STATE OF FLORIDA

FLORIDA A&M UNIVERSITY

VOLUME II

IN RE: BOARD OF TRUSTEES MEETING

DATE: MARCH 10, 2016

TIME: COMMENCING AT: 9:00 a.m.
CONCLUDING AT: 4:07 p.m.

LOCATION: FLORIDA A&M UNIVERSITY
GRAND BALLROOM
TALLAHASSEE, FLORIDA

REPORTED BY: YVONNE LAFLAMME, FPR

C & N REPORTERS
CERTIFIED PROFESSIONAL REPORTERS
P.O. BOX 3093
TALLAHASSEE, FLORIDA 32315
(850) 697-8314
BOARD MEMBERS

CHAIR CLEVE WARREN
NICOLE WASHINGTON
KELVIN LAWSON
ROBERT WOODY
CRAIG REED
MATTHEW CARTER
BETTYE GRABLE
GARY McCOY
TONNETTE GRAHAM
THOMAS DORTCH
BELINDA SHANNON (TELEPHONICALLY)
(Thereupon, Volume II followed Volume I without omission.)

(Back on the record at 1:00 p.m.)

CHAIRMAN WARREN: Are we ready?

TRUSTEE SHANNON: I'm here.

CHAIRMAN WARREN: Hello, Trustee Shannon.

TRUSTEE SHANNON: Hello.

TRUSTEE LAWSON: All right. We're back in session. Trustees, we had one action item on the agenda today. The action item is approval for prior current and projected years of the university auxiliary facility.

Mr. Cassidy, you're recognized to present the item.

MR. CASSIDY: All right. Well, we'll take this item first. This is something that's required under Board of Governor's Regulation 9.008, which requires that these statements for any auxiliaries that the University has that have bonds associated with them that those -- there has to be an annual income expenditure statement in a format that the Board of Governors specifies that need to be prepared, approved by the Board of Trustees, sent to the Board of Governors for their approval, and so we're in that mode.
The two auxiliaries we have that have bonds are Housing Operations Auxiliary Fund and our Parking Operations Auxiliary Fund.

CHAIRMAN WARREN: Mr. Cassidy, may I ask you to hold for just a second? We moved this item from the consent agenda to the action items, and I just need to help the members find where they can see where I'm talking about.

MR. CASSIDY: It's item 8B.

CHAIRMAN WARREN: So if you look behind the orange tab, it's titled "auxiliaries." There's Budget and Finance, and it's about the last item in that section.

TRUSTEE CARTER: I don't have it.

CHAIRMAN WARREN: Oh, you don't have that? Okay. I'm sorry.

MR. CASSIDY: Is it there? Do we have it?

CHAIRMAN WARREN: No.

MR. CASSIDY: Okay. That's fine. So we have the statements for the Housing Operations Fund and the Parking Operations Fund in the format that's required to approve these going forward, and I beg a couple of statements.

Number one, the format is to provide the previous year's actual, the current year that's three-quarters
of the way almost estimated, and a projected incoming expenditure statement. And when you project that, it's like a budget.

For each of these operations that have bonds. If I may, I return to the -- and then, in order -- the Board of Governors sees consistent information. The form is consistent, and then there is four narrative questions to help the Board get a quick picture, and I think it will be helpful for you.

First of all, let me say that for both of these, for housing and parking operations, part of what needs to be done is to set aside the necessary reserve funds to support, to secure the bonds, and that is being done, has always been done and will be done. So that's part of what's in here.

But the questions in the narrative sheet on housing, the questions are the same in each document, "Do the pledged revenues contain any overhead assessments." And as it relates to housing -- as it relates to housing, our bond covenants don't allow overhead assessments, so the answer to this question is no.

The next question is -- and again, this is so the Board of Governors can do a quick review -- do any of the line items, revenues or expenses change year over
year 10 percent or more." In this case the answer to the question is yes. And it was actually at the last Board meeting you approved the change to the Housing Operations budget, to add more money to the operating budget, because of the fact that there were more residents that had been planned for. So the answer to the question is, yes, the expenses are up because residency was up, and actually all approved that change.

The next one is, "Please explain amounts categorized as other." And in this case, it's a line item. It's called other expenses and transfers out. And again, I wish I could change these forms, but they're prescribed. And there is information on that line item. Let me see if I can find it. It's line 8 -- I'm sorry. It's line 5, and that's facilities, maintenance and reserve -- and so you see we are setting that money aside every year and it's as required.

So the statement as it relates to housing operations conforms, the necessary reserves for both the bonds surety and replacement reserves have been established.

If I can make -- switch to housing -- to parking for a moment. You have a same format of a statement
and I'm going to through the questions for you, if I may. "Do the pledged revenues reported contained any overhead assessments." In the case of parking, we are allowed to charge a 6 percent overhead assessment, and have done so, as we always have.

For those who may be new to the Board or haven't heard this boring conversation before, we charge an overhead assessment to certain auxiliary facilities and other kinds of facilities on campus to offset the central services, such as purchasing, payroll, accounting, and other similar centralized services that are provided to the stand-alone operations, such as the housing or a parking facility organization. They're a part of us, but centrally we perform a lot of the services for them and so that's what the overhead assessment is for. Six percent is the rate that we charge for any such things on campus, so no one is being treated differently, except in the case of housing, where we're not allowed to charge it. So that's what that is about and it is being charged as usual.

The next question is, "Do pledged revenues or expenditures change 10 percent year over year?" And in this case the answer is yes, and that's because several things have happened. There's more money in
people expense because there have been vacant
positions previously that they intend to fill next
year, and the folks who run the parking operation have
bought new software and other materials that will
result in additional expenditures.

The end result of this is they believe they're
going to have a much more efficient operation for
parking, but it will have some changes in costs year
to year between the current year and next year.

The third one is anything in the "other," and,
again, we have the required three percent repair and
replacement reserve for parking operations; that's
line 7.

And so, both of these statements conform. I
would like to mention while I'm in the parking
operations, this intersects with our next line item,
briefly, when we're talking about Athletics, because
one of the facts of our parking operations is that
these bonds will be paid off in 2018, and that will
mean that the reserve fund will be released. We're
going to talk about that when we're talking about the
health of our auxiliaries overall. This is a big
benefit to our auxiliary funds going forward that's
two-plus years away.

So those are the statements. I would entertain
any questions you might have. They conform to what
was required to be done. We have actually filed them
with the Board of Governors saying, awaiting Board
approval, so they know they're on their way, and I
would entertain any questions you may have.

CHAIRMAN WARREN: Trustee Lawson?

TRUSTEE LAWSON: Yes.

CHAIRMAN WARREN: If I may?

TRUSTEE LAWSON: Sure.

CHAIRMAN WARREN: When the bonds are paid off,
you just indicated the reserve funds would be
released.

MR. CASSIDY: Yes.

CHAIRMAN WARREN: I'm assuming we haven't
dedicated other than what they have been reserved for
to this day; is that right?

MR. CASSIDY: They become relatively unrestricted
auxiliary funds.

CHAIRMAN WARREN: But does that presuppose that
the purpose for which the reserves were set aside goes
away as well as is there no need to spend these
reserve dollars on, in this case parking lot or
dormitory repairs or facilities repairs?

MR. CASSIDY: Well, I think what it means is,
when that happens, our facilities people will do a
complete look at the one parking garage to determine
if this is enough or not enough money, I suppose, for
ongoing repair and maintenance on the facility, and
then if there are additional funds available, we would
release them.

TRUSTEE LAWSON: I think -- if I may comment on
that as well -- I think one of the things that Dale
mentioned is when this parking situation goes away
there will be -- there will be the additional
resources there. Because one of the concerns with
Athletics, and we'll get there in a second, is it was
taking too much from the other auxiliaries, but in
actuality, we'll have a better surplus. Said another
way, probably not the correct financial terms.

But I think when you look at these auxiliaries,
and this was really for us to be informed about
because this is a recommendation or an item that has
to go before the BOG; is the auxiliary solvent, and
the answer is yes; are there material changes, yes.
But there are good changes, because we have more
students on campus which utilize the facility, which
means you need to staff up. And they're good changes,
because we're soon to retire the parking decks. So
they're all positive changes even though they are
material changes.
CHAIRMAN WARREN: Right. I accept it as positive changes. I just, for clarity, let me restate my question so I know for my own edification.

MR. CASSIDY: Sure.

CHAIRMAN WARREN: The paying off of the bonds means that the cash flow now dedicated to build the reserves does not have to be reserved any longer?

MR. CASSIDY: Statutorily.

CHAIRMAN WARREN: And in terms of the bond covenants as well.

MR. CASSIDY: Right, right.

CHAIRMAN WARREN: But the reserve that has been built, is the use of the now accumulated reserves, if they are, is there deferred maintenance on facilities for which these reserves were built in need of being addressed with reserves?

MR. CASSIDY: Right. And that's the valuation that will be made at the time that the money is -- when the bond covenants release it. We will have our facilities people go through it and do a complete analysis of what is necessary and what's necessary going forward and the concept being that there may be some money that we're able to release.

CHAIRMAN WARREN: But first priority.

MR. CASSIDY: Parking facility operation.
CHAIRMAN WARREN: All right.

TRUSTEE DORTCH: Mr. Chairman, my question is, why wait until the bonds are released to do an analysis, and to do forecasting upfront if there's going to be maintenance needed in long-term? So that the Board will know in advanced that if there's "X" amount and you need to reserve this portion for maintenance, and the other becomes released for other University needs that the Board will need to react to, rather than wait until 2018. We need a forecast upfront, and that seems to me to be more responsible in managing that.

MR. CASSIDY: Point taken. And we would do that so we would know at the time it's done. The other thing we can obviously do, and this is a reserve that we can't draw down. It has to stay intact, and we obviously have a history of what repairs have been required a building up until now. So point well-taken. Let's say within the last fiscal year, these things will have paid off in full in June of 2018. We'll put it on the calendar for July of 2017 to begin that analysis including the historical costs and what we think it will be going forward.

TRUSTEE DORTCH: Because the reason why I was asking is considering we're going to look at a new
strategic plan, and knowing in 2018 there's certain
dollars that should be released out of reserves
because it's mandated by the bond holder, that we
would be thinking forward, and again, not wait until
it's released, but that we'll plan upfront.

MR. CASSIDY: Point taken, and we will make sure
it's available and brought to you. All right?

TRUSTEE DORTCH: All right, thank you.

TRUSTEE LAWSON: Any other questions? Good
comment, Trustee Dortch.

TRUSTEE DORTCH: Another question, because I want
to be clear on parking. Are we going to -- because I
have some serious questions about parking -- the
overall parking will be discussed in this plan?
Because there were certain things discussed around
parking, so I want to be clear on parking; who
controls it; and also, is that discussion on parking
coming in the overall academic five-year plan or
athletic five-year plan? Okay.

TRUSTEE LAWSON: But I think we're talking two
different types of parking. This is the day-in,
day-out student parking garage facility, and I think
the other parking issue had to do more with game day
parking. But hold that point though, because that
will be a discussion point in Athletics, but I want to
make sure we separate the two.

This is the parking infrastructure, garages, et
cetera. There is a three percent transfer out for
maintenance over time that's already baked in, but
this is for kind of the every day student need.

MR. CASSIDY: Parking operations covers parking
across the campus. The only bonded facility is the
one parking garage. And then as Trustee Lawson said,
when we get to Athletics, the parking topic there is
around game day parking and football.

CHAIRMAN WARREN: So Trustee Lawson, are you
making a motion on this issue?

TRUSTEE LAWSON: Yeah. If there aren't any other
questions, I'm asking for a motion to approve the
operating budget for prior, current and projected
years of the University Auxiliary Facilities and
Revenue Bonds.

CHAIRMAN WARREN: Is there a second?

TRUSTEE DORTCH: Second.

CHAIRMAN WARREN: Are there any further
questions? Motion has been properly seconded.

TRUSTEE LAWSON: All those in favor?

(All trustees answer in the affirmative.)

TRUSTEE LAWSON: Motion carries.

CHAIRMAN WARREN: All right. So it's a Board
action, not a committee action. It's on the board
agenda now, right? I just want to make sure.

So we'll go on to the next item on our agenda,
and I'm going to ask Trustee Lawson to read that item
into discussion, which is Item 8A. If we can put that
on the screen for the members who don't have a hard
copy.

TRUSTEE LAWSON: So just a point of
clarification, Trustee Warren. I will review the
item, but you should moderate the vote, okay?

CHAIRMAN WARREN: Okay.

TRUSTEE LAWSON: Because this is we're handling
this as a body of a whole. It's out of our committee
but being voted on the body as a whole.

So Trustees, we have one action item, which is to
consider the approval of the five-year financial plan
for intercollegiate Athletics. This, again, is the
item that we could not review during committee because
we didn't have a quorum. And there are some tenants
here that I would love for everybody to get their
heads wrapped around, understand, ask questions about,
because we would like to agree on this, because this
has not only implications on campus but these are
things that we also need to review with the Board of
Governors, State Auditor, et cetera, from a policy
standpoint, and our Board needs to be in alignment
with the plan prior to being presented to those
bodies.

Mr. Cassidy, I'm sorry. You are recognized to
present.

MR. CASSIDY: Thank you. And I apologize in
advanced. This is a complicated set of documents and
supporting information. I'll do my best to keep it as
coherent here as possible. However, I was beginning
to worry about my trip out of town tonight, so I
cancelled my flight, so I have all afternoon. Just
joking.

Thank you, Trustee Lawson.

There's a number of documents. I am going to
kind of run through them so you can get familiar with
them, because we will in some ways flip back and forth
between them. There's a narrative, a four-page
document, that is an executive summary of what this
plan is all about. The second document, document B,
is a summary of our --

TRUSTEE CARTER: Excuse me. Mr. Chairman, may I
interrupt for just a moment? Is this the document
we're talking about?

CHAIRMAN WARREN: No, we're not. It's on the
screen.
MR. CASSIDY: It's been posted but I don't know if anybody has received it.

TRUSTEE WOODY: Did y'all e-mail it?

CHAIRMAN WARREN: It's in the portal.

TRUSTEE LAWSON: Those were the documents that were posted online, correct?

MR. CASSIDY: Yes.

TRUSTEE LAWSON: I'll tell you what. Let's give Trustee Carter a minute to get the right documents in front of him so he can follow along.

TRUSTEE CARTER: I would appreciate it. Thank you.

