

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Budget & Finance Committee Meeting  
Wednesday, September 10, 2014  
Time: 1:00 PM  
Location: Grand Ballroom**

**Committee Members:** Rufus Montgomery, Chair  
Kelvin Lawson, Kimberly Moore, Narayan Persaud, Cleve Warren, Karl White

**AGENDA**

- |     |               |                     |
|-----|---------------|---------------------|
| I.  | Call to Order | Chairman Montgomery |
| II. | Roll Call     |                     |

**ACTION ITEMS**

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

**INFORMATION ITEMS**

- |       |                             |                                  |
|-------|-----------------------------|----------------------------------|
| IV.   | Analysis of Auxiliary Funds | Interim VP Joseph Bakker         |
| V.    | Contracts over \$100,000    | Interim VP Joseph Bakker         |
| VI.   | Quarterly Financial Report  | Interim VP Joseph Bakker         |
| VII.  | Governmental Relations      | Vice President Jimmy Miller      |
| VIII. | Athletics                   | Athletic Director Kellen Winslow |
| IX.   | Adjournment                 |                                  |



**Florida Agricultural and Mechanical University  
Board of Trustees  
ACTION ITEM**

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

Item Origination and Authorization				
Policy _____	Award of Bid _____	Budget Amendment _____	Change Order _____	
Resolution _____	Contract _____	Grant _____	Other _____	

Action of Board				
Approved _____	Approved w/ Conditions _____	Disapproved _____	Continued _____	Withdrawn _____

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

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

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

**Recommendation:**     Approve the minutes of May 5, 2014 & June 4, 2014.

**FLORIDA A & M UNIVERSITY  
BOARD OF TRUSTEES**

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IN RE: BUDGET AND FINANCE  
COMMITTEE WORKSHOP.

\_\_\_\_\_ /

**VOLUME 1**

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

DATE: MONDAY MAY 5, 2014

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

LOCATION: GRAND BALLROOM  
FAMU CAMPUS  
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR  
COURT REPORTER

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## P R O C E E D I N G S

1  
2  
3 CHAIRMAN MONTGOMERY: Good morning. Welcome  
4 to your Budget and Finance Committee workshop.

5 Ms. Garcia, you're recognized to call the  
6 roll.

7 MS. GARCIA: Chairman Montgomery.

8 CHAIRMAN MONTGOMERY: Here.

9 MS. GARCIA: Trustee Lawson.

10 TRUSTEE LAWSON: Here.

11 MS. GARCIA: Trustee Moore.

12 (NO RESPONSE).

13 MS. GARCIA: Trustee Persaud.

14 TRUSTEE PERSAUD: Here.

15 MS. GARCIA: Trustee Warren.

16 (NO RESPONSE).

17 MS. GARCIA: Trustee White.

18 TRUSTEE WHITE: Here.

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

21 CHAIRMAN MONTGOMERY: Thank you.

22 Chairman Badger, members of the Board, Madam  
23 President and staff, I welcome you all to this  
24 years' Budget and Finance Committee workshop.  
25 This is a forum that gives our Committee members

1 the opportunity to have a better understanding and  
2 appreciation of our budget and finance governance  
3 responsibilities.

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

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

23 The first topic I'd like to raise relates to  
24 tuition and fees. A couple of questions: Does the  
25 Board need a modification to its policy on tuition

1 and fee changes? Should we only wait to react when  
2 a tuition or fee change request was brought before  
3 us? Should we have a benchmark linked to our  
4 sister SUS schools, to our peer HBCUs, to a  
5 national benchmark? For what purposes should  
6 tuition and fees be raised? How or should we  
7 provide oversight for the use of tuition and fee  
8 increases that we improve (sic), and should we  
9 leave this responsibility to the president?

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

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

22 CHAIRMAN MONTGOMERY: (Inaudible).

23 TRUSTEE LAWSON: I'm sorry, the initial  
24 conversation is we were trying hard to hold the  
25 line on raising tuition and fees even though, you

1 know, faced a couple of challenges the last time we  
2 met around some issues regarding salaries for some  
3 of the professional programs; but at the same time,  
4 you know, it was asked by all of the SUSes to try  
5 and hold the line on raising tuition and fees over  
6 the next academic year.

7 CHAIRMAN MONTGOMERY: Trustee White.

8 TRUSTEE WHITE: Again, I think it's -- you  
9 know, it's a matter of (inaudible) in terms of the  
10 tuition and fees about philosophy and the other  
11 parts of the governmental process. I think  
12 regarding the process, I do want us to get to the  
13 point where it's the President who is -- and the  
14 staff that are providing us sort of an informed  
15 leadership about what the state of higher education  
16 is around tuition and fees, and that's where I  
17 think the guidance should come from because those  
18 should be the experts. Philosophically I think we  
19 need to do a better job of informing everyone about  
20 not only the cost of education but the value of it  
21 and make sure that we don't fall into some  
22 (unintelligible) issues around free-good illusions  
23 and the fact that, you know, when people don't see  
24 what the actual cost of things is, they tend to  
25 devalue, so I think we may also need to just be

1 very careful about how we communicate what the cost  
2 of the education is versus what we were charging in  
3 tuition and fees so people always appreciate what  
4 the value of the service is that we are providing.  
5 And there's a difference between cost and value and  
6 what we charge, and I think we need to do a better  
7 job at communicating that message, but that's a  
8 philosophical point.

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

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

24 TRUSTEE WHITE: May I?

25 CHAIRMAN MONTGOMERY: Trustee White.

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

10 TRUSTEE LAWSON: Just one more.

11 CHAIRMAN MONTGOMERY: Trustee Lawson.

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

20 I feel like looking at an increase around  
21 tuition and fees, in my opinion, is 1 out of 13  
22 should be the last resort, the reason being I think  
23 we want to continue to offer the quality education  
24 that we do but at a very reasonable, potentially  
25 economical price for the students in this state and

1 the surrounding communities. I think when you look  
2 at our competitor set, it's just not the other  
3 SUSs, it's all the for-profit schools and et  
4 cetera. When you look at the large number of  
5 minority undergrad degrees that are coming out of  
6 places like Nova and other institutions, I think we  
7 need to continue to be as price competitive with as  
8 strong a product as possible, and increasing fees  
9 should be a last resort.

10 CHAIRMAN MONTGOMERY: Thank you.

11 Trustee Persaud.

12 TRUSTEE PERSAUD: The faculty are concerned  
13 that there are inequities in salaries, but they're  
14 balancing that with the notion that we should not  
15 do things that impacts the students, we should not  
16 place the burden on the backs of students,  
17 especially at our institution where student  
18 indebtedness is of concern. And we have to strike  
19 a balance some place where, when students leave  
20 here, they're not overburdened even after they  
21 graduate or being in a position where they don't  
22 graduate and still are being financially burdened  
23 because it all reflects back on the institution.  
24 So we have to somehow try to wrestle with this  
25 issue a lot more than we have done in the past,

1 especially with regard to student fees being the  
2 differential making up for what the institution  
3 cannot afford.

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

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

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

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

25 MR. THOMPSON: Or either the legislature

1 deciding.

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

6 MR. THOMPSON: Yes.

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

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

24 This is something that we'd asked our CEO to  
25 take a look at and come back to us in the form of a

1 study. Submit your questions, comments, concerns.

2 Doctor Persaud.

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

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

17 I've had a slight conversation with the  
18 President, and I know she has a concern about  
19 faculty salaries because she told me so in no  
20 uncertain terms that that's one areas of concern.  
21 And I can hope that we should be able to resolve  
22 this because we cannot delay, for example, the  
23 pharmacy school their professors coming up to par  
24 with the national standards because we cannot  
25 afford and then react in terms of crises as we have

1           been in the past, so it is a serious concern. And  
2           I know the union is in a better position to talk  
3           about those issues. I'm sorry I'm not as  
4           conversant or able to represent my colleagues in  
5           that regard as well as I should.

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

10          Trustee Moore.

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

21          CHAIRMAN MONTGOMERY: Good morning.

22          TRUSTEE TURNBULL: Hello.

23          CHAIRMAN MONTGOMERY: And that's the purpose  
24          of this forum, is to throw some ideas from a  
25          committee perspective, but I agree that a salary

1 survey -- do we have -- when is the last time we've  
2 done one, Mr. Bakker?

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

6 TRUSTEE LAWSON: You know, barring there are  
7 no issues from a union perspective, et cetera, I  
8 think it would be a good idea to at least look  
9 because I think right now to Doctor Persaud's point  
10 where we're finding ourselves in a couple of  
11 situations is where we're having to react based on  
12 accreditation issues, and the reaction is swift,  
13 and it may not always be the most well thought-out  
14 approach versus taking a step back and looking at  
15 it across the board and realizing we won't clearly  
16 be able to fix every issue that's identified, but  
17 at least we can outline a timetable and action plan  
18 to get to those issues. Because I think finding  
19 ourselves a little bit on our heels as it relates  
20 to keeping each individual program accredited,  
21 we'll make a decision here for program X, we'll  
22 make a potential different decision on how to fund  
23 program Y is potentially not to our overall  
24 advantage. So I think we should take a little bit  
25 more of a strategic approach to holistically:

1           Where are the pockets of issues around the  
2           University? I'm sure there are a few. We can't  
3           address them all in a day or even in a calendar  
4           year; but, you know, Doctor Mangum, I'd suggest  
5           that maybe we consider over time -- we can't make  
6           the decision today, but it's something I think we  
7           should at least put on the table to look at  
8           holistically across the board.

9           CHAIRMAN MONTGOMERY: Sure. Trustee Shannon.

10          TRUSTEE SHANNON: Chairman Montgomery, thank  
11          you.

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

21          TRUSTEE LAWSON: And I think it will help even  
22          in recruiting because there wouldn't be a  
23          perception that you're going to take less or  
24          something different by coming here. It would be,  
25          you know, at least within the ballpark of where

1 other major institutions are. And granted, I'm  
2 sure it's not a cheap exercise, I'm sure it's not  
3 an easy exercise. But, you know, listening to  
4 Trustee Moore and Trustee Shannon, I definitely  
5 think that some point in the near future we should  
6 take a look at it holistically and develop a plan  
7 around it. But grounding everyone in the realities  
8 of our budget, we may not be able to fix every  
9 issue right away. It is going to take some time.

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

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

25 TRUSTEE SHANNON: I'm sorry, what was the

1 question?

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

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

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

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

25 We would do it by rank, tenure and title and

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

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

12 I would also like to say we can come back with  
13 a recommendation and a strategy for addressing the  
14 salary gap. I think we can also talk about where  
15 we want to move, whether it's within 25 percent,  
16 75 percent, 50 percent of the averages across each  
17 discipline.

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

25 CHAIRMAN MONTGOMERY: Thank you. I'd ask

1 that, and if it's the same posture of the  
2 Committee, that we get a report on that in our  
3 December meeting. We have a December meeting in  
4 Orlando every year, and I think that would be an  
5 appropriate. Is that enough time?

6 PRESIDENT MANGUM: Yes.

7 CHAIRMAN MONTGOMERY: Okay.

8 TRUSTEE TURNBULL: Mr. Chairman.

9 CHAIRMAN MONTGOMERY: Trustee Turnbull.

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

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

19 TRUSTEE TURNBULL: Then in that regard, I'd  
20 like to just suggest that as we're looking at this  
21 and we're looking at, particularly on the financial  
22 management side of the University, that we look at  
23 whether the level of staffing is sufficient,  
24 whether the salaries are sufficient to attract the  
25 level of competence that we want or that we need,

1 and then also at professional development dollars  
2 and what is needed in that area in terms of making  
3 sure that the people that are there are not only  
4 competent to start with but are kept up to date  
5 since that is an area that changes so rapidly.

6 CHAIRMAN MONTGOMERY: Understood.

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

9 MR. BAKKER: What do we currently?

10 CHAIRMAN MONTGOMERY: Spend in the area of  
11 professional development.

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

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

17 Doctor Mangum.

18 PRESIDENT MANGUM: That's a little more  
19 expansive type of study when we start looking at  
20 training professional development and individual  
21 assessments of the individual administrative staff  
22 that's here, so I would like to make sure that we  
23 can divide this into two segments because a salary  
24 and compensation study is one thing; and then when  
25 we start looking at skills and assessment of

1 individuals across the institution in other roles,  
2 it may take us a little longer. But we certainly  
3 will begin the process this summer of identifying  
4 adequacy of staffing, effectiveness and  
5 efficiencies. And out of that, we can develop a  
6 more comprehensive approach to administration.

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

14 CHAIRMAN MONTGOMERY: Trustee White.

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

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

24 And so, President Mangum, when you come back  
25 to us, I hope you will have a philosophy by which

1           you will articulate to us exactly what excellence  
2           is, and so what that percentile, you know, sort of  
3           goal should be, so even if we can't -- we know we  
4           won't get there immediately, but we will have a  
5           destination that we can all agree on that we want  
6           to get to, that we view as excellence.

7           TRUSTEE MOORE:    Mr. Chair.

8           CHAIRMAN MONTGOMERY:  Trustee Moore.

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

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

25          MR. BAKKER:    I'm not sure how it is analyzed,

1 Trustee Montgomery. I think most of it is probably  
2 used as reference, but in terms of reapplication  
3 for improvement, I'm not sure what system we have  
4 in place.

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

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

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

25 Any additional thoughts or comments?

1 (NO RESPONSE) .

2 CHAIRMAN MONTGOMERY: Next item, budget  
3 deficits, on this issue, the University had  
4 operational audit findings in 2012 and in 2013  
5 regarding the athletics deficit. The state auditor  
6 general specifically recommended in 2012 that,  
7 quote, this board should continue to monitor its  
8 intercollegiate athletic programs and revise its  
9 five-year deficit reduction plan as necessary to  
10 ensure that its intercollegiate athletic programs  
11 are self-supporting.

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

18 It's important to note that if we have an  
19 audit findings for a third consecutive time we risk  
20 the possibility of fiscal legislative sanctions.  
21 Doctor Mangum, this has obviously been a  
22 longstanding challenge that has been posed in the  
23 area of athletics and wanted to get the Committee's  
24 posture with regard to these program deficits.  
25 We've had some extensive discussions about, you

1 know, where we should be on the deficits, but the  
2 larger question should be from budget and  
3 perspective, what do we want our athletics  
4 department to be. There's been a conversation  
5 about in comparison benchmarking that I think  
6 Trustee White has brought to our attention, that  
7 there are very few programs at the -- I think we  
8 call sub -- whatever, one double A. You get it.  
9 Y'all get it. In our class --

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

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

24 But the questions become for our new chief  
25 executive, you know, as we charge her going

1 forward, are we saying that we should attempt to  
2 operate in the black? Are we saying that we should  
3 move forward and try to lower the deficit in terms  
4 of where it is? What direction are we giving to  
5 the President in this area of deficits? I ask your  
6 thoughts and comments.

7 TRUSTEE PERSAUD: Mr. Chair.

8 CHAIRMAN MONTGOMERY: Trustee Persaud.

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

20 TRUSTEE MOORE: Mr. Chair.

21 CHAIRMAN MONTGOMERY: Trustee Moore and then  
22 Trustee Lawson.

23 TRUSTEE MOORE: I would differ in that  
24 position because I think part of the challenge in  
25 my short tenure of leading up to the one-year mark,

1 the conversations that I have had is that there was  
2 a lack of vision or direction in terms of what the  
3 Board of Trustees as a body expected. Are we  
4 expecting a winning team. If you expect a winning  
5 team, then we know that attracts dollars and you  
6 recruit differently. I think all of that has to be  
7 taken into account and it has to start with us.

