AGENDA

I. Call to Order
   Chairman Montgomery

II. Roll Call

ACTION ITEMS

III. Approval of Minutes – June 4, 2014 & May 5, 2014
    Chairman Montgomery

INFORMATION ITEMS

IV. Analysis of Auxiliary Funds
    Interim VP Joseph Bakker

V. Contracts over $100,000
    Interim VP Joseph Bakker

VI. Quarterly Financial Report
    Interim VP Joseph Bakker

VII. Governmental Relations
    Vice President Jimmy Miller

VIII. Athletics
     Athletic Director Kellen Winslow

IX. Adjournment
Florida Agricultural and Mechanical University
Board of Trustees
ACTION ITEM

Budget and Finance Committee
Date: Thursday, September 11, 2014
Agenda Item: III

Subject: Approval of Budget and Finance Committee Meeting Minutes
(May 5, 2014 & June 4, 2014)

Rationale: In accordance with the Florida Statutes, a governmental body shall prepare and keep minutes or make a tape recording of each open meeting of the body.

Attachment: Budget and Finance Committee Meeting Minutes (May 5, 2014 & June 4, 2014)

FLORIDA A & M UNIVERSITY
BOARD OF TRUSTEES

IN RE: BUDGET AND FINANCE
COMMITTEE WORKSHOP.

VOLUME 1

COMMITTEE MEMBERS: RUFUS MONTGOMERY, CHAIR
NARAYAN PERSAUD
KARL WHITE
KELVIN LAWSON
KIMBERLY MOORE

DATE: MONDAY MAY 5, 2014

TIME: COMMENCED AT: 8:30 A.M.
CONCLUDED AT: 3:00 P.M.

LOCATION: GRAND BALLROOM
FAMU CAMPUS
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
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UNCERTIFIED ROUGH DRAFT
CHAIRMAN MONTGOMERY: Good morning. Welcome to your Budget and Finance Committee workshop. Ms. Garcia, you're recognized to call the roll.

MS. GARCIA: Chairman Montgomery.

CHAIRMAN MONTGOMERY: Here.

MS. GARCIA: Trustee Lawson.

TRUSTEE LAWSON: Here.

MS. GARCIA: Trustee Moore.

(NO RESPONSE).

MS. GARCIA: Trustee Persaud.

TRUSTEE PERSAUD: Here.

MS. GARCIA: Trustee Warren.

(NO RESPONSE).

MS. GARCIA: Trustee White.

TRUSTEE WHITE: Here.

MS. GARCIA: A quorum is present, Mr. Chairman.

CHAIRMAN MONTGOMERY: Thank you.

Chairman Badger, members of the Board, Madam President and staff, I welcome you all to this years' Budget and Finance Committee workshop. This is a forum that gives our Committee members
the opportunity to have a better understanding and appreciation of our budget and finance governance responsibilities.

As we look forward to Fiscal Year '14/'15, as a committee, I offer four goals: Number 1, to clarify and articulate this Committee's vision for the University as it relate to issues such as tuition, fees, budget deficits, salaries and financing of capital projects; Number 2, to ensure that our Board policies support our vision; Number 3, to provide clear expectations, direction and support to the President with respect to areas under the scope of budget and finance; and Number 4, to ensure that we are provided with timely, accurate information that points to whether or not our policies are being effectively and efficiently carried out.

While I do not expect us to come to a final conclusion today, I would like to initiate our discussion and task staff with the responsibility of providing information that would inform our final decisions on these issues.

The first topic I'd like to raise relates to tuition and fees. A couple of questions: Does the Board need a modification to its policy on tuition
and fee changes? Should we only wait to react when a tuition or fee change request was brought before us? Should we have a benchmark linked to our sister SUS schools, to our peer HBCUs, to a national benchmark? For what purposes should tuition and fees be raised? How or should we provide oversight for the use of tuition and fee increases that we improve (sic), and should we leave this responsibility to the president?

And I solicit your thoughts with regard to fee increases. We're going to have an update. I think our governmental affairs folks will tell us about some legislation that passed and is awaiting the Governor's signature with regard to tuition increases. But for now, I'd open it up to the Committee with regard to the Committee's posture on how we should approach tuition and fee increases. No questions? No comments?

TRUSTEE LAWSON: I think we're in the same place where we were, at least my position is we were trying --

CHAIRMAN MONTGOMERY: (Inaudible).

TRUSTEE LAWSON: I'm sorry, the initial conversation is we were trying hard to hold the line on raising tuition and fees even though, you
know, faced a couple of challenges the last time we met around some issues regarding salaries for some of the professional programs; but at the same time, you know, it was asked by all of the SUSes to try and hold the line on raising tuition and fees over the next academic year.

CHAIRMAN MONTGOMERY: Trustee White.

TRUSTEE WHITE: Again, I think it's -- you know, it's a matter of (inaudible) in terms of the tuition and fees about philosophy and the other parts of the governmental process. I think regarding the process, I do want us to get to the point where it's the President who is -- and the staff that are providing us sort of an informed leadership about what the state of higher education is around tuition and fees, and that's where I think the guidance should come from because those should be the experts. Philosophically I think we need to do a better job of informing everyone about not only the cost of education but the value of it and make sure that we don't fall into some (unintelligible) issues around free-good illusions and the fact that, you know, when people don't see what the actual cost of things is, they tend to devalue, so I think we may also need to just be
very careful about how we communicate what the cost of the education is versus what we were charging in tuition and fees so people always appreciate what the value of the service is that we are providing. And there's a difference between cost and value and what we charge, and I think we need to do a better job at communicating that message, but that's a philosophical point.

CHAIRMAN MONTGOMERY: Comments from the student or the faculty position with regard to tuition and fees increases.

TRUSTEE GRAHAM: I understand your point, Trustee White, but as I feel like all student body presidents would say, we can't afford a tuition increase right now. Our students are currently struggling across the Board. And with the funds we get from the government already is steadily decreasing, it's becoming harder and harder on an everyday student to be able to afford a quality education, so I don't think it's the value. As a student, we get that. We do understand that things are costly, but we just can't afford that right now.

TRUSTEE WHITE: May I?

CHAIRMAN MONTGOMERY: Trustee White.
TRUSTEE WHITE: Just as a quick response, President Graham, I want you to know I am not advocating an increase. I'm not taking any position on that. I'm just trying to make sure that we also communicate the value and what it actually costs to provide the education so people are aware and cognizant of that. Again, I'm not advocating an increase in tuition or fees. I have no position on that.

TRUSTEE LAWSON: Just one more.

CHAIRMAN MONTGOMERY: Trustee Lawson.

TRUSTEE LAWSON: Yeah, I -- you know, just as I look at -- you know, you look at the budget and you look at a number of issues, and I would prefer if we could -- and I know this is not the time, but I'll just throw it out, and we can touch on this at a later date, today or in June; but enrollment, in my opinion, will help with a number of the issues that we're facing from a budget standpoint.

I feel like looking at an increase around tuition and fees, in my opinion, is 1 out of 13 should be the last resort, the reason being I think we want to continue to offer the quality education that we do but at a very reasonable, potentially economical price for the students in this state and
the surrounding communities. I think when you look at our competitor set, it's just not the other SUSs, it's all the for-profit schools and et cetera. When you look at the large number of minority undergrad degrees that are coming out of places like Nova and other institutions, I think we need to continue to be as price competitive with as strong a product as possible, and increasing fees should be a last resort.

CHAIRMAN MONTGOMERY: Thank you.

Trustee Persaud.

TRUSTEE PERSAUD: The faculty are concerned that there are inequities in salaries, but they're balancing that with the notion that we should not do things that impacts the students, we should not place the burden on the backs of students, especially at our institution where student indebtedness is of concern. And we have to strike a balance some place where, when students leave here, they're not overburdened even after they graduate or being in a position where they don't graduate and still are being financially burdened because it all reflects back on the institution. So we have to somehow try to wrestle with this issue a lot more than we have done in the past,
especially with regard to student fees being the differential making up for what the institution cannot afford.

CHAIRMAN MONTGOMERY: Again, as we move on with the discussion of tuition and fees, I think we'll become more centered on fees as we go.

Mr. Thompson, could you come forward, please? Could you give us 60 seconds on the preeminent -- the bill with the six percent for the preeminent institutions and then what they ended up doing?

MR. THOMPSON: Actually what happened was they reduced -- I mean on tuition and fees, they rolled back differential tuition to six percent and allowed only the preeminent universities to be able to charge it so the rest of the universities are no longer able to charge a differential tuition.

CHAIRMAN BADGER: So to be clear, we could take a position at some point as a board with regard to where we are on a potential increase in tuition, but we won't be able to do it unilaterally like we did before. It's going to prior the Board of Governors actually doing a request and sending that to the legislature; is that accurate?

MR. THOMPSON: Or either the legislature
deciding.

CHAIRMAN MONTGOMERY: And one further question for clarification: With regard to fees, we are still in the posture where we are able to raise the fees in the professional schools?

MR. THOMPSON: Yes.

CHAIRMAN MONTGOMERY: Thank you. A point of information for the Committee.

We'll move on to the next subject of salaries, and on the issue of salaries, we face similar questions with regard to tuition and fees. Who do we want to be and where do we want to be with regard to salaries? There are salary inequities that have to be addressed that could put us in jeopardy in the accreditation space, but do we need a policy on salary changes or bonuses? Should we wait to react when there's a salary change or a bonus is brought before us? Should we have a benchmark linked to our sister SUS institutions? We often conversations, for example, with the engineering school about parity in salaries back and forth. Are we benchmarking against HBCUs or against national numbers?

This is something that we'd asked our CEO to take a look at and come back to us in the form of a
study. Submit your questions, comments, concerns.

Doctor Persaud.

TRUSTEE PERSAUD: Mr. Chair, salaries, you know, is a concern for the faculty, especially the compression and all of these going things. Also, there is the impression that we have highly paid administrators and we have very low paid faculty.

We have to also keep in mind that there are certain accreditation concerns with regards to faculty salary, for example in pharmacy. And, yes, we are losing professors. If you look at the engineering school, like you mentioned, they have exploited some of our professors getting -- like FSU taking over some of our professors. And so we are constantly losing professors and we cannot afford that because of salary concerns.

I've had a slight conversation with the President, and I know she has a concern about faculty salaries because she told me so in no uncertain terms that that's one areas of concern. And I can hope that we should be able to resolve this because we cannot delay, for example, the pharmacy school their professors coming up to par with the national standards because we cannot afford and then react in terms of crises as we have
been in the past, so it is a serious concern. And I know the union is in a better position to talk about those issues. I'm sorry I'm not as conversant or able to represent my colleagues in that regard as well as I should.

CHAIRMAN MONTGOMERY: Being mindful that these things do cost money and one thing leads to another. They're all linked in some way, shape or form.

Trustee Moore.

TRUSTEE MOORE: Yeah, I think just like any other organization or business, we have to take on a proactive stance that would include maintaining and securing a salary survey or study. In addition to that, I think one of our key or primary priorities should be attracting and retaining top talent. That is the goal. If we are to be that premiere institution, you must keep an eye on the talent that you're bringing on board and that already exists here.

CHAIRMAN MONTGOMERY: Good morning.

TRUSTEE TURNBULL: Hello.

CHAIRMAN MONTGOMERY: And that's the purpose of this forum, is to throw some ideas from a committee perspective, but I agree that a salary
survey -- do we have -- when is the last time we've
done one, Mr. Bakker?

MR. BAKKER: I think we did the last salary
survey about 10 years ago or thereabouts. We
haven't had one very recently.

TRUSTEE LAWSON: You know, barring there are
no issues from a union perspective, et cetera, I
think it would be a good idea to at least look
because I think right now to Doctor Persaud's point
where we're finding ourselves in a couple of
situations is where we're having to react based on
accreditation issues, and the reaction is swift,
and it may not always be the most well thought-out
approach versus taking a step back and looking at
it across the board and realizing we won't clearly
be able to fix every issue that's identified, but
at least we can outline a timetable and action plan
to get to those issues. Because I think finding
ourselves a little bit on our heals as it relates
to keeping each individual program accredited,
we'll make a decision here for program X, we'll
make a potential different decision on how to fund
program Y is potentially not to our overall
advantage. So I think we should take a little bit
more of a strategic approach to holistically:
Where are the pockets of issues around the University? I'm sure there are a few. We can't address them all in a day or even in a calendar year; but, you know, Doctor Mangum, I'd suggest that maybe we consider over time -- we can't make the decision today, but it's something I think we should at least put on the table to look at holistically across the board.

CHAIRMAN MONTGOMERY: Sure. Trustee Shannon.

TRUSTEE SHANNON: Chairman Montgomery, thank you.

The only thing I wanted to add, and I do believe that salaries are an extremely high priority issue, that in addition to doing a salary survey, that you want to follow that up with a compensation strategy that will allow you to, on an ongoing basis, ensure that you're being aligned in all of the places. Whether it be administration or staff, it has to be a function of the administration Doctor Mangum sets up.

TRUSTEE LAWSON: And I think it will help even in recruiting because there wouldn't be a perception that you're going to take less or something different by coming here. It would be, you know, at least within the ballpark of where
other major institutions are. And granted, I'm sure it's not a cheap exercise, I'm sure it's not an easy exercise. But, you know, listening to Trustee Moore and Trustee Shannon, I definitely think that some point in the near future we should take a look at it holistically and develop a plan around it. But grounding everyone in the realities of our budget, we may not be able to fix every issue right away. It is going to take some time.

CHAIRMAN MONTGOMERY: Mr. Bakker, someone on your team -- is someone keeping track of the requests from the Committee? We'd ask that somewhere, I guess in about an hour or two, we'll come back and do a brief recap of what the requests have been so far from the Committee.

In this instance, I believe, Doctor Mangum, that we're asking for a salary survey. I'm not familiar with the intricacies of that, but I imagine there would be some costs in the process involved. And then, also, is it the posture of the Committee that we are requesting something along the lines of compensation and strategy process brought back to us to clarify your request, Trustee Shannon?

TRUSTEE SHANNON: I'm sorry, what was the
question?

CHAIRMAN MONTGOMERY: The question was: Was there a charge with regard to what should happen?

TRUSTEE SHANNON: Just at some point that there be a more holistic compensation strategy built, which I'm sure -- Doctor Mangum is nodding her head, so she understands what that is, and so it's under her agreement as she sets up her human resources function to have somebody or a way to get somebody in to do that.

CHAIRMAN MONTGOMERY: Okay. And then, Doctor Mangum, could you give us a round about time frame in which you believe we'd make this actionable?

PRESIDENT MANGUM: As far as action, it depends upon whether -- how we gather the data, so let me just give you kind of a brief view of what the compensation and salary survey would include so that you understand that in colleges and universities the salary survey has to be done by discipline because that's what we compete, so it's not as if it was just a whole of the intuition and then average salary for assistant and associate professors or full.

We would do it by rank, tenure and title and
also by discipline, and that's across our competitors. So we have to agree on who our competitors are, and then we would compare our salaries of those in those disciplines. And that may take us a few months to do it, so I would say probably by the end of the year.

And with that, we would also do the compensation so that we can get a real good sense is of where we are. The idea is to be competitive, and in being competitive, we have to include the host of compensation, not just the salary.

I would also like to say we can come back with a recommendation and a strategy for addressing the salary gap. I think we can also talk about where we want to move, whether it's within 25 percent, 75 percent, 50 percent of the averages across each discipline.

So I think we'll be able to do a complete survey. We can probably finish it by the end of the fall semester in order for it to be complete. Of course, we'd also want to talk with the faculty leadership in the departments. That's important in terms of what they're experiencing with regard to retention.

CHAIRMAN MONTGOMERY: Thank you. I'd ask
that, and if it's the same posture of the Committee, that we get a report on that in our December meeting. We have a December meeting in Orlando every year, and I think that would be an appropriate. Is that enough time?

PRESIDENT MANGUM: Yes.

CHAIRMAN MONTGOMERY: Okay.

TRUSTEE TURNBULL: Mr. Chairman.

CHAIRMAN MONTGOMERY: Trustee Turnbull.

TRUSTEE TURNBULL: I'm not a member of the Committee, but if I -- are we also looking at compensation in other areas besides faculty, or was this really just directed to a compensation study of faculty salaries?

CHAIRMAN MONTGOMERY: I mean my position would be that it would be comprehensive and that it would cover the entire University, all who receive compensation from Florida A & M.

TRUSTEE TURNBULL: Then in that regard, I'd like to just suggest that as we're looking at this and we're looking at, particularly on the financial management side of the University, that we look at whether the level of staffing is sufficient, whether the salaries are sufficient to attract the level of competence that we want or that we need,
and then also at professional development dollars and what is needed in that area in terms of making sure that the people that are there are not only competent to start with but are kept up to date since that is an area that changes so rapidly.

CHAIRMAN MONTGOMERY: Understood.

Mr. Bakker, what do we currently spend in the area of professional development?

MR. BAKKER: What do we currently?

CHAIRMAN MONTGOMERY: Spend in the area of professional development.

MR. BAKKER: I don't know off the top of my head, Trustee Montgomery.

CHAIRMAN MONTGOMERY: I'll let you confer with to Ms. Mathis and I'll got to Trustee White. I'm sorry, Doctor Mangum had a question.

Doctor Mangum.

PRESIDENT MANGUM: That's a little more expansive type of study when we start looking at training professional development and individual assessments of the individual administrative staff that's here, so I would like to make sure that we can divide this into two segments because a salary and compensation study is one thing; and then when we start looking at skills and assessment of
individuals across the institution in other roles, it may take us a little longer. But we certainly will begin the process this summer of identifying adequacy of staffing, effectiveness and efficiencies. And out of that, we can develop a more comprehensive approach to administration.

TRUSTEE TURNBULL: I think my point in raising it now, and I quite agree, is to make sure as we look at this year's budget, that we're not just waiting a whole year to provide the opportunity for you to undertake some changes that you want to take. So I just want to make sure that's part of our budget discussions.

CHAIRMAN MONTGOMERY: Trustee White.

TRUSTEE WHITE: Yes, and so I look forward to getting the information from President Mangum.

You know, as we discussed yesterday, and as I was a little bit trite about saying I do believe that we all can acknowledge that where our salaries are, it's not consistent with what we think of as excellence. And so if we're going to continue to say excellence with caring, we need to know what that looks like.

And so, President Mangum, when you come back to us, I hope you will have a philosophy by which
you will articulate to us exactly what excellence is, and so what that percentile, you know, sort of goal should be, so even if we can't -- we know we won't get there immediately, but we will have a destination that we can all agree on that we want to get to, that we view as excellence.

TRUSTEE MOORE: Mr. Chair.

CHAIRMAN MONTGOMERY: Trustee Moore.

TRUSTEE MOORE: I think the other thing to be mindful of dealing in workforce development, that oftentimes salary is a driver, but there are other -- I call it the other added pieces that when you're thinking about your work environment that a person may choose to go somewhere else. And I'm assuming that through the exit interviews that take place through the HR process, that we would have a report that indicates why individuals, if they were forthcoming in why they left the institution. And so I just want to make sure that we're taking into account a holistic approach with why individuals leave.

CHAIRMAN MONTGOMERY: Mr. Bakker, what do we do with our exit interview data? What currently happens with that information?

MR. BAKKER: I'm not sure how it is analyzed,
Trustee Montgomery. I think most of it is probably used as reference, but in terms of reapplication for improvement, I'm not sure what system we have in place.

CHAIRMAN MONTGOMERY: I believe to Trustee Moore's point that if we have the data, then I think it would be beneficial to us to actually use the data and we would ask our chief executive to govern herself accordingly with that information.

With that said, the December meeting, salary survey, recommendation strategy, allowing Doctor Mangum to come back to us. And obviously if you need more time or resources, we stand ready to assist and support.

Back in the first area, with regard to fees, within a reasonable period of time before this Committee, again asking that you, along the lines of what Trustee White said, let us know what you think, where you think we're going, where we should be, and sort of, kind of lay that out for us so that we can incorporate it into our thinking in how we support you, how we can support that vision of whatever it may be going forward.

Any additional thoughts or comments?
CHAIRMAN MONTGOMERY: Next item, budget deficits, on this issue, the University had operational audit findings in 2012 and in 2013 regarding the athletics deficit. The state auditor general specifically recommended in 2012 that, quote, this board should continue to monitor its intercollegiate athletic programs and revise its five-year deficit reduction plan as necessary to ensure that its intercollegiate athletic programs are self-supporting.

And, again, in 2013, the state auditor general recommended that this board should continue to monitor its intercollegiate athletic programs and to implement an effective deficit reduction plan to ensure that its intercollegiate athletic programs are self supporting.

It's important to note that if we have an audit findings for a third consecutive time we risk the possibility of fiscal legislative sanctions. Doctor Mangum, this has obviously been a longstanding challenge that has been posed in the area of athletics and wanted to get the Committee's posture with regard to these program deficits. We've had some extensive discussions about, you
know, where we should be on the deficits, but the larger question should be from budget and perspective, what do we want our athletics department to be. There's been a conversation about in comparison benchmarking that I think Trustee White has brought to our attention, that there are very few programs at the -- I think we call sub -- whatever, one double A. You get it. Y'all get it. In our class --

TRUSTEE WHITE: I'm sorry, there are very few athletic programs, I mean something like 95 percent of the athletic programs don't turn a profit, of all athletic programs.

CHAIRMAN MONTGOMERY: And so being mindful of that, along the lines of excellence, do we operate a program at a deficit on an annual basis and say that we're okay with that? I mean there are some -- and I won't name names, but it was brought to my attention that we could consider eliminating athletics here at Florida A & M if we wanted to eliminate the deficit. And obviously that option is not on the table, but that would be the most drastic of options.

But the questions become for our new chief executive, you know, as we charge her going
forward, are we saying that we should attempt to operate in the black? Are we saying that we should move forward and try to lower the deficit in terms of where it is? What direction are we giving to the President in this area of deficits? I ask your thoughts and comments.

TRUSTEE PERSAUD: Mr. Chair.

CHAIRMAN MONTGOMERY: Trustee Persaud.

TRUSTEE PERSAUD: Given the fact that we just got a new AD, why can't we just wait until he has taken his mapping or his assessment of the programs and to come back to us with some kind of recommendations? Because as you are well aware, this is something we have gone through over and over and over again, and I think it is a little bit premature for us to even jump ahead without giving him a chance to just look at the situation and then provide us with some of the realities as we move forward.

TRUSTEE MOORE: Mr. Chair.

CHAIRMAN MONTGOMERY: Trustee Moore and then Trustee Lawson.

TRUSTEE MOORE: I would differ in that position because I think part of the challenge in my short tenure of leading up to the one-year mark,
the conversations that I have had is that there was
a lack of vision or direction in terms of what the
Board of Trustees as a body expected. Are we
expecting a winning team. If you expect a winning
team, then we know that attracts dollars and you
recruit differently. I think all of that has to be
taken into account and it has to start with us.

CHAIRMAN MONTGOMERY: Trustee Lawson.

TRUSTEE LAWSON: Yeah, I mean I think this is
a challenging one because we have thrown out the
gauntlet of balancing the budget, and the previous
AD had made some attempts in a presentation in that
vein. Trustee White has shared with us that very
few institutions actually run these in the black
from an athletic standpoint, but we still maintain
the notion that we wanted to have, you know,
somewhat of a balanced budget.

I think that the reality of having a new
person in that role, you know, can really -- I
understand your point of view, but having a new
person in that role, and my guess is he is probably
still getting his arms around what's here, what's
not here, what needs to be here, what's the state
of the programming, et cetera. As much as I'd like
to see a plan now, I do think that, you know,
Chairman, we may need to wait and give our new athletic director at least, you know, a few more weeks to get himself grounded in the realities of where we are and, in his conversations with the leadership team, where are we trying to go.

I think we all want winning programs across the board; those things cost money. We all want better facilities; those things cost money. We are currently in the red, deeply in the red, but I think to get a meaningful plan, unless the rest of the Board objects, I think we have to give the new leader of that division a few months to get his feet wet, unless you all disagree.

CHAIRMAN MONTGOMERY: Trustee White.

TRUSTEE WHITE: Did you want a response -- Trustee Lawson, do you want a response from the President?

TRUSTEE LAWSON: Yeah, I mean do you guys -- it's more for our Committee. It's a question of do we --

CHAIRMAN MONTGOMERY: Let me interject. Let me give you an example. One year we're running a $900,000 deficit and then the next year we ran a $1.4 million deficit and then we ran a $1.2 million deficit and then we were told we were running a
million four and it ended up being $2 million. And so while I agree that we need to allow the new athletic director time and our new chief executive time, I think it would be helpful to them to understand what the posture of the Board is and what the Committee is.

It's really not their decision to determine what's going on. They can gather the information, assess the information, and provide it -- make a recommendation to the chief executive and she can make a recommendation to us, but what do we want our athletic programs to be? Are we willing to run a deeper deficit over the short in an attempt to bolster the programs? Are we okay with a $2 million deficit. Are we attempting to lower that number?

I know Trustee McWilliams isn't here, but we had conversations about the guarantee games. I mean was it worth $900,000 to go play that game? So without direction from the Committee, we're going to be back in the same position that we've been in with our -- since I've been on the Board, this is our third athletic director, and I don't recall a time where we gave direction other than that we wanted them to simply lower the deficit.
So, again, I pose to the Committee the question with: What do we want our athletic departments to be?

Trustee White.