TRUSTEE LAWSON: Mr. Cassidy, just hold for one second.

TRUSTEE WOODY: So, Mr. Chairman, are we asking to approve this report?

CHAIRMAN WARREN: It's an action item to look at right now.

TRUSTEE WOODY: The only concern that I would have is I haven't had a chance to look at it yet.

CHAIRMAN WARREN: Mr. Cassidy, this item was sent out to the members, correct?

MR. CASSIDY: It was posted, yeah.

PRESIDENT MANGUM: We will get some copies made.

TRUSTEE SHANNON: Mr. Chair, are we talking about
the "Five-Year Financial Plan For Intercollegiate Athletics" document that is posted under meeting materials?

CHAIRMAN WARREN: Yes.

TRUSTEE LAWSON: Yes.

TRUSTEE SHANNON: Okay. So that's the document I have pulled up. I just wanted to make sure it was the right one.

CHAIRMAN WARREN. There was no failure to distribute it, but it did come late.

MR. CASSIDY: Do you think there's something else I could do for five minutes while these are made, or how do you want to handle this?

TRUSTEE LAWSON: Well, I think there's -- Trustee Carter, do you guys have a copy now? Trustee Woody, do you have a copy now?

TRUSTEE WOODY: Yeah.

TRUSTEE LAWSON: You're sharing a copy now?

CHAIRMAN WARREN: Do you have a copy?

TRUSTEE LAWSON: You don't?

So you have it electronically?

Okay. So Mr. Chair, this may take a little longer than anticipated, so I am probably going to have Mr. Cassidy go through more detail as far as than less, just so everybody can come along in the journey
with us.

And then, we also ask AD Overton to come and speak to some of the specific details on some of the financials, around game day expenses, guarantees, and other things he's been working through.

So I apologize if this may take a little longer than normal, just so that everyone comes along in the journal.

MR. CASSIDY: So are you ready to proceed?

CHAIRMAN WARREN: Yes.

TRUSTEE LAWSON: I'm sorry, Mr. Cassidy. I had a recommendation from the President here. It's a little bit of an audible. We're going to ask Mr. Overton to come up and speak to the plan, and then you'll come behind him with next steps, because at least that will allow everyone to follow along with the numbers, and then you can come back with the narrative on how we address the Board of Governors, how we address the Auditor General, et cetera.

AD OVERTON: Good afternoon, Trustees.

TRUSTEE LAWSON: Hold on a second. Does everyone have this particular document?

TRUSTEE REED: Can you give us five minutes? Just give us five minutes, to read this quickly?

TRUSTEE LAWSON: Why don't we do this? Why don't
we take a five-minute break to allow us to get copies
and read through the documentation.

TRUSTEE SHANNON: And Trustee Lawson, you are
talking about the documents that are supposed to be
not (inaudible) and no other documents, right?

CHAIRMAN WARREN: Trustee Shannon, there's a
hand-out that was given to us today that you would --

TRUSTEE SHANNON: Okay.

CHAIRMAN WARREN: -- that you would not have.

What you would have is the action item 8A.

TRUSTEE SHANNON: Right. That's what I have

pulled up.

CHAIRMAN WARREN: Okay. So the AD is -- I don't
think it's necessary for us to -- everybody has
something to look at so we'll move on. So with the
exception of Trustee Shannon on the phone, who does
not have this document? Somebody is e-mailing it to
you now Trustee Shannon.

TRUSTEE SHANNON: Okay, great.

TRUSTEE LAWSON: So let's make sure we have order
here. Everyone has the document. We're putting it on
the screen. We're e-mailing it to Trustee Shannon.

Is there a way to make the print on the screen larger
so that those in the audience can follow along?

CHAIRMAN WARREN: Every Trustee has something to
look at so let's go forward.

TRUSTEE DORTCH: And Mr. Chairman, going forward, especially on anything that we have to vote on that relates to finances or policies, we should make it mandatory, at a minimum number of days we receive this in advanced so we can review them and answer any questions. Even if they're posted on a website, it should come directly to each trustee, so we can do our due diligence and homework and don't waste a lot of time in the meeting trying to get up-to-date.

And I know we were doing a lot of rushing, but going forward, we should have a policy that requires this.

CHAIRMAN WARREN: I read you loud and clear, Trustee Dortch.

And this sort of speaks to conversation we've had last night and today. I was sharing with the group last night a new word that I learned. It's called "Pre-crastinator", as opposed to a "procrastinator."

Procrastinator is someone that waits until the last minute to get stuff done; pre-crastinator is someone who is afraid to miss a deadline and starts way ahead of time to get something done so that it's ready when it's due. So what it says, is maybe for us, maybe for the world in general, more pre-crastinators are
existent than procrastinators, so we can avoid this type of thing.

As we go forward, this is for edification of the whole -- I'm not just talking to the presenters -- but it is, quite frankly, annoying. It gives us the sense of disorganization, when at last minute we're trying to deal with a very significant item with a lot of details here, and we are rushing it forward because we didn't get it done in a committee process or where it has to be vetted before it got to here.

So I think I said this in my first meeting as chair: The process that we want to employ is to vet things at the committee process so when we come to the Board, that what we're hearing from the chair and/or representative from staff, are the recommendations, as opposed to vetting it at this meeting.

All members have the opportunity to tune in when committee meetings are going on, and in fact, we have the opportunity to chime in as well through the chair of that committee. So for us to, one, to declare a lack of knowledge about something at a board meeting, that decoration usually results from the fact that we have got the information and in an untimely fashion; that we were not pre-crastinating but we were procrastinating.
So it makes it difficult to get stuff done where people feel comfortable with what we're asked to make a decision on. Just take that as instructive, but also this warning that it won't come until it's been vetted.

Now, I understand there are lots of things that have to go on to the Board of Governors and on to whomever else after that, but the onus is on staff to do the backwards planning. If something is due on the 10th, you can't wait till the 9th to get it done, particularly if the actions of the Board and/or the committee occur on the 12th.

So things have to be backed up to get in to the hopper, so to speak, so there's accurate time to be given to preparation and assimulation of that to members so it can be properly vetted before it gets here. Cool?

AD OVERTON: Absolutely.

CHAIRMAN WARREN: All right. So let's hope this is the last time that we'll have this kind of thing.

So with that apology to you, Trustee Dortch, I think we have been instructive enough that we can go on with this, but let's try and move on with it efficiently.

TRUSTEE LAWSON: Okay. Are you prepared? Are
you ready?

AD OVERTON: Yes, absolutely.

TRUSTEE LAWSON: Now, again, does everybody have this documentation? Okay. Trustee Shannon? Trustee Shannon? We'll have to assume she has it.

TRUSTEE SHANNON: Yeah, I do. I'm sorry, I was on mute.

TRUSTEE LAWSON: That's okay.

TRUSTEE SHANNON: Yeah.

TRUSTEE LAWSON: So AD Overton, you are recognized, and you know, probably give us a little more detail versus less. For those of you that haven't been close to this, this may be new or may be a second time around seeing it. Some of us have been a little closer to it than others, so I would ask AD Overton to take a little more time than normal to get everybody on the same page.

AD OVERTON: Thank you so much for your time. I appreciate it. I will make sure that we take heed to Chairman's instructions and make sure any additional supplements that we provide in advanced.

One of the things I wanted to do is frame this request and this five-year plan in something which you could see, and this is part of our mission, which is building champions. And everything that we're doing
relative to the budget is focused on that, okay?

So we've got obviously got building champions in
the classroom, in the field and life, through academic
excellence and integrity, but there's a strategic plan
and really that plan is to make sure we fill and
repair the pillars, because in Athletics we've got
major fractures that we're working towards. And I
want to make sure that in every action we take, you
know, we're operating on the frame work, okay?

So what you see right here is this is the stadium
leaning a bit because of the fractures. So in college
sports, you've got academics, compliance, training --
and training is medical training -- strength and
conditioning, facilities and finances.

If you want to have a first-class program, you've
got to have a great support structure, okay? And so,
the first order of business for me was to drill down
and see where the holes were, identify those, and then
build a business plan to help repair those fractures.

Once the fractures are filled, then what you see
is division. You see that the Championship Athletic
Department stands on a solid foundation, and once that
foundation is solid, the expectations, the wins, the
victories, all of those things to surface, you can
have a program that can sustain that for long periods
So the process of building champions starts now with repair of the financial pillar, okay? As well as academics compliance pillar. Those are things that we have to work on. No matter who your coach is, no matter who your athletic director is, unless your foundation is correct, okay, unless you have a good foundation, it doesn't matter. You have to have great academics. You have to have great compliance. You have to have all of those four structures that coaches need and student athletes need in order to be successful. So the vision is clear.

Now, I'm going to drill down real quick to this -- that's a little small, obviously, but in your packet you see this. Dale is going to talk a lot more about where the funding sources are coming from, relative to university support, okay. What I want to show you here is going through this document how we're going to arrive at the five-year plan relative to each category, because we're talking about a pretty significant jump in revenue based on each revenue line. So let me give you some information on that.

So student fees, as you see, because we're in alignment with the University policies and that is going to stay flat or decline just a little bit. And
then, when it comes to football gate receipts, we're expecting an 81% increase -- over five years -- in football gate receipts, and let me tell you how we get there. We've got an "Investing in Champions" annual giving campaign that we want to start, and I'll share that with you as we drill down to the business plan on that, all right?

We also have an out and out sales team of folks that are active and they're out selling tickets, okay, and also in the combination packages. Because one of the things we did is we spent a lot of time assessing the fan base. We sent out a fan survey, 2300 people filled out that fan survey. And many of them said that they would like to be able to, just like any other school, buy parking and tickets at the same time and make sure that we were operating in a way that's easier for them to buy, okay? So that's part of the business plan there, so to do that, we're selling about 5,300 season tickets to get to that number.

Football game guarantees, so that's a significant jump in revenue over time. How are we doing that is we're --

TRUSTEE LAWSON: Milton, I'm sorry. You have all of the background but could you just, for those of us that can't see the numbers and even people in the
audience, give us numbers. For example, you were
going through game day guarantees. 685 to 1.1, big
jump, and I know you have a rationale why. But I
would like for you to give us, unfortunately, that
level of detail so everybody follows through.

   AD OVERTON: Sure, okay. So this fiscal year,
our game guarantee -- this game guarantee line
included both basketball and football, so at 685, what
was included in that was $450,000 for a game guarantee
for South Florida, and then the remaining amount came
from basketball game guarantees. As Dale and I begin
to build a budget, we actually separated that out. So
you'll see the line for basketball game guarantees for
the next fiscal year, okay?

   Let me give you the information on how we jumped
from 650 to 1.1 million. We actually already have
game contracts in hand for 1.1 million. We're going
to play, obviously Miami, for nearly $700,000. It's
actually 695. We have a game contract in Mobile for
our Classic game in Mobile against Tuskegee, and the
base there is 350. We've actually changed our revenue
model from the standpoint of ownership, so the
difference between our previous philosophy and now, is
that any games we inter into, we're going to enter
them from an ownership standpoint. And what that
means is every piece of revenue -- that's radio, that's TV, that's national regional sponsorships -- we get a share of that as an owner, as opposed to a talent fee. So that's how that's happening.

The other piece is that we're reviewing contracts. When I first came in, we had a game to game, all home contract against Coastal Carolina. Looking at applying the traditional or looking at the model and the market for that, we bought a system called "Win AD." Win AD is typically used in college sports, so we use that to look at the model and we are able to call them, and say, "Hey, this is a home on home contract; unfortunately, there's some terms that you didn't quite measure up to, so what we need based on what you've paid in the marketplace, is a $100,000 to come play." So that's how you get to 1.1 million, just in football.

Now you go to basketball for the next year and you see $200,000 a year more for basketball. We exceeded that this year, and we'll actually exceed it next year as well. So we've moved from 685 to 1.3 million in game contracts, based on applying market principals, utilizing industry standard market technology, so that's how we get there, so there's philosophy changes that comes with that. But again,
you can see this plan, we've already started it,
because we have game contracts in hand. We've already
moved forward with that 50 percent in revenue, net
line.

The next one we'll spend time on is football
season tickets. So football season tickets -- I'm
going to drill down just a little bit -- in the past
there have been some that have been submitted, and
there's not a business plan for each one of those
revenue lines. So each revenue line we have here,
there's an associated business plan for it, okay? I
think you guys can see. Let me back up real quick.

Now, when asked the question -- some of y'all can
see that, but you do have that in your packet -- how
do you increase season tickets and individual game
tickets? You increase season tickets and individual
game tickets by having a roll-out. And this one, we
call it "Investing in Champions" annual giving
campaign. You can call it a priority point system,
but what it is, is packages. We have six packages,
and of those six packages, you have access to multiple
amenities as well as your parking, okay?

And now, from the revenue standpoint, there's
three things that happen as a result of that: You
actually increase in your donation, and you also
increase in your season tickets by that amount. So once we're able to roll this package out, what we're expecting is $1.4 million in new revenue for ticket sales, as well as donations.

So as you look at this, sometimes it's kind of hard to -- when you look at this particular revenue bond, we're talking about two of them. We're talking about football season ticket sales and then football game receipts. When we look at game receipts, we're talking about individual game tickets. But what I want you to know is the drill down here is there is a plan that we're executing towards the strategy already that we can obviously quantify today, based on the contracts we have and based on the movement we have.

Now, if you want a little more information on it, think about this year. Won one football game, but in every matrix that we have, relative to season ticket increase, individual game ticket increase, attendance, concessions, all of those matrix this fiscal year went up, based on implementation of a plan that we really just started. I think I had two or three weeks on the job in order to make some level of change.

But the great news is we actually have, you know, we have a full year to implement this, so what I'm showing you is that we're moving forward in that
particular standard.

Now, let me go down. Concessions. Not a whole lot of money. What was budgeted was the $75,000. Right now, just for football, we're at 76, okay? Basketball, we hit $20,000 in basketball just in concessions, so we're over 90. So when we project $75,000 next year for concessions, we know we're going to exceed that. So each one of these revenue lines that we have here, they're really conservative, based on what we are looking at and based on what we're seeing in terms of increases today.

Let's go to the other larger revenue lines that's coming in is advertisement. So we have $200,000 for advertising. And obviously, that's sponsorship sales. That's sponsorship sales going out in the public, local businesses, national businesses and securing sponsorships.

