



Athletics Update

PRESENTED BY

Finance and Administration

Florida Agricultural and Mechanical University



Athletics Update

- Mid-August, Board of Trustees sets a \$10.2M budget
- Late August, budget is booked into accounting system
- Immediately it shows spending trends heading towards \$10.8M.
- CFO informs President and he calls for immediate expense controls.
- CFO also suggests that \$8.9M in revenues set in Board action is aggressive.
- 3-year revenue trend suggests \$8.4M and President supports findings





Budget Still in Place, Assumptions Changing

Approved expense budget is \$10.2M

Spending now trending towards \$10.8M

Approved revenue budget is \$8.9M

Multi-year Revenue trends suggest \$8.4M

Budget deficit trending upwards from \$1.3M to possibly over \$2.0M due to changing assumptions and spending trends





Interim Controls

- President orders the following
 - Use lower revenue figures. -complete
 - Implement Hiring Freeze – October 1
 - Reassemble Athletic Assessment Team – report out by October 30th
 - Senior management team formed to find expense reductions.
 - Same team that reported to Board in July.
 - Study elimination of Non-essential personnel/reassignment
 - Implement multiple teams to look at BOG allowable scholarship and operational revenue enhancements. Report by mid-October and implement spring semester.
 - Balance Budget – as soon as practical taking into account NCAA and Title IX issues.
 - In total, approximately 40 senior and mid-level managers, plus students now looking at the issue.





Athletics – Current State and Approach

- Approach:
 - Revenue Enhancements \$600k - \$1.0M
 - Expense Reduction \$600k - \$1.0M
- DSO
 - Continues to fill in short fall in athletics budget as necessary
 - Revenue enhancements and expense reductions lessen the need.





Potential Revenue Enhancements

- Scholarship Buy Down:
 - Auxiliary Interest
 - Financial Aid Packaging
 - Waivers
- Revenue:
 - Rebalance Student Fees
- DSO Support:
 - Investing in Champions
 - Boosters
 - Other
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Expense Control Areas

- Personnel
- Salaries
- Travel
- Scholarships





Key Success Factors

- Full University Engagement
- Aggressive Revenue Generation
- Aggressive Expense Reductions
- Consultation with Key Stakeholder:
 - Athletics
 - Students
 - Alumni
 - Oversight Boards
 - NCAA/MEAC
- DSO Support
- Data-driven and Informed Decision-making
- Transparent Communication to Stakeholders

