

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

June 04, 2014



AGENDA

I. Call to Order

Chairman Rufus Montgomery

ACTION ITEMS

II. Approval of Minutes – March 05, 2014

Chairman Rufus Montgomery

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

Mr. Joseph Bakker

INFORMATION ITEMS

IV. Business Auxiliaries at the Law School

Mr. Joseph Bakker

V. Updates

- Contracts over \$100,000
- Quarterly Financial Report
- Government Relations
- From the Budget and Finance Committee Workshop
 - Athletics
 - Salary Adjustments for Colleges of Pharmacy and Engineering
 - Direct Support Organizations
 - University Compensation
 - University Training

Mr. Joseph Bakker

Mr. Joseph Bakker

Mr. Tola Thompson

Mr. Kellen Winslow
Provost Wright

Dr. Thomas Haynes
Mr. Joseph Bakker
Mr. Joseph Bakker



I. CALL TO ORDER



II. APPROVAL OF MINUTES



III. APPROVAL OF FY 2014-15 PRELIMINARY OPERATING BUDGET

- **BOG requires BOT-approved Operating Budget before July 01 for cash and budget releases.**
- **Preliminary Operating Budget approved by BOT in June**
- **Final Operating Budget submitted to BOT for approval in August**
- **BOT-approved final Operating Budget submitted to BOG for approval in August**



IV. BUSINESS AUXILIARIES AT THE LAW SCHOOL

- **Bookstore – books, limited FAMU merchandise, limited operating hours**
- **Vending – Beverages, ice cream, snacks**
- **Parking – For Students and Faculty**



V. UPDATES- CONTRACTS OVER \$100,000

- **Contractor** – Perceptive Software
- **Contract Period:** 4/23/2014 - 3/25/2015
- **Contract Amount:** \$276,870.25
- **Scope of Services:** Providing software and technical support to expand and maintain the University's electronic document and workflow system for processing, filing, and retrieval of documents.



V. UPDATES- CONTRACTS OVER \$100,000

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



V. UPDATES - QUARTERLY FINANCIAL REPORTS

- **The University's financial position remains sound**
- **Expenditures continue to be within budget**
- **Cash and investment balances are healthy**



GOVERNMENT RELATIONS



Government Relations Report

FAMU Funded Issues

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

Key (R)= recurring dollars



Major Policy Issues that Passed

- 9-month study on the future of the FAMU-FSU College of Engineering (That bid solicitation is here: 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



**FLORIDA A&M UNIVERSITY
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS**

**BOARD OF TRUSTEES BUDGET AND FINANCE COMMITTEE
MEETING**

JUNE 4, 2014



DEPARTMENT OF ATHLETICS

CURRENT YEAR PROJECTIONS (UPDATED BY BUDGET OFFICE)

	Athletics
Projected Revenue	8,904,695
Salary	3,430,210
OPS	764,937
Expense	3,301,591
Mandatory	277,450
OCO	-
Debt Service	-
	-
Projected Total Operating Expense	7,774,188
Admin Expense	-
Facility & Equip Reserve	-
Scholarships	2,416,318
Other Transfers	-
Projected Total Non-Operating Expense	2,416,318
Total Non E&G Operating & Non-Operating Expense	10,190,506
Projected Net Income (Loss)	(1,285,811)



DEPARTMENT OF ATHLETICS 2014-15 BUDGET REQUEST

	Athletics
Proposed Revenue	<u>9,390,171</u>
Salary	3,611,941
OPS	130,066
Expense	4,181,831
OCO	55,053
Debt Service	-
Proposed Total Operating Expense	<u>7,978,891</u>
Admin Expense	-
Facility & Equip Reserve	-
Scholarships	1,411,280
Other Transfers	-
Proposed Total Non-Operating Expense	<u>1,411,280</u>
Total Non E&G Operating & Non-Operating Expense	<u>9,390,171</u>
Proposed Net Income (Loss)	<u>-</u>



ATHLETICS DEFICIT REDUCTION PLAN

As reported in the 2013/14 Operational Audit, a revised deficit reduction plan will be developed by September 30, 2014.



Response to Questions – Budget Workshop, May 5, 2014

The following are responses to inquiries made of the Board during the May Budget Workshop.

- **The contract with Metz does not directly allocate funds to the Athletics department.**
- **The Foundation did not provide \$700K to Athletics.**
- **These were funds from the President's discretionary account, which were housed at the Foundation.**



Response to Questions – Budget Workshop, May 5, 2014

- **Expenses in FY14/15 are greater than the expenses in FY13/14 because Athletics will assume specific expenditures from the Boosters. Subsequently, there should be additional revenue generation opportunities.**
- **Effective July 1st, the Boosters will report to the Athletics Department.**
- **The true deficit for FY13/14 is approximately \$1.2 million.**



Response to Questions – Budget Workshop, May 5, 2014

Additional Dollars Provided for Athletics Fiscal Year 2013-14

FAMU Foundation	700,000
Auxiliary Investment Earnings	300,000
Additional E&G Dollars to Title IX	300,000
	<hr/>
	1,300,000
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V. UPDATES - SALARY ADJUSTMENTS FOR COLLEGES OF PHARMACY AND ENGINEERING

- **University will use existing resources to make salary adjustments to meet accreditation requirements**
- **Will return to the Board later regarding tuition increases**



V. UPDATES - UNIVERSITY COMPENSATION

- **Compensation Study for faculty and staff to be completed by December.**



V. UPDATES - UNIVERSITY TRAINING

- **Approximately \$1.5 million spent annually training (classes, seminars, conferences, etc.)**



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V. UPDATES – ENROLLMENT PLANNING

	Fall 2014 PLANNED HEADCOUNT	Fall 2015 PLANNED HEADCOUNT	Fall 2016 PLANNED HEADCOUNT
TOTAL	10,532	11,128	11,647

*Source: 2014 – 15 University Work Plan



QUESTIONS???