Let me give you a baseline for that, okay? So the Florida Classic game, one game, we secured $870,000 in sponsorships. One football game. So to have a goal for $400,000 for the entire year, for every sport, is very legitimate, okay? It's very legitimate. Now, how do we accomplish that? We have changed and made adjustments in organizational chart to some of the sponsorships, and we've actually
changed and made an adjustment in how we go about
doing that. So why are we asking for asset return?
You have to ask for that, because if in the
marketplace three or four or five people are selling
the same packages -- it's a huge market place. We
have actually sold underneath the value that we should
be selling.

Now, in my experience, working at the previous
institutions I've been at, I used to oversee
multimedia and $20 million in multimedia rights. Now,
it's a different product, but it's still the same
business principles, okay? Is you have to have a
singular approach towards fundraising, you have to
have a singular approach towards ticket sales, and you
also have to also make sure you're managing properly
your sponsorship sales. So we feel very confident in
that level of increase over the next few years.

Royalties. And I won't go down each revenue
line, but I am going to hit a couple of larger ones.
So royalties. At my previous institution, I oversaw a
$120 million royalty. It actually was the largest
college sport royalty revenue in college sports.

Here, same thing. The Rattlers are just as
passionate about their team and what we wear as any
other team -- and I would want say more passionate.
So we have well over 55,000 people that we have access to, but never had a royalty plan. Never really had a licensing strategy. Now, this will be a very simple one.

Of $100 million last year for my previous institution, 30 percent of that $100 million was online sales, okay? We had no strategy for online sales. So what we're doing is for Mother's Day, for Father's Day, for Christmas, we're actually going to see a push.

The first action, two weeks on the job, I had COCN; that's the company who manages our licensing rights, and we talked to them about what our new strategy is going to be. So as I indicated, a business plan for each revenue line, that's how we're going to get to this new budget. So this is what you look at as a 21 century intercollegiate business approach. It's a new revenue model. It's not new; it's just new to FAMU, okay?

Moving forward real quick. Fundraising. So this is another big line. I will explain why this is really important. So this past year, our goal was obviously a half-million dollars. In terms of AD fundraising, I think we're about 236 or something like that, okay?
Previously we've only done $10, $20,000, so that's a huge jump. Now, as you see, from 2015, from this year to the next year, we're keeping it the same. We're keeping it the same, but we actually have a fundraising strategy. We have a "Investing in Champions" annual giving campaign that we are holding to launch, and we're ready to go on that. So we feel confident that we'll be able to do that.

So again, if you have the chance to get out and talk to many of our support groups, and many of our support groups are doing a fantastic job, whether they're the Boosters, whether they're the 220 club, they all want to help us. We have to have -- if we're going to move this forward, we have to have a singular idea relative to fundraising so that we're actually focusing on large dollars. Philanthropic giving, not transactional giving, but philanthropic giving.

So we have to have new field house. I am calling it an all sports duplex, okay, that's complete with an academic center, a new strength and conditioning area for all student athletes, weight room, training room. Go back to the pillars. We have to repair the pillars. The facilities is a very important part of that so we can get the prospects we want. So we have an approach to that.
Obviously, parking, we have put in here for that season and moving beyond. Here's what we have to understand about parking, is that it's standard in intercollegiate Athletics. The Athletic Department utilizes those resources. It's a game day resource. The only reason you have those resources is because of the game, right? So this is just standard.

And what we -- I want you to understand, it's not just a $300,000 that you see on here on this. It actually affects three parts of our business. One third of our projected growth comes from this area, because if we cannot -- we have people that are giving money to us. We have donors who may not be Boosters, may not be a part of the F club, may not be part of 220, but they give us $10,000. When they come to a game, we would like to provide them premium parking.

So if you're going to move forward relative to your fundraising strategy, you have to be able to have those assets, okay? Now, same thing with corporate sponsorships. We go out and we sell a $25,000 sponsorship package. When you sell that package, you have to sell that with premium parking. They get five spaces, okay, along with tickets. This is standard intercollegiate Athletics business. This is the way it works. But if we have to peel off that money and
donate it back to an outside group, you can't do that.

You don't even have the resources you need in order to improve that category, and then you have your season tickets.

So three categories, huge categories, that really depends on and will help us move forward with 21st Century intercollegiate athletic business model.

So that's the drill down in how we get to A to B. And again, when you're talking about, you know, we say the game contracts again. You are talking about moving from let's say $685,000 to 2.6 in 2021. Not a huge stretch. The reason it's not a huge stretch is if we remember the philosophy relative to football revenue generation and not season tickets and individual game ticket sales. We're talking about, you know, the classic games, okay? My goal is to have three classic games, and in those classic games we already started with one.

So, next year, we already have a classic game on the new model, so we're not talking about things we're thinking about doing. We're talking about things we're already making progress towards. Now, once you go back to Atlanta, once you go back to Miami, what happens is we know what we make in our Classic game right now.
What's the largest amount of money we've made on a Classic game that we have right now with Betheune Cookman? 1.2 million net. 1.2 million. This is half of net proceeds. I'm going to repeat that. 1.2 million after net proceeds. What about this year? $870,000. So if we are making $870,000 and the philosophy is ownership as we move forward, then doesn't that mean that we can make 2.2? Doesn't that mean we don't necessarily have to go out and kill our guys, the student athletes, on playing games? And I love playing these larger games, but we need to be in an ownership position. We've got to be in a position of leadership, and this is a beauty of HBCU.

So I learned a lot of the business principles from some of the best coaches and some of the best administrators, but never had this asset. I'm so excited about this asset, I don't know what to do. And only FAMU can we do this at this position.

So the last thing I'm going to say about this, and again, I'm going to frame it back up. Framing it up, this is where we are. Every single thing that I just talked about, we're hitting each one of these categories. This is the foundation we have to repair. No matter who comes in, no matter who the coach is, you have to make sure those coaches and those student
athletes have the tools they need to be successful. That's just a fact.

What are the issues right now with football, okay? Won one game. Now, how many games are we supposed to win if your academics were not correct? So you have APR issues. When you have APR issues, this means you cannot practice at the same time when everybody can; it means you cannot go to a post season play, right; it means you can't even have spring ball. Those are the three negative knocks that are so tough for a coach to recruit against, so you have to fix that no matter who your coach is.

One of the other issues is compliance. If we don't fix compliance, no matter how much you win, you're going to go down, back up, go down, because the NCAA is going to pull up. I've been doing this for 20-plus years in very, very successful programs. I didn't wear these rings today because I want to look back. I never wear jewelry. I don't care about it. I only do it in recruiting.

So I've got three championship rings on: One national championship ring in football, one championship ring in softball, and one in women's soccer. I have a championship ring in every single sport that I've been in, okay?
This has nothing to do, because this is what FAMU is about. This is not about looking back. I wear these rings for one reason and that is to look forward, because this is what I came here for, because this is what FAMU's all about. But to get there, you have to invest in a strong strategy, okay, that have business principles tied to it, based on industry standards, okay?

And then you get to this. You have to believe you're going to have a new stadium, because if you don't believe it, we can't get there. You asked for a plan and we have a strong plan, and every single thing -- and I'll go ahead and open this up for questions because I want you to ask me about every single piece of revenue that I just described and how we're going to get there, and there's a business plan for it.

TRUSTEE LAWSON: Thank you, AD Overton. We were joking about your energy level up here.

AD OVERTON: I'm passionate about this. I came here to win.

TRUSTEE LAWSON: But I seriously do want to open the floor to other board members who haven't had as much time on these numbers as I have had and some of the others has had, because I think the general
question is, how do you go from point A to point B, and how do we have some degree and assurance? Nothing is guaranteed. It's a budget and it's not an exact science, but some degree of assurance that the numbers are within reason. So I open the floor, maybe start with Chair Warren and move around.

CHAIRMAN WARREN: So we've been talking all morning about implementation strategies and what you have been articulating to us are your strategies for getting there. The reasonableness of them, presumably based on your background in the business, and most of us quite frankly not being engaged in that sort of business, but having that and then having to trust that you have done the research, applied it to our scenario here and find it achievable.

So let me ask you three things, and two of them were just related to accounting issue. Mr. Givens was chatting with me earlier about being the accounting type or financing type, so as you go to the numbers that you put together, I just want to understand a couple of things. And maybe this is for the edification of the group as well.

The last line talks about DSO and auxiliary support. That's 30 percent of the $10 million revenue line. Did I read that right?
AD OVERTON: Sure. You said DSO support, yeah.
You said 3.1 million.

CHAIRMAN WARREN: 3.1 million.

AD OVERTON: Yes.

CHAIRMAN WARREN: So for edification of the group, explain what that means.

AD OVERTON: Okay. So for the group, that means this is the revenue that's coming in this institutional support, and that institutional support may be in way of Title 9 dollars, and Dale is going to be a lot better at this part of it than I am, but it's all institutional support that's not E&G funds. So again, it's resources that we're able to secure through Title 9, through Carrie Ford; any types of dollars that are not auxiliary dollars.

Now, let me mention this. Industry standard is that there are -- I want to make sure -- it's probably two percent of college sports programs in the country that are self-sustaining. So every school, including I would say FSU, FIU, FAU; when you look at the NCAA reports, there is institutional support coming through. There is no way to do it without it.

CHAIRMAN WARREN: You landed exactly where I would hope you would go with this. For all who understand that the break-even notion on Athletics is
just that; that without some form of institutional
support you don't get there.

AD OVERTON: Absolutely.

Do you mind if I add one other quick thing? I
think this is good for the group is looking at the
Athletic Department. What I've seen is there's been a
de-valuation of the Athletic Department; not just from
campus, but from others because we've said it's okay,
and here's what I mean by that.

When you look at the assets that the Athletic
Department is asked to provide to the institution,
previous institution. Whenever we enter into a cash
transfer to the University, but we did tickets, you
know, for events like student events, recruiting
events. The stadium, we lease the stadium out. All
of those are assets and values of the University was
on a balance sheet as transfer to the University.

Here, when you look at in the last 10 years, it's
been about three million dollars of value, that when
you look at the deficit -- that we're calling it a
deficit. I have a hard time using that word because
once you apply the $7 million of resources that have
been expended to auxiliaries relative to the DSO, in
terms of valuation of multimedia and parking, and then
you also look at band support, cheer support. They do
a fantastic job and we want them to continue to be able to do that, as well as tickets, as well as facilities, rentals, as well as all of those other things. Those dollars actually come up to about $10 million.

CHAIRMAN WARREN: So help me. So this is your valuation of those kinds of things?

AD OVERTON: Yes.

CHAIRMAN WARREN: That if -- I don't want to put words in your mouth, but as I read it, what it says in 2016 is your valuation of what the Athletic Department has done in kind to the college. The valuation on that is about $3.1 million.

AD OVERTON: Over 10 years.

CHAIRMAN WARREN: This is year one.

AD OVERTON: I was just talking -- this is auxiliary support. I was talking about the notion that the Athletic Department has a deficit, and had the value been transferred back over to the Athletics over time it would have been...

CHAIRMAN WARREN: But if we're looking at pro form a budget, and your notion is to recover that type of appropriation, if you will, to the University side, you want to value that as revenue recovery. And is that in this line?
MR. CASSIDY: Okay. If I can, let me go at this slightly different way. One of the things we've found as we were looking into the history of Athletics spending more money than its revenue, which is our history; one of the things we've found is that kind of going back to what Milton said, is that very few programs were even. What we had done in the past is when we, for instance, take scholarship money and fund it out of Title 3 -- fund it out of Title 9, we've simply made a transfer, but we haven't called it both a revenue and an expense to the Athletic Department, so we've really understated the accounting for the Athletic Department, because the Athletic Department still has the scholarship expense, but it's being funded from the University, right.

So most of what's in this DSO and auxiliary support accounts for both sides of those transactions and puts it into both revenue, as well as expenses. So historically, we've kind of understated the amount of support. One of the things I've heard since I've been here and it's another way Milton saying devaluing, is people who say the problem with Athletics is the University doesn't support it enough; well, I would contend that's not true, but we haven't been fully transparent or at least visible about how
we've been supporting it. Because as an accountant, you know this is both a revenue and an expense, and we're the ones supplying the revenue in this case.

So, much of what's in there are things that have already been happening and will continue to happen. When we get to the detail behind each of this year's schedule, you'll see we're adding some things that have never been accounted for before as revenue because the University has been doing them for several years. So that's kind of brief explanation of this line.

CHAIRMAN WARREN: And so you now harken back to the accounting equation for every action is an equal and opposite reaction. Always have the balance.

So let me take you to something that doesn't strike me as balancing. In the bottom portion there, the item might be mistitled, but it's something called total expenses. And I took that to mean that it was a total of two things above it, but it's not. So is that to be some other expense line or something?

MR. CASSIDY: Where are you seeing?

CHAIRMAN WARREN: Third line down, it says "total expenses." It's the same thing that's on the screen.

MR. CASSIDY: Yeah, it's been showing this year we expect to break even.
CHAIRMAN WARREN: No, no, no, no. If you read the expected final column, and you work to the third row, 3,781,199 is titled "total expenses."

MR. CASSIDY: I'm not looking at the same schedule you are.

CHAIRMAN WARREN: It's right here. On the board here.

MR. CASSIDY: Final for this year, right?

CHAIRMAN WARREN: Third line down. It's called total expenses.

PRESIDENT MANGUM: The fifth page in your document.

MR. CASSIDY: I don't see anything that says total expenses. That's what I don't get.

CHAIRMAN WARREN: Does Mr Overton have it in his hands?


That's expenses other than people and OPS. So that's kind of operating expenses if you will. That's for the phone and the office type of things. So expenses shouldn't necessarily say -- well, it says "total" in terms of it's a number of different items that are considered expenses. Bills we pay other than --

CHAIRMAN WARREN: So it's other operating
expenses?

MR. CASSIDY: Yeah, other operating expenses, if you will.

CHAIRMAN WARREN: Well, with the labeling there, that helps me.

MR. CASSIDY: And we can fix that. That's what happens when you have lived with something for a month, you stop seeing something others will see.

TRUSTEE DORTCH: Chairman Warren, in reviewing this, I want to commend you for at least being forward thinking. And it appears a lot of the thought has gone into this plan, and I want to commend you based on the orientation I got yesterday, to hear what progress has been made, even in dealing with the NCAA sanctions, and so it shows quality in leadership.