TRUSTEE WHITE: So I gave the overall information that the overwhelming majority of athletic programs don't make money. What I don't know is, for a program of our size, what an appropriate, you know, sort of deficit is versus the the universe. So I think we need to get -- as a part of the plan, we need to get some data that allows us to communicate, well, okay, this looks like excellence in, you know, an athletic program of our size. Because the reality is, and I've already had a brief conversation with our new athletic director, that athletics do a lot more for your school than just about athletics. It creates an environment that attracts good students; it creates an environment that energizes a community and those things are valuable.

So you can look at as there are a lot of things that occur at a university that aren't necessarily directly profitable. I'm not sure if you go line item by line item or academic program by program that they're all profitable, but they're
still things that we engage in because it's a part
of the overall business.

So what I hope we can also -- what I would
want to see is, again, the ability to say that
we're operating the athletic program with a desire
to be excellent both in terms of what we do on the
field but also that the financial implications of
that are consistent with excellence. So I agree
with your point, but I don't know whether 900,000
for our size was horrible. I don't know whether --
you know, relative to the universe of programs. I
don't know how to characterize that, and that is
some information that would be good to know.

So whatever the goal is and whatever the plan
is, I would like to be able to say that we're
operating -- or that the Board has agreed that we
want to operate at the X percentile because we view
that as excellent in our goal. But we don't have
that information, but certainly -- you know,
whatever that number is, I want us to be excellent.
So if we're going to have a deficit, I want it to
be as small as possible.

I also don't know -- I think at one point
there were certain things that probably could be
categorized in the athletic budget that weren't
because I think at one point merchandise, you know, sales were elsewhere; and so those are probably things that need to be looked at as well. With that, I'm done.

TRUSTEE PERSAUD: Mr. Chairman.

CHAIRMAN MONTGOMERY: Trustee Persaud.

TRUSTEE PERSAUD: Yeah, I'd just like to build on what Trustee White mentioned. As an academician who is also a quantifier and who needs reliable and valid data on which to base a decision, I would hope that we would be considerate enough to afford the athletic director to collect information that are valid and reliable before making any kind of judgment.

Also, as a former state program auditor, I know these things take time, and I wouldn't want to make a decision for the AD and say, now we need the deficit to be reduced by a million right now. I am not willing and prepared, and I hope my colleagues can agree with me that time is of the essence and also to take into consideration the state we're and also the reorganization that the current president has in mind.

TRUSTEE MOORE: Mr. Chair.

CHAIRMAN MONTGOMERY: Trustee Moore.
TRUSTEE MOORE: Just a question and then a statement. The question is, I know we're coming off the heels of a recent study. I don't know how much we invested in that in terms of our athletics program there, so I would hope that we'd be able to use that information since we've made that monetary investment there.

Additionally, I think it's going to be very important that we not mask our reality, and what I mean by that, I know one of the pieces that I involved myself in early on was learning more about the budget if I was going to be on the budget committee, and part of that is hearing that there's a balanced budget but recognizing that dollars are being pulled from elsewhere to make that the -- I call it the false reality, so I would say that, you know, it's going to come back and bite us, as you've already mentioned, Mr. Chair, with our audit findings if we do not take that -- I call it a look at it where it says this is our reality and where do we want to be.

CHAIRMAN MONTGOMERY: From a visioning perspective, not an attempt -- and we'll hear from athletics a little bit later on in the day, and to be clear, it's not an attempt to make a decision to
do anything other than set a vision of what we want our program to be. We'll give you some to think about it. We'll have a chance to speak with A.D. Winslow later on in the day.

But the question is still on the table: What is the Board's -- I mean it's very difficult to hold someone accountable if they don't know what your expectation is. And at this point -- to your point, Doctor Persaud, not necessarily specifics, but overall I think we could agree that we want to have a world class program. Overall I believe we would want to retain our place as the dominant HBCU in the athletics arena; but most importantly, we want to get and make sure that our financial house was in order.

We're at risk if there is an additional finding, and so I think that is job one, to ensure that the financial house is in order. And while we will give adequate time, time waits for no one. We don't need to be in a posture over the next couple of months where we finally get to the point where we're thinking we're going to understand. So I think there needs to be an expiration date on when we hear from athletics with regard to their assessment of what's going on and an incorporation
of, as Trustee Moore referenced, the report that we spent money on that was actually put in place. I mean there was a reason for that, and I think we should follow-up on that and allow the chief executive officer time to assess what's going on over there in the form of reports from that department.

Also to bring to the Committee's attention, a reminder from last year when we talked about processes in the athletic department with regard to how they interact with DSO, how the finances are specifically handled, no more money being handled in trash bags, you know, at the football game, et cetera, et cetera. So to that extent, Doctor Mangum, I'd ask what your thoughts are with regard to athletics.

PRESIDENT MANGUM: My thoughts are, well, with the new AD and with our assessment of athletics, athletics I agree is an integral part of an education and the educational experiences for our students as well as for the community. Its impact on the economic growth and economic development in this town is extremely important as well as in other places in the State of Florida and places that we travel.
So I think that it's important, it's well stated and it's well understood. I do think that we can take a look at this budget and get as close as we can, if we understand what the Board wants us to do as far as a balance is concerned. We do have many activities, as Trustee White has stated, that are an integral part of the academic experience that will not balance on a balance sheet. So what we have to understand is the level of commitment that the institution has to athletics and what it expects.

But we are working and will continue to work to balance a budget. I do like balanced budgets across the institution but understand that each feeds off the other as the institution is as a whole, and so we do have to understand that and all of the leverage that we can pull to help athletics reach its desired goals. Clearly having scholarships and winning on the field and on the courts is an important part of what we want to be able to offer the institution and to our athletes and students.

And with that I guess I'll just say we're going to work to provide an overall plan for athletics, its budget as well as its programs that
the institution and this community can be proud of; and we'll bring that back -- if we have gaps in terms of the resources available, we'll bring it back to the institution -- to the Board so they can make a decision as to where they want to go and how they want to proceed.

CHAIRMAN MONTGOMERY: Are we thinking the June meeting, or I think -- what is our --

TRUSTEE LAWSON: The next meeting is June.

CHAIRMAN MONTGOMERY: The next meeting is June? Is that -- at what point would you expect to return to the Board with a report.

PRESIDENT MANGUM: Well, as part of the budget process for this year, we have to talk with development to see where we can find supplemental resources, so we'll work towards June, and we can give you a good update by June.

CHAIRMAN MONTGOMERY: Thank you. One more thing, and I posit it again to: What is the posture of the Committee with regard to visioning? Are we going to simply request that the administration make recommendations to us? Again, I believe that we should provide some sort of direction. Are we asking the administration and charging them to come back with their thoughts and
ideas? Are we asking for maximum deficit reduction? I mean what is the posture of the Committee in this area from a visioning perspective?

TRUSTEE LAWSON: I think kind of an interesting question and somewhat challenging to answer, but I think the reality is we all want to restore the winning tradition. I think we also want a program that attracts the right type of student athlete that we can get in and get out of the program. I think at the same time we want to try and operate in as close to a balanced budget situation as possible. I think we want to be in complete compliance with all NCAA rules, regulations, et cetera.

And I think beyond kind of those big picture tenets, it's going to take a fairly detailed discussion with the new AD around his vision because I think Doctor Mangum articulated, you know, their plan; and I know we've seen a couple of different plans and we've had -- to Kimberly's point, we've had some studies done, so I think we have a backdrop to start from. But I would like to hear, you know, before we become too directive, to hear the new AD's plan as well.
So I think big picture, those are the things that we want, as I said earlier; but I would like to hear from the AD, like his plan on his landscape assessment relative to experiences he's had and benchmarks, et cetera, with the backdrop that we've paid for data. Some of that data can be I think useful around facilities and infrastructure at least to give him hopefully a running start, and then we can assess the plan from there.

But I think beyond that, I don't -- at least for me personally, we can't be more prescriptive beyond that.

CHAIRMAN MONTGOMERY: We'll hear from athletics later on in the day. My brief summary and the notes that I took again were that we want to restore a winning tradition, I think we'd be in agreement there. We want to ensure that the graduation rates are above standard, bar none above average. We want to make sure that the budgets are line with no audit finding and look at the budget and the lowest deficit as possible; and also, that we're in compliance with NCAA.

Is there anything else anyone would like to add with regard -- from a visioning perspective?

Doctor Persaud.
TRUSTEE PERSAUD: Not from a visioning perspective, Mr. Chair, but I think I would be remiss if I don't mention that our baseball coach Jimmy Shouppe has been doing a wonderful job this year turning the baseball team around and we should all be proud. Soon this season will be over and we may not have a time again in which to congratulate him on the fine job that he's been doing so far.

CHAIRMAN MONTGOMERY: Yeah, beating the Gators is no small feat, so we do appreciate that. We know the smile that it brought to Rattlers across the nation who saw that, so we appreciate your comments.

It's my understanding that we have over $3 million in capital improvements that need to be made over the next ten years and tens of millions of dollars of immediate capital needs with a diminishing state contribution to our capital projects. How should or could the Board help? The question would be: What role should the Board play, and are there policies that we could establish to facilitate the financing of our badly needed capital projects?

I welcome your comments, and I'll preface those with this: We asked our chief executive to
take a look at a myriad of things, things that are
coming on her plate, approval of the budget that we
will undertake next month is coming fast and
quickly. But the long-term visioning in some
areas, we have dropped the ball with regard to
creative ways to move institution forward.

If there are creative ways that capital
improvements are being financed at an SUS -- other
SUS institutions, I'm of the belief that we should,
at a minimum, know and understand what those are
and see how we could potentially scale them to
Florida A & M, at a minimum. But, again, I welcome
your comments in this area with regard to the
capital improvements.

TRUSTEE TURNBULL: Mr. Chairman.

CHAIRMAN MONTGOMERY: Trustee Turnbull.

TRUSTEE TURNBULL: There are three ways you
can get money for capital improvement: PECO, a
special appropriation or private gifts. So if
our legislative program is in place and starts
early, prior to the development of the Governor's
budget -- or actually the Board of Governors'
budget and if we work with the Foundation in terms
of identifying, helping identify donors for
specific gifts -- namings are a very important way
of getting gifts -- then I think we have an
goal of getting gifts -- then I think we have the
opportunity to really make a dent in this.

CHAIRMAN MONTGOMERY: Additional comments?

TRUSTEE LAWSON: Well, I think -- I know there
are some short-term priorities, and one of the
things we talked about yesterday is taking a relook
at the master plan to be sure that, you know, it is
what we want it to be when we grow up, so to speak.
I think that would be an appropriate exercise for
us to do.

In addition to -- I know there are some
short-term things that the team has already
identified or must-dos in the short term; but I
think, you know, as we look at our new leadership
team coming on board and as we look at our desire
to maximize the footprint that we have here and
potentially other land around the perimeter of the
campus that we may want to lock at over time, I
think it's probably just a good exercise to relook
at that blueprint and, you know, does it satisfy
where we want to go.

I know it's been looked at a couple of
different times, but probably -- and we've had some
conversations with Doctor Robinson about forming a
small team, quite frankly, to relook at that. For
various reasons, we didn't complete that exercise.

CHAIRMAN MONTGOMERY: Additional comments?

TRUSTEE MOORE: Mr. Chair.

CHAIRMAN MONTGOMERY: Trustee Moore.

TRUSTEE MOORE: I would just ask that we adopt a schedule of reviewing the Master Plan. I know that was one of the questions that I had as well. I don't know if annually makes it as the time schedule that we want to use, but we should have some idea of what our priorities are; and as they shift, we should make sure that we are giving that direction to our chief executive officer.

CHAIRMAN MONTGOMERY: I'd support that as far as the Committee's position that we have a --

MR. BAKKER: The Master Plan is in its fourth year. We do five-year Master Plans, so you're about to initiate a Master Plan that will be 2015/2025 Master Plan. But the one that we have right now is in its fourth year, so we did it four years ago, we revised our Master Plan.

CHAIRMAN MONTGOMERY: Do you recall the last time that it's come before the Board for discussion?
MR. BAKKER: It came before the Board -- a revision came before the Board less than two years ago. We did a presentation to this Board less than two years ago.

CHAIRMAN MONTGOMERY: Committee members, and I'd accept it in the form of a motion, I do believe that it's -- as far as an action, I do believe it would be appropriate for us, at least on an annual basis, to review the Master Plan. I don't -- I hear what you're saying. I'd offer that for discussion if that would -- we don't want to be in a position where we're restricting the process, but for us to better understand it, at a minimum, on an annual basis, if we can have an understanding of what's going on with it and how it has advanced or improved. What's the position of the Committee?

TRUSTEE LAWSON: You know, I mean I think -- I'm sorry, can you hear me okay? I think that from the last conversation we had with Doctor Robinson we had agreed that we wanted to take a second -- or I shouldn't say a second look, a relook at the Master Plan just to be sure that as the University hopefully grows and enrollment and programs, et cetera, we wanted to be sure that it would accommodate all of those things.
So if it's appropriate from a protocol standpoint, I would like to offer a motion that we revisit the Master Plan at a minimum of once a year, and I'm not sure of the right person to lead that process, but I would like to have that as a motion.

TRUSTEE MOORE: Second.

CHAIRMAN MONTGOMERY: A motion has been made and properly seconded. Any discussion?

Doctor Persaud.

TRUSTEE PERSAUD: Yes. It is essential that we revisit our Master Plan because the dynamic of education -- dynamics of education is so continuous, keep on changing all the time; and unless we do that, we wouldn't be able to be current. So I agree with Trustee Lawson, that we really, really need to revisit that, you know, every year so that we can have a better picture and to be able to offer our guidance and support, you know, to the administration as we move along.

CHAIRMAN MONTGOMERY: Any further discussion?

(NO RESPONSE).

CHAIRMAN MONTGOMERY: For clarity's sake, there's probably a more opportune time to do it. We wouldn't want to just arbitrarily just set
the date. We would want to do it in a way that makes -- I mean is there a better time of year? Initially we wouldn't want to hold it off. For example, if we wanted to say we did every year in March, we wouldn't want to wait until next March to review it this time, so there may be I'd say a reasonable period time -- do we have meeting -- when is it, in August? Attorney Barge-Miles, when does our meeting following the June meeting? When is our next meeting. What is the next meeting after the June meeting?

ATTORNEY BARGE-MILES: Right now it hasn't been scheduled.

CHAIRMAN MONTGOMERY: Whenever that date is scheduled, I think it may -- the June meeting might be too aggressive, but I think the meeting after the June meeting, the following meeting would be an appropriate time to have an initial review and then we could also ask our chief executive to recommend a time on an annual basis that makes sense.

Further discussion, Trustee Turnbull?

TRUSTEE TURNBULL: Just to comment, we may not need a full review, but we really do need a look at what is needed this year, and we need to do that in June for next year's budget. So if the Board
doesn't do a full review, we do need to have it brought back to us as what is essential to request in next year's legislative budget. I would suggest that.

CHAIRMAN MONTGOMERY: Okay. So we could -- if you're okay, we can incorporate that all into -- but there's a motion. The Committee members present are -- do we have anyone on the phone line?

TRUSTEE LAWSON: I thought we had Trustee Alston on the phone.

TRUSTEE ALSTON: Yes, Mr. Chairman, Trustee Alston, I'm on.

CHAIRMAN MONTGOMERY: Okay. The Committee members present: Trustee Lawson, Trustee White, Trustee Persaud, and Trustee Moore. Of the Committee members present, a motion has been made, properly seconded. All those in favor, please indicate by saying aye.

(AFFIRMATIVE INDICATIONS).

CHAIRMAN MONTGOMERY: Any opposed?

(NO RESPONSE).

CHAIRMAN MONTGOMERY: The motion carries. There have been -- as a recap, we have looked at tuition and fees; we then went to salaries and our posture on salaries. We've talked about the
athletics budget and budget deficits. We moved into the area of capital projects and the Master Plan. Are there any additional questions, concerns or comments in these areas from members of the Committee or members of the Board present?

TRUSTEE LAWSON: Yes, just one comment.

CHAIRMAN MONTGOMERY: Trustee Lawson.

TRUSTEE LAWSON: And it may need to be an additional motion. But as we look at the Master Plan, just a question, Mr. Bakker, does it include the remote locations, or is it just the main campus?

MR. BAKKER: The past Master Plans included the main campus primarily. The new Master Plan that we're looking at will include the remote campuses also.

TRUSTEE LAWSON: Okay. That's good.

MR. BAKKER: And just one other comment, if I may, Mr. Chairman, the Facilities Committee, we have -- that's where we have presented the Master Plan updates and have had discussions on the Master Plan, and we will do a Master Plan presentation this afternoon as we go through the capital budget portion of our session.

CHAIRMAN MONTGOMERY: Thank you, Mr. Bakker.
Also, for the record, could you briefly share all FAMU properties, facilities in Tallahassee and outside of Tallahassee? If you can just do a brief rundown of what they are and give us the one-line description of what those properties entail.

MR. BAKKER: We have the Quincy farms, that's about 200 acres. We now own about 28 acres in Innovation Park. We have the property at Crestview. That's a building, about 37 -- 34,000 to 37,000 square feet, and I can't recall --

CHAIRMAN MONTGOMERY: The winery?
MR. BAKKER: Oh, the winery off of Mahan Drive, and I don't --

CHAIRMAN MONTGOMERY: And the law school.
MR. BAKKER: Yes. Yes, law school.
CHAIRMAN MONTGOMERY: Okay. All right, all right. All right, the medical school -- oh, okay.

TRUSTEE LAWSON: The Jacksonville pharmacy school, the Jacksonville pharmacy extension.
MR. BAKKER: Yeah, but we don't own those --

TRUSTEE LAWSON: That building?
MR. BAKKER: We don't own those other properties.

TRUSTEE LAWSON: Okay.
MR. BAKKER: Just ownership I am mentioning?
TRUSTEE LAWSON: We just rent that, okay.

CHAIRMAN MONTGOMERY: I'd encourage members of the Committee at some time during your tenure on the Board to visit these properties. We'll have an opportunity -- I haven't had a chance to go to the Crestview property, but we'll have an opportunity to, as a board, travel there and visit the facility and have a better understanding of how that impacts Florida A & M. I've often said that we -- our reach beyond Tallahassee, you know, from Orlando to Jacksonville. I guess the viticulture center is considered in Tallahassee?

MR. BAKKER: Yes.

CHAIRMAN MONTGOMERY: Headed out 90 to FAMU farms, which we had an opportunity to have the Board retreat at, you know, had the Board retreat yesterday and then also the law school in Orlando. So have a reach that goes beyond Tallahassee.

And as you come back to us from a Master Plan perspective, at least in the Budget and Finance realm, having a clear understanding of how those different satellite areas play into the overall structure from a Budget and Finance perspective is very important to this Committee. So if you would be sure to incorporate that -- not that you
haven't, but if you'd be sure to incorporate that as a priority going forward, I think it would be very helpful to this Committee.

Okay. The August meeting is the 6th and 7th, so the meeting we keep references after June would be the 6th and 7th of August.

Mr. Bakker, would you please provide an update on the financial status of the University?

MR. BAKKER: Yes, Mr. Chairman, trustees and Madam President. At the March Board meeting, we reported that the University was in sound financial health. Since that time we have made three major disbursements that are worthy of note.

On the E&G side we made a payment of $4.8 million to the U.S. Department of Education for payment of some federal grants. And on the non-E&G side we did an early retirement on the bonds for the student service center. We saved $150,000 in interest in that process. And we retired the bonds for a total of $1.8 million.

On the non-E&G side, we closed on the acquisition of the Centennial Building at a final cost of $2.9 million using funds from the Auxiliary Trust Fund. That acquisition gave us about 28 acres, as I mentioned earlier, in property as
well as the Centennial Building, which is a 34,000-square foot building. We were paying a lease of about $300,000 annually on that building, and that $300,000 will be used to replenish the Auxiliary Trust Fund.

At this last legislative session, we were able to get appropriated $700,000 for the -- on a recurring basis for the maintenance and utilities of that building, so that was a very positive gain on our part. We've continued to manage budgets very prudently, and we anticipated by the end of this year we should have in excess of $20 million in our E&G reserves, and upwards of $14 million in our non-E&G reserves.

Mr. Chairman, that concludes my report. The University continues to be in sound financial health.

CHAIRMAN MONTGOMERY: Thank you, Mr. Bakker. Any questions, comments on the budget?

(NO RESPONSE).

CHAIRMAN MONTGOMERY: 20 million in reserves. What is our legally man

MR. BAKKER: Yes, by the end of the year.

CHAIRMAN MONTGOMERY: What is our legally man -- what is it, five percent of the mandated
reserve? How much is that?

MR. BAKKER: About $8.5 million.

CHAIRMAN BADGER: So we want to provide the Committee with the continual understanding that we're not -- that we've charged you and our chief executive to not put us in a position where we are close to that reserve amount that is required with that five percent. But would you say we're in good shape right now?

MR. BAKKER: If we -- I didn't understand.

CHAIRMAN MONTGOMERY: Ms. Mathis, has already indicated we're in good shape, so I think we're going to stay there.

Committee members, with regard to reserves and our posture with reserve, as you've heard, we are close to $20 million in reserves. There was a time when we were at a higher number, but sometimes that puts us at risk where the legislature may say, you don't need our help. I remember they took, what was it, 19.8. So from this Committee, in terms of direction, are we looking to increase the reserve, keep it about where it is, or are we seeking to utilize more of that in areas -- well, and to encourage the CEO from a latitude perspective to use that to help move some of the newer programs
that she may want to put in place ahead? What's is
posture of the Committee or members present?

TRUSTEE MOORE: Mr. Chair.

CHAIRMAN MONTGOMERY: Trustee Moore.

TRUSTEE MOORE: I guess question is, if 8
million is our standard, our threshold and we have
20 million, what's been the trend over time when
we've gone over that $8 million mark? Have we
established priorities in advance and then looked
to fund those or --

CHAIRMAN MONTGOMERY: Mr. Bakker.

MR. BAKKER: The reserves at the end of -- at
the beginning -- during the budget process, if
there are special needs identified by various
departments during the budget process, those needs
are considered. So for example, over the last two
years, because of the declining enrollment, we have
been using funding from those reserves to
supplement our annual budget. So other departments
may have very, very specific needs during a
particular year -- last year, for example, the
construction and facilities management area was not
receiving sufficient funding to keep our facilities
going. We used $2.5 million from those reserves to
help to upkeep buildings.
Last year also, as you'll recall, this Board
authorized two point -- about $2 million for to
purpose of bonuses. And so there have been a wide
variety of uses of those reserves over the years in
accordance with what the specific needs of the
institution has been.

CHAIRMAN MONTGOMERY: So the trend has -- to
answer Trustee Moore's question, the trend over
time?

MR. BAKKER: It's been up and down in terms
of, you know, what the balance was. It was as high
as -- when we lost the 20 million, it was -- as
high as I think about 59 million it was at the
time.

CHAIRMAN MONTGOMERY: In line with what
Trustee White was saying and some of the other
comments, I'll give you my posture and then again
open it back up to the Committee. I think we
should be aggressive with the resources we have,
and in supporting our chief executive -- I had some
conversations with her about some thoughts and
ideas that she'd like to move forward with.
There's a flux with regard to where our budget is
going to be with regard to likely drops in
enrollment, but I don't think that those should be
hindrances to moving ahead and moving forward.

So, again, I'm an opinion of one, but I wanted to put it out there to the Committee members in terms of what, you know, what is your posture with regard to direction, if any, to the chief executive.

Trustee Persaud.

TRUSTEE PERSAUD: Mr. Chair, I think I would not like to have a fixed figure in terms of the reserve that we're going through because I would like to get the guidance from the President to see where we are so that we are flexible enough to make the divisions with regards to the reserves that we would like to have. I know there is a state mandate of what we should have, but at the same time, we don't want to be too restrictive so that we kind of harness the President from making the necessary changes that can move us forward, so I really don't have a definitive answer to it, but I would hate to be restrictive.

TRUSTEE LAWSON: I agree.

CHAIRMAN MONTGOMERY: Trustee Lawson.

TRUSTEE LAWSON: Yeah, I mean I think that similar to Trustee Persaud, I mean we know what we have to maintain as a bare minimum; but I do think
at the same time we want to leverage where appropriate. And I think those conversations should be had at the Board level when it comes to pulling funds out of the reserves.

So, you know, long story short, I think we should be aggressive with the reserve when appropriate as long as the Board is in agreement. So if we identify some major opportunity and there is absolutely no other way to fund it, I wouldn't want to shy away from that as long as the Board felt it was the right thing to do.

TRUSTEE TURNBULL: Mr. Chairman, could I ask a question of Mr. Bakker?

CHAIRMAN MONTGOMERY: Sure. Trustee Turnbull.

TRUSTEE TURNBULL: Mr. Bakker, are there auxiliary funds or funds from the auxiliary funds in this reserve?

MR. BAKKER: We've got two reserves, the E&G and the non-E&G. The auxiliaries have reserves of their own, but I think this discussion -- well, and you've got the E&G reserves. We have both.

TRUSTEE TURNBULL: Is this 20 million just E&G?

MS. MATHIS: Yes.

TRUSTEE TURNBULL: Just E&G?
MR. BAKKER: Yes.

TRUSTEE TURNBULL: Do we not sometimes use those dollars, the auxiliary reserves to make up deficits in certain areas? Haven't we used that in the past?

MR. BAKKER: The -- for example, I think -- if you're referring to athletics, for example, athletics runs in a deficit, but all of the athletics bills are paid. They're paid with a bridge from the -- from our regular bank account. So if you're talking about usage in that sense and in the sense we're -- you know, for example we took money from the Auxiliary Trust Fund to pay for the Centennial Building, and then that repayment is going to be made. Yes, that type of assistance is granted. But the auxiliaries are all supposed to be self sufficient.

