Updated by Budget Office)

<table>
<thead>
<tr>
<th>Description</th>
<th>Athletics</th>
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</thead>
<tbody>
<tr>
<td>Projected Revenue</td>
<td>8,904,695</td>
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<tr>
<td>Salary</td>
<td>3,430,210</td>
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<tr>
<td>OPS</td>
<td>764,937</td>
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<tr>
<td>Expense</td>
<td>3,301,591</td>
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<tr>
<td>Mandatory</td>
<td>277,450</td>
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<tr>
<td>OCO</td>
<td>-</td>
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<tr>
<td>Debt Service</td>
<td>-</td>
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<tr>
<td><strong>Projected Total Operating Expense</strong></td>
<td><strong>7,774,188</strong></td>
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<tr>
<td>Admin Expense</td>
<td>-</td>
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<tr>
<td>Facility &amp; Equip Reserve</td>
<td>-</td>
</tr>
<tr>
<td>Scholarships</td>
<td>2,416,318</td>
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<tr>
<td>Other Transfers</td>
<td>-</td>
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<tr>
<td><strong>Projected Total Non-Operating Expense</strong></td>
<td><strong>2,416,318</strong></td>
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<tr>
<td>Total Non E&amp;G Operating &amp; Non-Operating Expense</td>
<td>10,190,506</td>
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<tr>
<td>Projected Net Income (Loss)</td>
<td>(1,285,811)</td>
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<tr>
<td>Athletics</td>
<td>Proposed Revenue</td>
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<tr>
<td>------------------------</td>
<td>------------------</td>
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<tr>
<td></td>
<td>9,390,171</td>
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<tr>
<td>Salary</td>
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<td>OPS</td>
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<td>Expense</td>
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<td>Scholarship</td>
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<tr>
<td>Other Transfers</td>
<td>-</td>
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Proposed Net Income (Loss) -
ATHLETICS DEFICIT REDUCTION PLAN

As reported in the 2013/14 Operational Audit, a revised deficit reduction plan will be developed by September 30, 2014.
The following are responses to inquiries made of the Board during the May Budget Workshop.

- The contract with Metz does not directly allocate funds to the Athletics department.
- The Foundation did not provide $700K to Athletics.
- These were funds from the President’s discretionary account, which were housed at the Foundation.
Expenses in FY14/15 are greater than the expenses in FY13/14 because Athletics will assume specific expenditures from the Boosters. Subsequently, there should be additional revenue generation opportunities.

- Effective July 1st, the Boosters will report to the Athletics Department.
- The true deficit for FY13/14 is approximately $1.2 million.
### Response to Questions – Budget Workshop, May 5, 2014

**Additional Dollars Provided for Athletics**
Fiscal Year 2013-14

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>FAMU Foundation</td>
<td>700,000</td>
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<tr>
<td>Auxiliary Investment Earnings</td>
<td>300,000</td>
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<td>Additional E&amp;G Dollars to Title IX</td>
<td>300,000</td>
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</tbody>
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**Total** 1,300,000
V. UPDATES - SALARY ADJUSTMENTS FOR COLLEGES OF PHARMACY AND ENGINEERING

• University will use existing resources to make salary adjustments to meet accreditation requirements

• Will return to the Board later regarding tuition increases
V. UPDATES - UNIVERSITY COMPENSATION

• Compensation Study for faculty and staff to be completed by December.
V. UPDATES - UNIVERSITY TRAINING

• Approximately $1.5 million spent annually training (classes, seminars, conferences, etc.)
V. UPDATES - UNIVERSITY TRAINING

- Approximately $1.5 million spent annually training (classes, seminars, conferences, etc.)
V. UPDATES – ENROLLMENT PLANNING

<table>
<thead>
<tr>
<th></th>
<th>Fall 2014 PLANNED HEADCOUNT</th>
<th>Fall 2015 PLANNED HEADCOUNT</th>
<th>Fall 2016 PLANNED HEADCOUNT</th>
</tr>
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<tbody>
<tr>
<td>TOTAL</td>
<td>10,532</td>
<td>11,128</td>
<td>11,647</td>
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*Source: 2014 – 15 University Work Plan*
QUESTIONS???