8 CHAIRMAN MONTGOMERY: Trustee Lawson.

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

18 I think that the reality of having a new  
19 person in that role, you know, can really -- I  
20 understand your point of view, but having a new  
21 person in that role, and my guess is he is probably  
22 still getting his arms around what's here, what's  
23 not here, what needs to be here, what's the state  
24 of the programming, et cetera. As much as I'd like  
25 to see a plan now, I do think that, you know,

1 Chairman, we may need to wait and give our new  
2 athletic director at least, you know, a few more  
3 weeks to get himself grounded in the realities of  
4 where we are and, in his conversations with the  
5 leadership team, where are we trying to go.

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

14 CHAIRMAN MONTGOMERY: Trustee White.

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

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

21 CHAIRMAN MONTGOMERY: Let me interject. Let  
22 me give you an example. One year we're running a  
23 \$900,000 deficit and then the next year we ran a  
24 \$1.4 million deficit and then we ran a \$1.2 million  
25 deficit and then we were told we were running a

1 million four and it ended up being \$2 million. And  
2 so while I agree that we need to allow the new  
3 athletic director time and our new chief executive  
4 time, I think it would be helpful to them to  
5 understand what the posture of the Board is and  
6 what the Committee is.

7 It's really not their decision to determine  
8 what's going on. They can gather the information,  
9 assess the information, and provide it -- make a  
10 recommendation to the chief executive and she can  
11 make a recommendation to us, but what do we want  
12 our athletic programs to be? Are we willing to run  
13 a deeper deficit over the short in an attempt to  
14 bolster the programs? Are we okay with a  
15 \$2 million deficit. Are we attempting to lower  
16 that number?

17 I know Trustee McWilliams isn't here, but we  
18 had conversations about the guarantee games. I  
19 mean was it worth \$900,000 to go play that game?  
20 So without direction from the Committee, we're  
21 going to be back in the same position that we've  
22 been in with our -- since I've been on the Board,  
23 this is our third athletic director, and I don't  
24 recall a time where we gave direction other than  
25 that we wanted them to simply lower the deficit.

1           So, again, I pose to the Committee the  
2 question with: What do we want our athletic  
3 departments to be?

4           Trustee White.

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

21           So you can look at as there are a lot of  
22 things that occur at a university that aren't  
23 necessarily directly profitable. I'm not sure if  
24 you go line item by line item or academic program  
25 by program that they're all profitable, but they're

1 still things that we engage in because it's a part  
2 of the overall business.

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

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

23 I also don't know -- I think at one point  
24 there were certain things that probably could be  
25 categorized in the athletic budget that weren't

1 because I think at one point merchandise, you know,  
2 sales were elsewhere; and so those are probably  
3 things that need to be looked at as well. With  
4 that, I'm done.

5 TRUSTEE PERSAUD: Mr. Chairman.

6 CHAIRMAN MONTGOMERY: Trustee Persaud.

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

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

24 TRUSTEE MOORE: Mr. Chair.

25 CHAIRMAN MONTGOMERY: Trustee Moore.

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

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

22 CHAIRMAN MONTGOMERY: From a visioning  
23 perspective, not an attempt -- and we'll hear from  
24 athletics a little bit later on in the day, and to  
25 be clear, it's not an attempt to make a decision to

1 do anything other than set a vision of what we want  
2 our program to be. We'll give you some to think  
3 about it. We'll have a chance to speak with A.D.  
4 Winslow later on in the day.

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

16 We're at risk if there is an additional  
17 finding, and so I think that is job one, to ensure  
18 that the financial house is in order. And while we  
19 will give adequate time, time waits for no one. We  
20 don't need to be in a posture over the next couple  
21 of months where we finally get to the point where  
22 we're thinking we're going to understand. So I  
23 think there needs to be an expiration date on when  
24 we hear from athletics with regard to their  
25 assessment of what's going on and an incorporation

1 of, as Trustee Moore referenced, the report that we  
2 spent money on that was actually put in place. I  
3 mean there was a reason for that, and I think we  
4 should follow-up on that and allow the chief  
5 executive officer time to assess what's going on  
6 over there in the form of reports from that  
7 department.

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

17 PRESIDENT MANGUM: My thoughts are, well, with  
18 the new AD and with our assessment of athletics,  
19 athletics I agree is an integral part of an  
20 education and the educational experiences for our  
21 students as well as for the community. Its impact  
22 on the economic growth and economic development in  
23 this town is extremely important as well as in  
24 other places in the State of Florida and places  
25 that we travel.

1           So I think that it's important, it's well  
2           stated and it's well understood. I do think that  
3           we can take a look at this budget and get as close  
4           as we can, if we understand what the Board wants us  
5           to do as far as a balance is concerned. We do have  
6           many activities, as Trustee White has stated, that  
7           are an integral part of the academic experience  
8           that will not balance on a balance sheet. So what  
9           we have to understand is the level of commitment  
10          that the institution has to athletics and what it  
11          expects.

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

23           And with that I guess I'll just say we're  
24          going to work to provide an overall plan for  
25          athletics, its budget as well as its programs that

1 the institution and this community can be proud of;  
2 and we'll bring that back -- if we have gaps in  
3 terms of the resources available, we'll bring it  
4 back to the institution -- to the Board so they can  
5 make a decision as to where they want to go and how  
6 they want to proceed.

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

9 TRUSTEE LAWSON: The next meeting is June.

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

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

18 CHAIRMAN MONTGOMERY: Thank you. One more  
19 thing, and I posit it again to: What is the  
20 posture of the Committee with regard to visioning?  
21 Are we going to simply request that the  
22 administration make recommendations to us? Again,  
23 I believe that we should provide some sort of  
24 direction. Are we asking the administration and  
25 charging them to come back with their thoughts and

1 ideas? Are we asking for maximum deficit  
2 reduction? I mean what is the posture of the  
3 Committee in this area from a visioning  
4 perspective?

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

16 And I think beyond kind of those big picture  
17 tenets, it's going to take a fairly detailed  
18 discussion with the new AD around his vision  
19 because I think Doctor Mangum articulated, you  
20 know, their plan; and I know we've seen a couple of  
21 different plans and we've had -- to Kimberly's  
22 point, we've had some studies done, so I think we  
23 have a backdrop to start from. But I would like to  
24 hear, you know, before we become too directive, to  
25 hear the new AD's plan as well.

1           So I think big picture, those are the things  
2           that we want, as I said earlier; but I would like  
3           to hear from the AD, like his plan on his landscape  
4           assessment relative to experiences he's had and  
5           benchmarks, et cetera, with the backdrop that we've  
6           paid for data. Some of that data can be I think  
7           useful around facilities and infrastructure at  
8           least to give him hopefully a running start, and  
9           then we can assess the plan from there.

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

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

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

25           Doctor Persaud.

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

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

14 It's my understanding that we have over  
15 \$3 million in capital improvements that need to be  
16 made over the next ten years and tens of millions  
17 of dollars of immediate capital needs with a  
18 diminishing state contribution to our capital  
19 projects. How should or could the Board help? The  
20 question would be: What role should the Board  
21 play, and are there policies that we could  
22 establish to facilitate the financing of our badly  
23 needed capital projects?

24 I welcome your comments, and I'll preface  
25 those with this: We asked our chief executive to

1 take a look at a myriad of things, things that are  
2 coming on her plate, approval of the budget that we  
3 will undertake next month is coming fast and  
4 quickly. But the long-term visioning in some  
5 areas, we have dropped the ball with regard to  
6 creative ways to move institution forward.

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

15 TRUSTEE TURNBULL: Mr. Chairman.

16 CHAIRMAN MONTGOMERY: Trustee Turnbull.

17 TRUSTEE TURNBULL: There are three ways you  
18 can get money for capital improvement: PECO, a  
19 special appropriation or private gifts. So if  
20 our legislative program is in place and starts  
21 early, prior to the development of the Governor's  
22 budget -- or actually the Board of Governors'  
23 budget and if we work with the Foundation in terms  
24 of identifying, helping identify donors for  
25 specific gifts -- namings are a very important way

1 of getting gifts -- then I think we have an  
2 opportunity to really make a dent in this.

3 CHAIRMAN MONTGOMERY: Additional comments?

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

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

22 I know it's been looked at a couple of  
23 different times, but probably -- and we've had some  
24 conversations with Doctor Robinson about forming a  
25 small team, quite frankly, to relook at that. For

1 various reasons, we didn't complete that exercise.

2 CHAIRMAN MONTGOMERY: Additional comments?

3 TRUSTEE MOORE: Mr. Chair.

4 CHAIRMAN MONTGOMERY: Trustee Moore.

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

13 CHAIRMAN MONTGOMERY: I'd support that as far  
14 as the Committee's position that we have a --  
15 Mr. Bakker, when is the last time we've had a  
16 comprehensive review of our Master Plan?

17 MR. BAKKER: The Master Plan is in its fourth  
18 year. We do five-year Master Plans, so you're  
19 about to initiate a Master Plan that will be  
20 2015/2025 Master Plan. But the one that we have  
21 right now is in its fourth year, so we did it four  
22 years ago, we revised our Master Plan.

23 CHAIRMAN MONTGOMERY: Do you recall the last  
24 time that it's come before the Board for  
25 discussion?

1           MR. BAKKER: It came before the Board -- a  
2 revision came before the Board less than two years  
3 ago. We did a presentation to this Board less than  
4 two years ago.

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

17           TRUSTEE LAWSON: You know, I mean I think --  
18 I'm sorry, can you hear me okay? I think that from  
19 the last conversation we had with Doctor Robinson  
20 we had agreed that we wanted to take a second -- or  
21 I shouldn't say a second look, a relook at the  
22 Master Plan just to be sure that as the University  
23 hopefully grows and enrollment and programs, et  
24 cetera, we wanted to be sure that it would  
25 accommodate all of those things.

1           So if it's appropriate from a protocol  
2           standpoint, I would like to offer a motion that we  
3           revisit the Master Plan at a minimum of once a  
4           year, and I'm not sure of the right person to lead  
5           that process, but I would like to have that as a  
6           motion.

7           TRUSTEE MOORE:    Second.

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

10          Doctor Persaud.

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

21          CHAIRMAN MONTGOMERY:  Any further discussion?

22          (NO RESPONSE).

23          CHAIRMAN MONTGOMERY:  For clarity's sake,  
24          there's probably a more opportune time to do it.  
25          We wouldn't want to just arbitrarily just set

1 the date. We would want to do it in a way that  
2 makes -- I mean is there a better time of year?  
3 Initially we wouldn't want to hold it off. For  
4 example, if we wanted to say we did every year in  
5 March, we wouldn't want to wait until next March to  
6 review it this time, so there may be I'd say a  
7 reasonable period time -- do we have meeting --  
8 when is it, in August? Attorney Barge-Miles, when  
9 does our meeting following the June meeting? When  
10 is our next meeting. What is the next meeting  
11 after the June meeting?

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

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

21 Further discussion, Trustee Turnbull?

22 TRUSTEE TURNBULL: Just to comment, we may not  
23 need a full review, but we really do need a look at  
24 what is needed this year, and we need to do that in  
25 June for next year's budget. So if the Board

1 doesn't do a full review, we do need to have it  
2 brought back to us as what is essential to request  
3 in next year's legislative budget. I would suggest  
4 that.

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

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

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

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

19 (AFFIRMATIVE INDICATIONS).

20 CHAIRMAN MONTGOMERY: Any opposed?

21 (NO RESPONSE).

22 CHAIRMAN MONTGOMERY: The motion carries.

23 There have been -- as a recap, we have looked  
24 at tuition and fees; we then went to salaries and  
25 our posture on salaries. We've talked about the

1           athletics budget and budget deficits. We moved  
2           into the area of capital projects and the Master  
3           Plan. Are there any additional questions,  
4           concerns or comments in these areas from members of  
5           the Committee or members of the Board present?

6           TRUSTEE LAWSON: Yes, just one comment.

7           CHAIRMAN MONTGOMERY: Trustee Lawson.

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

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

17          TRUSTEE LAWSON: Okay. That's good.

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

25          CHAIRMAN MONTGOMERY: Thank you, Mr. Bakker.

1 Also, for the record, could you briefly share all  
2 FAMU properties, facilities in Tallahassee and  
3 outside of Tallahassee? If you can just do a brief  
4 rundown of what they are and give us the one-line  
5 description of what those properties entail.

6 MR. BAKKER: We have the Quincy farms, that's  
7 about 200 acres. We now own about 28 acres in  
8 Innovation Park. We have the property at  
9 Crestview. That's a building, about 37 --  
10 34,000 to 37,000 square feet, and I can't recall --

11 CHAIRMAN MONTGOMERY: The winery?

12 MR. BAKKER: Oh, the winery off of Mahan  
13 Drive, and I don't --

14 CHAIRMAN MONTGOMERY: And the law school.

15 MR. BAKKER: Yes. Yes, law school.

16 CHAIRMAN MONTGOMERY: Okay. All right, all  
17 right. All right, the medical school -- oh, okay.

18 TRUSTEE LAWSON: The Jacksonville pharmacy  
19 school, the Jacksonville pharmacy extension.

20 MR. BAKKER: Yeah, but we don't own those --

21 TRUSTEE LAWSON: That building?

22 MR. BAKKER: We don't own those other  
23 properties.

24 TRUSTEE LAWSON: Okay.

25 MR. BAKKER: Just ownership I am mentioning?

1 TRUSTEE LAWSON: We just rent that, okay.

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

13 MR. BAKKER: Yes.

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

19 And as you come back to us from a Master Plan  
20 perspective, at least in the Budget and Finance  
21 realm, having a clear understanding of how thos  
22 different satellite areas play into the overall  
23 structure from a Budget and Finance perspective is  
24 very important to this Committee. So if you would  
25 be sure to incorporate that -- not that you

1 haven't, but if you'd be sure to incorporate that  
2 as a priority going forward, I think it would be  
3 very helpful to this Committee.

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

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

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

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

21 On the non-E&G side, we closed on the  
22 acquisition of the Centennial Building at a final  
23 cost of \$2.9 million using funds from the Auxiliary  
24 Trust Fund. That acquisition gave us about  
25 28 acres, as I mentioned earlier, in property as

1 well as the Centennial Building, which is a  
2 34,000-square foot building. We were paying a  
3 lease of about \$300,000 annually on that building,  
4 and that \$300,000 will be used to replenish the  
5 Auxiliary Trust Fund.

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

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

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

20 (NO RESPONSE).

21 CHAIRMAN MONTGOMERY: 20 million in reserves.  
22 What is our 00

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

24 CHAIRMAN MONTGOMERY: What is our legally man  
25 -- what is it, five percent of the mandated

1           reserve? How much is that?

2           MR. BAKKER: About \$8.5 million.

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

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

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

14          Committee members, with regard to reserves and  
15          our posture with reserve, as you've heard, we are  
16          close to \$20 million in reserves. There was a time  
17          when we were at a higher number, but sometimes that  
18          puts us at risk where the legislature may say, you  
19          don't need our help. I remember they took, what  
20          was it, 19.8. So from this Committee, in terms of  
21          direction, are we looking to increase the reserve,  
22          keep it about where it is, or are we seeking to  
23          utilize more of that in areas -- well, and to  
24          encourage the CEO from a latitude perspective to  
25          use that to help move some of the newer programs

1 that she may want to put in place ahead? What's is  
2 posture of the Committee or members present?