TRUSTEE TURNBULL: Mr. Chairman, I would like to suggest perhaps your Committee in the future, or the President, might take a very careful look at auxiliary funds, the way we use them, just to make sure we understand it. I do know that we use them differently from other universities and that some universities actually use auxiliary in their operational budgets to support faculty salaries and
other areas.

And it's just a -- it's an area I don't think we as a board have a clear understanding on, and it's an opportunity to look at them in new light and particularly in -- as we look at the deficit, or as we look at the whole reserve issue. This is a really important area to be aware of.

CHAIRMAN MONTGOMERY: Thank you, Trustee Turnbull. It's an important issue to the Committee. We've heard from all members except Trustee White. I didn't know if you had additional comments in this area.

TRUSTEE GRAHAM: Mr. Chair.

CHAIRMAN MONTGOMERY: I'm sorry, Trustee Graham.

TRUSTEE GRAHAM: I have a question, Mr. Bakker. How much -- you mentioned 20 million is in the E&G reserves. How much is in the non-E&G reserves?

MR. BAKKER: The non-E&G reserve is in excess of $14 million.

TRUSTEE GRAHAM: And is there a minimum for that account as well that we have to keep in there?

MR. BAKKER: No, there is no established minimum for the non-E&G reserve.
MS. MATHIS: The non-E&G fund is not a reserve, it's the fund balance for each auxiliary operation; that's their profit. And so they use these dollars to continue investment. Some of these dollars are -- we have to hold on hand. For the entities to have bonds, you can't go below a certain level. We have to have 1.25 liability ratio, and so we can't use their fund balance, but most -- like this year, most of the auxiliary entities will be using their fund balance because of the downfall in the student enrollment. And the ANS dollars are included in these dollars.

TRUSTEE GRAHAM: Okay. Thank you.

TRUSTEE LAWSON: I just had one other question, Mr. Chair, for Mr. Bakker. When you all presented to us the early retirement of the bonds for the student service center, that was really a good idea and it had some long-term savings impact to it. Are there any other opportunities like that from a financial standpoint where we could potentially use some of the reserves that would accrue or generate additional savings for us downstream? Because, you know, when you guys brought that to us, that was a good idea, obviously, and we all supported it. But are there
other opportunities looming of things that we should at least consider while we're having a budget discussion?

MR. BAKKER: We have two outstanding bond issues: One for the parking, and the other for housing. Housing is a very large bond. The early retirement of those is not a possibility.

TRUSTEE LAWSON: Of the bonds for the --

MR. BAKKER: For housing.

TRUSTEE LAWSON: Okay.

MR. BAKKER: For parking, we are not there as yet in terms of retiring those. The balances are much too large at this point for us to retire those bonds and still maintain a decent reserve.

CHAIRMAN MONTGOMERY: Question, Mr. Bakker, I'm going to jump back to the deficit piece with regard to athletics.

What would be barriers or potential barriers to, say, setting -- like, for example, what was the budget this year, the athletics projected budget versus actual?

MR. BAKKER: I think the deficit of that is anticipated to be about one for this year.

MS. MATHIS: The estimated deficit for this year is approximately 1.1 million.
CHAIRMAN MONTGOMERY: If, for example, I'm just throwing it out there, their budget was set at a higher amount that would cause them to not be in a position where there was a deficit, say the budget was actually set a higher, what are the barriers to setting the budget at a higher amount, the athletics budget at a higher amount so that they're not running at an actual deficit?

MS. MATHIS: But they have to be self-sufficient, so the revenue would have to come in to take care of that.

CHAIRMAN MONTGOMERY: I've understood that they have to pay for themselves. My question is: Are there any ways that we could supplement that over time so that we can build or put the athletics department on solid financial footing? We've had discussions before about the limitations, but I'm asking you: Are there any additional options available to us that would allow us to make up that difference?

MS. MATHIS: Well, this year we provided 1.1 million to them or scholarships, but they did not come forth with the dollars that they have projected because of, you know, the ticket sales, but we provided an additional -- we provided
700,000 from the Foundation for scholarship; we’ve provided another 300,000 from the investment fund that the law says we can do for scholarship. We also provided another 300,000 to Title IX, additional dollars for Title IX.

CHAIRMAN MONTGOMERY: And so with that infusion of 1.3, we’re still going to be at how much of a deficit?

MS. MATHIS: A $1.1 million deficit.

CHAIRMAN MONTGOMERY: So you’re telling me that we were at a $2.7 million deficit this year?

MS. MATHIS: Yes, if we had not provided those funds.

CHAIRMAN MONTGOMERY: I’d ask going forward that it be -- and I’m thinking y’all provided it that way, but I think in the scope of how we receive information, it needs to be presented in that fashion versus the lower number. For example, one year we were running a $2 million deficit, and that’s when Sharma found the additional money, and I think it was covered all in scholarships.

MS. MATHIS: Right.

CHAIRMAN MONTGOMERY: So to, I believe, Trustee Moore’s point, it’s simply masking the problem; but by the same token, are there
additional ways besides going to the Foundation, going into the investment fund and going to Title IX, are there additional ways that we can boost those numbers up, say temporarily over a period of two to three years to allow the athletics to move forward on a solid footing?

MS. MATHIS: We've done everything legally that we can do.

CHAIRMAN MONTGOMERY: Okay. An additional question: Are we in a position going forward to continue that level of support, say it's a 1.3 million? One year we were at 2 million and y'all found that -- you found the money in the investment fund.

MS. MATHIS: Right, but that was -- I thought that million had been sitting there for years, it was an accumulation of years, and so we used that. And each year we get about 300,000, so we have been providing that particular 300,000. I've been working with them on the '14/'15, and we've come up with some more dollars to help again from the Foundation and from Title IX. But they'll be presenting that this afternoon in the full budget, but I've been working very closely with them and there should be changes, and the AD will tell you
what the changes will be.

CHAIRMAN MONTGOMERY: Okay. One final comment, at least from me, on this area. I think we were told that -- I think we were told last year that we could possibly be in the black this year, and so being in the black is a long way from $2.7 million, so -- and I'm being mindful for the purposes of anyone listening and observing, but that task has not fallen upon you in terms of --

MS. MATHIS: Right.

CHAIRMAN MONTGOMERY: I know President Mangum has some things that she is going to put in place with regard to structure, so this not intended to -- at you in any negative way, I want you to understand. We understand that you're reporting to us versus having actually managed.

But I think for us to articulate our vision we have to understand what's going on. There's a big difference between a million dollar deficit say that we run annually for five or six years and its ballooning to -- at least the trend that I've seen over the last two to three years is that it has gotten over 2 million on an annual basis, and I'm not sure that we've been provided with the -- in that fashion the updated information.
MS. MATHIS: Well, I'm not -- like you said, I was not managing it in the past. My task now is to help manage this budget, and so going forward, I will be reporting but also helping to manage the budget for the athletics department.

CHAIRMAN MONTGOMERY: Comments?

TRUSTEE PERSAUD: Mr. Chair.

CHAIRMAN MONTGOMERY: Trustee Persaud.

TRUSTEE PERSAUD: I agree with you because this is one of the things I just mentioned a short while ago in terms of the validity in the date; that all of a sudden 1.4 million is equivalent to two point, you know, 2.7 million.

CHAIRMAN MONTGOMERY: No, we were told that it was going to be in the black this year.

TRUSTEE PERSAUD: Yes, I know, I know. That's what I'm talking about, and we have to be alert to that kind of reporting when it comes to us because it creates the impression that the deficit is lower than it actually is with all of the assistance that we put into the program. And so, you know, that's my cautionary not, and especially when I mentioned that I would like to see the AD come with valid data that we can then make decisions based on that.
CHAIRMAN MONTGOMERY: Thank you.

All right. We're going to do one more section. We have invited members of the Board of Governors staff to this forum. We're going to hear from them, and then we'll take a break.

We've asked them to provide us with updates on performance-based funding and other relevant topics. Gentlemen, please come forward and introduce yourselves and proceed with your presentations.

MR. JONES: Good morning, Mr. Chair and Trustees. I'm Tim Jones, CFO for the Board of Governors, and I have with me Chris Kinsley, our director of finance and facilities.

We're going to give you a little update on the operating section of the budget, particularly performance funding. That was a big issue before the Board of Governors, and then I'll turn it over to Chris to talk to you a little bit about fixed capital outlay.

We had a very good legislative session as a system, over $200 billion in new E&G operating funds as well as almost $260 million in capital funds consisting of PECO and general revenue. So we're very thankful to the legislature to the
support they gave for higher education this year.

Now the cornerstone of the Board's legislative budget request was performance funding. You'll recall they asked for a hundred million dollars in support. Fifty million would have been new, and 50 million came from the base of our institutions. The Florida legislature doubled the Board's request with a hundred million dollars in new funds and a hundred million dollars in base funds, so a total funding package of $200 million, so very significant statement on where the state is headed in terms of performance for the University System.

Now of that $200 million, as I mentioned, only a hundred million of that is new. The rest of it is base support, so I'm sure you're interested in how that impacts really Florida A & M. So out of the $200 million, Florida A & M will be receiving approximately 10.8 million of that.

This is all subject to Board of Governors' approval at their June board meeting because this was a lump sum that was provided to the Board for allocation. So using the model that they adopted, you would receive 10.8.

Now it's important that you understand what goes into that 10.8. Three point six million of
that is the restoration of your base funds. What the legislature did was take 3.7 percent of every institution's budget which totalled about $65 million for the system, held that as part of the performance funding model, so you would receive that back in full. In addition, you'll recall last fall the Board of Governors awarded a little over $800,000 in performance funding based on three metrics that the legislature identified in the 2013 session, so you will receive those funds back as well. So the new funds that you're getting is $6.4 million, so a very significant amount of money in recognition of the performance that your institution has done on the 10 metrics that the Board has adopted.

Now those are recurring dollars. At this point there are no restrictions on how to use those dollars. Those dollars were awarded based on those 10 metrics, so I think the expectation of the Board is that you would put those back into making sure you continue to perform on those metrics. This is the new day where we're no longer funding based on head counts and enrollments; we're going to be looking at the performance of each institution, and you'll be receiving funds accordingly.
Any questions on performance funding, Mr. Chair?

CHAIRMAN MONTGOMERY: Go ahead, Trustee Turnbull.

TRUSTEE TURNBULL: I think this is a very encouraging session. I just don't want us to lose site of the fact that we're still not where we were when all of the cuts were taken. So before we get too excited about the new funding, there is a realism to it.

I understand about performance funding and that this is kind of a trend nationally and it's something we have to be aware of. I'm still not convinced it really says anything about quality. I understand it says a lot about how we fund our universities and that's a reality. But I'm wondering if there is still the opportunity for us to have conversations with the Board of Governors about the metrics and will they be looking at the ability to adjust those metrics in the future to perhaps better reflect the reality of individual universities.

MR. JONES: Thank you. It's a great question. Our vice chair, Tom Koontz has been our leading supporter on performance funding, and he has said
from day one, you've got to start somewhere, and this is where the Board started knowing that going forward there will be tweaks that will need to be made. And how soon those tweaks will come, we'll be discussing those at our June board meeting as well as kind of a recap on what the legislature did with our performance funding model. Because as much as they adopted it, there were some tweaks that they made to that, so the Board will need to take that into account as they work on next cycle's -- the legislative budget request.

So I think the answer is, yes, they are open to suggested changes. How soon they are going to make those changes, I think they need to discuss that in light of conversations with our legislative partners.

(WHEREUPON, TRUSTEE MCWILLIAMS JOINED THE MEETING).

CHAIRMAN MONTGOMERY: And we look forward to seeing you every year, but we're really happy to see you this year. That's a good -- 6.4 is recurring I thought I heard you say.

MR. JONES: It is recurring. I think the Board's posture is that those funds will go into your base going forward so you can make recurring
decisions which is what our institutions need those dollars for, so it would go out and hire the faculty advisors and so forth. And then in our next legislative budget request, we're going to ask for additional funds on top of those.

CHAIRMAN MONTGOMERY: And to be clear, there are no restrictions in terms of --

MR. JONES: At this point, I don't anticipate there being any restrictions on the use of those funds. Obviously next year when we're developing our legislative budget request, we'll be looking at your data from the '13/'14 time period, so I think it's important that you make determinations how to strategically invest those resources to ensure that your metrics are going to continue to improve like they had during the '12/'13 year.

CHAIRMAN MONTGOMERY: Two follow-up questions. You said the June meeting the tweaks will actually be made. Are they soliciting input from SUS institutions, or it's just something that's being handled at the BOG level?

MR. JONES: Right now it's being handled at the Board level. The first order of business they'll do in June is to approve the allocation of the $200 million. We have as staff some
suggested tweaks to the model that we're going to talk about. Whether or not the Board is interested in hearing those, but if you have suggestions that you'd like to get on the table for discussion, feel free to send them to the Board office and we'll compile those with anything else that we have.

CHAIRMAN MONTGOMERY: Well, I think as a committee we'd be interested in making sure that our chief executive had an opportunity to weigh in with regard to how some of those tweaks could benefit Florida A & M. I mean we -- some were surprised that there were some things that actually increased our allocation based on these tweaks that you mentioned.

And then we'd ask, Doctor Mangum, as these tweaks are made, if you could report those in a timely fashion to the Board in terms of how that could affect the performance funding going toward.

Please continue.

MR. JONES: That's all that I had to report, particularly performance funding. I know you received other funds unique to the University, two and a half million dollars for stem enhancements; for FAMU Crestview, one and a half million dollars in funding for distance learning. So I think
overall you should be proud of where you were.

As Trustee Turnbull said, we're a long ways from where we were back in 2006/7, but at least we're going up instead of down, which has been a long time since we've been able to say that.

TRUSTEE TURNBULL: Yes.

MR. JONES: So, Mr. Chair, unless you have any other questions of me, I'm going to turn it over to Chris Kinsley.

CHAIRMAN MONTGOMERY: Just a moment.

Ms. Mathis had a question for you.

MS. MATHIS: Mr. Jones, I just wanted to know, when would these funds be allocated to the University? Because this year we didn't receive them until like in December.

MR. JONES: Right, the 800,000 is what you're referring to this year. Once the Board approve these funds at the June meeting, we'll start distributing them the first of July, along with our normal distribution process. So you won't receive those as a lump sum, but you'll receive them twice monthly in accordance with state statute.

CHAIRMAN MONTGOMERY: I didn't -- twice monthly until?

MR. JONES: Twice monthly in accordance with
the state statute.

CHAIRMAN MONTGOMERY: Until the balance is dispensed?

MR. JONES: Right, that will be done over the entire fiscal year.

MS. MATHIS: So we'll get a budget amendment in July?

MR. JONES: Yes.

CHAIRMAN MONTGOMERY: Thank you.

MR. KINSLEY: Again, Chris Kinsley, and thank you so much for having us to speak, and I'll give a capital budget update. I just have to take a moment to say I'm so much -- I'm very pleased to be here today. I think the last time was just not quite two years ago, and it was the point for the Trustees. Madam President, you'll hear at the point where the 800-bed housing was sort of like in betwixt, in between, and it was sort of, you know, we were here to sort of assure the trustees that they had made the right decisions; and I'm so pleased to see the progress that's made on that, and I won't steal anyone's thunder, but that is just -- the project is just moving very well. I'm very pleased with that.

I know there was a lot of angst about the
capital budget, so I'm very pleased to report that
the capital budget in total for the system was
$258 million; for the Florida A & M, by my quick
back-of-the-envelope calculation it's some 26.2
million. So that consists of two major projects
and then three lumps sum that are to be
allocated -- as Tim said with the operating, these
will be allocated at the June board manager. So
let me run through those very briefly and then I'll
be glad to take questions.

The first is for one of the recommendations
was $10 million for joint-use FAMU/FSU College of
Engineering. So clearly there will be further --
you know, many miles to go on that because those
existing facilities still need additional funds,
but that was the first recognition of funding for
that project from the legislature in several years
so that was a good outcome.

The other is unique to -- FAMU is $10 million
for the pharmacy building, which should allow that
project to be completed. So that was great and my
hats are off to the institution. I think Tola
particularly should be commended that was a really
great outcome for the institution.

And then in terms of the lump sums, let me hit
those briefly because these will come -- so the
first is $1.7 million, that's in the Capital
Improvement Fee Trust Fund. What I contemplate
happening there is similar to last year. The Board
asked for a much bigger number; we didn't get that
from the legislature. In effect, these are the
student fees, the capital improvement fees they're
assessed on a per credit hour basis to each
student, so you're basically getting what you paid
into the fund back.

What will need to happen is that the
institution, the trustees will need to make a
determination as to where they want those project
funds to go. That's what happened last year. And
so what will happen is we'll give an update -- I'm
sure Mr. Bakker will give an update on, here is
where the funding has gone of the last year's
allocation, and then the trustees, you know, can
make a determination of where would we like to see
the 1.7 going.

There really isn't a clock running on this.
The Board will look at this at the June meeting.
If there's an institutional request, my guess is
the Board of Governors will approve it.

If it takes some time working with the
students, because by law you have to work with the students on where the project funds are committed, if it takes longer, you can come back later and ask for where those funds need to be most allocated. So that's what we did last year so, again, very similar to the process last year.

And then we get to maintenance. Okay, so on the maintenance front, for regular maintenance, we also know -- there's an allocation for FAMU of $1.8 million, and that will be available starting in July. And then there's one that I'm most pleased about, that is for critical deferred maintenance for $2.7 million. That's been the Board of Governors' Number 1 request for the past two years, that we receive a lump sum that the Board can allocate. The amounts are determined. The Board will have some parameters really with the goal -- in allocating those funds, really with the goal of showing to the legislature that all of the things that we asserted to be true about the leaky roofs and the HVAC systems that needed repairs and the electrical and the plumbing and everything else across the system, that we can take these dollars and apply those expeditiously and show good demonstrable progress so when we come back next
session we can again make a request.

The Board asked for $60 million; we received 20. So just on the face of it -- and even the 60 didn't address all of the needs. That was just what we identified as the top priorities of each institution totalled some $60 million.

I think as Chair Montgomery indicated earlier, you know, this institution has some $300 million of needs alone, so 60 isn't really close, but it's a start. We've never received this funding before, so I'm really encouraged. As much as Tim was encouraged on performance funding, I'm equally encouraged that the legislature has finally recognized that we need additional money to hit critical deferred maintenance.

So the Board will be coming out with some requests in the next couple of weeks. We'll be working closely with the staff to say, you know, here are the parameters under which these funds will be released, really with the goal of making sure the funds are spent as quickly as possible so they go immediately towards those needs. It has to be for E&G needs, meaning educational, as all of the state capital dollars are.

That's really the budget in a nutshell. I'll
be glad to take any questions.

CHAIRMAN MONTGOMERY: Clarify. Thank you.

Two questions: The engineering building, what is the total amount to bring that building on-line or bring it to where you're looking -- I mean to me it was the first of how much was actually being requested to refurbish?

MR. KINSLEY: It's not exactly known, but it's some $30 million to renovate the existing facility, A, but mostly, B; and to build buildings, C, which would allow, you know, the trailers and some of the other facilities out there to be replaced with an actual permanent construction.

Now that's what was requested from a prior year. We'll look and see what FSU and what FAMU each recommends as their half. You know, they'll have to update the figures. So I'm saying 30, it maybe a little more than 30. So that's 30 less the 10 that was received. It should be in the neighborhood of 20, and if I may, Mr. Chair, see if Joe, if he can see -- does he concur with that? Am I in the right ballpark?

MR. BAKKER: Yeah, I agree, Chris.

CHAIRMAN BADGER: And that will bring building C on-line as well?
MR. KINSLEY: Yes.

CHAIRMAN MONTGOMERY: And the second question, and we've asked before, we don't want to get left behind if there are other innovative ways, thoughts, ideas that are going on at any of the other SUS institutions that we can possibly scale to Florida A & M. So to the extent with engagement with our staff and with our team that you could avail those things, we know y'all are very creative over at the Board of Governors; but to the extent that we could move forward to get to that, to knock that 300 million down in improvements, again, we'd ask for your assistance there.

When would you anticipate the balance of that 30 million coming forward? Are you going to continue to make the recommendation, but when would you anticipate the balance of that 20 million being moved forward?

MR. KINSLEY: Oh, that's an excellent question. And first, thank you very much. We appreciate so much the opportunity to work with the staff, as well as I think you know Mr. Jackson who is one -- you know, the consultant who has helped with several of the projects here at Florida A & M, and I think the collaborative relationship that has
been established has been beneficial to the institution. It's been beneficial to us in understanding, you know, what are the real capital needs of Florida A & M.

On the last day of session, a very important piece of legislation was passed. I'm optimistic it will be signed into law. It was a tax-cut package of some hundred million dollars, but within that package is some -- a tax shift that redirects some dollars on a recurring basis into the PECO trust fund. So with that said, I can't say exactly when the, you know, additional funds would be available for the joint-use facility or other facilities, but there's at least a pool of funding that exists; whereas before, even this year, going into the session, the Board of Governors asked for some $400 million, but that was just need driven, we had no budget established, which from a Board perspective is kind of -- you're in uncharted territories versus here is an established budget, now just make funding decisions within the established budget.

The Board did basically a need request without knowing where the money would come from saying, legislature, help because we cannot create funds,
and the legislature did. They stepped up and
provided, like I said, some $258 million. But this
legislation if signed will help create a bigger
pool, and I can't tell you how much bigger because
it passed the last day of session so I don't --
there has been no impact, estimating conference on
that final conference report.

But I would hope that we would see progress
for each -- or this institution could start to see
regular dollars along the lines of what we see,
this $26 million. You know, that's what I would
like to see. Because as you identified, some
$300 million, that can't all come at once; but if
you could at least have some predictable level,
then you can appropriately manage your capital
budgets.

CHAIRMAN MONTGOMERY: Any additional
questions, comments from members of the Committee?
(NO RESPONSE).

CHAIRMAN MONTGOMERY: Thank you again so much,
you and Tim, for coming thank. We appreciate your
time, and we want to keep hearing more reports like
this.

MR. KINSLEY: Well, thank you very much.
Thank you for having us up.
CHAIRMAN MONTGOMERY: We're going to take a 15 or 20 minute recess. We'll return and start back up again at 10:30. The time now I have is 10:11. (BRIEF RECESS).

CHAIRMAN MONTGOMERY: Thank you. As we return, as promised, I'd ask for a brief recap of our conversation over the past hour and a half. Ms. Garcia.

MS. GARCIA: The discussion began with faculty increases, Doctor Persaud.

CHAIRMAN MONTGOMERY: Can you speak a little big closer to the mike? Thank you.

MS. GARCIA: Salary survey, it was asked what was the last time it was done. We need to take a holistic view of then compensation, decide who our competitors are, build a strategy from there by discipline, and that should be provided by the end of the fall semester.

Are we looking at compensation for all or just faculty? Look at sufficiency level for staffing. A more expansive study needs to be -- it needs to be in two segments, not included.

Where do we stand in the area of professional development? What do we do with our exit interview data? Doctor Mangum talked about -- and she's
supposed to come back with salary survey, strategy on professional development, exit interview info, separate study on professional development. How much do we spend on professional development? On.

Budget deficits, what direction are we giving to the President regarding the athletics program and deficit? Can we wait until the new AD comes on board? There needs to be clear Board direction and involvement.

What do we want our programs to be? What is an appropriate deficit for a program our size? We need data what excellence is in an athletics program. AD needs time to collect the accurate data. Can we use the study that was just completed? We need to look at our reality and then determine where we want to be.

Ensure financial house is in order. What is the Board's vision for athletics? Need time limit on receiving into from AD, and then Doctor Mangum was asked what her thoughts on athletics.

Importance needs to be on economic development, clear goals, balanced budget, and the program needs to be well understood. We need to understand the importance of athletics to the University. We are going to also work to provide
an overall strategy on athletics. Is June good for the update? What is the posture from the Committee on our vision on athletics? Would you like to hear from the AD before making -- we would like to hear from AD before making a decision, any decision.

The chairman interjected that graduate -- his points, his important points are: The graduate rates above standard, balanced budget, lowest budget deficit possible, and compliance with NCAA requirements.

What role should the Board play in capital improvements? We need to look at the Master Plan and also look at land on outskirts of campus. We need to adopt a schedule to review the Master Plan.

When was the last time we had a comprehensive review? When did it come before the Board? And then the motion was made to review on an annual basis and was seconded. Recommend that next meeting after June when we will review the Master Plan. That was the direction to Doctor Mangum. Does the Master Plan include remote locations? Please incorporate other properties into Master Plan.

Talking about financial health now: What is our mandated reserves? Are we safe right now from
risk of having the dollars being taken? What is
the pleasure of the Committee regarding excess
reserves? What has the trend been over time? I
think we should be aggressive with the resources we
have.

What is our direction to the President on
reserves? Doctor Persaud said he would like to
have a determination as to what the reserve -- what
reserve to maintain.

Are there auxiliary fund reserves included in
the 20 million? Is the 20 million just E&G? Have
we used auxiliary funds to make up deficits in the
past? I would like to suggest we take a good look
at auxiliary funds, particularly as we look at
deficits.

How much is in the non-E&G reserve? Is there
a minimum for the non-E&G? Are there any other
opportunities that we should consider for use of
reserves like the student service center 1997 bond
series payoff? Estimated deficit for this year --
this was clarification -- is 1.4 million.