But I do have a major concern here, and it's about our bottom line. And let me preface that by saying I understand there are certain sensitivities. I understand the value of what being a Rattler Booster has been to the institution in support over the years, but as a businessman, the bottom line does not gel well for me, is that you've taken assets of the institution. Those assets are managed outside of the institution and I'm trying to see whether the real return of investment is back to the institution.
As I look at the amount of revenue that's shown here that has come in off of parking, and the other thing that was baffling yesterday when I asked the question I asked now from my orientation, is, how is it that we take our assets, and we pay money to use our assets doing our athletic events, when it's our asset as an institution. If we have to buy parking ourselves, that doesn't make sense. It's like me having to pay to park in my garage.

But anyways, moving from there, I think it is very critical -- because I did a calculation of overhead for the Boosters and the potential of what that can mean. Even if the Boosters still operated, I count at least a $108,000 in administrative overhead had that been a part of working together. I'm sure the Athletic Department could use some more warm bodies and if the Booster and Athletic Department were working close and hand in hand, there could be a reduction of costs.

I think the efforts that you put forth to address this whole issue of potential deficits is like -- I sat in Athletics Committee meeting and deficits was not brought up to me, but I don't believe in operating in the red. And 22 years business, I would be out of business that way.
So I think here, I really think that our Chairman and the President and the head of the Boosters need to sit down and have a real come to Jesus, in terms of how we're going to move -- because Athletics is one of the major recruitments for any institutions. So we've got to have healthy Athletics, we need to play by the rules, and what disturbs me just as much as the revenue going out is these footnotes about potential NCAA violations, and we don't need sanctions or anything else when we're trying to and moving off of those sanctions.

When I look, there may be some questionable actions and activities, so as a member or Trustee of this Board, that of itself is enough for me to say that if we're going to maintain our fiduciary responsibilities, then finances and playing by the rules have got to be adhered to.

So Mr. Chairman, I think it's very critical that you, and the President, and the Boosters, and whomever else needs to get together and need to address this. But I'm looking at millions that have gone out and I don't see where it's come back in to Athletics, and so that is a major concern.

And this being my first meeting, I am no way anti-Booster. I think the Boosters is very valuable,
but this is a business, and so that's got to be addressed. And we've got to now look at what is in the best interest of Florida A&M University, and the Booster has to be supported because that's why the Booster Club exists. That's why Alumni and everything exists for the University.

So with that said, I really encourage and think that there has to be a meeting of the minds, and we need to correct this because there's no way, when I look at the revenue coming in and what comes back to this institution, we can have a healthy athletic program and other benefits to our student body.

AD OVERTON: Do you mind if I address that real quick in that I'm a big believer in history, because I believe in the Rattler nation, and you do that with your actions and not by what you say. So you look historically at the numbers, and that's why -- I have spent time with Dale and Veronica and say, "When has the Academic Department been healthy?"

In 2003, we had a surplus. Coach Riley, I called and talked to him, because between '94 and 2003, we had a $2 million surplus right here in Athletics, okay? And after, that the budget in 2004 was $8.8 million. Well, we're in 2015, and it's $8.7 million. Now, during that process, right after Coach Riley
left, assets were provided outside of Athletic Department's control. It was during that surplus time and championship time the Athletic Department controlled its assets, all of them. So it gave Athletic Director the opportunity to be successful and make sure that the student athletes had what they need.

Now, obviously, I've done a performer, because I want to make sure -- I've had a business before and what you do is you just focus on the numbers. And you look at the value, and the valuation is the valuation. The valuation is based on, you know, actual what we sell for. These are a loss. These are the prices for our loss. These cannot be argued with. And as you go down, these are empty lots. So when you look at the actual performance of what the investment has been, and I won't go into huge detail, is that we're $8.2 million out and a one in. That's a negative return on investment.

You've just got to look at the numbers, because if you want to have a championship program, you have to apply standard business principles. We have to. And whether NCAA is concerned we have policies in place. 2005-15, I believe. We have two Board of Trustee policies that are on the books. Whoever wrote
it did a great job, because what it does is it specifically applies controls to any DSO relative to the NCAA rules. That's why it was written.

But for whatever reason that was abandoned, and when you do that, when you reduce the ability to generate income -- what did I say, 7.2 out which means 7.2 negative? What's the budget? What's the deficit? 7.4 over 10 years. So if you really want to know what happened...

CHAIRMAN WARREN: Let me comment for a moment.

So as not to lose focus, the most important thing we do here is serve students. And where we set up a DSO, we set up a DSO for the benefit of the University. That includes the Foundation, that includes the Boosters, or anybody else charged with such a title as DSO. It is to support the strategic initiatives of the University. And then the onus is on us to make sure there are adequate controls in place, to monitor the performance of that DSO, the auditing of these activities, et cetera, et cetera.

So no DSO is independent, if you will, of the strategic objectives of the University; their objectives should marry into ours. In this case, as we're talking about this parking lot and we've been talking about it for some time, if not today and the
weeks prior to, about this issue, the Board of Governors in particular, we have an obligation to get back to them for a budget proposal of how we turn Athletics around, and it's important to muster the resources to do that, and if one those resources is a parking lot, if one of those resources is a multimedia signage at the stadium, whatever that resource is, the onus that we have is to make this budget work, and if that's not working through the Foundation or the Booster Club or Cleve's household, then they need to change what they're doing or we take away what their responsibility is so we can manage it appropriately to the numbers we need to turn this operation around.

So, without having a lot of debate on the subject, if we can refocus everybody's attention on what we're about here and stay focused on the bottom line so this operation, the Athletic Department.

So now, you then would accept responsibility to meet these goals that you set here?

AD OVERTON: Absolutely, yes, sir.

CHAIRMAN WARREN: We will hold you accountable, and that's what we hired you for, and not to lose faith in you until you prove that you can't do the job. I would say that Coach Riley did it so it must be possible.
AD OVERTON: He's a good man.

CHAIRMAN WARREN: No offense to Coach Riley. I'm saying there it shows there's a way to do this with professional attention to it, but in no way are we to put the needs of the DSO ahead of strategic needs of the University.

So I'm not empathetic to any conversation about how we make room for the survival of the DSO when it adversely impacts the University, and the Athletic Department is a part of the University, so that comes first. Now, if there's room for us to reach some area of compromise and I'm just -- there are 13 of us so you may have 13 different opinions about this but I'm giving you mine, and hopefully there's some consensus around it when I say it.

The most important thing we do here, particularly given the attention that's been given externally to the Athletic Department, from the Board of Governors to the NCAA to this Board, is for you to come on board and turn this ship around. As large of aircraft carrier as it is, it still can turn around.

And so, that's our expectation, and take no prisoners in the process of doing that would be my point of view about it.

TRUSTEE LAWSON: Thank you, Chairman Warren.
What I would like to do is, I think there were a couple of other members; Trustee Carter, Trustee Reed, did you have questions? Or Trustee Dortch, did you finish your question?

TRUSTEE DORTCH: I'm finished.

TRUSTEE LAWSON: Trustees Reed or Carter?

TRUSTEE REED: I just had a question regarding the discussion. It was around inappropriate accounting practices, which are one of the four bullets mentioned in the action item.

I was first trying to get clarity on what was the action we were supposed to be taking, and I think I got clarity on it now and it sounds like a Board of Governor's request in taking a response to that.

So if you can speak to how that inappropriate accounting practices, and then of course the NCAA risk out there. We spoke a lot about the financial, and how they were going to manage pieces of it.

MR. CASSIDY: Well, I alluded a little bit to the accounting practices in that we were recording the expenses, for, for instance scholarships. But when we transferred the funding of those scholarships and we did this earlier this year, we took $700,000 of scholarships for Athletics and we funded it from Title 9. In prior years, we just left that
expenditure there, but we never showed where the
revenue came from, okay?

Back to the Chairman's question awhile ago, it
really needs to belongs in revenue as auxiliary
support or University support. So it's not that we
were stealing money or anyone was stealing money.
What it was, was we weren't recording both sides of
the transaction, and I quickly discovered that as I
started to look at this, because I knew that we were
doing things year to year to support Athletics, but I
didn't see it showing up in the net numbers, and in.

Some of the context that I wanted to bring in the
discussion earlier I go through some of the details of
what we found from that. And AD Overton mentioned
some of them: The value of tickets that are
complementary tickets that have been given out for
years to various groups, functions, and others over
the years; those have been given out, but we've never
recorded the fact that if we're going to call this an
expense, then we have to have the revenue, which in
this case would be either due from the University or
some similar characterization to make sure we're
balancing every transaction.

So the inappropriate isn't meant to mean...

CHAIRMAN WARREN: Malfeasance.
MR. CASSIDY: Malfeasance. It's meant to mean we don't record both sides of the transactions. And in the narrative here, and I'm sort of getting back to the edge of why all of this matters and who is watching and those kinds of things, and because we do have some new board members, can I spend a few minutes on that concept?

TRUSTEE LAWSON: Sure. Are we close to answering your question, Trustee Reed?

TRUSTEE REED: So I think my question is more around, so we've changed a policy or process to insure is that we now won't have those issues occurring?

MR. CASSIDY: Yeah, and that's why you're beginning to see this line item of auxiliary support being significant, and its DSO, because we're starting to record the second half of that transaction going forward. And we've been doing it this year every time we make a transfer.

If we were look at the detail of the 2017 budget or action plan, you would see that we've got some things in there that we've been doing for several years, including -- let me look at the detail here -- and we're recording the value of those. We have three academic advisors that the University is paying for. Their salary and benefits is $164,000. We have a
financial aid person whose salary and benefits
$60,000; four graduate assistants, 81,000.
So there alone is $306,000 of support that the
University has been providing. Athletics has been
benefiting from that and the key to all of this is
have our students, but we haven't been recording the
fact that's support that's being given to the
University. And then we talk about scholarships and
there have been things that frankly as -- the simple
concept behind this is, the way we've been recording
things, we've been spending more than we've been
taking in. And that's where the -- I want to call it
the "due to other funds" number, which is $7.6
million, which is what shows up in the audited
financial statements all of the Athletics Department,
which is the requirement; that's shown as "due to
other funds," and it's largely auxiliaries because
we've done a lot of support through auxiliary.
Bottom line, funding is our most functional and
usable resource and so overtime we've given money for
that. Other ways we've done it is through
scholarships and Title 9 and other places. But the
"D" word that floats around here is really a due to
ourselves, okay? And the problem with it is we've
been -- we, or the auditors have been recording the
"due to," but we haven't been showing the "due from;"
all of the things that Athletics has been doing for
the University that haven't been valued and haven't
been recorded either and so it's one of the things
that's in this narrative document. The "due to other
funds" in our most recent financial statements is $7.6
million. We believe we can identify at least three to
four million dollars over that same 10-year period
where that "due to" has built up that has been
provided to the University but not recorded.

TRUSTEE REED: So that actually helps close the
gap is what you're saying?

MR. CASSIDY: Yes, exactly.

CHAIRMAN WARREN: So let's take Trustee Carter's
question.

TRUSTEE CARTER: I was just trying to get a feel.
I see a lot of red here, and I was just trying to
figure out, the DSOs are to support fundraising; is
that correct? No? I'm not an accountant. I went to
law school where red does not mean good.

CHAIRMAN WARREN: That's correct.

TRUSTEE CARTER: So this 7.2; is that right? 7.2
million?

AD OVERTON: That's correct.

TRUSTEE CARTER: So as presented by the AD is to
address this, as well as going forward in building these pillars and solidifying the foundation in terms for the academic compliance, training -- those six pillars that you mentioned.

TRUSTEE LAWSON: I'm sorry. Let me get the gist of your question, Trustee Carter.

Because I think -- I'll add one piece of editorial to this; it helped me as I was looking at this. Right, wrong or indifferent, most of the programs in the SUS run at a deficit. They are funded through other DSO entities. All of their bills are paid, as all of our bills are paid. What we have looked at is a reclassification of revenue and liabilities to make this picture more realistic than what it truly has been.

The third thing we looked at was how much money will we truly bring in the door in '17, and AD Overton took us through these numbers, and as I walked through these numbers a couple of things became apparent. The big numbers around student fees and guarantee games and NCAA revenue, et cetera, the thing that made me feel a bit more comfortable is either they're already existing contracts or close to be existing contracts to support the big dollar numbers and the revenue generation plan.
And like I said earlier, it is a plan. It's not an absolute. It is our best environmental scan and assessment of where we are and where we think we can go, based on what we know. And some of this already has contracts in hand and attached to it. So you don't see numbers here that will say for the 6.8, or whatever the gap has been historically, that that number has been closed, and I think the reality is we will probably -- it will probably take us several years to truly generate that much internal revenue to close that gap.

But I will just leave you with the statement that most schools -- right, wrong, or indifferent -- run a deficit, even the larger national powerhouses. Those deficits are funded through the Boosters and other auxiliaries. Which quite frankly, we've been doing the same thing, just not classifying the transactions in a way that's more beneficial to us, and in turn we have to answer question to the Board of Governors specifically around, Do you have a plan that your Board is comfortable and has agreed to.

So that's really one of the things that from around this table, after all of the discussion, you know. Mr. Overton has done a nice job of taking you through the numbers and how they hang together.
Mr. Cassidy is going to take you back through Trustee Reed's question around the accounting practices, and then we're going to answer the last question: What's the liveable -- first of all, are we comfortable with everything; and second, what's the deliverable to the Board of Governors, which Mr. Cassidy and I have had a chance to go back through and re-read the minutes from the Board of Governors to be sure we understood what they were looking for, and so you'll clarify that for everyone.

We will still entertain other questions. This has been like a year-plus issue, so I don't want to run it through in 30 minutes. So I think Trustee Reed, Trustee Dortch, and in that order.

CHAIRMAN WARREN: Hold on just a second.

So here's what I would like to do, so we don't just kind of beat the horse to death. Much of what you were going to say, we got into it as Mr. Overton was talking through his presentation as well, and so I don't want to you duplicate that at all.

What I want to do is get to a point, to a head on this, so we can take some action on the action item, and then we're going to vote it up or down. So as you have got some direction, if you will, from Trustee Lawson, what I want to do is bring us to a summary
point and if other members have questions following
that, we can deal with those questions, if your
summary doesn't resolve them in your summary. And
then I will ask you, ladies and gentlemen, what's your
pleasure in the action, all right? So let's proceed
in that way.