3 TRUSTEE MOORE: Mr. Chair.

4 CHAIRMAN MONTGOMERY: Trustee Moore.

5 TRUSTEE MOORE: I guess question is, if 8  
6 million is our standard, our threshold and we have  
7 20 million, what's been the trend over time when  
8 we've gone over that \$8 million mark? Have we  
9 established priorities in advance and then looked  
10 to fund those or --

11 CHAIRMAN MONTGOMERY: Mr. Bakker.

12 MR. BAKKER: The reserves at the end of -- at  
13 the beginning -- during the budget process, if  
14 there are special needs identified by various  
15 departments during the budget process, those needs  
16 are considered. So for example, over the last two  
17 years, because of the declining enrollment, we have  
18 been using funding from those reserves to  
19 supplement our annual budget. So other departments  
20 may have very, very specific needs during a  
21 particular year -- last year, for example, the  
22 construction and facilities management area was not  
23 receiving sufficient funding to keep our facilities  
24 going. We used \$2.5 million from those reserves to  
25 help to upkeep buildings.

1           Last year also, as you'll recall, this Board  
2 authorized two point -- about \$2 million for to  
3 purpose of bonuses. And so there have been a wide  
4 variety of uses of those reserves over the years in  
5 accordance with what the specific needs of the  
6 institution has been.

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

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

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

1 hindrances to moving ahead and moving forward.

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

7 Trustee Persaud.

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

21 TRUSTEE LAWSON: I agree.

22 CHAIRMAN MONTGOMERY: Trustee Lawson.

23 TRUSTEE LAWSON: Yeah, I mean I think that  
24 similar to Trustee Persaud, I mean we know what we  
25 have to maintain as a bear minimum; but I do think

1 at the same time we want to leverage where  
2 appropriate. And I think those conversations  
3 should be had at the Board level when it comes to  
4 pulling funds out of the reserves.

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

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

14 CHAIRMAN MONTGOMERY: Sure. Trustee Turnbull.

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

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

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

24 MS. MATHIS: Yes.

25 TRUSTEE TURNBULL: Just E&G?

1 MR. BAKKER: Yes.

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

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

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

1 other areas.

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

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

13 TRUSTEE GRAHAM: Mr. Chair.

14 CHAIRMAN MONTGOMERY: I'm sorry, Trustee  
15 Graham.

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

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

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

24 MR. BAKKER: No, there is no established  
25 minimum for the non-E&G reserve.

1 MS. MATHIS: The non-E&G fund is not a  
2 reserve, it's the fund balance for each auxiliary  
3 operation; that's their profit. And so they use  
4 these dollars to continue investment. Some of  
5 these dollars are -- we have to hold on hand. For  
6 the entities to have bonds, you can't go below a  
7 certain level. We have to have 1.25 liability  
8 ratio, and so we can't use their fund balance, but  
9 most -- like this year, most of the auxiliary  
10 entities will be using their fund balance because  
11 of the downfall in the student enrollment. And the  
12 ANS dollars are included in these dollars.

13 TRUSTEE GRAHAM: Okay. Thank you.

14 TRUSTEE LAWSON: I just had one other  
15 question, Mr. Chair, for Mr. Bakker. When you all  
16 presented to us the early retirement of the bonds  
17 for the student service center, that was really a  
18 good idea and it had some long-term savings impact  
19 to it. Are there any other opportunities like that  
20 from a financial standpoint where we could  
21 potentially use some of the reserves that would  
22 accrue or generate additional savings for us  
23 downstream? Because, you know, when you guys  
24 brought that to us, that was a good idea,  
25 obviously, and we all supported it. But are there

1 other opportunities looming of things that we  
2 should at least consider while we're having a  
3 budget discussion?

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

8 TRUSTEE LAWSON: Of the bonds for the --

9 MR. BAKKER: For housing.

10 TRUSTEE LAWSON: Okay.

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

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

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

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

24 MS. MATHIS: The estimated deficit for this  
25 year is approximately 1.1 million.

1           CHAIRMAN MONTGOMERY: If, for example, I'm  
2 just throwing it out there, their budget was set at  
3 a higher amount that would cause them to not be in  
4 a position where there was a deficit, say the  
5 budget was actually set a higher, what are the  
6 barriers to setting the budget at a higher amount,  
7 the athletics budget at a higher amount so that  
8 they're not running at an actual deficit?

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

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

21           MS. MATHIS: Well, this year we provided 1.1  
22 million to them or scholarships, but they did not  
23 come forth with the dollars that they have  
24 projected because of, you know, the ticket sales,  
25 but we provided an additional -- we provided

1           700,000 from the Foundation for scholarship; we've  
2           provided another 300,000 from the investment fund  
3           that the law says we can do for scholarship. We  
4           also provided another 300,000 to Title IX,  
5           additional dollars for Title IX.

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

9           MS. MATHIS: A \$1.1 million deficit.

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

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

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

22          MS. MATHIS: Right.

23          CHAIRMAN MONTGOMERY: So to, I believe,  
24          Trustee Moore's point, it's simply masking the  
25          problem; but by the same token, are there

1 additional ways besides going to the Foundation,  
2 going into the investment fund and going to Title  
3 IX, are there additional ways that we can boost  
4 those numbers up, say temporarily over a period of  
5 two to three years to allow the athletics to move  
6 forward on a solid footing?

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

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

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

1 what the changes will be.

2 CHAIRMAN MONTGOMERY: Okay. One final  
3 comment, at least from me, on this area. I think  
4 we were told that -- I think we were told last year  
5 that we could possibly be in the black this year,  
6 and so being in the black is a long way from  
7 \$2.7 million, so -- and I'm being mindful for the  
8 purposes of anyone listening and observing, but  
9 that task has not fallen upon you in terms of --

10 MS. MATHIS: Right.

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

17 But I think for us to articulate our vision we  
18 have to understand what's going on. There's a big  
19 difference between a million dollar deficit say  
20 that we run annually for five or six years and its  
21 ballooning to -- at least the trend that I've seen  
22 over the last two to three years is that it has  
23 gotten over 2 million on an annual basis, and I'm  
24 not sure that we've been provided with the -- in  
25 that fashion the updated information.

1 MS. MATHIS: Well, I'm not -- like you said, I  
2 was not managing it in the past. My task now is to  
3 help manage this budget, and so going forward, I  
4 will be reporting but also helping to manage the  
5 budget for the athletics department.

6 CHAIRMAN MONTGOMERY: Comments?

7 TRUSTEE PERSAUD: Mr. Chair.

8 CHAIRMAN MONTGOMERY: Trustee Persaud.

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

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

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

1           CHAIRMAN MONTGOMERY: Thank you.

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

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

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

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

21           We had a very good legislative session as a  
22 system, over \$200 billion in new E&G operating  
23 funds as well as almost \$260 million in capital  
24 funds consisting of PECO and general revenue. So  
25 we're very thankful to the legislature to the

1 support they gave for higher education this year.

2 Now the cornerstone of the Board's legislative  
3 budget request was performance funding. You'll  
4 recall they asked for a hundred million dollars in  
5 support. Fifty million would have been new, and 50  
6 million came from the base of our institutions.

7 The Florida legislature doubled the Board's request  
8 with a hundred million dollars in new funds and a  
9 hundred million dollars in base funds, so a total  
10 funding package of \$200 million, so very  
11 significant statement on where the state is headed  
12 in terms of performance for the University System.

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

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

24 Now it's important that you understand what  
25 goes into that 10.8. Three point six million of

1 that is the restoration of your base funds. What  
2 the legislature did was take 3.7 percent of every  
3 institution's budget which totalled about  
4 \$65 million for the system, held that as part of  
5 the performance funding model, so you would receive  
6 that back in full. In addition, you'll recall last  
7 fall the Board of Governors awarded a little over  
8 \$800,000 in performance funding based on three  
9 metrics that the legislature identified in the 2013  
10 session, so you will receive those funds back as  
11 well. So the new funds that you're getting is \$6.4  
12 million, so a very significant amount of money in  
13 recognition of the performance that your  
14 institution has done on the 10 metrics that the  
15 Board has adopted.

16 Now those are recurring dollars. At this  
17 point there are no restrictions on how to use those  
18 dollars. Those dollars were awarded based on those  
19 10 metrics, so I think the expectation of the Board  
20 is that you would put those back into making sure  
21 you continue to perform on those metrics. This is  
22 the new day where we're no longer funding based on  
23 head counts and enrollments; we're going to be  
24 looking at the performance of each institution, and  
25 you'll be receiving funds accordingly.

1           Any questions on performance funding,  
2           Mr. Chair?

3           CHAIRMAN MONTGOMERY: Go ahead, Trustee  
4           Turnbull.

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

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

23          MR. JONES: Thank you. It's a great question.  
24          Our vice chair, Tom Koontz has been our leading  
25          supporter on performance funding, and he has said

1 from day one, you've got to start somewhere, and  
2 this is where the Board started knowing that going  
3 forward there will be tweaks that will need to  
4 made. And how soon those tweaks will come, we'll  
5 be discussing those at our June board meeting as  
6 well as kind of a recap on what the legislature did  
7 with our performance funding model. Because as  
8 much as they adopted it, there were some tweaks  
9 that they made to that, so the Board will need to  
10 take that into account as they work on next  
11 cycle's -- the legislative budget request.

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

17 (WHEREUPON, TRUSTEE MCWILLIAMS JOINED THE  
18 MEETING).

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

23 MR. JONES: It is recurring. I think the  
24 Board's posture is that those funds will go into  
25 your base going forward so you can make recurring

1 decisions which is what our institutions need those  
2 dollars for, so it would go out and hire the  
3 faculty advisors and so forth. And then in our  
4 next legislative budget request, we're going to ask  
5 for additional funds on top of those.

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

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

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

22 MR. JONES: Right now it's being handled at  
23 the Board level. The first order of business  
24 they'll to do in June is to approve the allocation  
25 of the \$200 million. We have as staff some

1 suggested tweaks to the model that we're going to  
2 talk about. Whether or not the Board is interested  
3 in hearing those, but if you have suggestions that  
4 you'd like to get on the table for discussion, feel  
5 free to send them to the Board office and we'll  
6 compile those with anything else that we have.

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

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

19 Please continue.

20 MR. JONES: That's all that I had to report,  
21 particularly performance funding. I know you  
22 received other funds unique to the University, two  
23 and a half million dollars for stem enhancements;  
24 for FAMU Crestview, one and a half million dollars  
25 in funding for distance learning. So I think

1 overall you should be proud of where you were.

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

6 TRUSTEE TURNBULL: Yes.

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

10 CHAIRMAN MONTGOMERY: Just a moment.

11 Ms. Mathis had a question for you.

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

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

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

25 MR. JONES: Twice monthly in accordance with

1 the state statute.

2 CHAIRMAN MONTGOMERY: Until the balance is  
3 dispersed?

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

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

8 MR. JONES: Yes.

9 CHAIRMAN MONTGOMERY: Thank you.

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

25 I know there was a lot of angst about the

1 capital budget, so I'm very pleased to report that  
2 the capital budget in total for the system was  
3 \$258 million; for the Florida A & M, by my quick  
4 back-of-the-envelope calculation it's some 26.2  
5 million. So that consists of two major projects  
6 and then three lumps sum that are to be  
7 allocated -- as Tim said with the operating, these  
8 will be allocated at the June board manager. So  
9 let me run through those very briefly and then I'll  
10 be glad to take questions.

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

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

25 And then in terms of the lump sums, let me hit

1 those briefly because these will come -- so the  
2 first is \$1.7 million, that's in the Capital  
3 Improvement Fee Trust Fund. What I contemplate  
4 happening there is similar to last year. The Board  
5 asked for a much bigger number; we didn't get that  
6 from the legislature. In effect, these are the  
7 student fees, the capital improvement fees they're  
8 assessed on a per credit hour basis to each  
9 student, so you're basically getting what you paid  
10 into the fund back.

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

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

25 If it takes some time working with the

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

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

1 session we can again make a request.

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

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

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

25 That's really the budget in a nutshell. I'll

1 be glad to take any questions.

2 CHAIRMAN MONTGOMERY: Clarify. Thank you.

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

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

14 Now that's what was requested from a prior  
15 year. We'll look and see what FSU and what FAMU  
16 each recommends as their half. You know, they'll  
17 have to update the figures. So I'm saying 30, it  
18 maybe a little more than 30. So that's 30 less the  
19 10 that was received. It should be in the  
20 neighborhood of 20, and if I may, Mr. Chair, see if  
21 Joe, if he can see -- does he concur with that? Am  
22 I in the right ballpark?

23 MR. BAKKER: Yeah, I agree, Chris.

24 CHAIRMAN BADGER: And that will bring building  
25 C on-line as well?

1 MR. KINSLEY: Yes.

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

14 When would you anticipate the balance of that  
15 30 million coming forward? Are you going to  
16 continue to make the recommendation, but when would  
17 you anticipate the balance of that 20 million being  
18 moved forward?

19 MR. KINSLEY: Oh, that's an excellent  
20 question. And first, thank you very much. We  
21 appreciate so much the opportunity to work with the  
22 staff, as well as I think you know Mr. Jackson who  
23 is one -- you know, the consultant who has helped  
24 with several of the projects here at Florida A & M,  
25 and I think the collaborative relationship that has

1           been established has been beneficial to the  
2           institution. It's been beneficial to us in  
3           understanding, you know, what are the real capital  
4           needs of Florida A & M.

5           On the last day of session, a very important  
6           piece of legislation was passed. I'm optimistic it  
7           will be signed into law. It was a tax-cut package  
8           of some hundred million dollars, but within that  
9           package is some -- a tax shift that redirects some  
10          dollars on a recurring basis into the PECO trust  
11          fund. So with that said, I can't say exactly when  
12          the, you know, additional funds would be available  
13          for the joint-use facility or other facilities, but  
14          there's at least a pool of funding that exists;  
15          whereas before, even this year, going into the  
16          session, the Board of Governors asked for some  
17          \$400 million, but that was just need driven, we had  
18          no budget established, which from a Board  
19          perspective is kind of -- you're in uncharted  
20          territories versus here is an established budget,  
21          now just make funding decisions within the  
22          established budget.

23          The Board did basically a need request without  
24          knowing where the money would come from saying,  
25          legislature, help because we cannot create funds,

1 and the legislature did. They stepped up and  
2 provided, like I said, some \$258 million. But this  
3 legislation if signed will help create a bigger  
4 pool, and I can't tell you how much bigger because  
5 it passed the last day of session so I don't --  
6 there has been no impact, estimating conference on  
7 that final conference report.

8 But I would hope that we would see progress  
9 for each -- or this institution could start to see  
10 regular dollars along the lines of what we see,  
11 this \$26 million. You know, that's what I would  
12 like to see. Because as you identified, some  
13 \$300 million, that can't all come at once; but if  
14 you could at least have some predictable level,  
15 then you can appropriately manage your capital  
16 budgets.

17 CHAIRMAN MONTGOMERY: Any additional  
18 questions, comments from members of the Committee?

19 (NO RESPONSE).

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

24 MR. KINSLEY: Well, thank you very much.  
25 Thank you for having us up.

1           CHAIRMAN MONTGOMERY: We're going to take a 15  
2 or 20 minute recess. We'll return and start back  
3 up again at 10:30. The time now I have is 10:11.

4                           (BRIEF RECESS).

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

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

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

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

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

23           Where do we stand in the area of professional  
24 development? What do we do with our exit interview  
25 data? Doctor Mangum talked about -- and she's

1 supposed to come back with salary survey, strategy  
2 on professional development, exit interview info,  
3 separate study on professional development. How  
4 much do we spend on professional development? On.