What are the barriers to setting the budget at
a higher amount. Are there ways to supplement the
athletics program? Were we at $2.7 million deficit
this year without additional funds? Are there
additional ways to boost those numbers? Are we in a position moving forward to supplement the difference? Provide updated info on the deficit, and there was a caution regarding validity of data received by the Board.

Moving on to BOG and performance funding questions. Are there still opportunities to have discussions regarding the metrics with the BOG and are they going to be updated? Is the $6.4 million recurring and is it unrestricted? How soon will will the tweaks benefit FAMU? Ask Doctor Mangum to report tweaks as quickly as possible to the Board.

How soon will we get the 800,000? What is the total amount to bring engineering building on-line? Please share innovative ways and ideas other SUS entities are raising money doing projects.

What do you anticipate the additional -- when do you anticipate the additional 20 million coming to FAMU?

CHAIRMAN MONTGOMERY: Thank you. And thank you for indulging us in sitting through the questions -- the summary of the questions that have been asked. As a committee we wanted to put ourselves in a position where we can hold ourselves accountable. Yesterday we talked about evaluating
ourselves as a committee, and this is one of the ways that we can do that over time, by understanding the questions we ask, the information that was presented, how to evaluate that and how to move forward. So, again, I appreciate you sitting through that.

TRUSTEE TURNBULL: Mr. Chairman, did I overlook -- did you say something about auxiliary?

MS. GARCIA: Yes.

CHAIRMAN MONTGOMERY: Yeah, I'm sorry. Thank you.

CHAIRMAN MONTGOMERY: Any comments?  
(NO RESPONSE).

CHAIRMAN MONTGOMERY: All right. We're going to move forward.

Ms. Mathis, please proceed on your presentation on our budget workbook and the budget process.

MS. MATHIS: Thank you, Mr. Chairman. The first thing in the budget book is the timeline, and the dates that are most important currently is at the June Board meeting we will be presenting a preliminary --

CHAIRMAN MONTGOMERY: I'm sorry, that would be Page 1, right?
MS. MATHIS: Yes, sir.

CHAIRMAN MONTGOMERY: Okay.

MS. MATHIS: We will be presenting the preliminary budget that we have to have approval to send to the Board of Trustees -- I meant to BOG so that on July 1 we will get our first cash distribution because they have to get it from the state comptroller's office.

And then in July --

CHAIRMAN MONTGOMERY: I'm sorry for interruption, a quick question: Are we going to need to meet again after we approve the preliminary given that the Board of Governors meets after our budget meeting in June? Are we going to need to meet again as a board either prior to July 1 or shortly thereafter to approve the additional, or are you going to incorporate that into the budget?

MS. MATHIS: Which additional?

CHAIRMAN MONTGOMERY: The supplement.

MS. MATHIS: From the performance --

CHAIRMAN MONTGOMERY: The supplement. Well, yeah, the Board of Governors supplement, the 10.8 million.

MS. MATHIS: When we get that in July, then we will incorporate it. That's in a budget amendment,
and then we will incorporate it into the final budget, and then final budget will have to be approved at your August meeting.

CHAIRMAN MONTGOMERY: So it won't be in the preliminary budget?

MS. MATHIS: No, because I can't put it in there until they send me the budget amendment, and I probably won't receive that budget amendment probably until the middle of July, somewhere along in there.

CHAIRMAN MONTGOMERY: Okay. So then we'll have that amount with what you're going to do with it in the August meeting.

MS. MATHIS: In the August, yeah, the final because then that's we submit the final operating budget, and we have to do it in the systems, but you have to approve it and it goes to their September BOG meeting for approval.

CHAIRMAN MONTGOMERY: Okay. I think it would -- again, unless somebody differs, I think it would be the posture of the Committee to the extent that we could allow Doctor Mangum the time, so if required, a meeting to approve her plans after that money is put in from the Board of Governors, I think that would be in order if necessary, maybe a
telephone -- we've done it before after the Board of Governors meeting, so I did want to make that point. Sorry for the interruption.

MS. MATHIS: Okay. The next pages, Page 2 through 7, basically it's the statutory, the BOG and the BOT references to the operating budget as to why we do it, how we have to do it, and what needs to be done. And we had the same information last year so I won't read that to you.

And the budget process, basically on E&G, we start with our base budget; and the base budget is the budget at '12/'13 minus any nonrecurring items and any cost to continue items.

We've gone through that process; we've met with the UPPC; we've talked to the President, but there's still no approval. We are waiting to finish the preliminary budget after we get the Governor's veto, and then when we come back, we will have a preliminary budget ready.

The non-E&G, we've also went through the process. We've met with the UPPC, and we've also, again, presented it to the President. But, again, we still are working -- it's a working document. We have not finalized anything. And each entity submitted their request, and like I said earlier, a
lot of the entities are using part of their fund balance because they have been affected by the reduction in our student body.

On Page 8, this is just a chart showing our funding by budget entity for '12/'13; and on the next page you'll see a chart of '13/'14. In '12/'14, we had 296.2 million; in '13/'14, we had $354.7 million to work with.

And the budget entities are there for you on Page 9 through 10, the definitions.

On Page 11, and I will talk to you a little bit about the impact of the enrollment on our revenue. We have an approximately 12% decline in our enrollment from the previous year estimated for '14/'15. Last year we had 10,750 students; this year we have 9,500 projected.

In doing that and doing the estimate student fee, we are looking at a decline of excess of $9 million. And to work on -- we've been working on how we will decrease this deficit, and basically we were looking at the reallocation of vacant positions, the performance based funding, and other budget adjustment approved by the President.

And if you look on Page 15, you will see how we came up with the projected shortfall. The
estimated dollars to be collected for the 2014 summer is 5.7 million; for fall semester 2015, we will collect 20.9 million -- 23.3 million, and for spring 20.9 million, a grand total of $50 million. And basically, this year we had allocated $59 million of student fees, so that's where we came up. We're the short 9 million.

CHAIRMAN MONTGOMERY: Ms. Mathis, I'm going to ask you to go back to Page 12 -- 12 and 13 with the three different charts, if you could outline the actual enrollment trends and translate this in English for us.

MS. MATHIS: Okay. I'll let Student Affairs address that.

CHAIRMAN MONTGOMERY: Just, Doctor Hudson, if you would, just a brief summary of each of the three graphs on Pages 12 and 13.

DOCTOR HUDSON: Okay. Good morning. The chart on 12 is FTE total in enrollment trends. If you'll look, we have seen a decrease in profile admits over the course of these last couple of years and also a decrease in students.

From 2009 and 2010, we had our largest influx of students who were classified as profile admits. We've seen a decrease from over 70% to this year.
At this present time, we're at about 16% for the freshman class that's coming in.

And so you'll notice that steady decline in remedial, and also at the lower level we've seen a decline in the amount of the students, which means many of the students are moving to the junior and senior level; but we've also seen a decline in enrollment due to satisfactory academic progress and the number of students reenrolling in the institution. And that's the same for the in-state and out-of-state students. The second two are just definitely a breakdown of the overall total. Page 13 is a breakdown of Page 12.

TRUSTEE McWILLIAMS: Could you tell us graduate one and graduate two what those numbers mean?

DOCTOR HUDSON: Yeah, those are Ph.D. programs.

TRUSTEE TURNBULL: Mr. Chair, can I ask a question?

CHAIRMAN MONTGOMERY: Trustee Turnbull.

TRUSTEE TURNBULL: I'm just curious as to why now we're talking about a $9 million shortfall. Were we overoptimistic in our estimates? Was there some reason we weren't able to anticipate this last
year when we did our budget or even very early in
the fall semester understand that this was going to
be the problem and make adjustments at that time?
I'm just wondering how valid are our budget
projections if we seem to always be working at
looking at deficits after the fact and not
anticipating areas up front.

MS. MATHIS: This deficit is for '14/'15. In
'12/'13, we also had a deficit and we came before
the Board. We had a $6 million deficit because
students were reduced then also. It's just in the
student fee trust, and that is the amount that
students pay.

And we have an appropriation, if you'll look
on Page 19, it shows the Student Fee Trust Fund.
Those are appropriated dollars, and it's just
budget authority. If we don't collect this, we
cannot spend it, and so that's why I'm saying now:
We're not going to collect the 72 million that we
have appropriated for student fees. We know that
because we know that our system has a -- we have a
decline in students for the '14/'15 year, so we are
addressing it up front. So we know we're not going
to collect 72; that's just budget authority.

TRUSTEE TURNBULL: Yeah, I understand. So
what you're saying is we don't have a deficit yet because we haven't appropriated it.

MS. MATHIS: Right. Right.

TRUSTEE TURNBULL: So I don't think we're calling it a deficit. It's a shortfall --

MS. MATHIS: It's a shortfall.

TRUSTEE TURNBULL: -- that we have to address up front in our budget.

MS. MATHIS: Yes, and last year we addressed it. We had a $6 million shortfall, and we addressed it by using some of the carryforward dollars, which Mr. Bakker was saying reserve, but it was our carryforward dollars; and so that's how we adjusted it then.

TRUSTEE TURNBULL: Okay. I'm still confused. Why do we even need to adjust if we don't budget the dollars? I --

MS. MATHIS: If we don't budget the dollars, we would have to lay people off, and so --

TRUSTEE TURNBULL: Well, all right. Okay, now we're getting to the -- that's what I'm asking.

MS. MATHIS: Right.

TRUSTEE TURNBULL: In other words, we haven't really looked at the hard decisions that we would have to make in the fact that we don't have these
dollars, and I think that's -- I think that's, Mr. Chairman, part of the budget process. This Board is not really -- it's not been made clear to us that, in fact, we don't have the amount of money we need to fund everything we're now funding; and we have never looked at: Do we need to cut in certain areas to stay within those dollars? We've always looked at: Where is money available to make up the difference?

That's an unrealistic way to build a budget. We may end up wanting to do that, but if we don't know that up front, we as a board can't make that decision. And that means we're taking dollars from one area to fund unappropriated -- or budgets that are not covered and we're not really -- we don't really have a handle on this budget as a result. So I just think we want to understand what all that means.

MS. MATHIS: This is not -- like this what I'm saying today is, this is what it's looking like. There has been no decisions made, and I prefaced my conversation with that, that the President is still looking and we're going to sit down and we're going to do what needs to be done. This today is just a presentation to show you what we're looking at.
CHAIRMAN MONTGOMERY: And to her point, so you anticipate a staff recommendation that is heavily or balanced on cuts, or along the lines of what Trustee Turnbull described in finding money in other areas to cover deficits and, you know, take the money to kind of move to another -- what do you anticipate the posture to be when you come back to us in June?

MS. MATHIS: I will --

CHAIRMAN MONTGOMERY: I'm asking for the staff, the likely staff recommendation. I get --

MS. MATHIS: Well, when we come back in June, when I started out, we will -- one thing we're doing is that we're not going to fund the vacant positions that we have, and so those dollars will help take care of this. We're looking at the vacant positions; we're looking at redistributing dollars where they're needed with the current dollars that we have, and that's what we're looking at.

CHAIRMAN MONTGOMERY: And as a follow-up, I think it is exactly what she was asking. If I'm wrong is that, if we took those actions, we would, again, be taking -- whether it's the vacant positions or identified by all of those
(unintelligible) to cover the shortfalls, whether a
more -- and I'm going to ask Doctor Mangum for her
thoughts on this, whether we should be a proactive
and not being in the position where there are the
deficits or at least making the estimates so close
that we're not in the position where we're trying
to make up millions of dollars.

So I do understand the question from Trustee
Turnbull. I don't think we have, from a visioning
perspective, laid that out as a committee or as a
board. I also think that it's the general
consensus that we would ask the CEO -- or allow the
CEO in her capacity, given that that is her
background, to bring her thoughts and ideas with
regard to the financial accounting and budgeting to
the table. So I'm going to recognize Trustee
Persaud, and then I'm going to ask Doctor Mangum if
she would comment on this.

TRUSTEE PERSAUD: Mr. Chair, I think Trustee
Turnbull raised a valid concern.

Over the years I've always asked that we be
honest, take an honest assessment of where we are.
I've asked that in 2007 in open -- I've asked it in
2012, honest, for an honest assessment of where we
are.
Because all of a sudden, it seems like monies appear magically from somewhere to cover a deficit, and I think we have run short of the Houdinis, and we need to be realistic. And we now have a new president on board. I would like for us to have a realistic view. We might look bad if it -- you know, it might reflect bad on us, but we need to be real and stop this magical, you know, act where money disappears and then appears -- reappears to balance our budget.

CHAIRMAN MONTGOMERY: Also be mindful as a committee and as a board that we are ultimately responsible for how these things occur, be it through the governance and oversight position, be it through whether our policies and procedures allow for this to take place, be it for vision or lack thereof in terms of direction.

So I'm encouraged, again, with our new CEO's background that she will bring efficiencies to how we do business, but I'd would ask for your comments in this area, Doctor Mangum.

TRUSTEE LAWSON: Just a couple of questions, I'm sorry.

CHAIRMAN MONTGOMERY: I didn't realize there was another trustee. Trustee Lawson.
TRUSTEE LAWSON: Yeah. No, just a -- and I think -- you know, I don't want to repeat what the previous two have said, but I'm just looking at Page 16, and it looks like -- if I'm following correctly on Page 16, there is at least an outline of a plan to address the $6 million deficit.

Am I -- is that what this is saying?

(AFFIRMATIVE INDICATIONS).

TRUSTEE LAWSON: Okay. What I think though, it kind of drives to a larger question or a larger opportunity for us, it depends on how you classify it; and that is, going back to Page 14, and I don't mean to jump around, this student issue, going from 2010 to 2015, you know, being down roughly 3,000 students over that window of time. You know, one would kind of ask the question: Is our infrastructure still at the right level for the reduction in head count that we've received? And that's not a question that -- I mean it's a question that we need to answer, probably a question we don't really like to answer to.

So it just begs the question. I know, Doctor Hudson, we've had some discussion around this. Do you -- and this is kind of a, somewhat of a complex question, but how do you view the student head
count situation playing out over the next 2 to 3 years?

Because my first reaction to the 3,000 reduction and the 6,000 deficit is to look at our overall structure and determine if we're potentially overstaffed for the workload that we have, but that's probably not the right decision because I think that's a knee-jerk reaction to the numbers. But where do you think the student population will be over the next, if you had to make a projection, the next couple of years? And we're not going to hold you to a number, but with this slide you really begin to question organizationally how we're put together.

DOCTOR HUDSON: In all honesty, that's something that we've been looking at. And even with these projections, we're basing it off of what's happened the previous two years.

TRUSTEE LAWSON: Okay.

DOCTOR HUDSON: Now we're on a new trajectory, and with the leadership of the President, I think the numbers are going to balance out. But the plan that we're putting into effect and what we're working on, as we're looking towards the budget head counts, I think there is a positive impact
that's going to take effect in the future.

TRUSTEE LAWSON: Again, I mean clearly we would love, at least as I look at this, we would love to try and solve the greater majority of this problem with head count increase or student count increase, right? That will eliminate some of the $6 million you've identified here. Assuming we can't do that, the difficult decision is: Are we overstuffed for the resource pool we're servicing?

CHAIRMAN MONTGOMERY: I think that would be a question best addressed by the CEO.

TRUSTEE LAWSON: And not for today, obviously, but I just think it's just -- you know, you kind of lean into that conversation as you look at this, but I just want to make sure that -- you know, and that's why I asked Doctor Hudson about what we think enrollment trends will look like because, you know, I think we all would like to go back to the 2010 and 2011 numbers as far as students. And I know you've been ratcheted down because of the profile admit situation and other economic situations with the student loan crisis, et cetera, but, you know, I just really think that, you know, it's bit of a complex issue because I think we all want more students here, more of the right students...
here to help address this issue so that you don't have to, for lack of a better term, re-engineer your way to covering a $6 million deficit -- or not deficit, I'm sorry, projected shortfall. That's the right term.

TRUSTEE TURNBULL: Yeah, that's better.

TRUSTEE LAWSON: Projected shortfall; it's not a real deficit yet.

CHAIRMAN MONTGOMERY: Trustee White and Trustee Persaud.

TRUSTEE WHITE: And just to add to that, I also think you know we're back now to sort of this enrollment management issue because you frequently have the problem that versus what was the budget authority based upon head count a few years ago, students taking less credit hours; so actually growing enrollment wasn't -- you didn't get the same bang as you would have expected. So if you look now at the drop in credit hours, I'm looking at for 2011, you know, to 14, there's actually -- you'll see you have a smaller drop in percentage terms of credit hours than you do in head count. And so some of the students who aren't here, ones who were taking lower credit hours, so I want to say it is a complex issue. And to solve it, we
would really need to understand the enrollment management piece of that about getting those students in who are going to take over the budgeted, you know, appropriate number of hours, so it's complicated.

CHAIRMAN MONTGOMERY: It is. If you'd allow me, Doctor Persaud, since you've already spoken.

TRUSTEE PERSAUD: Sure.

CHAIRMAN MONTGOMERY: Trustee McWilliams and then Trustee Moore.

TRUSTEE McWILLIAMS: Thank you, Mr. Chair. I'm not obviously an expert on these budgetary matters, but I look at on Page 16 where we talk about the VP of development, the VP of development comes in generally saying that he doesn't have enough people to go out and conduct his capital campaign or raise the money that he needs to, could it be counterproductive to consider reducing when he has to work, but I don't know. I'm just throwing that out there.

Student Affairs has to do with recruitment and trying to build the base of students that we have, and he comes in and says that what he really needs is more resources, more people. So is it the right thing to do to look at a reduction in those areas?
I don't know what we're reducing, what impact those reductions would have on those efforts. But I think it is, as someone said, a complex issue; and I think that we don't want to -- when we say we have vacancies, and we don't fill vacancies, obviously those vacancies would not exist were there not some indication that these positions were important in the first place to accomplish whatever our goals are. So to just not fill vacancies probably isn't the best way to address shortfalls at all times, so that's just food for thought so to speak.

CHAIRMAN MONTGOMERY: And as a follow-up, and then I'll recognize you, Trustee Moore, that if we were able to find 4.2 million in vacancies, from an accounting perspective, from a policy perspective, if there wasn't a projected shortfall, what would we do to realize that money? Where would that money go? And so, you know, if we found 4.2 million here, where would that money go if we didn't have a need to actually find it?

I just think it -- I don't need you to answer the question at this point, but I'm just -- that's something that popped up in my head.

Trustee Moore.
TRUSTEE MOORE: Thank you. Actually two questions, the first one directed to Doctor Hudson. Do we currently a SEM plan in place?

DOCTOR HUDSON: Currently have a --

TRUSTEE MOORE: Enrollment management plan.

DOCTOR HUDSON: Yes, we do, and that's what we're using as far as working with our projections because we're looking at not only the students that we admit, freshman students, also transfers, but also retaining students as well because that affects all of enrollment management, including financial aid, the students that we retain.

TRUSTEE MOORE: The second was tied to budgeting. Are we not operating with the assumption -- because we all know with economic trends, whenever there's an economic downturn, there's a spike in enrollment. When things move back to a level of normalcy, you see a decrease in enrollment.

So are we building in those assumptions? Because I'm trying to wrap my mind around -- I guess Trustee Turnbull said it earlier -- of why we would even end up in a position of a planned shortfall when we recognize what the trends are? We have data that moves us back from 2009 to
present, so we know what is happening. So why
wouldn't we kind of build those assumptions in?

And the other part of it, and this is just a
statement, and certainly you don't have to answer.
With the budget, if we are kicking the can down the
road, if you will, and maintaining a whole pot, I
think we don't get a chance to see what the reality
is. I think the Board gets lost on approving a
budget but not recognizing that taking into account
what's happening lower enrollment. Why are we not
looking at some of those harder questions, which
would include looking at infrastructure and some
other things.

MR. BAKKER: Trustee Moore, the University has
a University Budget Planning Council that
deliberates on these matters. That is the body
that has been given the responsibility of analyzing
the budget and making decisions and analyses that
you mentioned. Include in the University Budget
Planning Council is a representative from the
Faculty Senate as well as a representative from the
Student Government Association.

What Ms. Mathis has presented so far is where
we are in the process. We are going to continue to
deliberate. This is just where we are, and it is
not that we -- we anticipate on the basis of where we are that we are going to have a certain amount of revenue. It never translates into a budget deficit. We have never had a budget -- statutorily, especially on the E&G side, we will never have -- we have never had a budget deficit at the end of the year, but it's a process that we go through.

And where we are in the process is that we have identified that the revenues that we are going to collect are not enough to support to existing structure that we have. So we are in the process of now working through to get those revenues to be equivalent to the expenditures we anticipate, and so we are in the process. And with Doctor Mangum's tenure now, we will be presenting information to her, getting guidance from her to address all of these issues that you are raising, but there's a process for that that we have in place.

TRUSTEE MOORE: Mr. Chair, if I could add to that. The anticipated number is based off of -- it's the number of students because if you're talking about fees, that comes by way of increased enrollment. So if we're anticipating that but the trends reflect that we are seeing a decline, I
guess, again, the question goes back to: Why are we anticipating when we realize what the trends -- anticipating the increased enrollment when we recognize that the trends have shown that it has continued to go down?

MR. BAKKER: I don't know that we are -- Doctor Hudson, for example, mentioned, you know, in his enrollment projection, but Doctor Hudson's enrollment projection is not what we will -- you know, in the longer term, it not what we're using for next year's projection. For next year's projection, we're using a very conservative 9,500.

If Doctor Hudson, I don't think -- and that was done in concert with Doctor Hudson for next year. But I think in the longer term, I think is what we're talking about, you know, about possibly an increase; and it speaks to the question of whether or not -- you know, what size of the University we're looking at in the long-term. But for next year's budget we have agreed, we're not going to a higher level of enrollment.

CHAIRMAN MONTGOMERY: Let's hear from Doctor Hudson on that.

DOCTOR HUDSON: The 9,500 is our projection in working with Academic Affairs, and it's less than
it was last year. Now the numbers currently for
the freshman class are looking up, we're ahead of
where we were last year; but the question that I
was asked was projections for the future. And
those look positive, but based upon what has
happened previously, the projection for this year
is 9,500.

CHAIRMAN MONTGOMERY: All right. We're going
to move it through. Doctor Persaud, Trustee
Lawson, and we'll hear from Doctor Mangum. We're
going to move forward.

Trustee Persaud.

TRUSTEE PERSAUD: Mr. Chair, I'd like to go
back to Trustee Lawson's and Trustee White's
comments. The problem is much more complex than
meets the eye right now, and I raised this with the
previous administration. And the reason I say this
is because the 2010 enrollment -- since we are
going to be based on performance, we are going to
be funded on performance. The 2010 admissions are
going to come home to roost in 2016 and it's going
to affect our budget.

The same issue I also raised with the
differential fees, I've always cautioned the
administration the differential fees are not
recurring dollars, they're not going to be there for us.

So this problem will loom larger I think in Doctor Mangum's second year, so we have to -- and I want to be on record to state that beforehand, because when you take all of the variables into consideration, you will see the graduation rate would perhaps be lower given the fact of the profile admits as well as the differential dollars dwindling. All of this will affect our budgetary consideration. So when we look at the issue as a whole, I just want to be on record that I'm cautioning in public now what I have mentioned in private that went unheeded.

CHAIRMAN MONTGOMERY: Trustee Lawson.

TRUSTEE LAWSON: Yeah, just a comment for Mr. Bakker because I know you have a committee that puts a lot of this together. I think one thing, at least it would be helpful for me and I know it's hard to do, but if we could have a multi-year look at where we think we'll be because I think that it will eliminate, at least in my mind, some knee-jerk reactions around what we should like, how we should look, et cetera, if we had, you know, kind of similar to where Doctor Persaud was going. He was
talking about outcomes, but for me it's, you know, '15, '16, '17, where do we -- you know, best estimation of enrollment based on, you know, trends of first-time-in-college kids across the country and in our state and at HBCUs. If we compare that to what our trend lines are, where do we think the 95 will be in the next 2 to 3 years? Consequently, how does that impact our longer-term budget vision? Because I think when we look at it over a horizon like that, it will eliminate some of the knee-jerk reaction that says we need to be bigger or smaller in certain areas, knowing that the student population may ebb and flow due to various, you know, economic issues.

CHAIRMAN MONTGOMERY: Do we already have that data, the projections he's is requesting?

MS. MATHIS: Not --

DOCTOR HUDSON: Within our work plan, you'll see some of those types of projections, within the work plan.

TRUSTEE LAWSON: In the work plan?

DOCTOR HUDSON: Yes.

TRUSTEE LAWSON: Okay.

CHAIRMAN MONTGOMERY: Again, I think it would be appropriate that we ask Doctor Mangum to provide
us this information as requested. I think it's valuable information for the Committee to look at the projections, and it's also an accountability function, so we can come back and look at where we were and how that trended. I mean it's not going to be exact science, the numbers are going to vary; but if you could provide those -- if you could provide those projections to us.

And I think Doctor Persaud made a very important point, we shouldn't be saddling the new CEO with numbers that will likely result from things that occurred outside of her control and that will finally -- it appears from that chart, what page is that on? Page 14. It appears that this thing is going to bottom out, Doctor Persaud, your projections in 2016. So I think we have to be prepared potentially and not assuming failure. But we have to be prepared for the possibility that enrollment would drop below that number.

Now the idea is that we would keep it above that number, retention, enrollment management obviously with recruitment; but, again, I think to Doctor Persaud's point, as we understand Doctor Mangum's new processes, procedures, policies, vision, direction for Florida A & M, we need to be
mindful of where we are. And you can't turn the battleship around on a dime, and I think it's going to take some time to turn that around as a far as trend.