MR. CASSIDY: Thank you. That's helpful. One of
the things that I would like to point out is this a
six-year budget plan. At the June Board meeting, you
will be asked to approve next year's Athletic
Auxiliary budget as a one-year budget. This is a
long-term plan and it, just as you said, we hold the
Athletic Director accountable for achieving it. Each
year, you will continue to get, "Here's what the
budget what we approved," which hasn't happened yet,
and here's what was achieved and does the next year's
budget make any sense.

    So we're asking you to approve a plan, not a
series of six budgets, okay, so that's an important
distinction. And in order to bring that home, if I
can, and getting to the Chair's point, about getting
to the history -- and this is important, I think
especially for new Board members. There's a been a
lot of talk about -- I guess I'll use other people's
word -- the deficit, and it has built -- and this is
in the Document A, the third and fourth paragraph on the first page, where in 2007 the amount that was reflected in the financial statements that was due to other funds; in other words, it's due from one pocket of the University to several other pockets of the University. In 2007, that was $3.2 million.

The last audited financial statements that have been issued, in 2014, is going to $7.6 million. Not yet issued, but they're finished, and the audit work done for 2015 says it's grown to $7.68 million. It's about $58,000 different in '15 than '14, so you can already see a little bit of turn-around. But the financial statements show this as due from the University's Athletic fund to other parts of the University, so that's the first point.

The second point is, as we've said, we found that over time, the things that Athletic Department has been providing to the University haven't been accounted for and that's -- we've had discussions. I've had two discussions with the external independent auditor of the Athletics enterprise who records these numbers about the possibility of us going back and trying to the assemble what we believe is easily three to four million dollars worth of "due from" parts of the University. Because remember, these are separate
pockets and ultimately they mesh together. And he's sympathetic, and he's looking forward to the opportunity to go through and to see what we can do about that.

So, that's what's being said. I just want to give some more detail to the idea, because I think a lot of people have trouble getting their arms around the fact that Athletics always loses money. I have the report from the NCAA, where they did a 10-year comparison of which athletic programs make money and which don't, and I think the most telling statistic is of what's now called the "Power 5 Conferences," which is essential football and basketball, which is the ACC and the Big 10, the Big 12, the Pac 12 and the SEC; 56 percent of those athletic programs are not self-supporting, even though they are the big revenue generators, okay? So they have to be supported from elsewhere within the institution.

The difference between us and some of the other schools in the SUS is we don't have a foundation that has large amounts of resources, or it raises a lot of resources because that's where most of the differences get made up, okay?

So I just want to give you some of those facts as background. Incidentally, in reviewing what the state
auditor has been saying to us and confirming their
approach to this, there are two other schools within
the SUS who have been cited as having a D2. So we're
not alone within the SUS. Where we are, is we're
cited for it twice and they've only been cited for it
once.

TRUSTEE DORTCH: I think this is good
information, but two things: No matter what other
institutions do, it's the standards we set as a board.
This institution has proven that it can have a surplus
in Athletics, so we should never settle for it's there
and others are doing it, others have it.

Right now, we are the Florida A&M University, and
so going forward, we have to make sure we do
everything so that we set the standard and not follow.
With all of that said, and I think your plan to go
ahead and kind of show what would be, quote, due to
Athletics, if you did do that work and bring it back,
it's good for PR marketing and good for our knowledge.

With all of that said, if I'm not out of order, I
would just call the question.

CHAIRMAN WARREN: The question has been called on
which motion? The motion in the action?

MR. CASSIDY: Let me read you the proposed
action.
MR. CASSIDY: I have it, thank you. We believe that we have presented a comprehensive and reasonable plan going forward, which is what we're asking you to adopt. And the goal is ---the recommendation is based on this five-year financial plan and the spreadsheet that you have seen and the other documents presented. We recommend that the Board approve this five-year financial plan to do two things: Address the financial stability of Athletics; and second of all, to address the finding that was raised by the State of Florida, Office of the Auditor General in their operational report 2014.108, which said that we owe money to ourselves.

TRUSTEE DORTCH: So moved.

TRUSTEE LAWSON: Second.

CHAIRMAN WARREN: It's been moved and properly seconded.

Any questions or further comments?

TRUSTEE REED: Excuse me. I just have one question, and this is pertaining to the action, the fourth bullet. Is there a requirement or any issues for us to execute that fourth bullet from a contractual stand point or something of that nature? Is there any liability associated with this fourth
bullet?

CHAIRMAN WARREN: The bullet in the rationale or recommendation?

TRUSTEE REED: The management of the University-owned assets that are included in the revenue.

CHAIRMAN WARREN: So Mr. Cassidy, do you want to read the recommendation verbatim? I think you just tried -- the bullet is in rationale but taking the action that's at the bottom.

MR. CASSIDY: Yeah. And the University's -- well, the Board of Trustee's Policy Number 2005-18 gives the authority for these assets to the Athletic Department, and so, the policy already exists. It wasn't being followed for a number of years, and then not following it got codified in a document, but we're really asking that you take it back to where the board policies says it should be.

TRUSTEE DORTCH: But Mr. Chairman, to that end, I would encourage, and I would like to actually offer a motion, because I'm not disagreeing. I think we should, but we're one family and I don't think it should be "this is it," and not have communication and dial-up with the Boosters.

And so, my motion is that the Chair and the President, working with Finance and the Athletic
Department meet with the leadership of the Booster, work hand and hand so that there is an amicable friendly working effort to inform of the intentions of the University but to work so at least to keep them engaged, so there's no alienation between what they've done over the years and try to do. But still, at the same time, we know what the ultimate decision has got to be and that's what's in the best interest of Florida A&M University. So I so move.

TRUSTEE WOODY: Second.

CHAIRMAN WARREN: I think there's an existing motion on the floor.

The first motion.

TRUSTEE LAWSON: Allow me to amend this motion?

TRUSTEE DORTCH: I'm sorry. I'll wait for the first motion --

TRUSTEE CARTER: I think we should do the first motion since there's more discussion there.

CHAIRMAN WARREN: So we're back on the first motion. It was properly seconded. All in favor of the first motion? Unless there are further questions.

TRUSTEE LAWSON: Question. As the originator of the motion, he can amend his own motion if he so desires to?

TRUSTEE WOODY: It's a separate motion.
TRUSTEE DORTCH: I will amend the motion to include the second part so that it is approved, the program, and direct that the President and Chairman with the Athletic Department, Finance, and the Booster come together to work out a workable plan to transition the assets.

TRUSTEE LAWSON: I will second that motion.

CHAIRMAN WARREN: All right. Any further questions?

TRUSTEE CARTER: Mr. Chairman, since that's from your committee...

TRUSTEE LAWSON: Actually, essentially, it's now a committee of the whole.

TRUSTEE CARTER: All right.

CHAIRMAN WARREN: All in favor.

(All answer affirmatively.)

CHAIRMAN WARREN: Those opposed? The "ayes" have it. Thank you, Mr. Cassidy.

MR. CASSIDY: Thank you.

CHAIRMAN WARREN: Thank you, Mr. Overton.

Are there any other action items to come before the board?

(Trustee Dortch exits meeting.)

CHAIRMAN WARREN: So that rolls them up so to speak. Before we lose a quorum, I just want to be
sure we are done with the action items, so let's go
then, if we're done with action items, to the status
updates.

First of those is Faculty Senate.

TRUSTEE GRABLE: Thank you, Mr. Chairman. The
Faculty Senate is the highest legislative body in the
University. With that said, the Faculty Senate meets
on the third Tuesday of every month. We will be
meeting on this coming Tuesday, March 15th. We are --
our agenda right now will include a report from
Faculty Senator Latinwa regarding an ad hoc committee
that the Senator developed to help suggest activities
that the faculty can participate in, in an effort to
help the University with this performance matrix. So
we're excited that. That has been going on.

And also, we will have an update from several
different departments, including Dr. Hudson's shop,
the Division of Research and a couple of others. And
that's all I have.

CHAIRMAN WARREN: Thank you, Trustee Grable.

TRUSTEE GRABLE: I'm sorry. I did want to make
one other comment. I want to publicly thank the
President and the Provost for their, during the last
couple of months, have made a Yeoman's effort and
showed up for our Faculty Senate meetings. That is
really important, and we appreciate your presentation
last month, Madam Provost, as well as President
Mangum. Thank you. And we look forward to seeing you
on Tuesday.

CHAIRMAN WARREN: Thank you again, Trustee
Grable.

The Student Government Association, Trustee
Graham.

TRUSTEE GRAHAM: Mr. Bruno, the person on the
agenda will do it.

MR. BRUNO: How is everybody doing?

Greetings, Board members and members of the
audience. I'm here to provide the Student Government
report. For those of you who I haven't had the
opportunity to meet yet, my name is Justin Bruno. A
little bit about myself: I'm a third-year computer
engineering student from Orlando, Florida. I'm over
at the FAMU-FSU College of Engineering. I am one of
the recipients of one of the University's Life Gets
Better Presidential scholarships, and I'm currently
the Student Body Vice-President alongside Trustee
Tonnette Graham.

First off, Student Government recently -- first
off, actually I want to welcome all of the
newly-appointed trustee members. I'm glad to see you
guys are here serving the University.

    For the report, first off, we have Student
Government recently under went an election last month,
on February 16th, for the positions of Student Body
President, Vice-President, Mr. and Ms. FAMU, the
attendance of the Court, continuing third-year
Senators for the Student Senate, and Class Presidents
and Vice-Presidents.

    I was actually one of those elected in that
election, and as such, I will be the new Student Body
President and the student representative on the Board
of Trustees for the upcoming year. So I'm happy.

    My Vice-President, Devin Harrison, was my running
mate, and he's a second year public relations student
from Tallahassee, Florida, and we will be executing
transition period for building up our administration
in the coming weeks. So at the next meeting we should
have an update for our progress and forming that
Cabinet and the administration.

    Mr. and Ms. FAMU also elected. Ms. FAMU is Amber
Lee Williams (phonetic.) She's a junior from
Tallahassee, Florida. And Mr. FAMU is James Rosier
(phonetic) from Orlando, Florida.

    The attendance for each class that will serving
on the University's Royal Court were also elected, and
their Royal Court is currently undergoing an application process for selecting the royal escorts for those attendance.

Next up, last month, the SGA sponsored a number of student leaders to attend the 2016 New Orleans Student Government training conference hosted by American Student Government Association. Just a little bit about the conference so you all have an idea of what came out of it. The purpose of the conference was to give student leaders from all over the nation an opportunity to improve their student government network with peers from other universities. A few of the features were access to more than 20 intensive workshops and round tables designed to address specific needs of individual Student Government Associations, workshops for all levels of student government, very evolved and strong student governments, new student governments starting out, and SGAs just trying to improve, and experience and knowledgeable speakers from across the nation, all of whom are former student government leaders and advisors themselves.

SGA also sponsored students to travel abroad and participated in a conference in both South Africa and Dubai during Spring Break. That trip is currently
going on as we speak. One of your colleagues, Trustee Graham, she actually traveled with the group to South Africa and just returned early this morning. She reported that she had the opportunity to meet university officials in Durban for future partnerships with FAMU students, between FAMU students and their students, so that should be something very beneficial to the University coming up.

In terms of programming SGA, we have the FAM Fest, which is somewhat of a remix of the what used to be called the "Be Out Day." That is scheduled to take place -- is being planned currently and is scheduled to take place in April.

Renovations for Student Government are taking place right down the hall. As you all know, this is the second phase of the use of the CITF funds. The first phase was the renovation of the SBI lounge. The initial vision of the renovation and corresponding construction are scheduled to be completed by the second week of April, but there's an extension of the initial vision that will extend the total completion a bit beyond that deadline. But as I said, the instruction as associated with the initial vision will be completed by the second week of April.

Just a brief point on Homecoming. Homecoming,
2016, the planning process is under way. Dr. John Lee, he's been doing an excellent job thus far in him leading the effort of planning and doing the committee endeavors.

We have recently appointed some student representatives to serve on that committee and have already seen signs of productivity on the committee that should lead to a more effective and enjoyable Homecoming experience for students and alumni.

I will continue to make myself available to the committee in that process for support, but my Vice-President elect, Devin Harrison, is set to serve as the overall student chair person for the Homecoming planning processes as we move forward.

And lastly, the Florida Student Association of which Trustee Graham serves as the chair had a successful rallied here in Tallahassee this past month on February 10th. Many students joined in on that rally from across the state, and the Florida Student Association is also planning to launch a state-wide student campaign to address mental health coming up next week.

So that is all I have for you all, and I would like to say I appreciate the opportunity to address you all, as you all will be my colleagues on the Board
in our meeting in June when I take my seat as the student representative on the Board of Trustees.

So I thank you and I look forward to working with you all as we continue to serve the University.

CHAIRMAN WARREN: Mr. Bruno, thank you for your presentation. And I would say to you that you fill some big shoes following behind Trustee Graham. This is -- I don't know if it's my fourth or fifth year, I can't remember -- on the Board of Trustees, and it's been my experience that the representation from the student body has been strong.

So I give you that as a warning that our expectation is you will be strong.

MR. BRUNO: Yes, sir.

CHAIRMAN WARREN: We've had nothing less than that from Trustee Graham. In fact, Trustee Graham, we didn't think you would be here today, so it's good to see you. And with 49 days left, I think there's more than 49 days between the next time we may see one another, so it's also an opportunity to say thank you for your service to the Board, and to the student body and to the University.

TRUSTEE CARTER: And to the Board of Governors.

CHAIRMAN WARREN: And to the Board of Governors.

Thank you. So fill the wagon, partner.
University Advancement and Alumni Affairs.

VP Cotton.

VP COTTON: Good afternoon, Mr. Chairman, Madam President, and members of the Board. I will be brief in any comments because much of what I intended to report on, quite frankly, has been alluded to by Trustee Grable earlier.

I would like to point out several successes that I think bear mentioning. The first thing I would like to say is after my almost 30 years of development I have learned that success and advancement is surrounding yourself with talented people who know what they're doing. So let me begin by talking about the fundraising aspect, which I began to refer to as the "English plan." And for those of you who have not had a chance to meet my Associate Vice-President For Developing, Michelle English, michelle leads to strategy and comprehensive vision for fundraising for university advancement.

To-date, fundraising -- as a matter of fact, I pulled the numbers up -- we have raised $4,760,000 and some change; with roughly $353,400 in the pipeline, and pipelines are gifts that we have pledges for that we feel relatively sure that we're going to get within the next 45 days. So they're not just pledges where
people say they're going to give money; they're gifts that we've already talked about the gift agreement and we've already met with them.