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

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

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

21 Importance needs to be on economic  
22 development, clear goals, balanced budget, and the  
23 program needs to be well understood. We need to  
24 understand the importance of athletics to the  
25 University. We are going to also work to provide

1 an overall strategy on athletics. Is June good for  
2 the update? What is the posture from the Committee  
3 on our vision on athletics? Would you like to hear  
4 from the AD before making -- we would like to hear  
5 from AD before making a decision, any decision.

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

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

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

24 Talking about financial health now: What is  
25 our mandated reserves? Are we safe right now from

1 risk of having the dollars being taken? What is  
2 the pleasure of the Committee regarding excess  
3 reserves? What has the trend been over time? I  
4 think we should be aggressive with the resources we  
5 have.

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

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

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

22 What are the barriers to setting the budget at  
23 a higher amount. Are there ways to supplement the  
24 athletics program? Were we at \$2.7 million deficit  
25 this year without additional funds? Are there

1 additional ways to boost those numbers? Are we in  
2 a position moving forward to supplement the  
3 difference? Provide updated info on the deficit,  
4 and there was a caution regarding validity of data  
5 received by the Board.

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

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

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

20 CHAIRMAN MONTGOMERY: Thank you. And thank  
21 you for indulging us in sitting through the  
22 questions -- the summary of the questions that have  
23 been asked. As a committee we wanted to put  
24 ourselves in a position where we can hold ourselves  
25 accountable. Yesterday we talked about evaluating

1 ourselves as a committee, and this is one of the  
2 ways that we can do that over time, by  
3 understanding the questions we ask, the information  
4 that was presented, how to evaluate that and how to  
5 move forward. So, again, I appreciate you sitting  
6 through that.

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

9 MS. GARCIA: Yes.

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

12 CHAIRMAN MONTGOMERY: Any comments?

13 (NO RESPONSE).

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

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

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

24 CHAIRMAN MONTGOMERY: I'm sorry, that would be  
25 Page 1, right?

1 MS. MATHIS: Yes, sir.

2 CHAIRMAN MONTGOMERY: Okay.

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

9 And then in July --

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

18 MS. MATHIS: Which additional?

19 CHAIRMAN MONTGOMERY: The supplement.

20 MS. MATHIS: From the performance --

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

24 MS. MATHIS: When we get that in July, then we  
25 will incorporate it. That's in a budget amendment,

1 and then we will incorporate it into the final  
2 budget, and then final budget will have to be  
3 approved at your August meeting.

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

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

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

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

19 CHAIRMAN MONTGOMERY: Okay. I think it  
20 would -- again, unless somebody differs, I think it  
21 would be the posture of the Committee to the extent  
22 that we could allow Doctor Mangum the time, so if  
23 required, a meeting to approve her plans after that  
24 money is put in from the Board of Governors, I  
25 think that would be in order if necessary, maybe a

1 telephone -- we've done it before after the Board  
2 of Governors meeting, so I did want to make that  
3 point. Sorry for the interruption.

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

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

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

20 The non-E&G, we've also went through the  
21 process. We've met with the UPPC, and we've also,  
22 again, presented it to the President. But, again,  
23 we still are working -- it's a working document.  
24 We have not finalized anything. And each entity  
25 submitted their request, and like I said earlier, a

1 lot of the entities are using part of their fund  
2 balance because they have been affected by the  
3 reduction in our student body.

4 On Page 8, this is just a chart showing our  
5 funding by budget entity for '12/'13; and on the  
6 next page you'll see a chart of '13/'14. In  
7 '12/'24, we had 296.2 million; in '13/'14, we had  
8 \$354.7 million to work with.

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

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

17 In doing that and doing the estimate student  
18 fee, we are looking at a decline of excess of  
19 \$9 million. And to work on -- we've been working  
20 on how we will decrease this deficit, and basically  
21 we were looking at the reallocation of vacant  
22 positions, the performance based funding, and other  
23 budget adjustment approved by the President.

24 And if you look on Page 15, you will see how  
25 we came up with the projected shortfall. The

1 estimated dollars to be collected for the 2014  
2 summer is 5.7 million; for fall semester 2105, we  
3 will collect 20.9 million -- 23.3 million, and for  
4 spring 20.9 million, a grand total of \$50 million.  
5 And basically, this year we had allocated  
6 \$59 million of student fees, so that's where we  
7 came up. We're the short 9 million.

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

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

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

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

23 From 2009 and 2010, we had our largest influx  
24 of students who were classified as profile admits.  
25 We've seen a decrease from over 70% to this year.

1 At this present time, we're at about 16% for the  
2 freshman class that's coming in.

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

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

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

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

21 CHAIRMAN MONTGOMERY: Trustee Turnbull.

22 TRUSTEE TURNBULL: I'm just curious as to why  
23 now we're talking about a \$9 million shortfall.  
24 Were we overoptimistic in our estimates? Was there  
25 some reason we weren't able to anticipate this last

1 year when we did our budget or even very early in  
2 the fall semester understand that this was going to  
3 be the problem and make adjustments at that time?  
4 I'm just wondering how valid are our budget  
5 projections if we seem to always be working at  
6 looking at deficits after the fact and not  
7 anticipating areas up front.

8 MS. MATHIS: This deficit is for '14/'15. In  
9 '12/'13, we also had a deficit and we came before  
10 the Board. We had a \$6 million deficit because  
11 students were reduced then also. It's just in the  
12 student fee trust, and that is the amount that  
13 students pay.

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

25 TRUSTEE TURNBULL: Yeah, I understand. So

1           what you're saying is we don't have a deficit yet  
2           because we haven't appropriated it.

3           MS. MATHIS: Right. Right.

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

6           MS. MATHIS: It's a shortfall.

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

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

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

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

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

22          MS. MATHIS: Right.

23          TRUSTEE TURNBULL: In other words, we haven't  
24          really looked at the hard decisions that we would  
25          have to make in the fact that we don't have these

1 dollars, and I think that's -- I think that's,  
2 Mr. Chairman, part of the budget process. This  
3 Board is not really -- it's not been made clear to  
4 us that, in fact, we don't have the amount of money  
5 we need to fund everything we're now funding; and  
6 we have never looked at: Do we need to cut in  
7 certain areas to stay within those dollars? We've  
8 always looked at: Where is money available to make  
9 up the difference?

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

19 MS. MATHIS: This is not -- like this what I'm  
20 saying today is, this is what it's looking like.  
21 There has been no decisions made, and I prefaced my  
22 conversation with that, that the President is still  
23 looking and we're going to sit down and we're going  
24 to do what needs to be done. This today is just a  
25 presentation to show you what we're looking at.

1           CHAIRMAN MONTGOMERY: And to her point, so you  
2 anticipate a staff recommendation that is heavily  
3 or balanced on cuts, or along the lines of what  
4 Trustee Turnbull described in finding money in  
5 other areas to cover deficits and, you know, take  
6 the money to kind of move to another -- what do you  
7 anticipate the posture to be when you come back to  
8 us in June?

9           MS. MATHIS: I will --

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

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

21          CHAIRMAN MONTGOMERY: And as a follow-up, I  
22 think it is exactly what she was asking. If I'm  
23 wrong is that, if we took those actions, we would,  
24 again, be taking -- whether it's the vacant  
25 positions or identified by all of those

1 (unintelligible) to cover the shortfalls, whether a  
2 more -- and I'm going to ask Doctor Mangum for her  
3 thoughts on this, whether we should be a proactive  
4 and not being in the position where there are the  
5 deficits or at least making the estimates so close  
6 that we're not in the position where we're trying  
7 to make up millions of dollars.

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

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

21 Over the years I've always asked that we be  
22 honest, take an honest assessment of where we are.  
23 I've asked that in 2007 in open -- I've asked it in  
24 2012, honest, for an honest assessment of where we  
25 are.

1           Because all of a sudden, it seems like monies  
2 appear magically from somewhere to cover a deficit,  
3 and I think we have run short of the Houdinis, and  
4 we need to be realistic. And we now have a new  
5 president on board. I would like for us to have a  
6 realistic view. We might look bad if it -- you  
7 know, it might reflect bad on us, but we need to be  
8 real and stop this magical, you know, act where  
9 money disappears and then appears -- reappears to  
10 balance our budget.

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

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

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

24           CHAIRMAN MONTGOMERY: I didn't realize there  
25 was another trustee. Trustee Lawson.

1 TRUSTEE LAWSON: Yeah. No, just a -- and I  
2 think -- you know, I don't want to repeat what the  
3 previous two have said, but I'm just looking at  
4 Page 16, and it looks like -- if I'm following  
5 correctly on Page 16, there is at least an outline  
6 of a plan to address the \$6 million deficit.

7 Am I -- is that what this is saying?

8 (AFFIRMATIVE INDICATIONS).

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

22 So it just begs the question. I know, Doctor  
23 Hudson, we've had some discussion around this. Do  
24 you -- and this is kind of a, somewhat of a complex  
25 question, but how do you view the student head

1 count situation playing out over the next 2 to  
2 3 years?

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

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

19 TRUSTEE LAWSON: Okay.

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

1 that's going to take effect in the future.

2 TRUSTEE LAWSON: Again, I mean clearly we  
3 would love, at least as I look at this, we would  
4 love to try and solve the greater majority of this  
5 problem with head count increase or student count  
6 increase, right? That will eliminate some of the  
7 \$6 million you've identified here. Assuming we  
8 can't do that, the difficult decision is: Are we  
9 overstaffed for the resource pool we're servicing?

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

12 TRUSTEE LAWSON: And not for today, obviously,  
13 but I just think it's just -- you know, you kind of  
14 lean into that conversation as you look at this,  
15 but I just want to make sure that -- you know, and  
16 that's why I asked Doctor Hudson about what we  
17 think enrollment trends will look like because, you  
18 know, I think we all would like to go back to the  
19 2010 and 2011 numbers as far as students. And I  
20 know you've been ratcheted down because of the  
21 profile admit situation and other economic  
22 situations with the student loan crisis, et cetera,  
23 but, you know, I just really think that, you know,  
24 it's bit of a complex issue because I think we all  
25 want more students here, more of the right students

1 here to help address this issue so that you don't  
2 have to, for lack of a better term, re-engineer  
3 your way to covering a \$6 million deficit -- or not  
4 deficit, I'm sorry, projected shortfall. That's  
5 the right term.

6 TRUSTEE TURNBULL: Yeah, that's better.

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

9 CHAIRMAN MONTGOMERY: Trustee White and  
10 Trustee Persaud.

11 TRUSTEE WHITE: And just to add to that, I  
12 also think you know we're back now to sort of this  
13 enrollment management issue because you frequently  
14 have the problem that versus what was the budget  
15 authority based upon head count a few years ago,  
16 students taking less credit hours; so actually  
17 growing enrollment wasn't -- you didn't get the  
18 same bang as you would have expected. So if you  
19 look now at the drop in credit hours, I'm looking  
20 at for 2011, you know, to 14, there's actually --  
21 you'll see you have a smaller drop in percentage  
22 terms of credit hours than you do in head count.  
23 And so some of the students who aren't here, ones  
24 who were taking lower credit hours, so I want to  
25 say it is a complex issue. And to solve it, we

1 would really need to understand the enrollment  
2 management piece of that about getting those  
3 students in who are going to take over the  
4 budgeted, you know, appropriate number of hours, so  
5 it's complicated.

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

8 TRUSTEE PERSAUD: Sure.

9 CHAIRMAN MONTGOMERY: Trustee McWilliams and  
10 then Trustee Moore.

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

21 Student Affairs has to do with recruitment and  
22 trying to build the base of students that we have,  
23 and he comes in and says that what he really needs  
24 is more resources, more people. So is it the right  
25 thing to do to look at a reduction in those areas?

1 I don't know what we're reducing, what impact those  
2 reductions would have on those efforts. But I  
3 think it is, as someone said, a complex issue; and  
4 I think that we don't want to -- when we say we  
5 have vacancies, and we don't fill vacancies,  
6 obviously those vacancies would not exist were  
7 there not some indication that these positions were  
8 important in the first place to accomplish whatever  
9 our goals are. So to just not fill vacancies  
10 probably isn't the best way to address shortfalls  
11 at all times, so that's just food for thought so to  
12 speak.

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

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

25 Trustee Moore.

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

4 DOCTOR HUDSON: Currently have a --

5 TRUSTEE MOORE: Enrollment management plan.

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

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

20 So are we building in those assumptions?  
21 Because I'm trying to wrap my mind around -- I  
22 guess Trustee Turnbull said it earlier -- of why we  
23 would even end up in a position of a planned  
24 shortfall when we recognize what the trends are?  
25 We have data that moves us back from 2009 to

1 present, so we know what is happening. So why  
2 wouldn't we kind of build those assumptions in?

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

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

23 What Ms. Mathis has presented so far is where  
24 we are in the process. We are going to continue to  
25 deliberate. This is just where we are, and it is

1 not that we -- we anticipate on the basis of where  
2 we are that we are going to have a certain amount  
3 of revenue. It never translates into a budget  
4 deficit. We have never had a budget --  
5 statutorily, especially on the E&G side, we will  
6 never have -- we have never had a budget deficit at  
7 the end of the year, but it's a process that we go  
8 through.

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

20 TRUSTEE MOORE: Mr. Chair, if I could add to  
21 that. The anticipated number is based off of --  
22 it's the number of students because if you're  
23 talking about fees, that comes by way of increased  
24 enrollment. So if we're anticipating that but the  
25 trends reflect that we are seeing a decline, I

1           guess, again, the question goes back to: Why are  
2           we anticipating when we realize what the trends --  
3           anticipating the increased enrollment when we  
4           recognize that the trends have shown that it has  
5           continued to go down?

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

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

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

24          DOCTOR HUDSON: The 9,500 is our projection in  
25          working with Academic Affairs, and it's less than

1           it was last year. Now the numbers currently for  
2           the freshman class are looking up, we're ahead of  
3           where we were last year; but the question that I  
4           was asked was projections for the future. And  
5           those look positive, but based upon what has  
6           happened previously, the projection for this year  
7           is 9,500.

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

12          Trustee Persaud.

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

23          The same issue I also raised with the  
24          differential fees, I've always cautioned the  
25          administration the differential fees are not

1 recurring dollars, they're not going to be there  
2 for us.

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

15 CHAIRMAN MONTGOMERY: Trustee Lawson.

16 TRUSTEE LAWSON: Yeah, just a comment for  
17 Mr. Bakker because I know you have a committee that  
18 puts a lot of this together. I think one thing, at  
19 least it would be helpful for me and I know it's  
20 hard to do, but if we could have a multi-year look  
21 at where we think we'll be because I think that it  
22 will eliminate, at least in my mind, some knee-jerk  
23 reactions around what we should like, how we should  
24 look, et cetera, if we had, you know, kind of  
25 similar to where Doctor Persaud was going. He was

1 talking about outcomes, but for me it's, you know,  
2 '15, '16, '17, where do we -- you know, best  
3 estimation of enrollment based on, you know, trends  
4 of first-time-in-college kids across the country  
5 and in our state and at HBCUs. If we compare that  
6 to what our trend lines are, where do we think the  
7 95 will be in the next 2 to 3 years? Consequently,  
8 how does that impact our longer-term budget vision?  
9 Because I think when we look at it over a horizon  
10 like that, it will eliminate some of the knee-jerk  
11 reaction that says we need to be bigger or smaller  
12 in certain areas, knowing that the student  
13 population may ebb and flow due to various, you  
14 know, economic issues.