I'm going to go ahead and recognize Doctor Mangum for her thoughts and ideas on this issue and then we're going to move forward.

Doctor Mangum.

PRESIDENT MANGUM: Thank you. I think the most important part of Mr. Bakker's report was that we are solvent. And looking at it from a governing perspective, the financial -- the balance sheet is in good position, the details of which we have to manage as an institution. The enrollment and the things that affect the enrollment as far as the student movement through the University is something that the faculty as well as the staff have to work towards. And so to ask them to predict that kind of -- or make adjustments in terms of the financial projections is probably a bit much. It's an institutional responsibility.

So I think our strategic plan is important and will play an important part of our ability to recruit first-time-in-college students, the retention of the students and all of the things
that performance metrics will provide funding based upon.

    We're in a different environment and a different world, and we have to work that as an institution and look at all of the variables that would impact our ability to provide a balanced budget. But the fact that we have a balanced budgets is the most important thing I think that the Board needs to focus on and how we maintain that, and providing information around the details and our plans to continue that is important; but we cannot prescribe -- and I don't know that you should try to prescribe for us how we actually get there because I think as an institution with a budget planning committee and vice presidents over each of these areas, we'll be able to and commit that we will continue to provide a balanced budget and a strong financial statement.

    With regard to whether or not we are appropriately sized with the infrastructure and how we actually get to a balanced budget in a case where we have some shortfalls or imbalances across the operations, we do have an operational and organizational review that is beginning to find the efficiencies and the effectiveness approach which
may end up having to address some of the appropriate sizing and right sizing certain offices, and even right sizing certain budgets to be able to perform the functions that we've designed them to perform. But that's part of an institutional set of details and discussion that we'll be having across the campus all summer and throughout the academic year and be able to make those appropriate adjustments.

Understanding that the platform for decisions that need to be made need to be made -- we need to make them as an institution with the provost's organization because it's not just the E&G budget and it's not just tuition dollars or fees that affect our financial statement, we have to look at our financial statement for the degrees of freedom and flexibility that we have to be able to address and maintain a solvent financial statement.

So that's what I would say to you, is let us do the work we need to do, and the degrees of freedom that we have across all of our budget line items, we'll be able to make those adjustments as appropriate. So I think the statement here where the budget director gave you with regard to a strategy to address the shortfall or the imbalance,
if you will, in our budget is a good one. It's a
good first start. That's the beginning of the
discussions that we need to have.

So with that in mind and with the work that
we're going to do for effectiveness and efficiency,
I guess I'm asking you to trust us to be able to
provide a balanced financial statement
continuously.

TRUSTEE TURNBULL: Mr. Chairman, could I just
insert one thing? Because I think that's very
encouraging. This chart -- and I understand what
you're saying, it's a first effort. On filling, of
using current vacancies, I'm sure you've already
done an analysis of the positions, which ones
wouldn't be filled and what the impact of not
filling them would be because there are always
costs associated also with not filling a position,
and that would need to be actually deducted from
the total amount that we are --

MS. MATHIS: That has been done.

TRUSTEE TURNBULL: And that's been done. If
we can have that information, Madam President, and
if that is in the end your recommendation, it would
be important for us to know what the impact of not
filling those vacancies is. Thank you.
PRESIDENT MANGUM: I think it will be, if I may, important for us to understand the level of detail that you guys would be interested in because my focus is on making sure that you understand we have an operating budget that will meet the needs and address our mission.

We may change going throughout the year from one month to another or one quarter to another, adjust our activities. So to tie us down with a specific statement about what we're going to fill is probably more imaginary than real in terms of how we would be able to operate throughout the year.

TRUSTEE TURNBULL: I think that's correct, Madam President, but I think you're also seeing that there are gaps in our information that we have about process. And if we can be part of that and understanding it better, then we're going to be more comfortable in doing exactly what you want us to do.

CHAIRMAN MONTGOMERY: I think it's important also to note that this is, first, Doctor Mangum, is that in our oversight capacity and not so much an attempt to become the financial managers or to, as Trustee White says so eloquently, attempt to
micromanage. We're more in a posture of having looked at this over time and you just happen to be coming in to hear that side of the conversation. You know, we've taken an inordinate amount of time in this one particular area given how we had been moving along until now, so I think you understand the importance of this area to this Committee and to this Board and that, again if you would present your thoughts, ideas, going forward, your plan, I mean maybe in the June meeting and going forward would be okay. But, again, I don't believe I speak for Trustee Turnbull and the rest in saying we're not attempting to prescribe how, we just want a better understanding of what's going on and we're wide open to best practice and better practice than what we're currently doing.

Thank you.

Ms. Mathis, if you'll continue, if you'll point us to the page you're on too.

MS. MATHIS: On Page 19, when we were talking about the student fee trust fund and what I'm saying, this is just the budget authority. It does not mean that we would have these dollars. For instance, in the current year, it's showing that 72.2 million is what the student fee fund exists
of.

But currently, for the current year, we collected 57 million in student fees, 7.8 in tuition differential. And so I'm saying we did not collect the whole 72.2, nor did we budget the 72.2.

CHAIRMAN MONTGOMERY: Ms. Mathis, I'm going to go ahead and jump in. Members of the Committee, I have the benefit of having asked the question that some of you might have, and so we won't stay here long, but I do think it's important to understand. And I'm not ashamed to say, when I don't understand, I ask. And on the student fee trust fund, that is the authority?

MS. MATHIS: Yes.

CHAIRMAN MONTGOMERY: Okay. Give us the 30-second version of the authority versus collected, please.

MS. MATHIS: The authority is, when they do the appropriation based on our work plan, they say you should collect $72.2 million.

CHAIRMAN MONTGOMERY: But what happens?

MS. MATHIS: But we only collect from the student body that are here on campus and the courses that they take, and so I'm saying we did not collect 72.2 million. We knew we would not
collect that because the plan is a plan that's five years old; and so, therefore, we had already projected that we would only collect from the 10,700 students that we had, so we collected that, and that was the 57 million, and that's what we spent.

When we put the budget together, we only allocated the 57 for student fee. And the student fee trust and the lottery, all of those dollars go directly to Academic Affairs to offset the faculty salaries.

CHAIRMAN MONTGOMERY: If you could turn back to Page 18, and then also I'm looking to kind of move it along; but I do want, if you would, the quick explanation, so if you could just go through the -- just give us the 30-second versions of both graphs, the interpretation, I mean just an interpretation of both graphs, the general revenue and the lottery.

MS. MATHIS: Yes, the general revenue dollars, as you see, in '08 we started out $120 million; and as you see now, we're down to 87.4 million, basically because of the budget cuts and they shifted some of the GR dollars to lottery, and that happened -- this year also we have a shift.
CHAIRMAN MONTGOMERY: And the 20 million, we were at 67 and it's back up to 87, that was the 20 million they took?

MS. MATHIS: Right, because that's the 20 million they took from us and gave back to us.

CHAIRMAN MONTGOMERY: And gave back us the next year.

MS. MATHIS: Yes.

CHAIRMAN MONTGOMERY: And if you'll jump down to lottery.

MS. MATHIS: Lottery, it's up and down based on the sale of tickets. And also, the K through 12, get all of their dollars first. After they get their dollars, then community colleges and universities get their portion of lottery. We usually don't start getting lottery until in December, and then every two weeks we get the allocations until we receive all of the dollars.

CHAIRMAN MONTGOMERY: And then finally, if you'll flip back one more page, and I apologize for going backwards, to Page 17, these other two graphs. If you look at the funding trends, there's fluctuation in the GR funds going down. That's what we saw in the other graph. That's why I'm reading it backwards. But the student fees are
flat -- but getting the 20 million back and then
the slight increase in the lottery accounted for
going from the 149 to the 171, but the student fees
are flat but the enrollment is declining. I don't
understand how it stays -- well, can you explain
how it stays flat?

MS. MATHIS: Basically like I said, they're
using an old work plan, and they calculate the
student fee trust dollars based on the number --
the FTE that we have in the work plan; and they
have not been using it for our GR to do the -- they
used to have a formula where were got GR based on
the head count, but they haven't done that in five
years. And so, basically, that's why it's staying
flat; they're using the same numbers.

CHAIRMAN MONTGOMERY: Any questions of these
graphs we just went through? Again, I'm pointing
them out because they were questions I had as I
went through them, so I assumed that they may be
questions of the Committee.

(NO RESPONSE).

CHAIRMAN MONTGOMERY: Please continue,
Ms. Mathis.

MS. MATHIS: The remaining pages have
definitions of our expenditure categories, the
categories that the state -- they used to
appropriate it by these categories, but now they
give us a lump sum but we have to report back on
these categories; and that's your salaries and your
other personal services and all the ones listed on
Page 20 and the top of 21.

And then on 21 --

CHAIRMAN MONTGOMERY: Here's where I'm going
to do, I'm going to jump in. We all have had these
budget books, this is the second year we've done
it, and I'm going to assume you've all had a chance
to read them. Just as I'm pointing out things that
I had questions about that have been answered for
me, for the benefit of the Board I'm repeating the
questions. I know the answers, but I'm repeating
the questions for your benefit.

There were two other, if you'll jump to Page
60 -- and again, this stuff is form, we can read
what's in the book. If you have additional
questions, we'll open that up in just a moment, or
otherwise we'll move forward. But I had two pages
that I would like to you briefly explain to the
Committee, Page 63.

MS. MATHIS: And 64?

CHAIRMAN MONTGOMERY: 63 and 64, appendix.
And if you can keep them as the bridge reports, but if you can talk about the trending here and what the numbers mean.

MS. MATHIS: Okay.

CHAIRMAN MONTGOMERY: The first thing that's going to jump out to most of the Committee members is in the first year where it shows a hundred percent, so if could start with that and then just, again, work us through the overview of how this thing shakes out over time.

MS. MATHIS: Okay, these --

MR. BAKKER: This is the graduation and retention report that the --

MS. MATHIS: This is the graduation and retention report.

MR. BAKKER: -- academic folks are going to talk about.

MS. MATHIS: When they give their presentation.

CHAIRMAN MONTGOMERY: They're going to do this in their presentation?

MR. BAKKER: Yes.

MS. MATHIS: Uh-huh.

CHAIRMAN MONTGOMERY: Okay. Y'all can't explain it?
MS. MATHIS: No.

MR. BAKKER: Well, before the --

CHAIRMAN MONTGOMERY: All right. Are there -- Committee members, having reviewed these -- I'm sorry, he's coming. Come on.

MR. SUDEE: Good morning. I'm Acoah Sudee (phonetics) I'm the VP for institutional (inaudible).

The numbers that you will see on the chart reflects the cohort of students that came in a particular year. The first year one when it said they are a hundred percent means they came in fall and ended up in August -- I mean in summer. So it reflects the students who came in the fall and then ended up in August.

So when you came in the fall, the system assumed that you continue for that particular year. And then what we are seeing the second year is the students who -- among the cohorts who returned during the fall of the following year.

So (unintelligible) if you consider for retention, then the number of the second year are in fact the first year retention rate. So these are the number of students that started in the fall and then returned the following fall. If they
returned in the following fall, they are showing up in the second year.

So are there any other questions?

CHAIRMAN MONTGOMERY: We track these cohorts ten years out?

MR. SUDEE: Yes.

CHAIRMAN MONTGOMERY: That's correct?

MR. SUDEE: Yes.

CHAIRMAN MONTGOMERY: So reading this correctly, starting with the '03/'04, jumping all the way down, can you interpret those ten-year numbers in terms of what that actually meant from the original.

MR. SUDEE: Well, the tenth year number is saying that in ten years we were able to do it 49.4% of the students who started in 2003. That is the 2,565 students who started, we were able to get track them about 50% in ten years.

CHAIRMAN MONTGOMERY: And the thing to point out also, so if you jump back to the 6th year for '03, if you would explain the difference from the percentages per year versus looking at it in the overall aggregate. We talk about six-year graduation rate. If you'll talk about the sixth and seventh years, how would you pull the
graduation rates from these reports?

    MR. SUDEE: The graduation rate is actually the percent graduated. So in six years, we got rid of 40% of the students, 40.04% of the students.

    CHAIRMAN MONTGOMERY: Board members, any questions, comments?

    (NO RESPONSE).

    CHAIRMAN MONTGOMERY: Would you go through the next page for us as well, Page 64? The numbers that jump out to me on Page 64, if you drop down, which is recorded the ACT, SAT score, are when we do get the students with the higher scores they -- I mean it sounds obvious -- they graduate. But if you look at the numbers, if you drop all the way down to where it says greater than 1,300 in your pockets, there are only 16 students. But when we have the students with the higher score, they graduate, so that would make you believe that we need to recruit the students with the higher scores. But then when you look at the SUS institutions, I'm just -- I'm trying to understand what we're doing with this data in terms of how we attract and/or recruit and retain students.

    This all plays into the budgeting overall, but it's wanting to understand what's going on and it
just gives us a brief understanding of how you're using this data moving forward. I think Doctor Hudson is coming forward to address that.

DOCTOR HUDSON: This data is used to recruit and try to retain the best and the brightest students. But we also use this data to look at where the students are located, so looking at the best performing high schools in the state and out of state. So this data is used as far as our recruitment of the best and brightest and also making sure the classes are appropriate, they're offered so that students can move through and graduate on time.


TRUSTEE PERSAUD: Yeah, looking at these numbers, I'm wondering that from the sixth year to the seventh year we have a 5% increase, and it seems like that's consistent 5%. So it takes 5% seven years for a student. You see what I'm talking about? From 48 to 45% graduation rate. That's quite a long time for a bachelor's degree. I was wondering, the indebtedness that goes with that, for the -- between the sixth and seventh year, 45% of the students.
CHAIRMAN MONTGOMERY: Trustee Shannon.

TRUSTEE SHANNON: With all due respect, can we ensure that our time that we spend on this issue be directly associated with the budget impact? Because I do think we have a greater conversation to have here than student retention. I just don't think we need to use our precious time here doing if there are budget impact issues that we need to focus on.

CHAIRMAN MONTGOMERY: I'll share some numbers and why there're a level of importance here. And, Doctor Hudson, if you would, before you takeoff, what does it cost Florida A & M? How much money is involved when we fail to retain a thousand students?

DOCTOR HUDSON: Now this will be covered in the --

CHAIRMAN MONTGOMERY: I understand. I'm asking you: Can you give us a number, an estimate?

DOCTOR HUDSON: Well, the revenue lost for losing 12 hundred students is about $11.3 million.

CHAIRMAN MONTGOMERY: So the conversation is to allow the Committee to understand the importance in that particular area. It's not to digress and to get down into the reason. We're not telling

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them how to do it, but if the Committee doesn't have an understanding of something that impacts -- it's a silent thing. We don't talk about it. If you may, if you would, we don't really talk about it; and I just thought it was important that we understand the trend, that we understand what's going on, that we get to the data so a year from now we're still -- we spend a lot time talking about recruitment, and we talk about enrollment, but we rarely talk about retention.

And so these documents simply allow you to see the data in the progression over time, year by year so that you can have a better understanding as a Board member, or as a Committee member, to help us move forward. So I appreciate your position on that, but that was the purpose of actually spending the length of time in this particular area.

Do you have additional comments, Doctor Hudson, or we're you okay?

DOCTOR HUDSON: I'm fine.

CHAIRMAN MONTGOMERY: That will conclude my points in the actual budget, but I'm going to open it up to the Committee members or members of the Board if you had additional questions from your reading in there in going through this budget book.
Doctor Persaud.

TRUSTEE PERSAUD: Yeah, I'm just saying from a cost standpoint, from a budgetary standpoint. We've got to do a better job at getting our students out in the first four years. Because when you look at the number four and seven years, the first four years, we have 10 or 11%; and then we have an additional 5% in the seventh year. We've got to do a better job because it cost more at the back end to educate these students.

CHAIRMAN MONTGOMERY: Additional comments?

Trustee Shannon.

TRUSTEE SHANNON: No, I appreciate you bringing it right back to what I actually asked for, you know, what is the economic impact of the patterns that we're seeing here (inaudible), so I appreciate that.

CHAIRMAN MONTGOMERY: Any additional questions or comments about the budget budget?

(NO RESPONSE).

CHAIRMAN MONTGOMERY: Thank you, Doctor Hudson.

Ms. Mathis, please move forward on our fiscal year 2014/2015 E&G budget.

MS. MATHIS: This is, again, not our
preliminary budget; this is just where we're starting with the base. And it's listed for the E&G, all of the divisions, so I'm not going to read that to you.

And the same thing on Page 38 to Page 50, it's the non-E&G budget request, what they have requested. And that information was presented to the UPPC. We're still working on these budgets. They're not ready to have approval or anything.

CHAIRMAN MONTGOMERY: We look forward to hearing your comments and seeing you in June.

Any additional comments, or questions?

(NO RESPONSE).

CHAIRMAN MONTGOMERY: Hearing none, thank you again, Ms. Mathis.

MS. MATHIS: There's one other document that I left at your table, and basically it's just showing our final budget in '13/'14 and all the actions taken up until the final conference.

CHAIRMAN MONTGOMERY: Which document? Oh, I'm sorry, this one?

TRUSTEE LAWSON: Is that this one.

MS. MATHIS: Yes. And right now we ended up 171.175 million, and right now we're in the final conference. We're at 174.5. This does not include
the performance-based budgeting. This is just the other activities and things that were approved in the final conference.

CHAIRMAN MONTGOMERY: Questions?
(NO RESPONSE).

CHAIRMAN MONTGOMERY: Thank you, Ms. Mathis. There's some special budget items that we thought would be of interest to this forum. The first item is the creation of a Veterans Affairs Office.

Doctor Hudson, you want to provide an update on this item? We have several veterans, Doctor Badger, Doctor -- let me see, who is it? Cleve, Trustee McWilliams? Doctor Hudson.

DOCTOR HUDSON: And we'll be very brief. At the previous BOT meeting, Student Affairs was charged with coming up with a plan to develop a Veterans Affairs Office, and there are budgetary implications to start this plan. We provided you with that plan.

In your books, I think Mr. Bakker provided it. I just wanted to reiterate that an estimated 5 to $6 million funding has been designated for educational programs and in-state waiver for veterans by the State of Florida legislature.
We’ve been working with Colonel Francis at Florida State University and TCC's Veterans Center to make Tallahassee a place of opportunity for our veterans that are returning back. And I want to introduce briefly, Lieutenant Colonel Joseph Kelly, professor of military here at Florida A & M University since December 2010, to speak about the importance of having a veterans center and not just veterans, a veterans office here on our facility.

Lieutenant Kelly was born in DC, traveled to numerous locations as a military dependent, including Germany, Korea, and eventually settling down in Virginia. He received his bachelor's in science transportation at North Carolina A & T University. After completing his tour at Fort Eustis, he was assigned to the 101 sustainment parade at Fort Campbell, Kentucky. From there he was deployed to Key West and Iraq in support of Operation Iraqi Freedom.

After deployment, he was assigned to division staff as a division transportation officer. He was then selected to become the executive officer and support operations officer of 53rd Aviation Support Battalion, 159th Combat Aviation Brigade. There he was deployed to Afghanistan to support Operation
Enduring Freedom. And at this time I'll let him (inaudible).

LIEUTENANT COLONEL KELLY: Good morning, Mr. Chair, Madam President.

CHAIRMAN MONTGOMERY: I see (inaudible). We know what that means, right?

LIEUTENANT COLONEL KELLY: Yes, sir.

CHAIRMAN MONTGOMERY: I'd ask you to tell us how y'all plan to bring more veterans in to increase -- help increase our enrollment.

LIEUTENANT COLONEL KELLY: Yes, sir. We have actually -- so since the February Board of Trustees meeting -- this is a recap of some of the numbers that the U.S. Secretary of Defense Chuck Able mentioned about the in-state of the Army numbers; and that means that over 150,000 troops will be leaving the military in the next two to five years.

We also mentioned that, you know, Florida has the third largest population of veterans in the nation and that, you know, at the current state, FAMU lacks a acknowledge of veterans affairs benefits and where we need to go. Since that February meeting, we earmarked about $250,000 with what we need to do to start up this Veterans Affairs Office, and we've created the job
descriptions for the director, the assistant
director, and the administrative assistant. And
those salaries come to $175,000.

We have created a detailed advertising budget
somewhere upwards of $230,000; however, we're
working with Doctor Hudson on getting that rolled
up under the FAMU Communications Office before we
go final with that. We've also come up with a
travel budget and somewhat of a startup budget for
how to get the office going.

We've identified the concentration of veterans
in just the State of Florida on where we'd like to
emphasize recruiting, that's Fort Benning,
Jacksonville, Mayport, Kings Bay, McDill Air Base
and Pensacola. Lastly, on the budget we've
identified about $49,000 worth of renovations to
just start up the center, and that's located at the
Cedar building.

CHAIRMAN MONTGOMERY: Trustees, last year
we -- and I think it was Trustee Turnbull that
mentioned how we -- I mean we're FAMU and we should
grow and we could grow, and should not be in a
position where other folks are not doing things
that we're not doing when we can do them. You
know, looking at veterans, the number of veterans
coming back to Florida, this is a growth area, potential growth area for FAMU. I think -- what did you say, it was 250,000 was what you put into it initially?

LIEUTENANT COLONEL KELLY: Yes, sir.

CHAIRMAN MONTGOMERY: Okay. So from an efficiency perspective, we'll look at this and evaluate it over time, but I applaud you for, you know, going outside the box, Doctor Hudson, and finding other areas where we can increase enrollment but where we also provide a taxpayer benefit in the form of benefitting our veterans and helping to round out our student body.

Any comments, questions? Trustee Turnbull.

TRUSTEE TURNBULL: Yeah, because this -- I confess, this is one of my turkeys. I mean I just think this is something we have to do, and it really started with conversation with one veteran student on campus when I asked her what do we do for veterans and she said I'm not sure.

But they had already been working on it, and this is a great way to get high retention, high graduation students. They're older, they're more mature, they bring federal money with them. It's an opportunity for private fundraising and naming
of the veteran center. If any of you know of someone who would like to be, I'm sure Doctor Haynes would like to know about them.

But the main thing is this is a group of students with unique needs. No matter how good your existing counseling department is, these are students that have unique needs. And to be able to bring them together and provide them a center with staff and individuals that are understanding of what they need is really important. And also as they said, there are going to be a lot of students from this area coming, getting out of the military. The legislature just passed the in-state tuition for all veterans, so it's just a great opportunity for us to do what needs to be done.

I think of special needs -- African-American veterans have additional additional special needs that are not necessarily being met by a majority of institutions, so we have a great opportunity, so enough of my soap box.

CHAIRMAN MONTGOMERY: Thank you.

Trustee White.

TRUSTEE WHITE: So this is just with a budget concern piece. So you're academic affairs, so is there a vet come through the Academic Affairs
Committee to go through what the services that will be provided?

TRUSTEE TURNBULL: It's Student Affairs, wouldn't it, Student Affairs Committee?

TRUSTEE WHITE: Is it Student Affairs?

DOCTOR HUDSON: Yes, it's Student Affairs.

CHAIRMAN MONTGOMERY: It was a -- point of clarification, it was a special budget item. That's why it was brought before the workshop, and it tied into previous conversations that we had had with the budget amendments.

TRUSTEE WHITE: No, I got that. I was just asking about the actual things that are going to be done, where that was going to be approved since we don't approve that aspect of it.

CHAIRMAN MONTGOMERY: Thank you, Trustee White.

Thank you, gentlemen, Colonel Kelly, Doctor Hudson.

The next special budget item is salary adjustments for faculty at the Colleges of Pharmacy and Engineering. Provost Wright, please proceed with item. If you would, if you'd present them as separate actionable items. Thank you.

VICE PRESIDENT WRIGHT: Good morning. You may
recall that in the question of the salary adjustment and the need, we presented first in the October Board meeting. We were then asked to come back with a clear strategy which we -- and definition, which we came back in January.

We were prepared to actually introduce it as an action item I believe under Academic Affairs in March; however, we wanted to wait until after the legislative process was actually prepared. We looked at -- as you know, in the case of the College of Pharmacy, it is an accreditation issue which is described in Appendix 4A, and it has been described in previous document as well.

What we did was, the accreditation ward asked that the salaries of the College of Pharmacy should at the very least be brought to the 25th percentile level. And so what you have -- you do have a handout that we passed out which really describes three different levels of need, depending on what area or how close to or beyond the 25th percentile level we would want to approach. So we looked at 25 --

CHAIRMAN MONTGOMERY: Provost Wright?

PROVOST WRIGHT: Yes.

CHAIRMAN MONTGOMERY: If you'd allow me, Board
members, to keep the College of Pharmacy at a level where it's not at a threat for accreditation, the salaries need to be brought, at a minimum, to a 25th percentile.

PROVOST WRIGHT: Correct.

CHAIRMAN MONTGOMERY: That amount is listed in front of you. It's about a million. Provost Wright, is that the --

PROVOST WRIGHT: Yes, less than 700,000.

CHAIRMAN MONTGOMERY: Okay. The legislature appropriated $700,000 one time --

PROVOST WRIGHT: Correct.

CHAIRMAN MONTGOMERY: -- towards this amount. So when Doctor Mangum brings forward the recommendation next month --

PROVOST WRIGHT: It's reoccurring by the way.

CHAIRMAN MONTGOMERY: Okay, 700 reoccurring, so when they bring forward the -- well, that's even better news. But when they bring forward the recommendation next month, it's going to be for approximately $500,000?