So when you put those two together, we're sitting just south of $5,117,400, but 4,764,000 already in hand. And just in case you're wondering, this time we were sitting at last year was 4,255,000, so we're about 12 percent above where we were last year. And one thing I want to point out is we're doing that with a smaller staff, a smaller staff focused on raising larger gifts. We're focusing now on major fundraising, less events, and less individual annual giving. We were focused on $25,000 and above.

The other thing, Dr. Mangum mentioned this earlier, the average gift is up from $797 last year to $1500 per donor this year. And again, we're doing this year with fewer donors.

The other thing I would like to mention is one of the things that I take great pleasure in is we have more than $1.5 million in gifts this year from people who have never made a gift to FAMU before. That is an outstanding achievement, and that is something that again I have -- I love to take a lot of credit for, but I have to give the credit to Ms. English, because she came in and put a focus on that.
The other responsibility I have is working with very talented group of people who supervise the Alumni Affairs Department, and I refer to this section as the Lee model. If you met Dr. John Michael Lee, Dr. Lee is a data nut, and I mean that with all degree of sincerity. He's constantly pushing us to focus on data and results.

Our alumni engagement numbers stands roughly at nine percent. And John and I were talking about this earlier and he knows that I want to be at 12 to 15 percent category, and if we are successful in getting to that 12 to 15 percent category, we'll be at the average for HBCUs.

I would like to echo something that was mentioned earlier. A person who I have had a chance to meet and have a lot of respect, your colleague, Lieutenant Colonel Greg Clark, is the new President of the National Alumni Association. I am extremely excited about that. Lieutenant Colonel Clark has agreed to sit with us and has accepted the responsibility of raising $500,000 to assist in FAMU students moving towards graduation and eliminating debt, so we're really excited about that. That's something that the NAA has decided to do and something we're very excited about.
The other objective that I want to focus on is the fact that I'll be challenging our Alumni Director, Dr. Lee, to take a look at moving us from our current numbers which are roughly four to five million dollar -- 4 to 5,000 active alum, to 6 to 7,000 active alum on a annual basis. If we're able to do that, Lieutenant Colonel Clark, that will give us 12 to 13 percent average.

So for Lieutenant Colonel Clark and Dr. Lee, that's the challenge that we're going to be trying to get at that 12 to 15 percent category. The last category I will mention in my role is to also serve as executive director of FAMU Foundation, and that section I refer to as the "Poole Philosophy."

Associate Vice-President Angela Poole is responsible for working directly with the Foundation and managing investments.

The FAMU Foundation endowment stands roughly at $125 million. We lost roughly $4 million last year, but even with that loss, FAMU Foundation remains the largest foundation of all public HBCUs.

As a matter of fact, not only does it stand as the largest for all public HBCUs, even when it's compared to all HBCUs nationwide, FAMU is 4th or 5th, even when we consider institutions like Howard,
Spelman and Hampton. FAMU stands at 125 million and the next closest to us is 50 million, which is Tennessee State.

So quite an impressive legacy that we stand on to begin, even though we lost four percent. And just for the record, we're currently reviewing our investment philosophy, and we'll be meeting in May to take a look at plan forward that would add strength and stability to our endowment because we most certainly need to grow that endowment.

Last thing I want to mention and I'll take my seat, is the Office of University Advancement just completed our organizational retreat last week, and part of the President's vision we are beginning to put meat on the bones to talk about that hundred-million-dollar Capital campaign that we mentioned earlier, and we will be coming back to the Board later with some touch points, because it will be the President and the Board that will have to give us both vision and marching orders in regard to that.

Mr. Chairman, Madam President, that concludes my report, unless there are questions.

TRUSTEE CARTER: Were you by chance here this morning when the man from SACS was here?

VP COTTON: I was taking copious notes, yes.
TRUSTEE CARTER: About the money matters. You know I'm totally focused on the performance metrics, so I try to tie everything into that. So he didn't have -- I guess we're talking apples and grapefruits. For every million dollars that we raise, how does that impact our graduation rates? Do you see how I'm trying to relate those two?

VP COTTON: I do, and I think he gave a very good answer which is similar to the answer I would give. He said it's almost impossible to put a dollar matrix on that. On one hand, I understand his point.

Years ago, I was talking to someone who was trying to make the case that money wasn't is answer to education, and money isn't what will solve the educational crisis. One of the things that I've always said is people who say that money isn't the answer usually are people who have plenty of money.

So my thing is, money does matter. It makes a significant difference, but the reality is, here at Florida A&M University, we have to raise more. And if in fact we raise more money and we're able to get to that 10 to 20 million a year matrix that we should be raising, a lot of those gaps will be filled because we will be able to channel discretionary dollars to the career center that Dr. Hudson was talking about.
earlier. We will be able to channel two to four million dollars a year into those support services for students who come in and need ancillary to catch up. We would be able to hire innovative faculty and put challenge dollars for recruitment and research.

All of that are the types of things that would happen if we had additional money. So yes, money does matter, but we need more discretionary dollars. Scholarship funding is wonderful and traditionally 60 to 70 percent of all funds that are raised go to scholarships, but we need for discretionary dollars. That would allow faculty and leadership to fund those areas that truly would help move students move academically.

CHAIRMAN WARREN: President Mangum?

PRESIDENT MANGUM: I just wanted to add one comment about the resources and the value of the endowment and the degrees of freedom and flexibility that one has with it. Many of the larger resource institutions that you saw on those slides, especially the private ones, one of the core uses for those resources have to do with faculty, faculty research, and faculty investment through professorships, endowed professorships that allow faculty to pursue and to support graduate students to build out that research
portfolio, increases the attraction to your
institution and also allows you to fund facilities
that you wouldn't normally be able to fund through our
normal public channels.

So the funding does matter, but it matters most
when it comes to faculty excellence, I think in
research.

TRUSTEE CARTER: So is there -- it makes a lot
more sense to me. You see where I'm going with this,
because I think if we look at that and say, "Okay,
where is the value at for the resources?" I mean,
we're going to bring in new faculty that will bring in
the new students; two, we're going to enhance the
quality of life for the current faculty; that's going
to help us with the students.

But the other thing, too, is it's going to
enhance our perspective in terms of being able to
build and build and build and get in the mode of
building and staying in that mode. So we have to
fundraise one year and drop off, but have a sustained
program, and I think that will get us to where we need
to be. And I think that on those matrix and all, I
think for Dr. Mangum to have the discretion to move
forward, when she's talking to some professor, who his
and the latest Silicon Valley thing who wants to do
research, and say, "Well, I'm going to bring my
graduate students, but hey, this is what it's going to
cost is $500,000."

We don't want her to say, "We'll get back with
you," because those resources need to be there because
when you do that and you're bringing in first-class
folks, and you take care of the first-class people
that are here, then you are more likely to have a
student population and particularly one in graduates.
I think that's one of the charts on there talked about
how the rates and everything improved on a graduate
level.

So I'm really excited about that and I think
probably all of us could get excited with our
fundraising and assistance to the program.

Thank you.

LIEUTENANT COLONEL CLARK:  First, I want to make
sure that I can introduce everybody to some of my
executive board members back there.  I see Mr. Moore
back there, and more executive board members and make
sure they're introduced.  They're here to support us
and I'm so happy they are here today.

I also want to personally invite each and every
one of you to the 2016 National Alumni Convention.
It's on the board right there in Tampa, Florida;
May 25 through the 29th. We will also be meeting the FAMU Foundation will be a part of this meeting and the thought process would get two of the DSOs up under the same umbrella at the same times so we can kind of talk this thing out and move this thing forward.

So I personally invite you to the convention. We're going to have a good time, but we're going to meet and raise some money. We are committed to raising half-million dollars. It will culminate on that breakfast, that Friday morning, the 27th. I think that is the date -- the 28th, I'm sorry -- and we will raise this these dollars, and we're going to use them right away, okay? We'll pull together a scholarship committee along with members of the University and figure out which students that need help right away. So that's step one.

And then we'll go on to whatever next project the University needs our help with, and we're committed with VP Cotton and making that work.

Last thing is membership. We're going to drive the membership. I'm going to ask each and every one of you to become members of the National Alumni Association. So I'm coming to you, so I'm going to publicly say that today, and we're going to have to get those numbers up.
Thank you so much for all the help you do.

CHAIRMAN WARREN: Trustee Graham.

TRUSTEE GRAHAM: Thank you, Mr. Chair.

VP Cotton, wait a minute. You mentioned scholarships earlier. I wanted some clarification on the Strong Finish Scholarship from the President. How do you determine the merit or priority for students for funding throughout the school year?

VP COTTON: I think that's probably a question more appropriate for the President and Dr. Hudson.

PRESIDENT MANGUM: The Strong Finish Scholarships are scholarships that we have raised funds for students that finish Florida A&M University in four years, that came here without any scholarship or merit-based funding. That's to say they have paid their way and they did it in four years. They came and they primarily financed their way through loans.

I have an additional set of criteria that deals with the income level. These are all Pell and Pell eligible students. That's for the Strong Finish Awards, and that was provided through the gift agreement from the philanthropist who provided the resources. So we are string finish awards to those students in that income level.

We have a High Achievers Award. We have two
levels of high achievers that are primarily -- awards
used for retention. Those are also restricted based
upon donor requests. One set of High Achiever Awards
has to do with rising sophomores and rising juniors;
the primary purpose is to increase our retention
rates.

The Board of Governors performance criteria
suggest that students that are retained and have a GPA
over 2.0 counts for our matrix, but the students that
are able to transfer are the students that typically
have a 3.0, 2.75 and higher GPA, so we provide awards
to those students in the year that they're coming back
to pay tuition. That is also moderated by income,
Pell-eligible students. And I have another donor that
provides, and that's under $40,000 in household
income.

We also have another donor that provides
scholarships to students that household income goes up
to $80,000, because they're trying to effect some of
the middle income students that might be right on the
edge, and they're provided with the same type of
criteria. Students with 2.75 or over, and those
awards are based upon the amount of money we have
availability in the pool, and we award them based upon
the level of GPA.
So for example, last year, a student with over a 3.5 GPA would have received $5,000. Student that was 3.0 may have received four. And 2.75, so it's a graded scale, so we give out all of the money we get out every year to the students that meet those criteria for retention.

TRUSTEE GRAHAM: Thank you, Madam President. Maybe I should reset my question or share the scenario. I was asking on how it's divvied out or given throughout the year, because I know in the past I've sent some students to your office for assistance, and they're saying they can't get it at this time or they'll be placed on a priority list. More specifically, one of the young ladies working in the President's dining room today was eating with some of my colleagues on the Board, and they were just having a conversation with her, and she shared how she has one more semester left but she has a couple of thousand dollars owed so she can't register to complete her last semester.

And a similar situation has happened to a former FAMU student leader, with a resume probably second to none in the history of student leadership. But he graduated in December and can't get his diploma to start his job because he has a balance. So what
systems are in place, or how can these students get these scholarship funds so they can move forward?

VP COTTON: One of two ways -- one is I would invite and I would be glad to talk with you specifically about that as soon as the meeting is over.

But in general, as you are probably aware, as long as the student has at least a 2.0 GPA, we have numerous scholarships that are available throughout the year and that are administered at different times of the year. But by and large, as the President implied, the overwhelming number of our scholarships are dictated by the donor intent, and as long as the qualifications is there and as long as the funding is there, we try to work directly with the students.

But without dealing specifically with what, I would recommend in this particular situation is you and I talk. I was going to say, Dr. Hudson and I talk almost weekly about situations, because we get calls almost every day from parents who say, "My child is eligible for a scholarship. Why didn't my child get a scholarship?" And there's always a back story.

But where it's possible we try to work as intimately as we can if the money is available, and if the money is available. But specifically, Dr. Hudson
probably has a better understanding.

DR. HUDSON: Specifically with students, there is a variety of why students won't get scholarships. And we're talking about scholarships, but in many cases it's financial assistance. There's a very big difference between scholarships and financial assistance, and a lot of our students may not fit what the criteria what the donor money had specified it for. But the University does a great job in providing financial assistance, and that's through the Office of Financial Aid or through the Foundation.

It also depends on the amount, because you have some outstanding amounts that could be up to $11,000, and there's not financial assistance or Foundation scholarships that's going to cover $11,000 for a student.

So it depends on the scenario and the situation that the student is in, whether or not we can be able to help them. Through financial aid, you know there's a cap. We can't exceed that cap, and so many of those students have exhausted the financial aid to be able to assist them because they have taken out loans, specifically our out-of-state students, and have exhausted their budget or their budget for that year. So we don't want to go back down that path of
assistant those students and have to repay that money.

CHAIRMAN WARREN: So Dr. Hudson, let's see if I can help in the answer to Trustee Graham.

In the same way that you receive federal dollars for financial aid to students, they come with some constraints for rules of distribution of those dollars. Similarly, when you get a dollar from a donor with restrictions but restrictive funds, the donor typically articulates how the money is to be spent or disbursed based on a certain criteria. It is what you were talking about earlier, the discretionary dollars or unrestricted funds, that would allow you to respond to a student request that comes through VP Hudson's office.

And then he talks to you about the resources we can use to help the student out. Those are the discretionary powers. And also, let's be clear about this: The Foundation is not the maker of financial aid. They don't make scholarships. They fund them at the request of the donors.

So your role, Mr. Cotton, is to, in raising money, to satisfy the strategic objectives of the University; one of those is financial aid and/or scholarships to students, but you're not a decision-maker on who gets it, nor should you be the
conduit for which they come. And if you did get one, hopefully what happens is you refer it back to Dr. Hudson. That's his role with financial aid and financial assistance to students. But for clarity purposes, donors -- you know, it was an interesting point over here. If Colonel Clark is successful in raising this half-million dollars, this half-million dollars is going to come as restricted funds. It's for students of a certain type.

You will have the audit type that walk in the door that says, "I need $11,000," and have no fund, unless you have discretionary funds, to be able to address that. In my first year on this board, I meet a student who can't get back in the school because a student owed $9,000. In listening to that story that just happened to be myself and another trustee hearing the story and had the resources in the Foundation to address that need, but that was the donor deciding to use those resources to address that student's need so the student could get back in school.

So again, you're the gatherer of the eggs, but you don't decide when they get scrambled.

VP COTTON: Let me say this, Mr. Chairman, and I'm glad you said that because it helps people understand. The President and I talked about it, and
she made it clear to me, one of the things, one of the challenges we have as a Foundation is to make sure we understand what you just said.