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

17 MS. MATHIS: Not --

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

21 TRUSTEE LAWSON: In the work plan?

22 DOCTOR HUDSON: Yes.

23 TRUSTEE LAWSON: Okay.

24 CHAIRMAN MONTGOMERY: Again, I think it would  
25 be appropriate that we ask Doctor Mangum to provide

1 us this information as requested. I think it's  
2 valuable information for the Committee to look at  
3 the projections, and it's also an accountability  
4 function, so we can come back and look at where we  
5 were and how that trended. I mean it's not going  
6 to be exact science, the numbers are going to vary;  
7 but if you could provide those -- if you could  
8 provide those projections to us.

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

20 Now the idea is that we would keep it above  
21 that number, retention, enrollment management  
22 obviously with recruitment; but, again, I think to  
23 Doctor Persaud's point, as we understand Doctor  
24 Mangum's new processes, procedures, policies,  
25 vision, direction for Florida A & M, we need to be

1 mindful of where we are. And you can't turn the  
2 battleship around on a dime, and I think it's going  
3 to take some time to turn that around as a far as  
4 trend.

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

8 Doctor Mangum.

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

22 So I think our strategic plan is important and  
23 will play an important part of our ability to  
24 recruit first-time-in-college students, the  
25 retention of the students and all of the things

1 that performance metrics will provide funding based  
2 upon.

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

19 With regard to whether or not we are  
20 appropriately sized with the infrastructure and how  
21 we actually get to a balanced budget in a case  
22 where we have some shortfalls or imbalances across  
23 the operations, we do have an operational and  
24 organizational review that is beginning to find the  
25 efficiencies and the effectiveness approach which

1 may end up having to address some of the  
2 appropriate sizing and right sizing certain  
3 offices, and even right sizing certain budgets to  
4 be able to perform the functions that we've  
5 designed them to perform. But that's part of an  
6 institutional set of details and discussion that  
7 we'll be having across the campus all summer and  
8 throughout the academic year and be able to make  
9 those appropriate adjustments.

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

19 So that's what I would say to you, is let us  
20 do the work we need to do, and the degrees of  
21 freedom that we have across all of our budget line  
22 items, we'll be able to make those adjustments as  
23 appropriate. So I think the statement here where  
24 the budget director gave you with regard to a  
25 strategy to address the shortfall or the imbalance,

1 if you will, in our budget is a good one. It's a  
2 good first start. That's the beginning of the  
3 discussions that we need to have.

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

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

20 MS. MATHIS: That has been done.

21 TRUSTEE TURNBULL: And that's been done. If  
22 we can have that information, Madam President, and  
23 if that is in the end your recommendation, it would  
24 be important for us to know what the impact of not  
25 filling those vacancies is. Thank you.

1           PRESIDENT MANGUM: I think it will be, if I  
2 may, important for us to understand the level of  
3 detail that you guys would be interested in because  
4 my focus is on making sure that you understand we  
5 have an operating budget that will meet the needs  
6 and address our mission.

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

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

21           CHAIRMAN MONTGOMERY: I think it's important  
22 also to note that this is, first, Doctor Mangum, is  
23 that in our oversight capacity and not so much an  
24 attempt to become the financial managers or to, as  
25 Trustee White says so eloquently, attempt to

1 micromanage. We're more in a posture of having  
2 looked at this over time and you just happen to be  
3 coming in to hear that side of the conversation.  
4 You know, we've taken an inordinate amount of time  
5 in this one particular area given how we had been  
6 moving along until now, so I think you understand  
7 the importance of this area to this Committee and  
8 to this Board and that, again if you would present  
9 your thoughts, ideas, going forward, your plan, I  
10 mean maybe in the June meeting and going forward  
11 would be okay. But, again, I don't believe I speak  
12 for Trustee Turnbull and the rest in saying we're  
13 not attempting to prescribe how, we just want a  
14 better understanding of what's going on and we're  
15 wide open to best practice and better practice than  
16 what we're currently doing.

17 Thank you.

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

20 MS. MATHIS: On Page 19, when we were talking  
21 about the student fee trust fund and what I'm  
22 saying, this is just the budget authority. It does  
23 not mean that we would have these dollars. For  
24 instance, in the current year, it's showing that  
25 72.2 million is what the student fee fund exists

1 of.

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

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

14 MS. MATHIS: Yes.

15 CHAIRMAN MONTGOMERY: Okay. Give us the  
16 30-second version of the authority versus  
17 collected, please.

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

21 CHAIRMAN MONTGOMERY: But what happens?

22 MS. MATHIS: But we only collect from the  
23 student body that are here on campus and the  
24 courses that they take, and so I'm saying we did  
25 not collect 72.2 million. We knew we would not

1 collect that because the plan is a plan that's five  
2 years old; and so, therefore, we had already  
3 projected that we would only collect from the  
4 10,700 students that we had, so we collected that,  
5 and that was the 57 million, and that's what we  
6 spent.

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

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

20 MS. MATHIS: Yes, the general revenue dollars,  
21 as you see, in '08 we started out \$120 million; and  
22 as you see now, we're down to 87.4 million,  
23 basically because of the budget cuts and they  
24 shifted some of the GR dollars to lottery, and that  
25 happened -- this year also we have a shift.

1           CHAIRMAN MONTGOMERY: And the 20 million, we  
2 were at 67 and it's back up to 87, that was the 20  
3 million they took?

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

6           CHAIRMAN MONTGOMERY: And gave back us the  
7 next year.

8           MS. MATHIS: Yes.

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

11          MS. MATHIS: Lottery, it's up and down based  
12 on the sale of tickets. And also, the K through  
13 12, get all of their dollars first. After they get  
14 their dollars, then community colleges and  
15 universities get their portion of lottery. We  
16 usually don't start getting lottery until in  
17 December, and then every two weeks we get the  
18 allocations until we receive all of the dollars.

19          CHAIRMAN MONTGOMERY: And then finally, if  
20 you'll flip back one more page, and I apologize for  
21 going backwards, to Page 17, these other two  
22 graphs. If you look at the funding trends, there's  
23 fluctuation in the GR funds going down. That's  
24 what we saw in the other graph. That's why I'm  
25 reading it backwards. But the student fees are

1 flat -- but getting the 20 million back and then  
2 the slight increase in the lottery accounted for  
3 going from the 149 to the 171, but the student fees  
4 are flat but the enrollment is declining. I don't  
5 understand how it stays -- well, can you explain  
6 how it stays flat?

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

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

21 (NO RESPONSE).

22 CHAIRMAN MONTGOMERY: Please continue,  
23 Ms. Mathis.

24 MS. MATHIS: The remaining pages have  
25 definitions of our expenditure categories, the

1 categories that the state -- they used to  
2 appropriate it by these categories, but now they  
3 give us a lump sum but we have to report back on  
4 these categories; and that's your salaries and your  
5 other personal services and all the ones listed on  
6 Page 20 and the top of 21.

7 And then on 21 --

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

17 There were two other, if you'll jump to Page  
18 60 -- and again, this stuff is form, we can read  
19 what's in the book. If you have additional  
20 questions, we'll open that up in just a moment, or  
21 otherwise we'll move forward. But I had two pages  
22 that I would like to you briefly explain to the  
23 Committee, Page 63.

24 MS. MATHIS: And 64?

25 CHAIRMAN MONTGOMERY: 63 and 64, appendix.

1 And if you can keep them as the bridge reports, but  
2 if you can talk about the trending here and what  
3 the numbers mean.

4 MS. MATHIS: Okay.

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

11 MS. MATHIS: Okay, these --

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

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

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

18 MS. MATHIS: When they give their  
19 presentation.

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

22 MR. BAKKER: Yes.

23 MS. MATHIS: Uh-huh.

24 CHAIRMAN MONTGOMERY: Okay. Y'all can't  
25 explain it?

1 MS. MATHIS: No.

2 MR. BAKKER: Well, before the --

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

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

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

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

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

1 returned in the following fall, they are showing up  
2 in the second year.

3 So are there any other questions?

4 CHAIRMAN MONTGOMERY: We track these cohorts  
5 ten years out?

6 MR. SUDEE: Yes.

7 CHAIRMAN MONTGOMERY: That's correct?

8 MR. SUDEE: Yes.

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

14 MR. SUDEE: Well, the tenth year number is  
15 saying that in ten years we were able to do it  
16 49.4% of the students who started in 2003. That is  
17 the 2,565 students who started, we were able to get  
18 track them about 50% in ten years.

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

1 graduation rates from these reports?

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

5 CHAIRMAN MONTGOMERY: Board members, any  
6 questions, comments?

7 (NO RESPONSE).

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

24 This all plays into the budgeting overall, but  
25 it's wanting to understand what's going on and it

1 just gives us a brief understanding of how you're  
2 using this data moving forward. I think Doctor  
3 Hudson is coming forward to address that.

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

14 CHAIRMAN MONTGOMERY: Questions? Doctor  
15 Persaud.

16 TRUSTEE PERSAUD: Yeah, looking at these  
17 numbers, I'm wondering that from the sixth year to  
18 the seventh year we have a 5% increase, and it  
19 seems like that's consistent 5%. So it takes 5%  
20 seven years for a student. You see what I'm  
21 talking about? From 48 to 45% graduation rate.

22 That's quite a long time for a bachelor's  
23 degree. I was wondering, the indebtedness that  
24 goes with that, for the -- between the sixth and  
25 seventh year, 45% of the students.

1           CHAIRMAN MONTGOMERY: Trustee Shannon.

2           TRUSTEE SHANNON: With all due respect, can we  
3 ensure that our time that we spend on this issue be  
4 directly associated with the budget impact?

5 Because I do think we have a greater conversation  
6 to have here than student retention. I just don't  
7 think we need to use our precious time here doing  
8 if there are budget impact issues that we need to  
9 focus on.

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

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

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

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

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

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

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

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

20                   DOCTOR HUDSON: I'm fine.

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

1 Doctor Persaud.

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

11 CHAIRMAN MONTGOMERY: Additional comments?  
12 Trustee Shannon.

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

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

20 (NO RESPONSE).

21 CHAIRMAN MONTGOMERY: Thank you, Doctor  
22 Hudson.

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

25 MS. MATHIS: This is, again, not our

1 preliminary budget; this is just where we're  
2 starting with the base. And it's listed for the  
3 E&G, all of the divisions, so I'm not going to read  
4 that to you.

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

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

12 Any additional comments, or questions?

13 (NO RESPONSE).

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

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

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

22 TRUSTEE LAWSON: Is that this one.

23 MS. MATHIS: Yes. And right now we ended up  
24 171.175 million, and right now we're in the final  
25 conference. We're at 174.5. This does not include

1 the performance-based budgeting. This is just the  
2 other activities and things that were approved in  
3 the final conference.

4 CHAIRMAN MONTGOMERY: Questions?

5 (NO RESPONSE).

6 CHAIRMAN MONTGOMERY: Thank you, Ms. Mathis.

7 There's some special budget items that we  
8 thought would be of interest to this forum. The  
9 first item is the creation of a Veterans Affairs  
10 Office.

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

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

21 In your books, I think Mr. Bakker provided it.  
22 I just wanted to reiterate that an estimated 5 to  
23 \$6 million funding has been designated for  
24 educational programs and in-state waiver for  
25 veterans by the State of Florida legislature.

1           We've been working with Colonel Francis at  
2 Florida State University and TCC's Veterans Center  
3 to make Tallahassee a place of opportunity for our  
4 veterans that are returning back. And I want to  
5 introduce briefly, Lieutenant Colonel Joseph Kelly,  
6 professor of military here at Florida A & M  
7 University since December 2010, to speak about the  
8 importance of having a veterans center and not just  
9 veterans, a veterans office here on our facility.

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

20           After deployment, he was assigned to division  
21 staff as a division transportation officer. He was  
22 then selected to become the executive officer and  
23 support operations officer of 53rd Aviation Support  
24 Battalion, 159th Combat Aviation Brigade. There he  
25 was deployed to Afghanistan to support Operation

1 Enduring Freedom. And at this time I'll let him  
2 (inaudible).

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

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

7 LIEUTENANT COLONEL KELLY: Yes, sir.

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

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

18 We also mentioned that, you know, Florida has  
19 the third largest population of veterans in the  
20 nation and that, you know, at the current state,  
21 FAMU lacks a acknowledge of veterans affairs  
22 benefits and where we need to go. Since that  
23 February meeting, we earmarked about \$250,000 with  
24 what we need to do to start up this Veterans  
25 Affairs Office, and we've created the job

1 descriptions for the director, the assistant  
2 director, and the administrative assistant. And  
3 those salaries come to \$175,000.

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

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

19 CHAIRMAN MONTGOMERY: Trustees, last year  
20 we -- and I think it was Trustee Turnbull that  
21 mentioned how we -- I mean we're FAMU and we should  
22 grow and we could grow, and should not be in a  
23 position where other folks are not doing things  
24 that we're not doing when we can do them. You  
25 know, looking at veterans, the number of veterans

1 coming back to Florida, this is a growth area,  
2 potential growth area for FAMU. I think -- what  
3 did you say, it was 250,000 was what you put into  
4 it initially?

5 LIEUTENANT COLONEL KELLY: Yes, sir.

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

14 Any comments, questions? Trustee Turnbull.

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

21 But they had already been working on it, and  
22 this is a great way to get high retention, high  
23 graduation students. They're older, they're more  
24 mature, they bring federal money with them. It's  
25 an opportunity for private fundraising and naming

1 of the veteran center. If any of you know of  
2 someone who would like to be, I'm sure Doctor  
3 Haynes would like to know about them.

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

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

21 CHAIRMAN MONTGOMERY: Thank you.

22 Trustee White.

23 TRUSTEE WHITE: So this is just with a budget  
24 concern piece. So you're academic affairs, so is  
25 there a vet come through the Academic Affairs

1 Committee to go through what the services that will  
2 be provided?

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

5 TRUSTEE WHITE: Is it Student Affairs?

6 DOCTOR HUDSON: Yes, it's Student Affairs.

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

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

16 CHAIRMAN MONTGOMERY: Thank you, Trustee  
17 White.

18 Thank you, gentlemen, Colonel Kelly, Doctor  
19 Hudson.

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

25 VICE PRESIDENT WRIGHT: Good morning. You may

1 recall that in the question of the salary  
2 adjustment and the need, we presented first in the  
3 October Board meeting. We were then asked to come  
4 back with a clear strategy which we -- and  
5 definition, which we came back in January.

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

14 What we did was, the accreditation ward asked  
15 that the salaries of the College of Pharmacy should  
16 at the very least be brought to the 25th percentile  
17 level. And so what you have -- you do have a  
18 handout that we passed out which really describes  
19 three different levels of need, depending on what  
20 area or how close to or beyond the 25th percentile  
21 level we would want to approach. So we looked at  
22 25 --

23 CHAIRMAN MONTGOMERY: Provost Wright?

24 PROVOST WRIGHT: Yes.

25 CHAIRMAN MONTGOMERY: If you'd allow me, Board

1 members, to keep the College of Pharmacy at a level  
2 where it's not at a threat for accreditation, the  
3 salaries need to be brought, at a minimum, to a  
4 25th percentile.

5 PROVOST WRIGHT: Correct.

6 CHAIRMAN MONTGOMERY: That amount is listed in  
7 front of you. It's about a million 1. Provost  
8 Wright, is that the --

9 PROVOST WRIGHT: Yes, less than 700,000.

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

12 PROVOST WRIGHT: Correct.

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

16 PROVOST WRIGHT: It's reoccurring by the way.

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

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

24 CHAIRMAN MONTGOMERY: For the balance, yes.

25 PROVOST WRIGHT: Yeah, the balance would be

1 roughly -- yeah, about 500,000.