PROVOST WRIGHT: Well, it will be the -- are you talking about --

CHAIRMAN MONTGOMERY: For the balance, yes.

PROVOST WRIGHT: Yeah, the balance would be
roughly -- yeah, about 500,000.

TRUSTEE TURNBULL: 413.

CHAIRMAN MONTGOMERY: 413, right. So we will be in the posture -- and again, this is a question for the Committee, about -- I think it's something we need to do at a minimum to get to that level; but even an additional question for you as Committee members is: Is it our commitment to get it to the minimum for pharmacy? Is it to move it further into the percentile, or is it to move it to best in class? Again, not a decision I make, but it's a question out to members of the committee.

TRUSTEE WHITE: I'm just going to get back on my little box from yesterday. It's hard for me to see a consistency between the word "minimum" and "excellence." So we've got to ask ourselves, are we really going to do excellence with caring.

CHAIRMAN MONTGOMERY: So the caring with a cost has a price tag on it. And, again, there's no -- I don't think there's is any pushback in terms of us getting to the caring part. But a minimum to get us where the school is not at risk, if you confirm that at a minimum we need to move forward at about a half a million dollar increase.

PROVOST WRIGHT: Correct.
TRUSTEE LAWSON: But we will then -- we'll get input on where those funds were coming from because they will need to be reoccurring year after year. And I think as we had the larger discussion around salaries in general, so I still have this one off reaction to salary increases, and I know we need to do this because our backs are against the wall; but I think it has to be a larger strategic discussion around salaries in general and how do we move forward. This one we have to do because we have to maintain accreditation, but the bigger picture is we have to move forward with the broader view on salaries.

TRUSTEE PERSAUD: Yeah, Mr. Chair.

CHAIRMAN MONTGOMERY: Trustee Persaud.

TRUSTEE PERSAUD: I support Trustee Lawson's comment, we need that and we have to be aware all of this involves the collective bargaining process as well, so we have to bring all of that into consideration as we move along.

CHAIRMAN MONTGOMERY: In line with what Trustee White said and, again, it is a visioning piece from a committee perspective and from a board perspective. Where do we want -- where do we need -- it's also a question of resources. I mean
are we saying that we want to pay pharmacy faculty best in class? Are we saying we want Florida A & M best in class? Where are the inadequacies -- or the inequities as they're currently presented? We know about engineering; we know about pharmacy. Short and long term in line with what Trustee Lawson said, you know, what is our position as a board with regard to our vision for how we get our faculty in a -- how we effectively position our faculty. Do we want to be mid range in the State University System? Do we want to benchmark against HBCUs? Do we want to benchmark on a national level? Do we want to start off by just making sure that programs like pharmacy aren't -- I mean and, again, I think I could say that we don't want any programs to be in jeopardy for this. That should not be the problem from a budget and finance perspective, but these are questions before you as a committee and --

TRUSTEE LAWSON: Right, and I think that we -- you know, Doctor Persaud will be a strong advocate of this. We have to do the right thing now. And like I said, part of it ties to a bigger issue in my mind around salary.

But then also, a different issue, we have a
large number of people applying to the program that are turned away because we don't have capacity, right? So, you know, it's kind of like none of these are simplistic issues in my mind, right? So it's -- yes, we address the salary issue; yes, we need to look across the University at salary issues. We have a huge issue around enrollment. Now granted, most of that first-time enrollment; but if you have a program with high demand where you're turning people away, yet you have an enrollment challenge, you know, just something I think as we build a strategic plan we have to look it. It's a comment more than anything.

CHAIRMAN MONTGOMERY: Trustee McWilliams.

TRUSTEE McWILLIAMS: Yeah, I would just add to that that it's one thing to have a problem with board passage and that kind of thing and have a program in jeopardy because of that; but to have a signature program in jeopardy because we're not paying the people who work there enough money, that's unacceptable. And so I think that whatever the Board decides it has to not have us in a position where we're embarrassed nationally because we're not paying our people in a signature program enough to be competitive or to maintain
accreditation.

CHAIRMAN MONTGOMERY: So, again, we're not voting on the position, but I ask the -- I'm sorry, Trustee Graham.

TRUSTEE GRAHAM: How is this going to affect the pharmacy students tuition wise?

CHAIRMAN MONTGOMERY: She asked the question: How is it going to affect the pharmacy students tuition wise?

PROVOST WRIGHT: We're not suggesting a manner in which the additional dollars or revenues would be found; however, we're simply trying to indicate to the Board what the current impact of the salaries are.

Now there are some options that are out there. Clearly when you look at the tuition of the -- for instance, when you look at the tuition of the pharmacy school in comparison to the peer institutions in the state, our four-year program, the first two years of the professional program, is considered an undergraduate program and their tuition is woefully and considerably lower than the other state programs. And so that is one thing that we would have -- the Board would have to consider at some point; however, the other is the
possibility of actually getting additional revenues from the state which is one of the areas in which we --

CHAIRMAN MONTGOMERY: I want to get to it direct. I'll ask Doctor Mangum to address your question.

PRESIDENT MANGUM: Depending upon our strategy, whether we choose 25, 50, or 75. And I think Trustee White was suggesting that we should pursue excellence which would suggest that we pursue 75th percentile.

I think we have to look at a combination of way to put the pharmacy faculty on sound footing, and I think the appropriation from the legislature gives us a start. Going forward, however, we would need to develop a strategy that would anchor the salaries, so this year we could use a combination of sources. I heard you very clearly about the tuition increase piece earlier. So this year we could probably supplement, depending upon the strategy that we work with with the budget committee, we could supplement it from some carryforward or temporary resources but have a longer term strategy where we put it on solid footing.
Looking at the resources that we have coming forward from the legislature if they are maintained, we could use a combination of strategies. I think we can move forward, and depending upon the strategy, that we could address it this year. But I think longer term, we are going to have to look at the competitiveness of the faculty as well as our tuition rates.

TRUSTEE GRAHAM: Thank you, Madam President. I do understand that we do want to pursue excellence with caring and that comes with a cost, as Trustee White said. I just have a problem with making our pharmacy students pay. Those are some of our top students in the University, giving us some of our national recognition that we get, so I just don't feel like that they should be footed with the cost although is a SACS issue and they wouldn't be who they are without the professors and the professors need to be compensated. I just don't feel like that should be at the cost of the students.

So thank you, and realizing that moving forward we may have to look at other options of funding as far as tuition, but right now I don't think taxing the students should be an option.
TRUSTEE WHITE: If I could add a comment.

CHAIRMAN MONTGOMERY: I would like to ask Doctor Mangum to comment.

PRESIDENT MANGUM: Just one more comment, looking at the cost of education and what our students are actually paying and what we're actually spending would be an important part of an analysis going forward in determining what sources we should use to cover the increased cost in education. I'm very sensitive to the students that are currently enrolled because their financial position has been pretty much set or they've had a -- you know, they're timing programs. So going forward though, I do think we should match, have some relationship with the cost of attendance to the tuition rates, and we'll get that from the study that we're going to conduct that was requested earlier.

TRUSTEE GRAHAM: Thank you.

CHAIRMAN MONTGOMERY: I have a comment, and then I'll go to Trustee White.

I had conversations with Doctor Mangum and the Provost, Trustee Graham, about this and the potential fee increases affecting current students. We had a conversation about outlier years so that
you can -- students would have an opportunity to understand what the costs would be in future years. You remember the conversation we had about that. So there has been consideration about how it would affect current students who came in, and then there would be an increase versus actually assessing it at a later date or at a later time. That's going to be left to a recommendation from the Provost and then from the chief executive, but they are being mindful of what you consider a tax to the current students.

Trustee White.

TRUSTEE WHITE: Yeah, I just wanted to make two comments: One was, and because I'm a pharmacy major, I don't want anybody to misunderstand, my desire is that we're going to have excellence at every level and in every academic program and in everything that we do, and that's just how we do things around here, so without regard to a specific program. So I want to make sure all of the people who think I'm just doing this for pharmacy don't have the wrong impression, so that's one.

The other comment is I completely again sort of understand where Student President Graham is coming from, but it is important for us to
appreciate the material that we received previously. As Provost Wright alluded to and pointed out, that we are actually charging this also for our pharmacy education. And this is a program where the salaries starting out are dictated sort of by state. And so whether you pay 20,000 to get the career or 50,000 to get the degree, when you come out and start you're going to make the same thing.

So we are in the value category here, and we are one of the premiere providers in the state. So we need to look at this from all aspects and not, you know, to make immediate changes; but we do need to make sure that we're look at it from all aspects and we get it right at all levels.

CHAIRMAN MONTGOMERY: Thank you.

Any additional comments, Provost Wright?

PROVOST WRIGHT: Not as it relates to the College of Pharmacy, but there is still a discussion on the college -- the FAMU/FSU college, faculty salaries on the FAMU side. As you know, there's been a lot of discussion about the college of -- the engineering college; and among one of the issues has to do with the inequities between salaries on the FAMU side versus the salaries on
the FSU side and how that has happened over the years. And I think you can refer to Appendix 4B which will give you some of the background. When we actually looked at what it would take to actually increase and to try and balance out that inequity, it was about 15% increase over all of the faculty and staff which is about $500,000 to offset that deficit as well. So I just thought I wanted to put that in front of the Committee.

CHAIRMAN MONTGOMERY: In your opinion, are you saying -- we understand that pharmacy was very clear, there's an accreditation issue and a host of other reasons to get there. This is for clarity's sake, can you bring it home on the engineering side as well? Can you tell us what posture we're in and what the recommendation is?

PROVOST WRIGHT: Well, they're currently preparing their self study which will be due I believe in the fall, and they will have a visit I believe in the spring of next year. This has been an accreditation issue not at the level as the College of Pharmacy, but you have to recall that this is situation in which the accreditation agency looks at one college, two universities, and they don't see how you could have sort of a significant
shift from one side to the other.

The other thing is that it helps to retain our faculty which in many cases we've had -- we've lost over the years because of the differentiation in salary schedule and rates of pay. And so FSU has had more increases in their salaries over the years; and so, therefore, their salaries tend to be higher than the faculty on the FAMU side. Productivity though is no different, so I thought I --

CHAIRMAN MONTGOMERY: An additional question, and then I'll recognize Trustee Turnbull. How do we plan to pay -- your requesting an additional $430,000 recurring?

PROVOST WRIGHT: Yes.

CHAIRMAN MONTGOMERY: Okay. And how would we plan to pay for that? Doctor Mangum.

PRESIDENT MANGUM: Well, I did get some additional resources from the state legislature, and if it holds through today, I plan to use it to address this issue.

CHAIRMAN MONTGOMERY: Trustee Turnbull.

TRUSTEE TURNBULL: Yeah, this is sort of a series of questions. One, I had been under the understanding from the dean that he was able to
adjust the inequity for assistant associate professors and that the only thing still outstanding was full professors. Is that not true?

PROVOST WRIGHT: He was able to do it for many of them but not all of them, but pulled together --

TRUSTEE TURNBULL: Oh, Dean.

DEAN YEBOAH: Good afternoon. Yeah, we were able to make some slight adjustments that kind of boosted the morale, but we couldn't do it all.

TRUSTEE TURNBULL: Okay. All right. The other piece -- and I'm sure we're going to be hearing a lot more about the College of Engineering before this is all over, but I do think it's important, Madam President, for us to have a time when we can be fully briefed on exactly how it's set up, how the inequities developed, which university does what for the college.

And when it comes to financial issues, another one that I had been told was that sometimes a student will come in as a FAMU student, and I'm still not quite sure why we have FAMU and FSU students, but that's something you can help us understand, but they change and become an FSU student in the college because the financial aid package or the financial support is better for
their students than for ours.

So if we can have a better understanding of that. I don't see that as a budget issue here, but it certainly does affect, it seems to me, the college. Am I correct or not?

DEAN YEBOAH: Yeah, on the -- let me talk about the faculty side. On the faculty side, there are two main factors that have contributed: One, is FSU gives a salary increase, FAMU doesn't give a salary increase. When a professor gets a promotion, FSU gives 12% to from assistant to associate; and 15% from associate to full professor. FAMU gives a flat 9% salary increase when you get promoted whether it's from associate professor or full professor, so this is what has caused the imbalance.

Now it has two serious problems: One is accreditation. Accreditation we are -- we have one program between the two schools. So when they come in, they accredit one program. So if they come in and they perceive that there are some issues that are affecting the quality of the program, then both sides will suffer, FAMU and FSU, and so that's one of the things.

And as the Provost said, we are preparing the
self study report that we have to submit in June of next year. And then in the fall, there will come a visit. Now if they come and visit and they see these inequities, whether it has to do with standouts or by admitting students or salary increases, then they will say that that is definitely going to affect the quality of the program, and that will jeopardize the accreditation for both schools.

CHAIRMAN MONTGOMERY: Let me stop you. Dean, if you'd allow me, I want to summarize first so that we have an understanding of the posture between the pharmacy and if you combine the two, it's roughly 843,000 on an annual basis that we're looking at in terms of recurring funds. Along the lines of what we've all agreed to in the area of excellence with caring, we do want to -- I hate to say at a minimal level because it's kind of contradictory to say a minimal level of excellence; but with two items before us, we'll be in a posture at our next meeting -- we'll have to vote on this as to whether we want to move forward with this. I just want to take the moment while you're here to ask if there are any specific questions of the Committee, of the Dean and of the Provost with
regard to engineering. I think we're okay on the pharmacy side, but while you're here, I just want to see if Committee members have questions of you. Doctor Persaud and then Trustee McWilliams.

TRUSTEE PERSAUD: Mr. Chair, I don't know how we get to these situations, but the engineering issue has been lingering for quite a while, and I hate it from a faculty perspective just to come in -- and because of accreditation, thank God for accreditation, so now we're going to equalize everything.

We shouldn't put ourselves in a situation where we get there for accreditation bodies to come in and tell us that there are inequities in our system and that our productivity will be low and it affects the efficiency and effectiveness of the colleges. We really need to be alert because this didn't happen today.

DEAN YEBOAH: In the case of engineering, it's not all accreditation. The more serious problem is we have treated second class status for FAMU faculty. Some of the best faculty in our college actually started off as FAMU faculty.

CHAIRMAN MONTGOMERY: Dean, again, I'm going to move it because I'm going to have actually --
we're going to wrap this in a second. I understand what you're saying in terms of the posture, the inequities here. Those are structural things here internally. What we're dealing with, or what Trustee Shannon would say, we're going to keep it right on the budget side; and so I'm going to recognize Trustee McWilliams and then we'll pull this in.

Trustee McWilliams.

TRUSTEE McWILLIAMS: Thank you, Mr. Chair. I just had a question, I just read -- and much of this is just reading about salaries, and that FSU had some kind of, that was a $5 million supplement that they used for salaries or something. Where does that money come from? Is that from -- is that something that that school elected to do to enhance salaries there, or is that an accurate figure? In addition to basic salaries they had, there was a supplement of $5 million that they used. I don't know if that's an annual thing or what.

DEAN YEBOAH: Well, I don't know how FSU is using that money, but I do know that currently they have an initiated to hire faculty in the area of materials for any of the applications. Now that is a national (unintelligible) and the faculty that we
are hiring in those areas right now, and that's how some professors are being hired as (unintelligible).

TRUSTEE McWILLIAMS: Thank you.

DEAN YEBOAH: So that creates a salary compression issue that they also have too, so --

CHAIRMAN MONTGOMERY: Members of the Committee and fellow Board members, I'm asking you to think through, you know, where do you want to be? I'm repeating the question because are we wanting to be a minimal level? Are we wanting to make sure that we avoid what was pointed out, that we only respond when there are accreditation issues or when there are serious issues? Are we looking for loftier goals? Who do we benchmark against? All of these are things that, you know, we have questions about. But from a visioning and a direction perspective, I'm not sure that we are providing that as a board or as a committee, and so I'd ask that you give that some thought.

We're going to take a break for lunch. We'll come back in this room at 1 o'clock. Thank you.

(WHEREUPON, THE TRANSCRIPT CONTINUES IN SEQUENCE IN VOLUME 2 WITHOUT OMISSION).
Committee Members Present: Trustee Rufus Montgomery (Chair); Trustee Kelvin Lawson; Trustee Narayan Persaud; Trustee Cleve Warren (via telephone); and Trustee Karl White.

Others Attending: Trustee Solomon Badger; Trustee Torey Alston; Trustee Belinda Reed-Shannon; Trustee Tonnette Graham; President Elmira Mangum; Chief of Staff Shamis Abdi; Interim Provost Rodner Wright; Vice President William Hudson, Jr.; Interim Vice President Joe Bakker; Vice President Ken Redda; Interim Vice President Richard Givens; Vice President Thomas Haynes; General Counsel Avery McKnight; Attorney Linda Barge-Miles; Attorney David Self; Attorney Iris Elijah; Director Michael James; Athletic Director Kellen Winslow; and Tola Thompson, Director of Legislative Affairs.

Chairman Montgomery called the meeting to order at 9:05 A.M. Ms. Shamis Abdi was recognized to call the roll. A quorum was established.

The Chairman moved to the first information item, which was Business Auxiliaries at the Law School. The Chairman began by stating that our satellite campuses hold just as much interest to this Board as our main campus in Tallahassee. Our presence here at Crestview is evidence of that interest. In keeping with that interest, I have asked staff to bring this Committee up to date on the University’s Business Auxiliaries efforts at the College of Law in Orlando. At this point Chairman Montgomery recognized Mr. Joseph Bakker, Interim CFO and Vice President for Administrative and Financial Services to present this item.

Business Auxiliaries at the Law School (Information Item)

Mr. Bakker stated that our Business & Auxiliaries Department has four operations at the College of Law in Orlando. The operations include the Bookstore, Snack Vending, Beverage Vending, and Parking Services. Consolidated, these Business Auxiliaries services provided to the College of Law operate at a loss and are thus subsidized.

Bookstore

- Services are provided by Barnes & Noble for 4-5 hours per day as a convenience to the College of Law. Items sold include textbooks and a limited selection of clothing, snacks, FAMU emblems, books, and other miscellaneous items.
- 75% of annual revenue is generated during the first month of the Fall Semester.
- Sales were $163,882 in FY 2012-13 and $160,342 in FY 2013-14.
Snack Vending

Snacks are provided by Gilly Vending from two machines located on the ground floor. Vending items include chips, candy, cookies, ice cream, frozen burritos, etc.

Beverage Vending

Beverages are provided by Coca Cola from three machines located on the ground and 3rd floors. Items include water, soft drinks, energy drinks, PowerAde, and Minute Maid juices. Sales at the Law School were $12,682 in FY 2012-13 and $13,973 in FY 2013-14.

Parking Services

- Parking is provided to staff and students. Students may park in a garage operated by the City of Orlando or one operated by the Department of Management Services. The garages are located within two blocks of the College of Law.
- Revenue is derived from Student Transportation Access Fees and average $73,450 over the past two years.
- Expenses consist of garage fees to the City of Orlando and the Department of Management Services and total approximately $103,000 (annually).

The Chairman asked if there were any questions for Mr. Bakker. See questions at end of document.

Chairman Montgomery requested that a comparison of our auxiliaries to similar law schools be provided as well as a synopsis of all services and deficits.

Questions Associated with this Item:

<table>
<thead>
<tr>
<th>Business Auxiliaries - Law School</th>
<th>Provide comparison of our auxiliaries with similar law schools. (Chair)</th>
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<tr>
<td></td>
<td>Provide synopsis of all services and deficits. (Chair)</td>
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<td>Are hot meals going to be available at the Law School? (Persaud)</td>
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</table>
Approval of Minutes – March 5, 2014

Chairman Montgomery asked for approval of the minutes for March 5, 2014. Trustee Lawson moved to approve the minutes, and it was seconded by Trustee White. The motion carried.

Approval of FY 2014-15 Preliminary Operating Budget

Chairman Montgomery recognized Mr. Joseph Bakker, Interim CFO and Vice President for Administrative and Financial Services to present the FY 2014-15 Preliminary Operating Budget for approval.

Mr. Bakker began by stating that every year the University must have an operating budget approved by this Board and the Board of Governors prior to the disbursement of any funds for the new fiscal year. To facilitate a July 1 cash disbursement, a preliminary operating budget is approved by this Board and the Board of Governors. A final budget is subsequently approved in August. The Preliminary Operating Budget for Fiscal Year 2014-15 was submitted in the Board materials.

Mr. Bakker made the recommendation that the Board of Trustees approve the FY 2014-15 Preliminary Operating Budget.

Chairman Montgomery asked for approval of the FY 2014-15 Preliminary Operating Budget. It was motioned by Trustee White and seconded by Trustee Lawson that the FY 2014-15 Preliminary Operating Budget be approved. The motion carried.

Questions associated with this Item:

<table>
<thead>
<tr>
<th>Preliminary Oper Budget</th>
<th>Would like to hear from President Mangum on areas that are of interest to her. (Turnbull)</th>
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<td>Would like to hear from President Mangum on what conclusions she has drawn. (Turnbull)</td>
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<td></td>
<td>The Board and leadership needs to look at how we are using Auxiliary funds. Compared to other institutions. (Turnbull)</td>
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Contracts over $100,000

The Committee heard from Mr. Joseph Bakker who presented this item.

There are two contracts that are over $100,000:

- **A 1-year contract with Perceptive Software for $276,870.25** to provide software and technical support to expand and maintain the University’s electronic document and workflow system for processing, filing, and retrieval of documents.

- **A contract with Digital Architecture for $100,651** to host, implement, integrate, and support a web-based service that will provide FAMU with the ability to host and manage its online academic catalog. It is estimated that the project will be 16 weeks in duration. This agreement will transition the FAMU academic catalog into an online academic catalog management system.

The Chairman asked if there were any questions for Mr. Bakker. See questions at end of document.

Chairman Montgomery requested that numbers be provided on the current Perspective Software contract.

Questions associated with this item:

<table>
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<th>Contracts over $100K</th>
<th>What is the current contract with Perceptive Software? (Persaud)</th>
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<td>Provide #s on previous contract. (Chair)</td>
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<td>Are there any multi-million dollar contracts anticipated throughout the rest of the year? (Chair)</td>
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Quarterly Financial Report

The Committee heard from Mr. Bakker on this item. The University’s financial position remains sound. Expenditures continue to be well within budget, and our cash and investment balances are healthy. We will continue to manage our financial resources with prudence.

The Chairman asked if there were any questions for Mr. Bakker. There were no questions on this item.
Updates from the May Budget and Finance Committee Workshop

**Governmental Relations Overview**

The Committee heard from Mr. Tola Thompson, Director of Legislative Affairs, who summarized ongoing efforts.

Mr. Thompson reported the following:

The Governor signed the State Budget into law on Tuesday, June 3, 2014.

**FAMU Funded Initiatives:**

- $10.8 million Performance Funding (Recurring)
- $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 (Recurring)
- $1.5 million for FAMU Crestview Operational Support
- $1 million FAMU Distance Learning/Online
- $700,000 for Pharmacy Faculty Salary Adjustment (Recurring)

**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

The Chairman asked if there were any questions for Mr. Thompson. See questions at end of document.

*Chairman Montgomery requested that Mr. Thompson provide a summary of initiatives that were funded during this Legislative Session (FAMU vs. Other Institutions).*
Questions associated with this Item:

<table>
<thead>
<tr>
<th>Governmental Relations</th>
<th>Share what the process for tuition increase will be next year. (Chair)</th>
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<tr>
<td></td>
<td>Legislative efforts for the remainder of fiscal year. (Chair)</td>
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<td>Provide summary of FAMU vs. Other Institutions showing items funded during 2014 Legislative Session (Chair)</td>
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<td>President Mangum what are the initiatives for next year? (Persaud)</td>
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<td>Is it possible to make the Crestview funding recurring? It is currently non-recurring. I hope we can put this at the top of the list. (Turnbull)</td>
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<td>How involved are we in the study for the College of Engineering? I want to make sure we have a seat at the table. (Lawson)</td>
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<td>Trustee responses/support/non-support of COE? (Chair)</td>
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Athletics Update

Next, the Committee heard from new Athletic Director (AD) Kellen Winslow, who provided an update on the Athletics program.

AD Winslow provided an overview of Current Year Projects, Athletics’ FY 2014-15 Budget Request and the Deficit Reduction Plan. The Athletics Department is projecting a $1.285 million loss in the current year. A revised deficit reduction plan will be developed by September 30, 2014.

In response to questions raised at the May 5, 2014 Budget Workshop, AD Winslow relayed the following:

- The contract with Metz does not directly allocate funds to the Athletics Department.
- The Foundation did not provide $700,000 to Athletics. These funds were from the President’s Discretionary Account which was housed at the Foundation.
- FY 2014-15 Expenses are greater than FY 2013-14 because Athletics will assume specific expenditures from the Boosters. Subsequently, there should be additional revenue generation opportunities.
- Effective July 1, 2014, the Boosters will report to the Athletics Department.
- The true deficit for FY 2013-14 is approximately $1.2 million.
- Additional dollars provided for Athletics in FY 2013-14:
  - President’s Discretionary Account (FAMU Foundation) - $700,000
  - Auxiliary Investment Earnings - $300,000
  - Additional E&G dollars to Title IX - $300,000
There was a discussion regarding the budget request, current and upcoming year deficits, and the strategy of the new administration. The Chairman asked if there were any questions for AD Winslow. See questions at end of document.

There was a discussion led by Chairman Badger about the University not accepting checks for athletic event season tickets. President Mangum stated that the University will accept checks beginning today.

