



Florida Agricultural and Mechanical University Board of Trustees Action Item

Meeting Date _____

Agenda Item _____

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Approved _____	Approved w/ Conditions _____	Disapproved _____	Continued _____	Withdrawn _____
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Subject: Department of Intercollegiate Athletics Deficit Reduction

Rationale:

Florida A&M University is a flagship institution within the State University System of Florida and one of the preeminent public universities in the nation and the world. Founded in 1887, the University has a long and storied history of intercollegiate athletics.

Since 1897, athletic programs have made valuable contributions to the campus and the State of Florida, not only providing a basis for positive campus spirit, but a point of contact for alumni, friends, supporters, and students.

The Athletic Department’s vision encompasses these principles:

- **Create** the FAMU experience for our student athletes by providing the best academic, athletic and social experience possible.
- **Compete** for MEAC Championships and NCAA post-season berths and National Championships.
- **Enhance** and grow functional **Facilities** that provide our coaches and student athletes a competitive advantage.
- **Market** and increase our **External Outreach** in Tallahassee, State of Florida, and across the Nation
- **Operate** with **sound administrative principles**, including a strong financial base.
- **Energize** FAMU Students, Faculty, Staff, Alumni, Fans, and Family!

For several years, the Department of Athletic’s auxiliary operating budget expenditures have exceeded its revenues. The Department’s initial phase to reduce the deficit resulted in a budget surplus for fiscal year ending June 30, 2013.

For the 2013-14 fiscal year, Athletics researched each category item with the objective of increasing revenue opportunities and holding expenses to necessary growth.

The Athletic related revenue streams are projected to increase for 2013-14. Due to a decrease projection in enrollment the Athletic Fees were significantly reduced. Season Tickets and Game day Sales are projected to increase along with the Florida Classic and Advertising/Sponsorships.



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Rationale Continues:

Athletics reduced expenses in the following areas:

- a) Flights – Football season 2013-14 will include three flights as compared to five in 2012-13.
- b) Lodging – Administration is working aggressively to leverage savings opportunities, bundling services, shared costs of ground transportation and/or flights.
- c) Intentional Decision Making - Administration travel limited to what is critical for certifications, conference and other travel related spending that is essential for the program's success and within its allocated resources.
- d) Non-Conference Events – Competition schedules for non-conference games have been reduced by regionalizing and comparing to NCAA minimums.

Also, Athletics has worked diligently with other campus entities for shared governance which led to a reduction in the Athletics Auxiliary budget.

As we move forward to reposition our program, the Leadership will be fiscally responsible for developing a deficit reduction plan as well as a budget consistent with a Division I Athletic's program.

The Athletic Department will engage a professional firm to conduct an assessment of our program. The outcome of the assessment will be to provide an independent fact finding report that identifies strengths, opportunities and development needs of our program.

At the completion of this assessment, the Department will develop a 5-year strategic plan that will include but not limited to the following:

- Integration with the University's Strategic Plan for 2010 – 2020;
- A mission and vision statement describing Athletics' strategic direction;
- Clear, measurable, and obtainable objectives, with provisions for incremental adjustments as necessary;
- Development of a NCAA Division I pro forma that accurately presents the revenue and expense requirements (including capital outlay) for supporting sustained success;
- Campus-wide collaboration to create the appropriate infrastructure combining Athletics and University personnel and systems;
- The possible expansion of Athletics Facilities in FAMU's campus master plan;
- Development of an organization that is driven by Athletics strategic direction while incorporating best practices;
- Maximize Athletics' external generated revenue capabilities in all potential categories; and
- Prominently position FAMU Athletics in future University capital campaigns



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Rationale Continues:

The firm chosen to conduct this assessment will have a defined scope of service. The firm will perform its work as strategically, transparently, and consultatively as possible. The scope of service for this review will analyze the following;

- 1. Qualitative Interviews and Stakeholder**
- 2. Personnel and Organizational**
- 3. Revenue Opportunities**
- 4. Facilities Assessments**
- 5. Finances and Operations**
- 6. Program Assessments**
- 7. Benchmark Comparison**

Recommendation:

It is recommended that the Board of Trustee approve the FY13-14 Budget and authorize the President to engage a firm to conduct an external review which would be used in the preparation of the FY 2014-19 Operations Plan