2 TRUSTEE TURNBULL: 413.

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

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

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

25 PROVOST WRIGHT: Correct.

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

14 TRUSTEE PERSAUD: Yeah, Mr. Chair.

15 CHAIRMAN MONTGOMERY: Trustee Persaud.

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

21 CHAIRMAN MONTGOMERY: In line with what  
22 Trustee White said and, again, it is a visioning  
23 piece from a committee perspective and from a board  
24 perspective. Where do we want -- where do we  
25 need -- it's also a question of resources. I mean

1 are we saying that we want to pay pharmacy faculty  
2 best in class? Are we saying we want Florida A & M  
3 best in class? Where are the inadequacies -- or  
4 the inequities as they're currently presented? We  
5 know about engineering; we know about pharmacy.  
6 Short and long term in line with what Trustee  
7 Lawson said, you know, what is our position as a  
8 board with regard to our vision for how we get our  
9 faculty in a -- how we effectively position our  
10 faculty. Do we want to be mid range in the State  
11 University System? Do we want to benchmark against  
12 HBCUs? Do we want to benchmark on a national  
13 level? Do we want to start off by just making sure  
14 that programs like pharmacy aren't -- I mean and,  
15 again, I think I could say that we don't want any  
16 programs to be in jeopardy for this. That should  
17 not be the problem from a budget and finance  
18 perspective, but these are questions before you as  
19 a committee and --

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

25 But then also, a different issue, we have a

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

14 CHAIRMAN MONTGOMERY: Trustee McWilliams.

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

1 accreditation.

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

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

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

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

15 Now there are some options that are out there.  
16 Clearly when you look at the tuition of the -- for  
17 instance, when you look at the tuition of the  
18 pharmacy school in comparison to the peer  
19 institutions in the state, our four-year program,  
20 the first two years of the professional program, is  
21 considered an undergraduate program and their  
22 tuition is woefully and considerably lower than the  
23 other state programs. And so that is one thing  
24 that we would have -- the Board would have to  
25 consider at some point; however, the other is the

1 possibility of actually getting additional revenues  
2 from the state which is one of the areas in which  
3 we --

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

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

12 I think we have to look at a combination of  
13 way to put the pharmacy faculty on sound footing,  
14 and I think the appropriation from the legislature  
15 gives us a start. Going forward, however, we would  
16 need to develop a strategy that would anchor the  
17 salaries, so this year we could use a combination  
18 of sources. I heard you very clearly about the  
19 tuition increase piece earlier. So this year we  
20 could probably supplement, depending upon the  
21 strategy that we work with with the budget  
22 committee, we could supplement it from some  
23 carryforward or temporary resources but have a  
24 longer term strategy where we put it on solid  
25 footing.

1           Looking at the resources that we have coming  
2 forward from the legislature if they are  
3 maintained, we could use a combination of  
4 strategies. I think we can move forward, and  
5 depending upon the strategy, that we could address  
6 it this year. But I think longer term, we are  
7 going to have to look at the competitiveness of the  
8 faculty as well as our tuition rates.

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

22           So thank you, and realizing that moving  
23 forward we may have to look at other options of  
24 funding as far as tuition, but right now I don't  
25 think taxing the students should be an option.

1 TRUSTEE WHITE: If I could add a comment.

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

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

19 TRUSTEE GRAHAM: Thank you.

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

22 I had conversations with Doctor Mangum and the  
23 Provost, Trustee Grahama, about this and the  
24 potential fee increases affecting current students.  
25 We had a conversation about outlier years so that

1           you can -- students would have an opportunity to  
2           understand what the costs would be in future years.  
3           You remember the conversation we had about that.  
4           So there has been consideration about how it would  
5           affect current students who came in, and then there  
6           would be an increase versus actually assessing it  
7           at a later date or at a later time. That's going  
8           to be left to a recommendation from the Provost and  
9           then from the chief executive, but they are being  
10          mindful of what you consider a tax to the current  
11          students.

12                   Trustee White.

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

23                   The other comment is I completely again sort  
24                   of understand where Student President Graham is  
25                   coming from, but it is important for us to

1 appreciate the material that we received  
2 previously. As Provost Wright alluded to and  
3 pointed out, that we are actually charging this  
4 also for our pharmacy education. And this is a  
5 program where the salaries starting out are  
6 dictated sort of by state. And so whether you pay  
7 20,000 to get the career or 50,000 to get the  
8 degree, when you come out and start you're going to  
9 make the same thing.

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

16 CHAIRMAN MONTGOMERY: Thank you.

17 Any additional comments, Provost Wright?

18 PROVOST WRIGHT: Not as it relates to the  
19 College of Pharmacy, but there is still a  
20 discussion on the college -- the FAMU/FSU college,  
21 faculty salaries on the FAMU side. As you know,  
22 there's been a lot of discussion about the college  
23 of -- the engineering college; and among one of the  
24 issues has to do with the inequities between  
25 salaries on the FAMU side versus the salaries on

1 the FSU side and how that has happened over the  
2 years. And I think you can refer to Appendix 4B  
3 which will give you some of the background. When  
4 we actually looked at what it would take to  
5 actually increase and to try and balance out that  
6 inequity, it was about 15% increase over all of the  
7 faculty and staff which is about \$500,000 to offset  
8 that deficit as well. So I just thought I wanted  
9 to put that in front of the Committee.

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

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

1 shift from one side to the other.

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

11 CHAIRMAN MONTGOMERY: An additional question,  
12 and then I'll recognize Trustee Turnbull. How do  
13 we plan to pay -- your requesting an additional  
14 \$430,000 recurring?

15 PROVOST WRIGHT: Yes.

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

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

22 CHAIRMAN MONTGOMERY: Trustee Turnbull.

23 TRUSTEE TURNBULL: Yeah, this is sort of a  
24 series of questions. One, I had been under the  
25 understanding from the dean that he was able to

1           adjust the inequity for assistant associate  
2           professors and that the only thing still  
3           outstanding was full professors. Is that not true?

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

6           TRUSTEE TURNBULL: Oh, Dean.

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

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

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

1 their students than for ours.

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

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

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

25 And as the Provost said, we are preparing the

1 self study report that we have to submit in June of  
2 next year. And then in the fall, there will come a  
3 visit. Now if they come and visit and they see  
4 these inequities, whether it has to do with  
5 standouts or by admitting students or salary  
6 increases, then they will say that that is  
7 definitely going to affect the quality of the  
8 program, and that will jeopardize the accreditation  
9 for both schools.

10 CHAIRMAN MONTGOMERY: Let me stop you. Dean,  
11 if you'd allow me, I want to summarize first so  
12 that we have an understanding of the posture  
13 between the pharmacy and if you combine the two,  
14 it's roughly 843,000 on an annual basis that we're  
15 looking at in terms of recurring funds. Along the  
16 lines of what we've all agreed to in the area of  
17 excellence with caring, we do want to -- I hate to  
18 say at a minimal level because it's kind of  
19 contradictory to say a minimal level of excellence;  
20 but with two items before us, we'll be in a posture  
21 at our next meeting -- we'll have to vote on this  
22 as to whether we want to move forward with this. I  
23 just want to take the moment while you're here to  
24 ask if there are any specific questions of the  
25 Committee, of the Dean and of the Provost with

1 regard to engineering. I think we're okay on the  
2 pharmacy side, but while you're here, I just want  
3 to see if Committee members have questions of you.  
4 Doctor Persaud and then Trustee McWilliams.

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

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

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

24 CHAIRMAN MONTGOMERY: Dean, again, I'm going  
25 to move it because I'm going to have actually --

1 we're going to wrap this in a second. I understand  
2 what you're saying in terms of the posture, the  
3 inequities here. Those are structural things here  
4 internally. What we're dealing with, or what  
5 Trustee Shannon would say, we're going to keep it  
6 right on the budget side; and so I'm going to  
7 recognize Trustee McWilliams and then we'll pull  
8 this in.

9 Trustee McWilliams.

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

21 DEAN YEBOAH: Well, I don't know how FSU is  
22 using that money, but I do know that currently they  
23 have an initiated to hire faculty in the area of  
24 materials for any of the applications. Now that is  
25 a national (unintelligible) and the faculty that we

1 are hiring in those areas right now, and that's how  
2 some professors are being hired as  
3 (unintelligible).

4 TRUSTEE McWILLIAMS: Thank you.

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

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

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

23 (WHEREUPON, THE TRANSCRIPT CONTINUES IN  
24 SEQUENCE IN VOLUME 2 WITHOUT OMISSION).

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**Florida Agricultural and Mechanical University  
Board of Trustees**



**Budget and Finance Committee Minutes  
Trustee Rufus Montgomery, Chair**

**Wednesday, June 4, 2014**

**Committee Members Present:** Trustee Rufus Montgomery (Chair); Trustee Kelvin Lawson; Trustee Narayan Persaud; Trustee Cleve Warren (via telephone); and Trustee Karl White.

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

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

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

**Business Auxiliaries at the Law School (Information Item)**

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

**Bookstore**

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

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Snack Vending**

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

**Beverage Vending**

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

**Parking Services**

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

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

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

**Questions Associated with this Item:**

<b><i>Business Auxiliaries - Law School</i></b>	Provide comparison of our auxiliaries with similar law schools. <b>(Chair)</b>
	Provide synopsis of all services and deficits. <b>(Chair)</b>
	Are hot meals going to be available at the Law School? (Persaud)

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Action Items**

**Approval of Minutes – March 5, 2014**

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

**Approval of FY 2014-15 Preliminary Operating Budget**

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

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

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

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

**Questions associated with this Item:**

<b><i>Preliminary Oper Budget</i></b>	Would like to hear from President Mangum on areas that are of interest to her. (Turnbull)
	Would like to hear from President Mangum on what conclusions she has drawn. (Turnbull)
	The Board and leadership needs to look at how we are using Auxiliary funds. Compared to other institutions. (Turnbull)

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Information Items**

**Contracts over \$100,000**

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

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

- **A 1-year contract with Perceptive Software for \$276,870.25** to provide software and technical support to expand and maintain the University’s electronic document and workflow system for processing, filing, and retrieval of documents.
- **A contract with Digital Architecture for \$100,651** to host, implement, integrate, and support a web-based service that will provide FAMU with the ability to host and manage its online academic catalog. It is estimated that the project will be 16 weeks in duration. This agreement will transition the FAMU academic catalog into an online academic catalog management system.

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

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

**Questions associated with this item:**

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

**Quarterly Financial Report**

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

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

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Updates from the May Budget and Finance Committee Workshop**

**Governmental Relations Overview**

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

Mr. Thompson reported the following:

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

FAMU Funded Initiatives:

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

Major Policy Issues that Passed

- 9-month study on the future of the FAMU-FSU College of Engineering (The bid solicitation is located at): [http://www.myflorida.com/apps/vbs/vbs\\_www.ad.view\\_ad?advertisement\\_key\\_num=113321](http://www.myflorida.com/apps/vbs/vbs_www.ad.view_ad?advertisement_key_num=113321))
- In-State Tuition for Military Veterans
- In-State Tuition for certain undocumented immigrants
- Differential & Cost of Living Tuition Increases gone

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

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

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Questions associated with this Item:**

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

**Athletics Update**

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

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

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

- The contract with Metz does not directly allocate funds to the Athletics Department.
- The Foundation did not provide \$700,000 to Athletics. These funds were from the President's Discretionary Account which was housed at the Foundation.
- FY 2014-15 Expenses are greater than FY 2013-14 because Athletics will assume specific expenditures from the Boosters. Subsequently, there should be additional revenue generation opportunities.
- Effective July 1, 2014, the Boosters will report to the Athletics Department.
- The true deficit for FY 2013-14 is approximately \$1.2 million.
- Additional dollars provided for Athletics in FY 2013-14:
  - President's Discretionary Account (FAMU Foundation) - \$700,000
  - Auxiliary Investment Earnings - \$300,000
  - Additional E&G dollars to Title IX - \$300,000

**Florida Agricultural and Mechanical University  
Board of Trustees**



There was a discussion regarding the budget request, current and upcoming year deficits, and the strategy of the new administration. The Chairman asked if there were any questions for AD Winslow. See questions at end of document.

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

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

**Questions associated with this Item:**

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

**Salary Adjustments for Colleges of Pharmacy and Engineering**

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

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

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

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Questions associated with this Item:**

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

**Direct Support Organizations (DSOs)**

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

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

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

**Questions associated with this Item:**

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

**Enrollment Trends and Plan**

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

**Florida Agricultural and Mechanical University  
Board of Trustees**



**University Compensation**

The Committee heard from Mr. Bakker on this item.

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

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

**University Training**

The Committee heard from Mr. Bakker on this item.

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

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

The meeting adjourned at 10:26 A.M.

Rufus Montgomery  
Committee Chairman

Transcribed by:

Darlene W. Garcia



**Florida Agricultural and Mechanical University  
Board of Trustees  
INFORMATION ITEM**

**Budget & Finance Committee  
Wednesday, September 10, 2014  
Agenda Item: IV**

**Subject:** ANALYSIS OF AUXILIARY ENTERPRISES

**Summary:**

**SPECIFIC AUTHORITY**

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

**Florida Statutes 1011.47(1)**

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

**BOG Regulation 9.013 Auxiliary Operations**

(1) Auxiliary services are integral activities of a university that furnish to its faculty, staff and students goods and/or services that are necessary or desirable but not readily available elsewhere in terms of costs, quality, quantity, timeliness, convenience, or other similar considerations. These activities shall support the educational endeavor of the institution and enhance its functioning; therefore, they shall not detract or distract from this basic endeavor in any way, financially or otherwise.

(2) Each auxiliary service is an individual entity and shall be accounted for as such. A service may be operated by the institution or by a private contractor under the institution's supervision. Under either arrangement, all pertinent institutional revenues and costs shall be assigned to each auxiliary and the consequent financial results of operations determined.

(3) There shall be a uniform system of financial reporting within the State University System for auxiliary services. Each institution may determine whether its auxiliary services will be self-supporting on an individual or collective basis, except for athletics, which shall be a self-supporting entity. Revenues for auxiliary services shall not be provided from general revenue supported budget entities except in payment of goods



## Florida Agricultural and Mechanical University Board of Trustees INFORMATION ITEM

and/or services. Provided, however, auxiliary services may be housed in buildings that are financed from other sources.

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

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

### TYPES OF UNIVERSITY AUXILIARIES

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

*Category 1:* Auxiliaries funded by student fees - These are auxiliaries which are funded primarily from student fees as approved/authorized by law/BOT.

- a) Health Clinic
- b) Material and Supplies
- c) Student Union (Activity and Service Fees)
- d) Recreation Center (Activity and Service Fees)
- e) Parking and Transportation
- f) Rattler Card

*Category 2:* Auxiliaries funded by sale of goods/services to the University community.

- a) Bookstore
- b) Dining Hall
- c) Housing
- d) Challenger/I-Max
- e) Childcare

*Category 3:* Departmental Auxiliaries which are funded primarily by charges to University internal departments.

- a) Telecommunications
- b) Postal Services
- c) Copy Center

*Category 4:* Other Auxiliaries which are funded from various sources of funds.

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



**Florida Agricultural and Mechanical University  
Board of Trustees  
INFORMATION ITEM**

**AUXILIARY OPERATIONS AT FAMU**

Auxiliary operations must be in compliance with University policies and procedures.