*Chairman Montgomery requested that AD Winslow provide a summary and plan on the Academic Progress Rate.*

**Questions associated with this Item:**

<table>
<thead>
<tr>
<th>Athletics</th>
<th>Is there a way to get to a balanced budget? <em>(Chair)</em></th>
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<td></td>
<td>Concern over much of the $s to balance coming from scholarships. We want to be able to attract a high caliber of athletes. <em>(Lawson)</em></td>
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<td>How do we improve overall quality? Help us understand how to take steps to get back to Glory Days (sacrifices/investments). <em>(Chair)</em></td>
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<td>We currently do not take checks. We need to change this policy and take checks. <em>(Chairman Badger)</em></td>
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<td>Where are we with the Academic Progress Rate? Provide summary and plan. <em>(Chair)</em></td>
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**Salary Adjustments for Colleges of Pharmacy and Engineering**

The Committee heard from Mr. Bakker with information on this item.

Mr. Bakker stated that at this time, the University will use existing resources to make salary adjustments needed to meet accreditation requirements for the Colleges of Pharmacy and Engineering. The University will return to the Board at a later date with recommendations for tuition increases that may be necessary.

The Chairman asked if there were any questions for Mr. Bakker. See questions at end of document.
Questions associated with this Item:

<table>
<thead>
<tr>
<th>Pharmacy &amp; Engineering Salaries</th>
<th>Even with the $700K, do we need to go deeper? Where is the additional $s coming from? Reserves? What is the gap after the $700K? (Lawson)</th>
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<tbody>
<tr>
<td></td>
<td>We need to look at tuition separate from salaries. We are so far below other Pharmacy schools in the State. Can we look at how the level of tuition equates to other programs around the State? (Turnbull)</td>
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<tr>
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<td>If we invest more in marketing, can we grow the dollars? Let’s look at this. (Lawson)</td>
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**Direct Support Organizations (DSOs)**

The Committee heard from Dr. Thomas Haynes on this item. Dr. Haynes provided a brief overview of the various DSO Operating Budgets using a comparison between Fiscal Years 2012-13 and 2013-14.

The Chairman asked if there were any questions for Dr. Haynes. See questions at end of document.

*Chairman Montgomery requested clarification of the reduction in Booster dollars. The Board needs to know why it was cut in half.*

Questions associated with this Item:

<table>
<thead>
<tr>
<th>DSOs</th>
<th>We may need to approve budget without DSOs. (Chair)</th>
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<td>How are we trending? Budget has been flat. (Chair)</td>
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<td>Take students into consideration when fundraising. They are a valuable asset. (Graham)</td>
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<td>Provide detail on what caused the 50% drop in Booster's budget? (Reed-Shannon)</td>
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<td>Is this budget for operations or fund raising? (Turnbull)</td>
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**Enrollment Trends and Plan**

This item was removed from the agenda. It was discussed in the Academic Affairs Committee meeting.
University Compensation

The Committee heard from Mr. Bakker on this item.

Mr. Bakker stated that a Compensation Study for faculty and staff will be completed by December 2014 and will be presented to the Board at its first meeting FY 2014-15.

The Chairman asked if there were any questions for Mr. Bakker. There were no questions on this item.

University Training

The Committee heard from Mr. Bakker on this item.

Mr. Bakker stated that with regard to University training, the University spends approximately $1.5 million annually on training classes, seminars and conferences. This amount includes travel.

The Chairman asked if there were any questions for Mr. Bakker. There were no questions on this item.

The meeting adjourned at 10:26 A.M.

Rufus Montgomery
Committee Chairman

Transcribed by:

Darlene W. Garcia
Subject: ANALYSIS OF AUXILIARY ENTERPRISES

Summary:

SPECIFIC AUTHORITY
Auxiliary operations are governed by Florida Statutes 1011.47, Auxiliary enterprises; contracts, grants and donations and the State University System of Florida Board of Governors Regulation 9.013 Auxiliary Operations. These requirements are shown below.

Florida Statutes 1011.47(1)
(1) “Auxiliary enterprises” includes activities that directly or indirectly provide a product or a service, or both, to a university or its students, faculty, or staff and for which a charge is made. These auxiliary enterprises are business activities of a university which require no support from the General Revenue Fund, and include activities such as housing, bookstores, student health services, continuing education programs, food services, college stores, operation of vending machines, specialty shops, day care centers, golf courses, student activities programs, data center operations, and intercollegiate athletics programs.

BOG Regulation 9.013 Auxiliary Operations
(1) Auxiliary services are integral activities of a university that furnish to its faculty, staff and students goods and/or services that are necessary or desirable but not readily available elsewhere in terms of costs, quality, quantity, timeliness, convenience, or other similar considerations. These activities shall support the educational endeavor of the institution and enhance its functioning; therefore, they shall not detract or distract from this basic endeavor in any way, financially or otherwise.
(2) Each auxiliary service is an individual entity and shall be accounted for as such. A service may be operated by the institution or by a private contractor under the institution’s supervision. Under either arrangement, all pertinent institutional revenues and costs shall be assigned to each auxiliary and the consequent financial results of operations determined.
(3) There shall be a uniform system of financial reporting within the State University System for auxiliary services. Each institution may determine whether its auxiliary services will be self-supporting on an individual or collective basis, except for athletics, which shall be a self-supporting entity. Revenues for auxiliary services shall not be provided from general revenue supported budget entities except in payment of goods
and/or services. Provided, however, auxiliary services may be housed in buildings that are financed from other sources.

(4) Proposed expenditures from the various auxiliary funds shall be reflected in annual budgets filed with the Board of Governors.

Authority: Section 7(d), Art. IX, Fla. Const., History—Formerly BOG Rule 6C-3.14 and 6C-9.13, 3-4-74, 12-17-74, 8-29-77, 9-8-77, 8-11-85, 1-8-86, 4-10-86, 11-20-08.

TYPES OF UNIVERSITY AUXILIARIES

The University’s auxiliaries can be classified into four (4) categories.

Category 1: Auxiliaries funded by student fees - These are auxiliaries which are funded primarily from student fees as approved/authorized by law/BOT.
   a) Health Clinic
   b) Material and Supplies
   c) Student Union (Activity and Service Fees)
   d) Recreation Center (Activity and Service Fees)
   e) Parking and Transportation
   f) Rattler Card

Category 2: Auxiliaries funded by sale of goods/services to the University community.
   a) Bookstore
   b) Dining Hall
   c) Housing
   d) Challenger/I-Max
   e) Childcare

Category 3: Departmental Auxiliaries which are funded primarily by charges to University internal departments.
   a) Telecommunications
   b) Postal Services
   c) Copy Center

Category 4: Other Auxiliaries which are funded from various sources of funds.
   a) Distance Learning (MBA/Nursing/Public Health) - Source of funds is a cost-basis fee to participants.
   b) Continuing Education - Source of funds is a registration fee for seminars and workshops.
   c) Investment Income - Source of funds is the investment of idle funds of the University.
   d) Auxiliary Overhead - Source of funds is a means by which the University recovers from auxiliary operations, a portion of the expenses borne by central offices (e.g. Audit Services, Controller's Office, Human Resources, Purchasing, Legal Services) in support of auxiliaries.
   e) Athletics – Source of funds is the sales of goods/services as well as student fees
Auxiliary operations must be in compliance with University policies and procedures.

The University seeks to ensure that each auxiliary is self-supporting on an individual basis. To this end, each auxiliary is accounted for in its own individual account. In instances where a given auxiliary has a negative cash balance, temporary support is provided from the cash balances of the other auxiliaries.

The fund balance for each auxiliary is used to provide working capital, reserves, and capital outlay for customer service improvements.

The University has also provided funds from the investment income (non-operating revenue) for activities such as the recent purchase of the Centennial Building and the support for the construction of the 800-bed dormitory facility. The University has also in the past provided scholarships from the investment income.

The table below provides information on the numbers, sizes, and cash balances in the various Auxiliary Funds.

<table>
<thead>
<tr>
<th>Number of Funds</th>
<th>Ranges of Cash Balances</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Over $1,000,000</td>
<td>$24,356,000</td>
</tr>
<tr>
<td>12</td>
<td>$1000,000 to $100,000</td>
<td>$3,519,000</td>
</tr>
<tr>
<td>15</td>
<td>$100,000 to $50,000</td>
<td>$847,000</td>
</tr>
<tr>
<td>24</td>
<td>$50,000 to $0</td>
<td>$438,000</td>
</tr>
<tr>
<td>8</td>
<td>$0 to -($400,000)</td>
<td>-($722,000)</td>
</tr>
</tbody>
</table>

Repair and Renovation Funds

<table>
<thead>
<tr>
<th>Number of Funds</th>
<th>Ranges of Cash Balances</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>$860,000 to $2,000</td>
<td>4,128,000</td>
</tr>
</tbody>
</table>

Auxiliary Operations at Other SUS Institutions

The University received the following responses from a survey of the other SUS institutions.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Accounting Method for Auxiliaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida A&amp;M</td>
<td>Self-supporting on an individual basis; temporary support provided for units with cash deficits.</td>
</tr>
<tr>
<td>Florida State</td>
<td>Self-supporting on an individual basis, however in certain circumstances, such as Business Services, the auxiliaries are treated on a collective basis.</td>
</tr>
<tr>
<td>Institution</td>
<td>Funding Mechanism</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Florida Gulf Coast</td>
<td>Self-supporting on an individual basis; very small amounts of support provided to units with cash deficits.</td>
</tr>
<tr>
<td>Florida International</td>
<td>Self-supporting on an individual basis; support may be provided from excess unrestricted fund balances to supplement E&amp;G budget.</td>
</tr>
<tr>
<td>West Florida</td>
<td>Self-supporting on an individual basis; in general, excess funds can be used to support the area where the income was generated.</td>
</tr>
<tr>
<td>Central Florida</td>
<td>Self-supporting on a collective basis; circumstances vary but typically excess cash balances are used to support other auxiliaries on a limited basis.</td>
</tr>
<tr>
<td>North Florida</td>
<td>Self-supporting on an individual basis; excess funds used at times to support other units.</td>
</tr>
</tbody>
</table>
Subject: Contracts over $100,000

Summary:

Contractor: AirFax, Inc.

Contract # and Name: C-0013-2014 – Air Charter Services Agreement

Procurement Method: University Invitation to Bid No. 0013-2014 “Charter Aircraft Services – FAMU Football 2014 Season

Contract Start Date: 7/9/2014
Contract Original Expiration Date: 11/30/2014
Contract Amount: $217,470.00

Airfax, Inc. will provide one MD-83 Aircraft for air charter service with flights to the following games:

<table>
<thead>
<tr>
<th>Game</th>
<th>Departure Date</th>
<th>Arrive</th>
<th>Return Date to Tallahassee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10/17/14</td>
<td>Washington Dulles International Airport (Washington, DC)</td>
<td>10/18/14</td>
</tr>
<tr>
<td>2</td>
<td>10/24/14</td>
<td>Piedmont Triad Airport (Greensboro, NC)</td>
<td>10/25/14</td>
</tr>
<tr>
<td>3</td>
<td>11/14/14</td>
<td>New Castle Airport (Wilmington, DE)</td>
<td>11/15/14</td>
</tr>
</tbody>
</table>

Contractor: ImageNow

Proposed Contract for Renewal of Perceptive 3-Year Contract for ImageNow Software Licenses

Contract Start Date:
Contract Original Expiration Date:
Contract Amount: $721,330.00
In 2008, as a part of its Restructuring Plan the University selected Perceptive Software, LLC. to implement the ImageNow software as the University’s main tool for improving the effectiveness and efficiency of its electronic document and workflow system for processing, filing, and retrieval of documents. The University is in the process of implementing the ImageNow system throughout the University community.

At its June 04, 2014 meeting, the Board of Trustees was informed of a $276,870.25, one-year professional services contract for Perceptive to expand ImageNow to more schools, colleges and departments. This Item is to inform the Board of Trustees of the University’s intent to renew, for an additional three years, the subscription (software licenses) and remote administration (support services) for ImageNow. One addition to the renewal includes Intelligent Capture for processing transcripts. The contract cost is $283,810 for the first year, and $218,760 for each of the following years for a total of $721,330.

Prepared by: Stephany Fall
This report is submitted in accordance with the requirements of BOT Policy 2005-02 which requires the University to submit the following quarterly reports:

- Statement of Net Position (Balance Sheet) and Statement Revenues, Expenses, and Changes in Net Position.
- Report of the investment and cash balances of University funds.
- Budget Status Report by Division showing salaries and other expenditure activities for the quarter and year-to-date totals by object of expenditure.

1. STATEMENT OF NET POSITION (BALANCE SHEET) AND STATEMENT REVENUES, EXPENSES, AND CHANGES IN NET POSITION.

The University’s annual financial statements are in the process of being prepared for submittal to the Board of Governors (BOG) by September 15th, 2014. The Statement of Net Position (Balance Sheet) and Statement Revenues, Expenses, and Changes in Net Position is a part of the BOG submittal and will be provided to the Board of Trustees at its next meeting.
Florida Agricultural and Mechanical University
Board of Trustees
INFORMATION ITEM

2. REPORT OF THE INVESTMENT AND CASH BALANCES OF UNIVERSITY FUNDS

The following tables and graphs provide information on the University's investment and cash balances for fiscal years 2011-12 through 2013-14.

<table>
<thead>
<tr>
<th>INVESTMENTS</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>88,974,757</td>
<td>106,788,798</td>
<td>115,572,069</td>
</tr>
<tr>
<td>August</td>
<td>88,328,797</td>
<td>116,843,941</td>
<td>107,162,528</td>
</tr>
<tr>
<td>September</td>
<td>87,292,052</td>
<td>115,081,332</td>
<td>103,572,463</td>
</tr>
<tr>
<td>October</td>
<td>87,451,200</td>
<td>121,537,355</td>
<td>94,280,438</td>
</tr>
<tr>
<td>November</td>
<td>84,153,356</td>
<td>104,789,452</td>
<td>90,872,860</td>
</tr>
<tr>
<td>December</td>
<td>73,645,657</td>
<td>116,474,495</td>
<td>89,647,977</td>
</tr>
<tr>
<td>January</td>
<td>71,025,089</td>
<td>121,788,336</td>
<td>93,368,442</td>
</tr>
<tr>
<td>February</td>
<td>72,212,451</td>
<td>120,216,929</td>
<td>95,730,464</td>
</tr>
<tr>
<td>March</td>
<td>69,677,656</td>
<td>114,722,068</td>
<td>83,016,025</td>
</tr>
<tr>
<td>April</td>
<td>66,679,104</td>
<td>118,278,257</td>
<td>79,077,962</td>
</tr>
<tr>
<td>May</td>
<td>69,399,966</td>
<td>111,446,684</td>
<td>65,140,680</td>
</tr>
<tr>
<td>June</td>
<td>68,653,804</td>
<td>134,167,391</td>
<td>79,076,726</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>17,697,535</td>
<td>45,314,103</td>
<td>10,474,079</td>
</tr>
<tr>
<td>August</td>
<td>22,201,242</td>
<td>37,751,526</td>
<td>24,674,178</td>
</tr>
<tr>
<td>September</td>
<td>32,687,671</td>
<td>50,287,596</td>
<td>26,961,961</td>
</tr>
<tr>
<td>October</td>
<td>30,266,434</td>
<td>36,103,431</td>
<td>28,916,159</td>
</tr>
<tr>
<td>November</td>
<td>29,896,252</td>
<td>42,456,262</td>
<td>23,866,807</td>
</tr>
<tr>
<td>December</td>
<td>37,083,040</td>
<td>25,163,454</td>
<td>20,284,683</td>
</tr>
<tr>
<td>January</td>
<td>19,659,616</td>
<td>40,993,302</td>
<td>31,510,661</td>
</tr>
<tr>
<td>February</td>
<td>58,757,068</td>
<td>34,992,196</td>
<td>24,116,626</td>
</tr>
<tr>
<td>March</td>
<td>55,180,620</td>
<td>37,801,943</td>
<td>24,992,703</td>
</tr>
<tr>
<td>April</td>
<td>53,473,800</td>
<td>28,452,244</td>
<td>12,325,033</td>
</tr>
<tr>
<td>May</td>
<td>41,266,934</td>
<td>22,526,568</td>
<td>13,888,394</td>
</tr>
<tr>
<td>June</td>
<td>61,653,994</td>
<td>13,737,535</td>
<td>6,576,108</td>
</tr>
</tbody>
</table>
### 3. BUDGET STATUS REPORT BY DIVISION

**2013-2014 E&G OPERATING BUDGET**  
As of June 30, 2014

<table>
<thead>
<tr>
<th>Division</th>
<th>Budget</th>
<th>Encumb</th>
<th>Expended</th>
<th>Committed</th>
<th>Committed %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADMINISTRATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>President</td>
<td>3,353,924</td>
<td>233,037</td>
<td>3,103,924</td>
<td>3,336,961</td>
<td>99.49%</td>
</tr>
<tr>
<td>VP Administration</td>
<td>10,186,853</td>
<td>268,340</td>
<td>8,668,405</td>
<td>8,936,745</td>
<td>87.73%</td>
</tr>
<tr>
<td>VP Development</td>
<td>1,761,291</td>
<td>38,426</td>
<td>1,670,029</td>
<td>1,708,455</td>
<td>97.00%</td>
</tr>
<tr>
<td>VP Audit and Compliance</td>
<td>697,613</td>
<td>13,468</td>
<td>636,823</td>
<td>650,291</td>
<td>93.22%</td>
</tr>
<tr>
<td>VP Legal Affairs</td>
<td>1,279,595</td>
<td>28,514</td>
<td>1,224,111</td>
<td>1,252,625</td>
<td>97.89%</td>
</tr>
<tr>
<td>EIT</td>
<td>8,918,806</td>
<td>1,578,913</td>
<td>7,247,650</td>
<td>8,826,563</td>
<td>96.97%</td>
</tr>
<tr>
<td>Campus Security</td>
<td>2,679,613</td>
<td>66,732</td>
<td>2,537,570</td>
<td>2,604,302</td>
<td>97.18%</td>
</tr>
<tr>
<td><strong>TOTAL ADMINISTRATION</strong></td>
<td>28,877,695</td>
<td>2,227,430</td>
<td>25,088,512</td>
<td>27,315,942</td>
<td>94.59%</td>
</tr>
<tr>
<td><strong>PLANT OPERATIONS &amp; MAINTENANCE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical Plant</td>
<td>19,173,264</td>
<td>3,478,996</td>
<td>14,606,024</td>
<td>18,085,020</td>
<td>94.32%</td>
</tr>
<tr>
<td>Facilities Planning</td>
<td>1,079,154</td>
<td>39,415</td>
<td>1,017,021</td>
<td>1,056,436</td>
<td>97.89%</td>
</tr>
<tr>
<td>Environmental Safety</td>
<td>367,574</td>
<td>7,257</td>
<td>356,134</td>
<td>363,391</td>
<td>98.86%</td>
</tr>
<tr>
<td><strong>TOTAL PO&amp;M</strong></td>
<td>20,619,992</td>
<td>3,525,668</td>
<td>15,979,179</td>
<td>19,504,847</td>
<td>94.59%</td>
</tr>
<tr>
<td><strong>LIBRARIES</strong></td>
<td>4,508,106</td>
<td>83,121</td>
<td>4,408,989</td>
<td>4,492,110</td>
<td>99.65%</td>
</tr>
<tr>
<td><strong>STUDENT SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VP Student Affairs</td>
<td>8,700,919</td>
<td>220,077</td>
<td>7,380,274</td>
<td>7,600,351</td>
<td>87.35%</td>
</tr>
<tr>
<td>Tuition Differential Need Base</td>
<td>2,255,680</td>
<td>2,255,680</td>
<td>2,255,680</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>Women Athletics</td>
<td>669,758</td>
<td>8,889</td>
<td>659,135</td>
<td>668,024</td>
<td>99.74%</td>
</tr>
<tr>
<td><strong>TOTAL STUDENT SERVICES</strong></td>
<td>11,626,357</td>
<td>2,484,646</td>
<td>8,039,409</td>
<td>10,524,055</td>
<td>90.52%</td>
</tr>
<tr>
<td><strong>TOTAL NON I&amp;R</strong></td>
<td>65,632,150</td>
<td>8,320,865</td>
<td>53,516,089</td>
<td>61,836,954</td>
<td>94.22%</td>
</tr>
<tr>
<td><strong>INSTRUCTIONS AND RESEARCH</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VP Academic Affairs</td>
<td>8,736,220</td>
<td>266,334</td>
<td>7,465,163</td>
<td>85.45%</td>
<td></td>
</tr>
<tr>
<td>ESI</td>
<td>1,620,821</td>
<td>48,050</td>
<td>1,572,764</td>
<td>96.91%</td>
<td></td>
</tr>
<tr>
<td>Architecture</td>
<td>3,625,483</td>
<td>270,360</td>
<td>3,255,016</td>
<td>97.22%</td>
<td></td>
</tr>
<tr>
<td>Social Sciences</td>
<td>12,712,041</td>
<td>144,417</td>
<td>12,567,687</td>
<td>99.78%</td>
<td></td>
</tr>
<tr>
<td>SBI</td>
<td>7,289,027</td>
<td>113,707</td>
<td>7,175,320</td>
<td>98.92%</td>
<td></td>
</tr>
<tr>
<td>CESTA</td>
<td>4,457,847</td>
<td>113,707</td>
<td>4,344,133</td>
<td>96.49%</td>
<td></td>
</tr>
<tr>
<td>Journalism</td>
<td>2,881,611</td>
<td>87,488</td>
<td>2,794,115</td>
<td>94.95%</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>5,758,290</td>
<td>129,798</td>
<td>5,628,492</td>
<td>94.98%</td>
<td></td>
</tr>
<tr>
<td>Nursing</td>
<td>1,690,313</td>
<td>32,943</td>
<td>1,657,370</td>
<td>99.99%</td>
<td></td>
</tr>
<tr>
<td>Pharmacy</td>
<td>9,502,027</td>
<td>383,727</td>
<td>9,118,300</td>
<td>96.27%</td>
<td></td>
</tr>
<tr>
<td>Allied Health</td>
<td>3,879,337</td>
<td>144,456</td>
<td>3,734,881</td>
<td>93.55%</td>
<td></td>
</tr>
<tr>
<td>Science and Technology</td>
<td>8,579,418</td>
<td>332,179</td>
<td>8,247,238</td>
<td>97.17%</td>
<td></td>
</tr>
<tr>
<td>Graduate Studies</td>
<td>2,202,649</td>
<td>158,085</td>
<td>2,044,564</td>
<td>92.36%</td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>11,005,361</td>
<td>10,355,122</td>
<td>10,421,861</td>
<td>94.70%</td>
<td></td>
</tr>
<tr>
<td>Law School</td>
<td>12,324,947</td>
<td>190,591</td>
<td>12,134,356</td>
<td>99.09%</td>
<td></td>
</tr>
<tr>
<td>Tuition Differential</td>
<td>5,197,138</td>
<td>107,578</td>
<td>5,092,580</td>
<td>87.08%</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL I&amp;R</strong></td>
<td>101,481,530</td>
<td>2,606,077</td>
<td>93,770,968</td>
<td>96,377,045</td>
<td>94.97%</td>
</tr>
<tr>
<td><strong>TOTAL ALLOCATED E&amp;G</strong></td>
<td>167,113,880</td>
<td>10,926,942</td>
<td>147,287,937</td>
<td>158,213,999</td>
<td>94.67%</td>
</tr>
<tr>
<td><strong>TOTAL UNALLOCATED E&amp;G</strong></td>
<td>6,293,678</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>TOTAL E&amp;G</strong></td>
<td>173,407,558</td>
<td>10,926,942</td>
<td>147,287,057</td>
<td>158,213,999</td>
<td>91.24%</td>
</tr>
</tbody>
</table>

**Tuition Not Collected because of Decrease in Enrollment. This is budget authority only cannot be spent if not collected.**
### FLORIDA A&M UNIVERSITY