When people say, "Oh, wow, $125 million, we try to make people understand that this -- Ms. Poole and Ms. English and I don't sit around and receive proposals and fund proposals. That's not what we do. Donors give us money, it's specified what the purpose of that money is for, and then we have to respond to what the donor says. It's not to the major and the focus of the donor and the gift, okay?

TRUSTEE LAWSON: So one quick question. How are the students made aware of the respective criteria? So if a person puts money aside for students from a certain geographical area, how do the students become aware of what's available to them?

DR. HUDSON: The Foundation has a portal where students can go and apply for scholarships, and it lists was the criteria area for those scholarships.

TRUSTEE LAWSON: So the student has to take the initiative to go to the portal if they're looking for --

VP COTTON: And one thing we are doing, Trustee Lawson, is we have improved the scholarship portal, and to the credit of people like Trustee Graham who
has held our feet to the fire, we are doing a much better job of making sure the students are aware of the portal. The portal will talk to you about eligibility, it will talk to you about what types of scholarships are available, and what the application dead lines is and what the criteria is.

PRESIDENT MANGUM: I would like to add, though, for the Strong Finish Awards, that we give at graduation that pays down portion of the students loans, there is no application process, other than they apply for graduation. We run the records and see if they've been here and completed in four years, and if they have outstanding loans, based upon the resources we pay down up to 50 percent of those loans, directly to the bank.

TRUSTEE LAWSON: But that's different than where a donor has earmarked their dollars to go to a specific type of student.

PRESIDENT MANGUM: That's correct, right.

TRUSTEE WASHINGTON: Just a quick recommendation. Is there a way to put on the portal, also, on the financial aid or student services page as well, so students don't have to take an extra step as they're already applying for financial aid.

DR. HUDSON: It's on the financial aid website.
CHAIRMAN WARREN: Thank you, both.

TRUSTEE GRAHAM: Is the portal up and running?

VP COTTON: Yes.

TRUSTEE GRAHAM: Okay, because I heard it wasn't. What's the link for it?

VP COTTON: Why don't I send that information directly to -- assuming it goes to the Board, I'll send it to the Board Liaison and make sure we get that out.

Dr. Hudson just said we'll send it out FAMU info, okay?

CHAIRMAN WARREN: Okay, thank you.

Government Relations and Research. VP Moore.

VP MOORE: Mr. Chairman, Madam President, members of the Board, new members of the Board. I'm Timothy Moore, Vice-President of Research. It's a pleasure to be before you today. I actually have two hats on today. I have a government relations hat, and I have other responsibilities for research enterprise, which includes intellectual property as well as our overall research goals for the University.

What I would like to talk about first -- and I didn't put it in my slides, I apologize -- is just an update on our legislative activities within the state. At present, we're in the final couple of days of our
state legislative session. We are very thankful to
our legislators for the help they have given us this
year, although we're a little bit disappointed we're
not getting all that we asked for.

Right now, we have 6.5 million dollars in PECO
funding that has been added to last year's amount for
our Student Services building, which we believe will
accelerate the work of Dr. Hudson and others around
the university to insure that our students have one at
one point stomping for their activities as it relates
to student support.

We also have been able to convince legislators
$1.5 million in recurring funds for our Crestview
campus, so that our pharmacy program there will remain
whole and intact going forward. One other piece of
legislation that is in place, is a discussion around
industrial hemp research. The universities that have
land grant programs, ourselves and Gainesville,
Florida, have land grant missions. We are being
granted, looks like if the language goes through
and the Governor does not strike it, will be approved
to be engaged in that kind of research, and we'll talk
about that in just a few moments.

I would like to, with your permission, Mr. Chair,
go into my slides here for the committee and then
answer any questions you might have. So let me see if I can get this running.

All right. My job today is to give an update on research enterprise here at Florida A&M University. Busy slide, but I want to give a couple of trends. I'm a big believe in data, and so I want to make sure where we are and where we're going.

Prior to my arrival, going back two fiscal years, we were essentially flat in our research awards at approximately $42 million. Last year, we had a significant uptake of almost 10 percent to 47 million, and I've drawn a dash line to show we're projecting right now around the 49 to 51 million range for this coming year, and that would be a very sizeable jump for us.

But the most important part of this is like commodities futures. As you look through our future activities -- i.e. our proposals -- our proposal volume is exploding out of the gate. Right now, we're sitting at approximately $121, $122 million, in proposal volume to date. That should put us on track for 140 million-plus in proposals. With a wind break of 43 percent on average you can do the math, and we will be in the high fifties or the next year and the year after upon award of these contracts.
That's very, very important, because what that
significants is two things: One is that we're highly
competitive. The second thing is that our faculty are
becoming very much engaged in writing proposals. And
I want to credit the President, the Provost, and
members of the Board of Trustees for considering some
ideas that I have put forth awhile back for finding
supplemental pay activities for our faculties to
conduct research and engage in scholarly activities.

With the help of the Provost's office, we think
we will have that to the Board for vote for
consideration and review in the June time frame.
That's important. What it will do is allow our
faculty to generate additional income based on buying
out time on some other salary lines by buying project
work.

I want to pause for a second, Mr. Chair, and talk
about the synergy between what Mr. Cotton does and
what Athletics do and what we do in research.

For every $12-and-a-half million of donation we
receive, it goes into escrow account, that Mr. Cotton
will tell you, we draw a certain percentage that we
can use. For every faculty member, that generates a
million dollars of fully burdened research work here
at this University. We generate the equal amount of
money, the $12-and-a-half million dollars that
donation money generates.

So what you're seeing there is the research
enterprise, and the donation enterprise to come
together and to compliment each other. That's why
when you look at the policies of this University, you
can't segregate Research from Foundation, from
Athletics, because all of these things intertwine and
interplay.

I want to also touch on another point, which the
Foundation is very, very important, because the more
endowed chairs we receive, the more state money we can
actually redirected into other areas and activities.
Trustee Grable and I have talked on a number of
occasions about the start-up packages for new faculty.
For an engineering faculty to come in with some note,
you're looking at half-million-dollar starting
package; biological sciences, a quarter-million
dollars. Those are dollars that do not exist right
now at this university and we're going to have to find
ways to be very creative, both at enterprise and
research, as well as the Foundation, to find ways to
sponsor that, because that's critical to our
sustaining success and march towards research
preeminence.
I also want to point out to you, early in January of this year -- I'm sure the Provost has already shared it with the Board, but I think with the new members it's worth noting.

This year, we moved from our Carnegie Level 3, R3, ranking, to our Carnegie Level 2 ranking. There is only four total HBCUs in that category, and with the Number 1 HBCU in terms of research across the United States, that's a significant event. Our Number 2 competitor within the HBCU is $20 million behind in annual work rate, so we're doing very, very well. And our faculty are exemplary, but we're going to try and clean the obstacles out and make sure the process of getting proposals in goes forward very smoothly.

Intellectual properties, another indicator of the health of the University. One of the things I would like to point out to the Board is this. I'm not a big fan of tracking patents. The reason for that is they're very expensive and they take time. I think the greater indexes of success is the area of intellectual property disclosures. That's where a faculty member or a staff member says, "I have an idea and I want to go ahead and file it protective," and we can do provisional filings. We had a drop-off for a
couple of years, and this kind of U-shaped graph in
that we had nobody in our tech transfer office.

This past August, I hired Mr. Reece Salisbury,
(phonetic), who has been very introduced to The Board
previously and has been very energized to go out to
our faculty to make sure they're beginning to report
their discoveries. We expect that number to grow.
Just to give you a thumbnail for the Board of
Trustees, for every 10 IP disclosures, we usually
generate one patent. So we usually have this one
draw down in a funnel shape. So for every one of
those disclosures, we get a patent out of every 10.

So what that means for us is, as we grow our
invention disclosure pool, we have more ability to do
license agreements, we have more ability to
commercialize, we have more ability to protect what is
rightfully Florida A&M's intellectual property.

As I indicated earlier, I have a couple of points
I'm going to walk through. I apologize for the busy
slides.

Faculty supplement plan. This is very, very
important. I think it's another reason our faculty
are taking off on writing proposals; they're
anticipating that the Board will support this measure,
and I would urge you to give it full weight and
consideration. It's an innovative mechanism.

What I would also like to point out to you is my colleagues, in the research phase at Florida, University of South Florida and Central Florida have all contacted to find out if this passes, how they can copy Florida A&M University, which is a good thing.

Other thing I would ask our new board members to do is to take some time to the Provost and tour around some of our research facilities. You will see they range from outstanding world-class, to things that are probably third world, and we need to make sure we address that, particularly in our biological sciences research space. There's some real gaping holes there and we need to make sure we find ways to infuse capital there.

One thing that I've been very committed to is our DRS program. For the members of the board that don't know, we have one of three Developmental Researches School in the state. That gives us a K-12 research school here at Wahnish and Orange. I'm very much committed to that. We're working with our partner at Bellamy Station to actually put together a code education summer camp. The intent of that is to make sure our young minds in the 6th, 7th, and 8th grade begin to learn how to write multiple device coding
applications so they can actually participate in the
IT community. We think that will be our stellar stars
coming forth in the next five to ten years.

New faculty recruitment and start-up packages.
We already touched on this, but again, in order to
maintain best in class, we're going to have to make
sure we engage the best faculty that are out there,
and they want to come. We've just got to be able to
clear the pathway for them.

Last point of order, Mr. Chairman, is this. We
have a NOAA contract renewal coming up where the
actual proposal will go at the end of this month.
This will be the fourth five-year contract that we
seek. That's $15,000,000 for every five years we've
had it. We're the largest contract recipient from
NOAA. We're in the midst of doing STEM and workforce
diversity.

For those of you who don't know, 800,000-plus
federal employees are retiring each year for the next
three years. It is a massive brain drain going on in
the federal government and NOAA is turning to us in
full partnership to try and help staunch that blow of
brain and knowledge out the door.

One of the things coming up in the June time
frame will be a formal designation of a new center so
we can show that partnership with NOAA to be clear and forthright.

Subject to any questions you might have, Mr. Chair or Madam President or others members of the Board, that concludes my comments.

CHAIRMAN WARREN: Are there any questions of VP Moore?

TRUSTEE CARTER: First of all, thank you for doing the correlations of what I was asking, those correlations. Secondly, what you put up there, the slide about recommendation, can you put that up again? You know, people talk about recruiting faculty, is the best way to recruit faculty is to treat your current faculty well. Because it's a small community of faculty all over the country and they talk to each other. So obviously, we want to have the best in class, so I'm really looking forward as we go through that, Mr. Chairman, when we get to that point, I really want to be in the process of supporting this whole-heartedly.

Because research -- as a research institution if you think about it, part of our we performance matrix, the one chosen by the Board and Trustees for this University has to do with research. So we need to be going gun blazing working on this whenever humanly
possible, because I see how the correlation between
those research dollars; how it impacts on the
Foundation; how it impacts on the quality of life;
recruiting quality faculty and also providing research
space.

But really, we can't do that unless we treat our
current faculty well, because it's a very small
community, and in fact, on the Board of Governors, a
lot of times, talking to different Provosts and others
that both talk to one another, and I remember
talking -- it's semi-related, but we were talking
about the preeminence for the University of Florida
and Florida State, and they were talking about, "Hey,
are we going after of these professors or researchers,
they packages and all like that." They reach out to
folks on our faculty and say, "Hey, did they come
through for you? Did they this?"

So that's going to be very, very important, so I
think that should be running on bifurcated tracks:
One is going after new faculty get those things taken
care of, but also taking care of the current faculty,
because that's going to be the easiest way to do it
is, is having the current faculty doing research to
bring in those dollars as well as attracting faculty.

VP MOORE: Yes, sir, I would also like to make
another point for the Board to understand.

Right now there are about 3,000 colleges or institutions of higher learning in the United States. Of those, approximately 620 do research. From the billion dollars a year, John Hopkins, down to a few thousand dollars a year. We rank 199th in the country. We're in the upper third of everybody in the US, and our next nearest HBCU competitor is over a hundred spaces behind us. Okay?

Second of all, for us to make the next leap up, to move up to the 150 range, is only another nine million dollars of research. So if we're in the $60 million a year range, we're moving up in some very rare space and some space that we've never operated in as a University. That's my desire is to get us there and blow through that ceiling.

I don't want to be the best of an HBCU class. It's important but that's not going to be our matrix. What's going to distinguish this University is the ability to be up there in the big dog world and competing and winning on big levels.

The other point I want to bring out to this board is this. When you look at federal research dollars, sequestration and all of the other things we hear from this political campaign this year, the one thing to
bear in mind is 10 percent of all research money is
federally-mandated as set aside dollars for minority-
owned small businesses, minority serving institutions
and HBCUs. Quite frankly, there's more money in the
federal sector that goes unclaimed than are mouths to
chase it.

When I was a federal program officer in the
Department of Energy, my number one dilemma each
fiscal year was finding qualified small and
disadvantaged and HBCUs that could actually understand
the need that I had, meet the deliverables, and be
qualified to execute the work. We stand in a very
rare area where we can drag a lot of the SUS along
with us, but we become the prime. Instead of feeding
on crumbs, we're actually going to be sitting at the
table driving the equations.

So I want to make sure that's very clear. Very
good points here. Thank you.

TRUSTEE GRABLE: And Mr. Chairman, could I follow
up on that? And I would like to thank Trustee Carter.
I know in our work plan narrative last year, I know
that the Provost added in a statement at my request,
that we if think about treating the faculty the way we
have expect to treat new faculty that we bring on;
Florida A&M must address the work and course load that
the current faculty is dealing with.

We teach more courses, have larger credit hours, per faculty member than any other state university. With that being the case, you could almost understand why it's very difficult for faculty to be able to spend more time on research. We are also being asked to spend more time with students. I will tell you right now, many faculty here on this campus, we spend our spring break dealing with student issues. I've had several calls this week, myself, and I'm sure other faculty members do. We give students, a lot of us, our personal cell phone numbers. We do a lot of things to assist students. We are their parents while they are here.

So beyond the teaching and the service and whatever else is out there, potentially, on our assignments of responsibilities, we need to make sure those assignment of responsibilities allow for time for research. It is terribly unfair -- and I'm going to quote as close as I can a former president -- that's just wrong to ask a group of people, like faculty, highly-educated people to do research while you're overloading them with more courses over many, many years here at FAMU than any other university faculty has. We have got to address this problem.
And I know that I've discussed this with the President, and I do believe there is some interest in making that happen, but we must move quicker on that or we will be here with faculty who have given their lives -- 35, 37, 38 -- lots of years, mostly just teaching, because we didn't have time to do other things.