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

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

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

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

<b>Estimates of Auxiliary Cash Balances at 06/30/14 (Athletics Excluded)</b>		
<b>Number of Funds</b>	<b>Ranges of Cash Balances</b>	<b>Total Amount</b>
10	Over \$1,000,000	\$24,356,000
12	\$1000,000 to \$100,000	\$3,519,000
15	\$100,000 to \$50,000	\$847,000
24	\$50,000 to \$0	\$438,000
8	\$0 to -(\$400,000)	-(\$722,000)
<b>Repair and Renovation Funds</b>		
18	\$860,000 to \$2,000	4,128,000

**AUXILIARY OPERATIONS AT OTHER SUS INSTITUTIONS**

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

<b>Institution</b>	<b>Accounting Method for Auxiliaries</b>
Florida A&M	Self-supporting on an individual basis; temporary support provided for units with cash deficits.
Florida State	Self-supporting on an individual basis, however in certain circumstances, such as Business Services, the auxiliaries are treated on a collective basis.



**Florida Agricultural and Mechanical University**  
**Board of Trustees**  
**INFORMATION ITEM**

Florida Gulf Coast	Self-supporting on an individual basis; very small amounts of support provided to units with cash deficits.
Florida International	Self-supporting on an individual basis; support may be provided from excess unrestricted fund balances to supplement E&G budget.
West Florida	Self-supporting on an individual basis; in general, excess funds can be used to support the area where the income was generated.
Central Florida	Self-supporting on a collective basis; circumstances vary but typically excess cash balances are used to support other auxiliaries on a limited basis.
North Florida	Self-supporting on an individual basis; excess funds used at times to support other units.



**Florida Agricultural and Mechanical University  
Board of Trustees  
INFORMATION ITEM**

**Budget & Finance Committee  
Wednesday, September 10, 2014  
Agenda Item: V**

**Subject:** Contracts over \$100,000

**Summary:**

**Contractor: AirFax, Inc.**

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

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

Contract Start Date: 7/9/2014

Contract Original Expiration Date: 11/30/2014

Contract Amount: \$217,470.00

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

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

**Contractor: ImageNow**

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

Contract Start Date:

Contract Original Expiration Date:

Contract Amount: \$721,330.00



**Florida Agricultural and Mechanical University**  
**Board of Trustees**  
**INFORMATION ITEM**

In 2008, as a part of its Restructuring Plan the University selected Perceptive Software, LLC. to implement the ImageNow software as the University's main tool for improving the effectiveness and efficiency of its electronic document and workflow system for processing, filing, and retrieval of documents. The University is in the process of implementing the ImageNow system throughout the University community.

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

Prepared by: Stephany Fall



**Florida Agricultural and Mechanical University  
Board of Trustees  
INFORMATION ITEM**

**Budget & Finance Committee  
Wednesday, September 10, 2014  
Agenda Item: VI**

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

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

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

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



**Florida Agricultural and Mechanical University  
Board of Trustees  
INFORMATION ITEM**

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

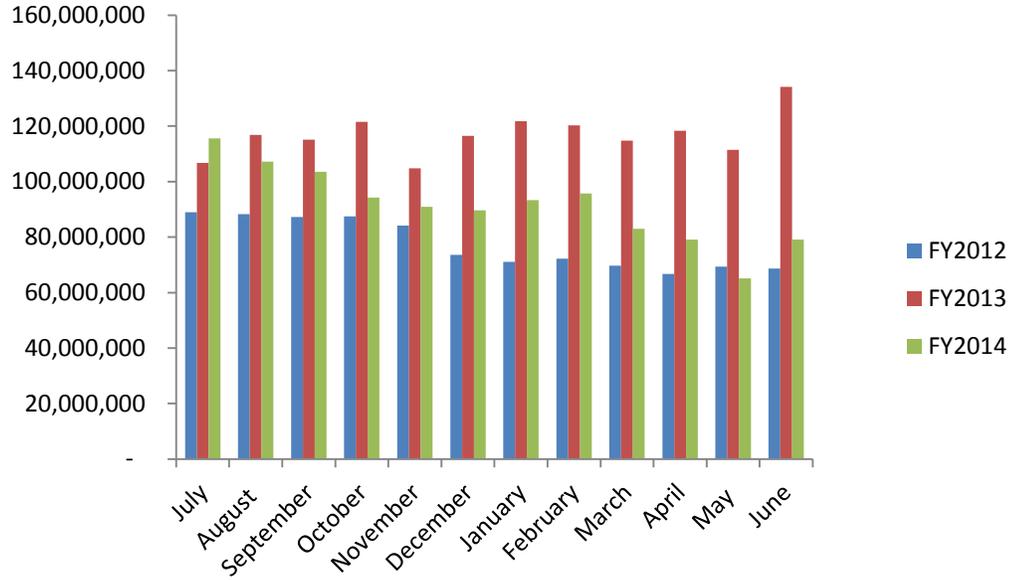
The following tables and graphs provide information on the University's investment and cash balances for fiscal years 2011-12 through 2013-14.

<b>INVESTMENTS</b>			
	FY2012	FY2013	FY2014
July	88,974,757	106,788,798	115,572,069
August	88,328,797	116,843,941	107,162,528
September	87,292,052	115,081,332	103,572,463
October	87,451,200	121,537,355	94,280,438
November	84,153,356	104,789,452	90,872,860
December	73,645,657	116,474,495	89,647,977
January	71,025,089	121,788,336	93,368,442
February	72,212,451	120,216,929	95,730,464
March	69,677,656	114,722,068	83,016,025
April	66,679,104	118,278,257	79,077,962
May	69,399,966	111,446,684	65,140,680
June	68,653,804	134,167,391	79,076,726
<b>CASH</b>			
	FY2012	FY2013	FY2014
July	17,697,535	45,314,103	10,474,079
August	22,201,242	37,751,526	24,674,178
September	32,687,671	50,287,596	26,961,961
October	30,266,434	36,103,431	28,916,159
November	29,896,252	42,456,262	23,866,807
December	37,083,040	25,163,454	20,284,683
January	19,659,616	40,993,302	31,510,661
February	58,757,068	34,992,196	24,116,626
March	55,180,620	37,801,943	24,992,703
April	53,473,800	28,452,244	12,325,033
May	41,266,934	22,526,568	13,888,394
June	61,653,994	13,737,535	6,576,108

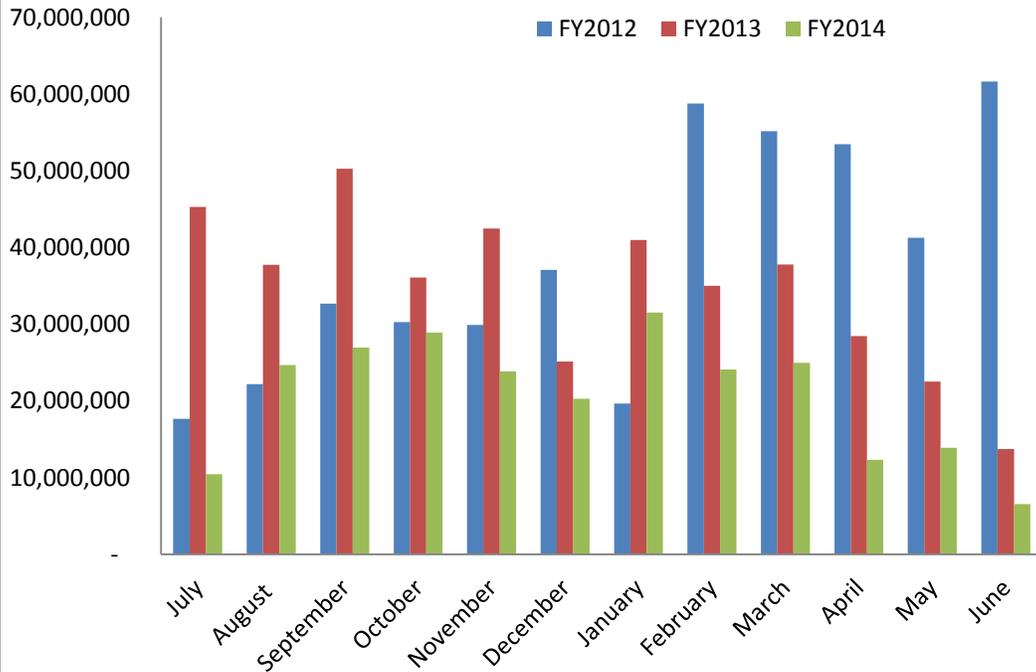


**Florida Agricultural and Mechanical University  
Board of Trustees  
INFORMATION ITEM**

**INVESTMENTS**



**CASH**





# Florida Agricultural and Mechanical University Board of Trustees INFORMATION ITEM

## 3. BUDGET STATUS REPORT BY DIVISION

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

ADMINISTRATION	BUDGET	ENCUMB	EXPEND	TOTAL EXPEND/ COMMITTED	%EXPENDED/ COMMITTED
PRESIDENT	3,353,924	233,037	3,103,924	3,336,961	99.49%
VP ADMINISTRATION	10,186,853	268,340	8,668,405	8,936,745	87.73%
VP DEVELOPMENT	1,761,291	38,426	1,670,029	1,708,455	97.00%
VP AUDIT AND COMPLIANCE	697,613	13,468	636,823	650,291	93.22%
VP LEGAL AFFAIRS	1,279,595	28,514	1,224,111	1,252,625	97.89%
EIT	8,918,806	1,578,913	7,247,650	8,826,563	98.97%
CAMPUS SECURITY	2,679,613	66,732	2,537,570	2,604,302	97.19%
<b>TOTAL ADMINISTRATION</b>	<b>28,877,695</b>	<b>2,227,430</b>	<b>25,088,512</b>	<b>27,315,942</b>	<b>94.59%</b>
<b>PLANT OPERATIONS &amp; MAINTENANCE</b>					
PHYSICAL PLANT	19,173,264	3,478,996	14,606,024	18,085,020	94.32%
FACILITIES PLANNING	1,079,154	39,415	1,017,021	1,056,436	97.89%
ENVIRONMENTAL SAFETY	367,574	7,257	356,134	363,391	98.86%
<b>TOTAL PO&amp;M</b>	<b>20,619,992</b>	<b>3,525,668</b>	<b>15,979,179</b>	<b>19,504,847</b>	<b>94.59%</b>
<b>LIBRARIES</b>	<b>4,508,106</b>	<b>83,121</b>	<b>4,408,989</b>	<b>4,492,110</b>	<b>99.65%</b>
<b>STUDENT SERVICES</b>					
VP STUDENT AFFAIRS	8,700,919	220,077	7,380,274	7,600,351	87.35%
TUITION Differential NEED BASE	2,255,680	2,255,680		2,255,680	100.00%
WOMEN ATHLETICS	669,758	8,889	659,135	668,024	99.74%
<b>TOTAL STUDENT SERVICES</b>	<b>11,626,357</b>	<b>2,484,646</b>	<b>8,039,409</b>	<b>10,524,055</b>	<b>90.52%</b>
<b>TOTAL NON I&amp;R</b>	<b>65,632,150</b>	<b>8,320,865</b>	<b>53,516,089</b>	<b>61,836,954</b>	<b>94.22%</b>
<b>INSTRUCTIONS AND RESEARCH</b>					
VP ACADEMIC AFFAIRS	8,736,220	266,334	7,198,829	7,465,163	85.45%
ESI	1,620,821	48,050	1,522,618	1,570,668	96.91%
ARCHITECTURE	3,626,483	270,360	3,255,458	3,525,818	97.22%
SOCIAL SCIENCES	12,712,041	144,417	12,539,773	12,684,190	99.78%
SBI	7,289,027	129,625	7,080,477	7,210,102	98.92%
CESTA	4,457,847	113,707	4,187,524	4,301,231	96.49%
JOURNALISM	2,881,611	87,488	2,648,689	2,736,177	94.95%
EDUCATION	5,758,290	129,798	5,339,232	5,469,030	94.98%
NURSING	1,690,313	32,943	1,657,143	1,690,086	99.99%
PHARMACY	9,502,027	383,727	8,763,719	9,147,446	96.27%
ALLIED HEALTH	3,897,337	144,456	3,501,605	3,646,061	93.55%
SCIENCE AND TECHNOLOGY	8,579,418	332,179	7,403,945	7,736,124	90.17%
GRADUATE STUDIES	2,202,649	158,085	1,876,249	2,034,334	92.36%
ENGINEERING	11,005,361	66,739	10,355,122	10,421,861	94.70%
LAW SCHOOL	12,324,947	190,591	12,022,542	12,213,133	99.09%
TUITION DIFFERENTIAL	5,197,138	107,578	4,418,043	4,525,621	87.08%
<b>TOTAL I&amp;R</b>	<b>101,481,530</b>	<b>2,606,077</b>	<b>93,770,968</b>	<b>96,377,045</b>	<b>94.97%</b>
<b>TOTAL ALLOCATED E&amp;G</b>	<b>167,113,680</b>	<b>10,926,942</b>	<b>147,287,057</b>	<b>158,213,999</b>	<b>94.67%</b>
	<b>6,293,678</b>			<b>0</b>	<b>0.00%</b>
<b>TOTAL UNALLOCATED E&amp;G</b>	<b>6,293,678</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL E&amp;G</b>	<b>173,407,358</b>	<b>10,926,942</b>	<b>147,287,057</b>	<b>158,213,999</b>	<b>91.24%</b>
	<b>0</b>				

\*\* TUITION NOT COLLECTED BECAUSE OF DECREASE IN ENROLLMENT. THIS IS BUDGET AUTHORITY ONLY  
CANNOT BE SPENT IF NOT COLLECTED.