#### INFORMATION ITEM

**NON E&G Budget Status As of June 30, 2014**

<table>
<thead>
<tr>
<th>Dept</th>
<th>Fund</th>
<th>07/01/2013 Beginning Fund Balance</th>
<th>Budgeted Revenue</th>
<th>13-14 Revenue Collected YTD</th>
<th>Available Revenue</th>
<th>2013-2014 Budget</th>
<th>13-14 Expenditures &amp; Encumbrances as of 06/30/14</th>
<th>Projected YTD Fund Balance</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Academic Affairs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DRS Fund 118</td>
<td>Various</td>
<td>118</td>
<td>33,760</td>
<td>3,421,105</td>
<td>3,441,192</td>
<td>3,474,952</td>
<td>3,428,369</td>
<td>3,435,685</td>
<td>39,267</td>
</tr>
<tr>
<td>Late Registration (Fund 117)</td>
<td>480910</td>
<td>117</td>
<td>165,821</td>
<td>150,000</td>
<td>149,600</td>
<td>315,421</td>
<td>273,231</td>
<td>263,675</td>
<td>51,746</td>
</tr>
<tr>
<td>Law School Bar Prep Fee</td>
<td>613012</td>
<td>116</td>
<td>20,501</td>
<td>480,000</td>
<td>355,155</td>
<td>375,656</td>
<td>493,381</td>
<td>387,701</td>
<td>(12,045) A</td>
</tr>
<tr>
<td>Law School Library Coin Oper</td>
<td>603412</td>
<td>116</td>
<td>25,684</td>
<td>17,000</td>
<td>14,743</td>
<td>40,427</td>
<td>27,250</td>
<td>28,164</td>
<td>39,780</td>
</tr>
<tr>
<td>Journalism Lab Fee</td>
<td>611012</td>
<td>116</td>
<td>(5,003)</td>
<td>17,640</td>
<td>5,160</td>
<td>157</td>
<td>100</td>
<td>157</td>
<td></td>
</tr>
<tr>
<td>Graphic Arts Lab Fee</td>
<td>611032</td>
<td>116</td>
<td>29,286</td>
<td>18,225</td>
<td>17,475</td>
<td>37,176</td>
<td>28,499</td>
<td>23,816</td>
<td>28,146</td>
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<tr>
<td>Late Registration (Fund 117)</td>
<td>480910</td>
<td>117</td>
<td>165,821</td>
<td>150,000</td>
<td>149,600</td>
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<td>273,231</td>
<td>263,675</td>
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<tr>
<td>Nursing Lab Fees</td>
<td>614012</td>
<td>116</td>
<td>29,286</td>
<td>18,225</td>
<td>17,475</td>
<td>37,176</td>
<td>28,499</td>
<td>23,816</td>
<td>13,960</td>
</tr>
<tr>
<td>Nursing ATI Fees</td>
<td>614022</td>
<td>116</td>
<td>29,286</td>
<td>18,225</td>
<td>17,475</td>
<td>37,176</td>
<td>28,499</td>
<td>23,816</td>
<td>13,960</td>
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<tr>
<td>FAMU/Leon Cty Pharmacy</td>
<td>615012</td>
<td>116</td>
<td>318,087</td>
<td>313,723</td>
<td>333,918</td>
<td>652,005</td>
<td>427,048</td>
<td>282,897</td>
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<td>Pharmacy Lab Fees</td>
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<td>36,810</td>
<td>36,297</td>
<td>91,089</td>
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<td>15,400</td>
<td>14,500</td>
<td>30,407</td>
<td>15,921</td>
<td>14,673</td>
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<td>Music Lab Fees</td>
<td>617032</td>
<td>116</td>
<td>(1,745)</td>
<td>10,000</td>
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<td>2,480</td>
<td>2,668</td>
<td>-</td>
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<td>Biology Material Supplies Fee</td>
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<td>116</td>
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<td>65,000</td>
<td>37,872</td>
<td>100,760</td>
<td>118,779</td>
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<td>(3,266) C</td>
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<tr>
<td>Chemistry Lab Fee</td>
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<td>116</td>
<td>63,982</td>
<td>31,000</td>
<td>19,302</td>
<td>83,284</td>
<td>74,624</td>
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<td>CIS Lab Fees</td>
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<td>15,912</td>
<td>28,288</td>
<td>23,644</td>
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<td>Continuing Education</td>
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<td>119,420</td>
<td>313,953</td>
<td>(145,385)</td>
<td>89,517</td>
<td>95,193</td>
<td>(240,578) D</td>
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<tr>
<td>Marching 100 Summer Camp</td>
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<td>116</td>
<td>13,131</td>
<td>-</td>
<td>-</td>
<td>13,131</td>
<td>-</td>
<td>-</td>
<td>13,131</td>
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<tr>
<td>Entomology Field Day</td>
<td>618076</td>
<td>116</td>
<td>42,032</td>
<td>23,690</td>
<td>27,238</td>
<td>69,700</td>
<td>27,144</td>
<td>16,414</td>
<td>74,675</td>
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<td>Edmonds Youth theatre</td>
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<td>116</td>
<td>14,517</td>
<td>26,500</td>
<td>28,682</td>
<td>43,199</td>
<td>34,155</td>
<td>31,621</td>
<td>15,734</td>
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<tr>
<td>Office of Inst Tech - Support</td>
<td>618510</td>
<td>116</td>
<td>(9,645)</td>
<td>205,000</td>
<td>205,781</td>
<td>196,136</td>
<td>169,355</td>
<td>145,311</td>
<td>50,825</td>
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<td>Distance Learning- SBI</td>
<td>618520</td>
<td>116</td>
<td>246,762</td>
<td>587,664</td>
<td>245,420</td>
<td>492,182</td>
<td>591,891</td>
<td>504,866</td>
<td>(12,684) E</td>
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<tr>
<td>Distance Learning- Nursing</td>
<td>618530</td>
<td>116</td>
<td>11,190</td>
<td>218,082</td>
<td>225,456</td>
<td>236,646</td>
<td>194,731</td>
<td>146,216</td>
<td>90,430</td>
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<tr>
<td>Distance Learning- Public Health</td>
<td>618540</td>
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<td>23,929</td>
<td>338,650</td>
<td>219,700</td>
<td>243,629</td>
<td>196,365</td>
<td>190,076</td>
<td>53,553</td>
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<tr>
<td>Pharmacy Seminars</td>
<td>618701</td>
<td>116</td>
<td>(85,542)</td>
<td>140,000</td>
<td>277,803</td>
<td>192,261</td>
<td>90,205</td>
<td>83,963</td>
<td>108,298</td>
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<td>Challenger Learning Center</td>
<td>619142</td>
<td>116</td>
<td>329,232</td>
<td>802,000</td>
<td>909,729</td>
<td>1,238,961</td>
<td>1,065,977</td>
<td>1,042,274</td>
<td>196,687</td>
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<td>Univ. Library Copy/Print Services</td>
<td>630010</td>
<td>116</td>
<td>74,871</td>
<td>32,000</td>
<td>39,366</td>
<td>114,237</td>
<td>69,466</td>
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<td>44,291</td>
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<td>Transcript Fee</td>
<td>604370</td>
<td>116</td>
<td>20,659</td>
<td>152,402</td>
<td>170,561</td>
<td>191,220</td>
<td>158,632</td>
<td>168,007</td>
<td>23,213</td>
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<td>Student Hlth Ctr Pharmacy</td>
<td>604800</td>
<td>116</td>
<td>57,128</td>
<td>270,000</td>
<td>212,965</td>
<td>270,093</td>
<td>204,576</td>
<td>208,263</td>
<td>61,830</td>
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</table>
### FLORIDA A&M UNIVERSITY

#### NON E&G Budget Status As of June 30, 2014

<table>
<thead>
<tr>
<th>Dept</th>
<th>Fund</th>
<th>07/01/2013 Beginning Fund Balance</th>
<th>Budgeted Revenue</th>
<th>13-14 Revenue Collected YTD</th>
<th>Available Revenue</th>
<th>2013-2014 Expenditures &amp; Encumbrances as of 06/30/14</th>
<th>Projected YTD Fund Balance</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

#### Administrative & Financial Services

**Controller’s Office**

- **Surplus Property**
  - Dept: 445300
  - Fund: 116
  - Budgeted Revenue: 35,000
  - 13-14 Revenue Collected YTD: 107,569
  - Available Revenue: 83,288
  - Notes: 53,113, 54,456

- **Auxiliary Overhead**
  - Dept: 603130
  - Fund: 116
  - Budgeted Revenue: 1,207,102
  - 13-14 Revenue Collected YTD: 2,657,049
  - Available Revenue: 1,752,340
  - Notes: 880,609, 1,776,440

- **Late Payment Fund 117**
  - Dept: 480920
  - Fund: 117
  - Budgeted Revenue: 522,000
  - 13-14 Revenue Collected YTD: 2,329,195
  - Available Revenue: 207,522
  - Notes: 168,716, 2,160,479

- **Fin Aid Adm Exp Controller Fund 117**
  - Dept: 481220
  - Fund: 117
  - Budgeted Revenue: 199,328
  - 13-14 Revenue Collected YTD: 2,282,046
  - Available Revenue: 158,708
  - Notes: 1,213,374

#### Business and Aux Services

- **Bookstore**
  - Dept: 603150
  - Fund: 116
  - Budgeted Revenue: 320,000
  - 13-14 Revenue Collected YTD: 306,642
  - Available Revenue: 305,138
  - Notes: 183,843, 564,565

- **University Commons**
  - Dept: 603170
  - Fund: 116
  - Budgeted Revenue: 2,557,441
  - 13-14 Revenue Collected YTD: 5,835,499
  - Available Revenue: 3,682,455
  - Notes: 2,329,195, 2,764,712

- **University Parking**
  - Dept: 603200
  - Fund: 116
  - Budgeted Revenue: 2,147,472
  - 13-14 Revenue Collected YTD: 3,387,253
  - Available Revenue: 2,654,702
  - Notes: 2,282,046, 1,555,207

- **Bus & Aux Services**
  - Dept: 603400
  - Fund: 116
  - Budgeted Revenue: 158,370
  - 13-14 Revenue Collected YTD: 110,000
  - Available Revenue: 110,000
  - Notes: 120,714, 40,217

- **Post Office**
  - Dept: 603401
  - Fund: 116
  - Budgeted Revenue: 295,547
  - 13-14 Revenue Collected YTD: 392,321
  - Available Revenue: 294,015
  - Notes: 261,269, 131,052

- **Procurement Contracts**
  - Dept: 603405
  - Fund: 116
  - Budgeted Revenue: 146,604
  - 13-14 Revenue Collected YTD: 235,019
  - Available Revenue: 112,280
  - Notes: 97,366, 137,653

- **Rattler Card**
  - Dept: 603407
  - Fund: 116
  - Budgeted Revenue: 432,898
  - 13-14 Revenue Collected YTD: 243,977
  - Available Revenue: 223,926
  - Notes: 208,972

- **Copy Center**
  - Dept: 603410
  - Fund: 116
  - Budgeted Revenue: 352,158
  - 13-14 Revenue Collected YTD: 367,111
  - Available Revenue: 338,147
  - Notes: 14,011

#### Construction & Facilities Planning

- **Building Code**
  - Dept: 603415
  - Fund: 116
  - Budgeted Revenue: 193,507
  - 13-14 Revenue Collected YTD: 251,423
  - Available Revenue: 148,093
  - Notes: 205,627, 45,796

- **Events department**
  - Dept: 635010
  - Fund: 116
  - Budgeted Revenue: 96,825
  - 13-14 Revenue Collected YTD: 284,363
  - Available Revenue: 145,825
  - Notes: 96,870, 187,493

- **Events department-Ticket Sales**
  - Dept: 635011
  - Fund: 116
  - Budgeted Revenue: 50,000
  - 13-14 Revenue Collected YTD: 27,352
  - Available Revenue: 27,352
  - Notes: 50,000, 18,668, 8,684
<table>
<thead>
<tr>
<th>Dept Fund</th>
<th>07/01/2013 Beginning Fund Balance</th>
<th>Budgeted Revenue</th>
<th>13-14 Available Revenue</th>
<th>2013-2014 Expenditures &amp; Encumbrances as of 06/30/14</th>
<th>Projected YTD Fund Balance</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td><strong>Student Affairs</strong></td>
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<tr>
<td>Fin Aid Adm Exp Fund 117</td>
<td>481210 117</td>
<td>206,769</td>
<td>250,000</td>
<td>199,328</td>
<td>406,097</td>
<td>293,069</td>
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<td>Orientation Fee (Fund 117)</td>
<td>482000 117</td>
<td>(28,271)</td>
<td>319,080</td>
<td>297,905</td>
<td>269,634</td>
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<td>Rattler Aquatics</td>
<td>603160 116</td>
<td>72,476</td>
<td>53,795</td>
<td>53,795</td>
<td>126,271</td>
<td>117,062</td>
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<tr>
<td>Student Union</td>
<td>604140 116</td>
<td>(30,731)</td>
<td>72,476</td>
<td>53,795</td>
<td>53,795</td>
<td>126,271</td>
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<td>Student Union Bowling Alley</td>
<td>604141 116</td>
<td>32,074</td>
<td>10,000</td>
<td>16,951</td>
<td>49,025</td>
<td>11,280</td>
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<td>Rattler Express</td>
<td>604145 116</td>
<td>(2,691)</td>
<td>220,226</td>
<td>271,908</td>
<td>269,217</td>
<td>258,115</td>
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<tr>
<td>Campus Recreation</td>
<td>631100 116</td>
<td>-</td>
<td>543,578</td>
<td>221,226</td>
<td>221,226</td>
<td>211,226</td>
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<tr>
<td>FAMUAN Fund 117</td>
<td>430100 117</td>
<td>(154,742)</td>
<td>182,052</td>
<td>61,183</td>
<td>(93,559)</td>
<td>85,625</td>
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<td>FAMU Child Care Center</td>
<td>604480 116</td>
<td>75,894</td>
<td>668,584</td>
<td>754,120</td>
<td>830,014</td>
<td>820,924</td>
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<td>Hosp O&amp;M Student Hlth</td>
<td>604795 116</td>
<td>2,298,578</td>
<td>2,037,934</td>
<td>2,193,718</td>
<td>4,492,296</td>
<td>4,215,051</td>
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<tr>
<td>LifeScan Finger Printing</td>
<td>603210 116</td>
<td>40,513</td>
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<td>Various 110</td>
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<td>12,997,614</td>
<td>10,435,392</td>
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<td>15,151,323</td>
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<td>A&amp;S Fees</td>
<td>Various 117</td>
<td>750,000</td>
<td>2,968,084</td>
<td>3,288,304</td>
<td>3,718,084</td>
<td>3,407,981</td>
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</tbody>
</table>

| E.I.T |
| Technology Fee | 482200 117 | 2,962,560 | 1,969,913 | 2,002,733 | 4,965,293 | 4,204,640 | 3,262,615 | 1,702,678 |
| Telecommunications | 603406 116 | (772,206) | 1,977,884 | 2,014,377 | 1,242,171 | 1,935,965 | 1,828,004 | (585,833) |

| President |
| Athletics | Various 115 | (7,800,291) | 9,175,161 | 8,854,761 | 10,054,470 | 9,164,768 | 10,053,834 | (8,999,364) |
| Concessions | 450100 117 | 186,504 | 180,630 | 287,935 | 474,439 | 193,512 | 127,011 | 347,428 |

NOTES:
A FY14-15 Expense budget has been reduced to offset the FY13-14 deficit.
B The Item Types for this department are being researched and have been corrected so that revenue collections will go to the correct department.
C FY14-15 Expense budget has been reduced to offset the FY13-14 deficit.
D A debt reduction plan has been developed by the Continuing Education department, spending has been restricted to adhere to the submitted plan.
E A journal transfer will be made from the Office of Distance Learning Tech Support to Distance Learning SBI to offset the deficit in FY13-14.
F FY14-15 Expense budget has been reduced to offset the FY13-14 deficit.
G Rattler Express deficit will be offset with a journal transfer from Activity and Service Fees.
H FAMUAN spending has been restricted until the issue of their deficit has been addressed.
I A debt reduction plan has been implemented to reduce the deficit in Telecommunications.
J A debt reduction plan is being developed to address the deficit in Athletics.
Subject: Governmental Relations

GUIDING PRINCIPLES
This document is the plan of action for the Office of Communications and External Relations, Governmental Relations for 2014-2015. This action plan includes strategic initiatives, goals and objectives, and identification of the unit’s specific efforts in support of the University’s established strategic initiatives.

All Governmental Relations initiatives will be aligned with several big-picture strategies governing our efforts to communicate our messages to the University’s various audiences. These strategies are:

1. Create new relationships/partnerships with elected officials and governmental agencies;
2. Leverage existing relationships/partnerships;
3. Capitalize on information technology for even more effective outreach to and influence on key audiences.

FLORIDA A&M UNIVERSITY TEN-YEAR STRATEGIC PLAN

Florida Agricultural and Mechanical University adopted a ten-year strategic plan in fiscal year 2009-2010 titled the 2010-2020 Vision with Courage, which will provide guidance in achieving the following five strategic initiatives:

1. Create a 21st century living and learning collegiate community;
2. Enable excellence in university processes and procedures;
3. Develop, enhance, and retain appropriate fiscal, human, technological, research and physical resources to achieve the university’s mission;
4. Enable excellence in university relations and development; and
5. Enhance and sustain an academic and social environment that promotes internationalization, diversity, and inclusiveness.
President Elmira Mangum’s vision statement is consistent with the University’s Strategic Plan:  
To be a best-in-class land grant, doctoral research, and student–centered university that serves African Americans and low wealth students with an international presence.

GOVERNMENTAL RELATIONS GOALS AND OBJECTIVES FOR 2014-2015

The Governmental Relations staff, under the leadership of the Vice President for Communications and External Relations, will develop a comprehensive engagement strategy designed to advance the fiscal and reputational interests of Florida Agricultural and Mechanical University. The fundamental purpose of these strategies will be to develop and strengthen strategic relationships with elected and appointed local, state and federal agencies, and community members.

More specifically, we will target our efforts toward securing the maximum amount of federal, state and local government funding possible. We will use the average amount of such funding received over the prior five years as the baseline for measuring our success.

To date, all 160 members of the Florida Legislature have been mailed invitations to the Inaugural Week festivities.

- **Create a 21st Century Living and Learning Community**
  - Create new and innovative opportunities to obtain federal dollars using the strength of the Florida Congressional delegation and the key members of Congress from outside of Florida with whom FAMU has and will have developed strategic relationships.

  Target audience: Members of Congress and their staffs  
  Timeline:  September 2014 – May 2015 and ongoing  
  Resources Needed: Cooperation from senior leadership  
  Performance Metric: Quantifiable meetings with federal delegation and action plan

- **Develop, Enhance, Retain Resources to Achieve Mission**
  - Identify innovative and strong FAMU projects, including Southside redevelopment, and bring them to the attention of relevant federal agencies;
  - Engage the Florida Delegation and other key members to influence those agencies to allocate funding to these projects using discretionary and/or competitive dollars if necessary
  - Engagement will also be utilized to achieve additional outcomes such as FCC waiver for BTNC
Florida Agricultural and Mechanical University
Board of Trustees
INFORMATION ITEM

Target Audience: Deans, all academic departments, all programs and community partnerships
Timeline: September 2014 – May 2015 and ongoing
Resources needed: Cooperation from all areas
Performance Metric: Completed and submitted project proposals

- **Develop, enhance, and retain appropriate fiscal, human, technological, research and physical resources to achieve the University’s mission**
  - Prepare a comprehensive Federal Resource Inventory to help identify innovative and strong projects to advance FAMU’s federal legislative efforts. The Inventory will also assess if multiple points of contact and activity, relating to government relations, which are occurring at all levels of the institution. Lastly, the most effective way to achieve the University’s strategic initiatives is for Governmental Relations to be the single point of contact in all outreach to legislative constituents.

  Target Audience: Deans, all departments, programs and areas
  Timeline: September 2014 – May 2015 and ongoing
  Resources Needed: Cooperation from all areas and senior leadership champion, BOT cooperation
  Performance Metric: Completed Federal Resource Inventory

- Establish and help maintain high-level research partnerships with federal agencies such as NASA, DOE, and other global research entities such as the United Nations Research Institute for Social Development and similar associations.

  **Target Audience: Federal Agencies, Research Partners**
  **Timeline: September 2014 – May 2015 and ongoing**
  **Resources Needed: Cooperation from deans, faculty and senior leadership**
  **Performance Metric: Quantifiable number of partnerships established**

- **Enable Excellence in University Relations and Development**
  - Identify individuals who would be appropriate and effective to serve on a volunteer advisory committee (sphere of influence) that would be used selectively to advance FAMU’s association with the federal government. The advisory committee should include major health, business, industry, or education leaders; and others with ties to the state, local or national political communities.

  Target Audience: Federal elected officials
  Timeline: September 2014 – May 2015 and ongoing
Resources Needed: Cooperation from BOT, senior leadership, all deans and departments; and for senior leadership to champion the initiatives
Performance Metric: Sphere of Influence established

- Enable excellence in university relations and development
  - Engage with the FAMU constituency to listen to their concerns, needs, and communicate the University’s priorities. Also, better understand and leverage the relationships between key decision makers and the partnerships that they have with our constituents.

  Targeted Audience: Community agents, local officials, FAMU faculty/staff
  Timeline: September 2014 – May 2015 and ongoing
  Resources needed: Cooperation from all constituencies
  Performance metric: Enhanced community relationships and institutional reputation

- Establish and maintain meaningful relationships with the new leadership in the Florida House of Representatives and the Florida Senate. Cultivate and build upon our existing relationships with key committee staff.

  Targeted Audience: Legislative leadership and staff
  Timeline: September 2014 – May 2015 and ongoing
  Resources needed: Cooperation from legislative staff
  Performance metric: Established relationships with leadership

- Meet with key legislators and staff to introduce the University’s 2015 priorities and develop a mutually beneficial engagement strategy that focuses on renewed partnership between legislators and Florida A & M University.

  Targeted Audience: Key legislators and staff
  Timeline: September 2014 – May 2015
  Resources needed: Legislator availability
  Performance metric: Meetings held with key legislators

- Continue to track and increase the online engagement through the Rattler Impact e-Advocacy portal as a means to inform and invigorate our University constituents around the globe.

  Targeted Audience: Alumni, FAMU Friends
  Timeline: September 2014 – May 2015 and ongoing
  Resources needed: EIT support
  Performance metric: Increase the number of advocates
BUDGET OVERVIEW

For Academic Year (AY) 2014-2015, our legislative budget requests for operating expenses total $45.3 million, plus an additional $413 million for capital improvements for 2015-16 through 2019-20, including $38.5 million for AY 2015-16.

- Operating
  - Provide operational support for the Florida A&M University Education Center - $2,000,000
  - Increase access and improve program productivity by expanding online programs and course offerings - $2,000,000
  - Since the establishment of the Office of University Retention in 2010, 34 full-time advisors have been hired. Advisors are continuously trained with three university-wide academic advisor workshops annually - $5,500,000
  - FAMU-FSU College of Engineering operating cost, including salaries and benefits, other personal services, fellowships, and start-up facility - $30,623,700
  - College of Agriculture and Food Services Brooksville Project - $800,000
  - FAMU Pharmacy Faculty Salary Adjustment - $700,000
  - Provide Operational Support for the Florida A&M University Crestview Education Center - $1,500,000
  - Establish a Sustainability Institute (FAMU-SI) with a mission to advance the research, teaching and application of innovative solutions to ecological, socio-economic, and energy sustainability issues at the campus, regional and global level - $2,201,580

- Prior Year’s LBR Appropriations
  - In AY 2014-15, the university received $27.3 million of LBR appropriations.

KEY LEGISLATIVE RELATIONSHIPS

Florida Agricultural and Mechanical University Alumni Elected Officials*
*Only members who are in our area of impact

Florida House of Representatives:

- Mike Clelland, Dist. 29 (D), JD 2005
  - Key Committees:
    - Economic Affairs;
    - Joint Select on Collective Bargaining

- Mia Jones, Dist. 14 (D), B.S Accounting Class ’91, MBA ’92
  - Key Committees:
    - Democratic Ranking Member Health & Human Services
Democratic Ranking Member Select Committee on Health Care Workforce Innovation
Appropriations Committee
Education Appropriations Subcommittee

Shevrin D. “Shrev” Jones, Dist. 101 (D), Biochemistry and Molecular Science B. S ’06
- **Key Committees:**
  - Health and Human Services Subcommittee
  - Choice and Innovation Subcommittee

Bobby Powell, Dist. 88 (D), B.S Public Relations, M.S.P Urban Planning
- **Key Committees:**
  - Higher Education and Workforce Subcommittee
  - Transportation and Highway Safety Subcommittee
  - Local and Federal Affairs Committee

Alan Williams, Dist. 8 (D), B.S 1998, MBA 2003
- **Key Committees:**
  - Appropriations Committee
  - Democratic Ranking Member Economic Affairs Committee
  - Democratic Ranking Member Energy and Utilities Committee

Dwight Bullard, Dist. 39 (D), B.S. History 1999
- **Key Committees:**
  - Agriculture, Vice Chair
  - Appropriations Subcommittee on Education
  - Education
  - Environmental Preservation and Conservation
  - Military and Veterans Affairs, Space and Domestic Security

Arthenia L. Joyner, Dist. 19 (D), B.S Political Science 1964, J.D 1968
- **Key Committees:**
  - Appropriations
  - Transportation
  - Judiciary

Congresswoman Corrine Brown, 5th Dist. (D), B.S
- **Key Committees:**
  - Transportation and Infrastructure
  - Veterans Affairs
Florida Agricultural and Mechanical University
Board of Trustees
INFORMATION ITEM

- Congressman Alcee Hastings; 20th Dist. (D), J.D.

- Key Committees:
  - House Rules
  - Senior Democratic Whip Leader in Democratic Caucus
  - Ranking Democratic Member on Helsinki Commission
  - Co-Chair of Florida Delegation

Out-of-State Members of Congress

- Congressman David Scott, GA 13th Dist., (D), BA 1967

- Key Committees:
  - Agriculture
  - Financial Services

STAFFING AND SALARIES

The question was asked: How many FTE [are] involved in direct communications with the BOT? In response to the question, there is no one in the Office of Governmental Relations who has direct contact with the Board of Trustees.

The question was asked: What is the amount the University spends annually on communications (Division of Communications plus communications personnel in other departments such as Athletics etc.)?

The Division of Communications is expected to spend $984,000 in FY 2014-2015.
Subject: Athletics

Summary:

- Cut 10 positions at a saving of approximately $450,000 salaries and benefits
- Cash Balance as of 7/1/2014 was ($8,509,878); projected for 6/30/2015 is ($8,165,462) for a net surplus for 2014-15 of $344,416 for a 4.05% percentage change
- The surplus is contingent on aggressive revenue projections for ticket sales, sponsorship sales and a fundraising campaign
- Football season tickets as of 9/2/2014 are at 2,435 for revenue of $318,710
- Athletics is working to pay for necessary items such as the maintenance, cleaning and safety issues at Bragg Stadium for a better fan experience.