Thank you for bringing that topic up to the table.

CHAIRMAN WARREN: Thank you, Trustee Grable.

LIEUTENANT COLONEL CLARK: I want to commend you for the job well done in research. I think we are headed in the right direction, and as Trustee Grable said, we've got some issues we need to take care of, but we expect to go the direction as you're taking us right now. We're FAMU. We expect to be good and play in that ballfield. So job well done.

VP MOORE: Thank you, sir. I appreciate that, but as one ex-Army guy to a current Army guy, I'll tell you this. I'm very fortunate to be sitting at the top of the organization. A lot of people make me look really good. I've got folks in sponsor programs, tech transfer contracts and grants, my lab addible component that don't give me a moment's worry, so I'm able to do the big idea piece and not worry about the
day-to-day operation. I couldn't do what I do without
them and this University wouldn't function without
them.

I want to just segway for just one second, Mr. Chair, back to the fact of the teaching load.
That's a very vital issue Trustee Grable brings up. Right now, it's the primary way in which our teaching
can earn additional income, is by teaching overload. And so that's the whole purpose behind this agenda
item that will be coming up before you in June, is to
give an alternative pathway for faculty to earn more
income. We want to make sure the teaching mission is
primary here. We also want to make sure the
scholarship is primary here and research is primary
here. We should be allowing our faculty within the
guidelines of the President, the Provost and their
Deans, to pick and choose which pathway they choose to
go based on their creative intellectual and personal
pursuits. I think right now, we just don't have the
tools in the tool box and this is what this whole idea
is about.

So sir, I would kindly ask the Board give it its
full weight and consideration when it comes before
them later this year.

CHAIRMAN WARREN: Thank you.
VP MOORE: Yes, sir.

CHAIRMAN WARREN: I think this provides a great segway into the last component of our meeting on our strategic plan.

What we've been hearing are some critical areas in the University that need to be, should be addressed, and the hope is that when we finalize strategic plan on these issues, particularly as to how we go to quality and faculty, how we provide time for faculty to do research, how we deal with the fundraising initiatives and the focus of those initiatives; all of those things, preferably from our perspective, reveal themselves in the kind of strategic plan that we finally planned on.

So I want to spend a few minutes before we call it a day talking about the notion of a strategic planning retreat. By the way, Brian has left to catch an airplane so he won't be here to talk about -- unless someone is here to talk for him. He's already gone?

TRUSTEE LAWSON: He did leave.

CHAIRMAN WARREN: So what I want to is get this strategic planning retreat and to talk about the work that has been done today and how we make best use of this time frame that we have.
Dr. Mangum started out, in her President's report, talking about the charge to the Strategic Planning Task Force, and I want to be one of the first if not the last to say the Strategic Planning Task Force did one heck of a job of bringing all of that information back to the President based on the charge given them.

Now, here is us at the 30,000 foot level, is to receive that information and it's reasonable that before we start to toy with it, if I can use that term and not diminishing the value of it, is for President and her staff now to apply the thought process that has to be employed on how we resource the money to deal with faculty issues or how are we deal with the student issues; how we deal with research issues; how we deal with facilities issues. All of those things have to come together strategically.

So we should have some expectation, Dr. Mangum, that you and your staff are going to really pull it apart and put it back together, and when you put it back together to bring to us in some proposal that we can then address. Your proposal to us would include, also, the rationale for the decision-making that you and your staff would have made before giving us this document to review.
So it's my notion that we give Dr. Mangum and her staff, leadership team and others, that she might engage in that process; the opportunity to pull this thing apart and put it back together and bring it to us in some draft form that we can then be at when we come together for our retreat.

Currently, I've put out on the table to the staff that we have a strategic planning retreat in the month of June. And that date was reached, selfishly, based on my own calendar, but also trying to consider what staff has in front of it between now and say the June meeting, which I believe is in the first week of June. For the colleges and the universities, the end of the fiscal year is June, so there's this run-up to all of this budget planning and all this other stuff that is an awful drain on people resources, as you work your way towards it. Trustee Woody knows exactly what I'm talking about.

So what I don't want to do is for us to put another burden on staff when we have that kind of burden coming up. We have graduation coming up, so on and so on, so, I throw out on the table for your consideration this idea of a June retreat that was earlier mentioned to be June 6, 7, 8, or 9, 10, 11, or whatever it is.
Here is the notion: That we show up on a Friday ready to go the work, so we will have -- or Thursday or whatever it is. We will have an arrival on the first day in time for dinner, but it's a working dinner, guys; you come -- and ladies to roll your sleeves up and get to work on orienting ourselves to the larger part of the work that would happen the next day.

We would start early morning into that work and that would be at the Quincy Farm, but we will spend the entire day and work through the evening. So that we will start in morning and end early evening, but it will work through the day and into the night as we give that strategic plan all that it needs to be, and all of the energy that needs to be addressed to it.

The third day of our meeting, we will deal with the business of the institution kinds of things that we've done today. So that's the idea that I put on the table to you for us to dialogue about, so with that I'm open to your input.

TRUSTEE LAWSON: Chairman Warren, I just had a comment. I like the idea. I just feel like it needs to be done earlier. The rationale for that is, I think that there's been a lot work to date on the strategic plan and it still needs you to go back
through the leadership team. There's a time that it needs to also go to the Faculty Senate and then in prep for that, it also has to go before the BOG, et cetera. So there are a couple of time lines and I just want to make sure we have enough time lines or staged gates that we have enough time to get through. As well as, I think if it gets done correctly, the strategic plan should drive the budgeting process that should begin shortly after that.

So I think June feels late to me, personally. I could be all wrong on that, but it's just, I would ask that we consider a date prior to June -- you know, late April, early May. Because, again, for Mr. Cassidy's work, what we align to in the strategic plan and the big tenants we want to focus on will drive all budgeting decisions and resource allocations. So my suggestion is we consider a date prior to June.

CHAIRMAN WARREN: Could I ask Dr. Mangum to speak to the report having to go to the Faculty Senate to the BOG?

PRESIDENT MANGUM: Thank you for that. There is no requirement for BOG approval of the University's strategic plan. And of course, we always talk with the Faculty Senate when they meet, in the interest of
shared governance, about our processes, but there's no approval either at the Faculty Senate level.

So it's a matter of discussion, like we discuss all activities, and I believe the Strategic Planning Task Force talked with the Faculty Senate on many occasions to come up with the destinations document.

So conversations around how the University moves forward in rolling out a strategic plan after we have put the implementation around it can occur at any time at the Faculty Senate. You have two more meetings, correct?

TRUSTEE GRABLE: Yes, we do. We have a meeting Tuesday, as you know, and one in April; the third Tuesday. And I would like to at least say that in the spirit of shared governance, we of course would want to run that past the faculty, because we would be one of the key constituents that have to help to make it happen, so that would be --

PRESIDENT MANGUM: Absolutely. I'm speaking to the time line of moving it up. One of the things I explained earlier had to do with us gathering information around different proposals that was in the plan. Moving it to April is almost impossible for us. We have, just this past week, passed out the assignments for each one of the administrative areas
to gather the data we need to analyze. We gave them
until almost the end of March to be able to give us
the data back so we can look at how to apply it and
look at those scenarios across the institution.

Also, our academic calendar, looking at an
earlier date, we have graduation on the 30th of April
and I'm hoping that you will all come back and join us
on the 30th of April. But we also, in the month of
May, have the National Alumni Association meeting,
which basically mobilizes this entire campus and in
support of that event that is going to be in Tampa.
So we're really excited, and in fact, it is going to
be in the State of Florida, and that's going to make
it a lot easier for us and a lot less for us to get
to it.

But we have the BOG meetings to prepare for, and
we also have Board of Trustees meetings in mid-May.
Your committee meetings are in mid-May that we have to
prepare for. This is usually the time of year that
many of the chapters of the alumni have their
fundraising events. I know we have got Seminole --
and we're we chase across the state going to
fundraising events; I do myself, as does the
development staff, Student Affairs staff.

It's going to be really tight for us to sit down
and have the analytical conversations that we need to have and focus on it before June.

And one of the last things, I guess, I would like to comment on is that we have some major fundraising visits and activities that we have planned during this period that I have to attend if we really want to hit that mark that George is talking about and some other conferences. That is the time of year for conferences for many of the professional staff. It's just going to be difficult for us to pull together a comprehensive document in order to be able to get it to you, because we have a marketing strategy, marketing material, that we want to bring to you as a result of the work that we're doing and working with the communications staff to start preparing those documents after graduation, basically, is when it's going to happen. It's going to be the month of May that we're going to try and pull all of it together and have time to sit down as a team to work through it.

So I implore you, I encourage you and plead with you to let us take that June 9 date, because it's also resource friendly for us; that means we bring you back one time instead of two. And because also the distance between here in Quincy, knowing there's a
little to no hotel in Quincy, so you will be traveling back and forth, unless you would like to get a motel type, then, you know, it might work.

CHAIRMAN WARREN: Trustee Woody?

TRUSTEE WOODY: I support that. June 9th is what?

TRUSTEE LAWSON: Thursday.

PRESIDENT MANGUM: Thursday, Friday, and Saturday.

TRUSTEE WOODY: So you're talking about working Thursday, Friday, and Saturday?

PRESIDENT MANGUM: Thursday night?

CHAIRMAN WARREN: Thursday night, Friday, and Saturday.

TRUSTEE WOODY: And we'll am have the board meeting...

CHAIRMAN WARREN: On Saturday.

TRUSTEE CARTER: Mr. Chairman, I think since we're going to be relying on the President and her staff to get us that information, and there are some things that are built into the calendar that she cannot control, and plus, I'm all in favor to get the President out there, for them to see her when they want to write a check. So I think the June -- if anything, let it be us adjusting instead of faculty
and staff and President. I think we can do that.

And another thing, too, is there's -- is there a
Board of Governors meeting in June?

PRESIDENT MANGUM: And a call in May.

TRUSTEE CARTER: So I think we should at least
defer to the President in terms of recommendation on
that. So the 9th, 10th and 11th, Mr. Chairman? That
works. We'll just have to adjust.

CHAIRMAN WARREN: 9th, 10th, 11th; that's
Thursday, Friday, Saturday. Anybody else? I want to
presume there's a consensus around the June date, but
do we need to take a vote on it?

TRUSTEE LAWSON: I'm sorry. Location. Where are
we thinking location-wise?

CHAIRMAN WARREN: Location Friday, we are here,
so probably have dinner where we had dinner yesterday.
But again, that's a working dinner.

And VP Miller and I and others, the onus is on us
to insure that the members are exhausted on that
Thursday, Friday, and Saturday. The hope is also --
the plan is to have a facilitator so that there is a
third-party orchestration of the process of our
thinking and input. And we travel, if you will, to
the Quincy on Saturday morning -- Thursday -- Friday
morning, we're there all day until the evening, we
travel back here to our hotel, we meet on Saturday at
the Foundation, and have our business meeting at the
Foundation, and then we're done. Okay?

We're good?

TRUSTEE WOODY: That's good. So the date is 9th,
10th and 11th?

CHAIRMAN WARREN: Yes, that's what I take from
you. There are other things in between that we should
be present at. Graduation is one of those. And I
don't know if you have been to FAMU graduation, but
there are a lot of people there -- and people as in
graduates -- and most times there's two sessions. So
it can be an exhaustive day, morning and afternoon
session, but that's why we're trustees, is to be there
for students, so I encourage you to log those dates in
your calendars and to be there if at all possible.

The Alumni Association's event in Tampa is one
that we should plan to attend, and if you aren't
yet -- and I promised you I would be and I will -- an
associate member of the Alumni Association, I
encourage you to do that.

If you are on the board of some non-for-profit
they say you have a responsibility as a board member
is either to give or to get. Well, this ain't quite
that, but our expectation of you is that you either
give or get or both. So be thinking about how you
make a contribution to the overall effort by giving or
getting or doing both, and you can be creative as to
how that happens. I won't dig into your pocketbooks
to tell you what to do, but I think the onus is on us
to be part of the effort, as opposed to being part of
the conversation about the effort, if you get my drift
here.

TRUSTEE CARTER: Excuse me for interrupting you,
Mr. Chairman, but will we be having Board of Trustee
staff send us out the dates and times included so that
we can calendar that, as well as graduation and all of
that.

CHAIRMAN WARREN: Yes. If I could ask
Dr. Starling, if you would capture all of those dates
in a calendar, and send it to us as just that so it
doesn't get confused with anything else. And by the
way, I don't know how many of you have the same
problem I have, but I never read any FAMU e-mails, so
hopefully someone can fix that for me but it's being
forwarded to my personal e-mail. So if you have that
same issue, is the point I'm bringing it up, is to let
someone know. Oftentimes, like Trustee Woody asked me
in December or January, I forget which one it was --
have I got the letter from the Governor's office for
the BOG, and I said no. I hadn't seen it, but it was
sitting in my FAMU e-mail box.

So if you aren't in the habit of going there,
then have it forwarded to. Or go there. I've
discovered that the hard way; that I need to read any
FAMU e-mail. So last thing, I want to harken back to
a place of where we started this morning, is the
discipline of staff, and I'll let you go.

Be mindful of the fact that we have something to
do, like you do, so help us by planning the use of our
time so that it's valuable time spent on the issues of
the University. But don't expect that all of the
Trustees will be available on call, because you
called. So the onus is on you -- to use my word that
I coined earlier -- to be a precrastinator. Think
about what it is that you are trying to get done in
your respective area or what we're trying to get for
the University and do the backwards planning.

So things are on the agenda where they need to
be, or we've had conversations around policy
decision-making that we need to make on the issue that
is yours, your respective issue. But help us out and
not burn us out, okay?

And with that, if there's no other comments from
the members, the meeting stands adjourned.
(Meeting concluded.)
CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, Yvonne LaFlamme, Florida Professional Reporter and Notary Public, certify that I was authorized to and did stenographically report the foregoing proceeding; and that the transcript is a true and complete record of my stenographic notes.

I further certify that I am not a relative, employee, attorney, or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the outcome of this case.

Dated this 28th day of MARCH 2016.

Yvonne LaFlamme, FPR
Court Reporter
Notary Public
State of Florida at Large