## Florida Agricultural and Mechanical University Board of Trustees INFORMATION ITEM

FLORIDA A&M UNIVERSITY										
NON E&G Budget Status As of June 30, 2014										
Revenues										
	Dept	Fund	07/01/2013 Beginning Fund Balance	Budgeted Revenue	13-14 Revenue Collected YTD	Available Revenue	2013-2014 Budget	13-14 Expenditures & Encumbrances as of 06/30/14	Projected YTD Fund Balance	Notes
<b>Academic Affairs</b>										
DRS Fund 118	Various	118	33,760	3,421,105	3,441,192	3,474,952	3,428,369	3,435,685	39,267	
Late Registration (Fund 117)	480910	117	165,821	150,000	149,600	315,421	273,231	263,675	51,746	
Law School Bar Prep Fee	613012	116	20,501	480,000	355,155	375,656	493,381	387,701	(12,045)	A
Law School Library Coin Oper	603412	116	25,684	17,000	14,743	40,427	27,250	647	39,780	
Journalism Lab Fee	611012	116	(5,003)	17,640	5,160	157	100	-	157	
Graphic Arts Lab Fee	611032	116	(64,723)	19,890	3,285	(61,438)	2,976	2,676	(64,114)	B
Nursing Lab Fees	614012	116	19,701	18,225	17,475	37,176	28,499	23,816	13,360	
Nursing ATI Fees	614022	116	29,286	36,810	36,297	65,583	50,348	36,743	28,840	
FAMU/Leon Cty Pharmacy	615012	116	318,087	313,723	333,918	652,005	427,048	282,897	369,108	
Pharmacy Lab Fees	615022	116	55,692	36,900	35,397	91,089	47,212	16,414	74,675	
Allied Health Lab Fees	616012	116	15,907	15,400	14,500	30,407	15,921	14,673	15,734	
Music Lab Fees	617032	116	(1,745)	10,000	4,225	2,480	2,668	-	2,480	
Biology Material Supplies Fee	617062	116	62,888	65,000	37,872	100,760	118,779	104,026	(3,266)	C
Chemistry Lab Fee	617072	116	63,982	31,000	19,302	83,284	74,624	59,762	23,522	
CIS Lab Fees	617082	116	12,376	31,000	15,912	28,288	23,644	16,976	11,312	
Continuing Education	618070	116	(459,338)	119,420	313,953	(145,385)	89,517	95,193	(240,578)	D
Marching 100 Summer Camp	618075	116	13,131	-	-	13,131	-	-	13,131	
Entomology Field Day	618076	116	42,032	23,690	27,238	69,270	27,144	25,176	44,094	
Edmonds Youth theatre	618079	116	14,517	26,500	28,682	43,199	34,155	31,621	11,578	
Office of Inst Tech - Support	618510	116	(9,645)	205,000	205,781	196,136	169,355	145,311	50,825	
Distance Learning- SBI	618520	116	246,762	587,664	245,420	492,182	591,891	504,866	(12,684)	E
Distance Learning- Nursing	618530	116	11,190	218,082	225,456	236,646	194,731	146,216	90,430	
Distance Learning- Public Health	618540	116	23,929	338,650	219,700	243,629	196,365	190,076	53,553	
Pharmacy Seminars	618701	116	(85,542)	140,000	277,803	192,261	90,205	83,963	108,298	
Challenger Learning Center	619142	116	329,232	802,000	909,729	1,238,961	1,065,977	1,042,274	196,687	
Univ. Library Copy/Print Services	630010	116	74,871	32,000	39,366	114,237	69,466	69,946	44,291	
Transcript Fee	604370	116	20,659	152,402	170,561	191,220	158,632	168,007	23,213	
Student Hlth Ctr Pharmacy	604800	116	57,128	270,000	212,965	270,093	204,576	208,263	61,830	



## Florida Agricultural and Mechanical University Board of Trustees INFORMATION ITEM

FLORIDA A&M UNIVERSITY										
NON E&G Budget Status As of June 30, 2014				Revenues						
	Dept	Fund	07/01/2013 Beginning Fund Balance	Budgeted Revenue	13-14 Revenue Collected YTD	Available Revenue	2013-2014 Budget	13-14 Expenditures & Encumbrances as of 06/30/14	Projected YTD Fund Balance	Notes
<b>Administrative &amp; Financial Services</b>										
<b>Controller's Office</b>										
Surplus Property	445300	116	69,039	35,000	38,530	107,569	83,288	53,113	54,456	
Auxiliary Overhead	603130	116	1,558,368	1,207,102	1,098,681	2,657,049	1,752,340	880,609	1,776,440	
Late Payment Fund 117	480920	117	1,807,195	265,550	522,000	2,329,195	287,522	168,716	2,160,479	
Fin Aid Adm Exp Controller Fund 11	481220	117	1,172,754	225,000	199,328	1,372,082	244,515	158,708	1,213,374	
<b>Business and Aux Services</b>										
Bookstore	603150	116	441,766	320,000	306,642	748,408	305,138	183,843	564,565	
University Commons	603170	116	3,278,058	775,000	2,557,441	5,835,499	3,682,455	3,070,787	2,764,712	
University Parking	603200	116	1,689,781	2,269,375	2,147,472	3,837,253	2,654,702	2,282,046	1,555,207	
Bus & Aux. Services	603400	116	48,370	110,000	110,000	158,370	120,714	118,153	40,217	
Post Office	603401	116	96,774	279,378	295,547	392,321	294,015	261,269	131,052	
Procurement Contracts	603405	116	88,415	80,000	146,604	235,019	112,280	97,366	137,653	
Rattler Card	603407	116	184,777	229,700	248,121	432,898	243,977	223,926	208,972	
Copy Center	603410	116	80,600	366,981	271,558	352,158	367,111	338,147	14,011	
<b>Construction &amp; Facilities Planning</b>										
Building Code	603415	116	57,916	180,000	193,507	251,423	148,093	205,627	45,796	
Events department	635010	116	187,538	90,000	96,825	284,363	145,825	96,870	187,493	
Events department-Ticket Sales	635011	116	-	50,000	27,352	27,352	50,000	18,668	8,684	



# Florida Agricultural and Mechanical University

## Board of Trustees

### INFORMATION ITEM

FLORIDA A&M UNIVERSITY											
NON E&G Budget Status As of June 30, 2014											
			Revenues								
	Dept	Fund	07/01/2013 Beginning Fund Balance	Budgeted Revenue	13-14 Revenue Collected YTD	Available Revenue	2013-2014 Budget	13-14 Expenditures & Encumbrances as of 06/30/14	Projected YTD Fund Balance	Notes	
<b>Student Affairs</b>											
Fin Aid Adm Exp Fund 117	481210	117	206,769	250,000	199,328	406,097	293,069	205,627	200,470		
Orientation Fee (Fund 117)	482000	117	(28,271)	319,080	297,905	269,634	325,981	322,845	(53,211)	F	
Rattler Aquatics	603160	116	72,476	53,795	53,795	126,271	117,062	96,436	29,835		
Student Union	604140	116	(30,731)	746,105	869,255	838,524	924,455	916,187	(77,663)	G	
Student Union Bowling Alley	604141	116	32,074	10,000	16,951	49,025	11,280	10,352	38,673		
Rattler Express	604145	116	(2,691)	220,226	271,908	269,217	258,115	229,594	39,623		
Campus Recreation	631100	116	-	543,578	693,763	693,763	691,094	640,594	53,169		
Famuan Fund 117	430100	117	(154,742)	162,052	61,183	(93,559)	85,625	85,608	(179,167)	H	
FAMU DPS Alarm Monitor	604170	116	33,599	18,774	-	33,599	40,260	26,885	6,714		
FAMU Child Care Center	604480	116	75,894	668,584	754,120	830,014	820,924	646,740	183,274		
Hosp O&M Student Hlth	604790	116	2,298,578	2,037,934	2,193,718	4,492,296	2,415,051	2,294,977	2,197,319		
Counseling Services	604795	116	41,987	330,388	330,388	372,375	372,375	366,638	5,737		
LifeScan Finger Printing	603210	116	40,513	30,000	46,356	86,869	33,716	28,339	58,530		
Housing Fund 110	Various	110	5,174,821	12,997,614	10,435,392	15,610,213	15,151,323	13,290,689	2,319,524		
A&S Fees	Various	117	750,000	2,968,084	3,288,304	3,718,084	3,407,981	3,339,592	378,492		
<b>E.I.T</b>											
Technology Fee	482200	117	2,962,560	1,969,913	2,002,733	4,965,293	4,204,640	3,262,615	1,702,678		
Telecommunications	603406	116	(772,206)	1,977,884	2,014,377	1,242,171	1,935,965	1,828,004	(585,833)	I	
<b>President</b>											
Athletics	Various	115	(7,800,291)	9,175,161	8,854,761	1,054,470	9,164,768	10,053,834	(8,999,364)	J	
Concessions	450100	117	186,504	180,630	287,935	474,439	193,512	127,011	347,428		
<b>NOTES:</b>											
A FY14-15 Expense budget has been reduced to offset the FY13-14 deficit.											
B The Item Types for this department are being researched and have been corrected so that revenue collections will go the correct department.											
C FY14-15 Expense budget has been reduced to offset the FY13-14 deficit.											
D A debt reduction plan has been developed by the Continuing Education department, spending has been restricted to adhere to the submitted plan.											
E A journal transfer will be made from the Office of Distance Learning Tech Support to Distance Learning SBI to offset the deficit in FY13-14											
F FY14-15 Expense budget has been reduced to offset the FY13-14 deficit.											
G Rattler Express deficit will be offset with a journal transfer from Activity and Service Fees.											
H FAMUAN spending has been restricted until the issue of their deficit has been addressed. A debt reduction plan has been implemented to reduce the deficit in											
I Telecommunications.											
J A debt reduction plan is being developed to address the deficit in Athletics.											



**Florida Agricultural and Mechanical University  
Board of Trustees  
INFORMATION ITEM**

**Budget and Finance Committee  
Date: September 10, 2014  
Agenda Item: VII**

**Subject: Governmental Relations**

**GUIDING PRINCIPLES**

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

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

These strategies are:

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

**FLORIDA A&M UNIVERSITY TEN-YEAR STRATEGIC PLAN**

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

1. Create a 21st century living and learning collegiate community;
2. Enable excellence in university processes and procedures;
3. Develop, enhance, and retain appropriate fiscal, human, technological, research and physical resources to achieve the university's mission;
4. Enable excellence in university relations and development; and
5. Enhance and sustain an academic and social environment that promotes internationalization, diversity, and inclusiveness.



## Florida Agricultural and Mechanical University Board of Trustees INFORMATION ITEM

President Elmira Mangum's vision statement is consistent with the University's Strategic Plan:

**To be a best-in-class land grant, doctoral research, and student-centered university that serves African Americans and low wealth students with an international presence.**

### GOVERNMENTAL RELATIONS GOALS AND OBJECTIVES FOR 2014-2015

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

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

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

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

Target audience: Members of Congress and their staffs

Timeline: September 2014 – May 2015 and ongoing

Resources Needed: Cooperation from senior leadership

Performance Metric: Quantifiable meetings with federal delegation and action plan

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



## Florida Agricultural and Mechanical University Board of Trustees INFORMATION ITEM

Target Audience: Deans, all academic departments, all programs and community partnerships

Timeline: September 2014 – May 2015 and ongoing

Resources needed: Cooperation from all areas

Performance Metric: Completed and submitted project proposals

▪ **Develop, enhance, and retain appropriate fiscal, human, technological, research and physical resources to achieve the University's mission**

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

Target Audience: Deans, all departments, programs and areas

Timeline: September 2014 – May 2015 and ongoing

Resources Needed: Cooperation from all areas and senior leadership champion, BOT cooperation

Performance Metric: Completed Federal Resource Inventory

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

*Target Audience: Federal Agencies, Research Partners*

*Timeline: September 2014 – May 2015 and ongoing*

*Resources Needed: Cooperation from deans, faculty and senior leadership*

*Performance Metric: Quantifiable number of partnerships established*

▪ **Enable Excellence in University Relations and Development**

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

Target Audience: Federal elected officials

Timeline: September 2014 – May 2015 and ongoing



## Florida Agricultural and Mechanical University Board of Trustees INFORMATION ITEM

Resources Needed: Cooperation from BOT, senior leadership, all deans and departments; and for senior leadership to champion the initiatives  
Performance Metric: Sphere of Influence established

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

Targeted Audience: Community agents, local officials, FAMU faculty/staff

Timeline: September 2014 – May 2015 and ongoing

Resources needed: Cooperation from all constituencies

Performance metric: Enhanced community relationships and institutional reputation

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

Targeted Audience: Legislative leadership and staff

Timeline: September 2014 – May 2015 and ongoing

Resources needed: Cooperation from legislative staff

Performance metric: Established relationships with leadership

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

Targeted Audience: Key legislators and staff

Timeline: September 2014 – May 2015

Resources needed: Legislator availability

Performance metric: Meetings held with key legislators

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

Targeted Audience: Alumni, FAMU Friends

Timeline: September 2014 – May 201 and ongoing

Resources needed: EIT support

Performance metric: Increase the number of advocates



# Florida Agricultural and Mechanical University Board of Trustees INFORMATION ITEM

## BUDGET OVERVIEW

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

- **Operating**
  - Provide operational support for the Florida A&M University Education Center - \$2,000,000
  - Increase access and improve program productivity by expanding online programs and course offerings - \$2,000,000
  - Since the establishment of the Office of University Retention in 2010, 34 full-time advisors have been hired. Advisors are continuously trained with three university-wide academic advisor workshops annually - \$5,500,000
  - FAMU-FSU College of Engineering operating cost, including salaries and benefits, other personal services, fellowships, and start-up facility - \$30,623,700
  - College of Agriculture and Food Services Brooksville Project - \$800,000
  - FAMU Pharmacy Faculty Salary Adjustment - \$700,000
  - Provide Operational Support for the Florida A&M University Crestview Education Center - \$1,500,000
  - Establish a Sustainability Institute (FAMU-SI) with a *mission* to advance the research, teaching and application of innovative solutions to ecological, socio-economic, and energy sustainability issues at the campus, regional and global level - \$2,201,580
  
- **Prior Year's LBR Appropriations**
  - In AY 2014-15, the university received \$27.3 million of LBR appropriations.

## KEY LEGISLATIVE RELATIONSHIPS

### **Florida Agricultural and Mechanical University Alumni Elected Officials\***

\*Only members who are in our area of impact

#### Florida House of Representatives:

- **Mike Clelland, Dist. 29 (D), JD 2005**
  - Key Committees:
    - Economic Affairs;
    - Joint Select on Collective Bargaining
  
- **Mia Jones, Dist. 14 (D), B.S Accounting Class '91, MBA '92**
  - **Key Committees:**
    - Democratic Ranking Member Health & Human Services



## Florida Agricultural and Mechanical University Board of Trustees INFORMATION ITEM

- Democratic Ranking Member Select Committee on Health Care Workforce Innovation
- Appropriations Committee
- Education Appropriations Subcommittee
- **Shevrin D. “Shrev” Jones**, Dist. 101 (D), Biochemistry and Molecular Science B. S ‘06
  - **Key Committees:**
    - Health and Human Services Subcommittee
    - Choice and Innovation Subcommittee
- **Bobby Powell**, Dist. 88 (D), B.S Public Relations, M.S.P Urban Planning
  - **Key Committees:**
    - Higher Education and Workforce Subcommittee
    - Transportation and Highway Safety Subcommittee
    - Local and Federal Affairs Committee
- **Alan Williams**, Dist. 8 (D), B.S 1998, MBA 2003
  - **Key Committees:**
    - Appropriations Committee
    - Democratic Ranking Member Economic Affairs Committee
    - Democratic Ranking Member Energy and Utilities Committee

### Florida Senate

- **Dwight Bullard**, Dist. 39 (D), B.S. History 1999
  - **Key Committees:**
    - Agriculture, Vice Chair
    - Appropriations Subcommittee on Education
    - Education
    - Environmental Preservation and Conservation
    - Military and Veterans Affairs, Space and Domestic Security
- **Arthenia L. Joyner**, Dist. 19 (D), B.S Political Science 1964, J.D 1968
  - **Key Committees:**
    - Appropriations
    - Transportation
    - Judiciary

### United States House of Representatives

- **Congresswoman Corrine Brown**, 5<sup>th</sup> Dist. (D), B.S
  - **Key Committees:**
    - Transportation and Infrastructure
    - Veterans Affairs



## Florida Agricultural and Mechanical University Board of Trustees INFORMATION ITEM

- **Congressman Alcee Hastings; 20<sup>th</sup> Dist. (D), J.D.**
  
- **Key Committees:**
  - House Rules
  - Senior Democratic Whip Leader in Democratic Caucus
  - Ranking Democratic Member on Helsinki Commission
  - Co – Chair of Florida Delegation

### Out-of-State Members of Congress

- **Congressman David Scott, GA 13<sup>th</sup> Dist., (D), BA 1967**
- **Key Committees:**
  - Agriculture
  - Financial Services

### STAFFING AND SALARIES

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

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

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



**Florida Agricultural and Mechanical University  
Board of Trustees  
INFORMATION ITEM**

**Budget & Finance Committee  
Wednesday, September 10, 2014  
Agenda Item: VIII**

**Subject: Athletics**

**Summary:**

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