



Item: AF: A-M

## AUDIT AND FINANCE COMMITTEE

Wednesday, October 24, 2007

**SUBJECT: ROLL CALL AND APPROVAL OF MINUTES FOR THE AUGUST 28, 2007  
AUDIT AND FINANCE CONFERENCE CALL.**

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### PROPOSED COMMITTEE ACTION

Initiate roll call to document member participation and ensure appropriate quorum numbers are achieved and approve the minutes of the August 28, 2007 Audit and Finance Committee conference call.

### COMMITTEE MEMBERS

Ms. Nancy Blosser, Chair	_____
Dr. William Bryant, Vice Chair	_____
Mr. David Feder	_____
Dr. Rajendra Gupta	_____
Mr. Bob Stilley	_____
Mr. Tony Teixeira	_____
Dr. George Zoley	_____
Mr. Norman Tripp (ex officio)	_____
Dr. Roy Levow (ex officio)	_____

### BOT MEMBERS

Mr. Scott Adams	_____
Mr. Armand Grossman	_____
Mrs. Lalita Janke	_____
Mrs. Sherry Plymale	_____
Dr. Eric Shaw	_____



**DRAFT MINUTES**  
**AUDIT AND FINANCE COMMITTEE CONFERENCE CALL**  
**Tuesday, August 28, 2007**

Mrs. Nancy Blosser, Chair of the Audit and Finance Committee, convened this conference call at 2:04 p.m. Roll call commenced with the following Committee members participated:

Dr. William Bryant, Mr. DavidDavid

which is commonly used to measure family purchasing power rather than higher education goods and services, the loss equates to almost \$28 million.

Based upon discussion at the June 13, 2007 Audit and Finance Committee meeting, FAU developed a ten year history of funding per student credit hour. This provides another significant display of the impact of not only budget reductions but also the reduced level of funding received from the Legislature per FTE or student credit hour over these years.

Also included in the documentation are graphs presented earlier this month by the Board of Governors that show 1988 1989 FTE funding, adjusted for inflation, at \$14,000. Today, that same funding is at approximately \$10,500 after adjusting for inflation.

These funding reductions have a critical negative impact on Florida Atlantic University's and the State University System's ability to meet mission objectives, but at the same time, demonstrate the high levels of efficiencies and productivity performed by this institution during periods of reduced funding.

As a final comment, Dr. Jessell noted the need in the near future for the Audit and Finance Committee to review and strategize on how Florida Atlantic University will continue to address these ongoing permanent reductions.

Chair Blosser requested questions from Members on this issue. None were forthcoming. Trustee Blosser then advised that during the August BOG Budget Workshop a document on trends in national higher education was distributed relative to this issue and should be included in discussions of the next Audit and Finance Committee meeting.

**AF: A 2 ii. Request for Approval of a \$6,960,314 Reduction to Florida Atlantic University's Educational and General Operating Budget.**

Dr. Jessell noted that the 2006 2007 Operating Budget was approved on June 27 and only two days later notification was received from the Governor and the Florida Legislature on the need to prepare Educational and General budget reductions. This action, resulting from lower General Revenue receipts, reduces quarterly releases of funding from 25 percent to 24 percent, creating a 4 percent General Revenue reduction to Florida Atlantic University. In addition, universities and state agencies were instructed to submit a budget plan reflecting a 10 percent reduction in General Revenue in anticipation of additional shortfalls in General Revenue. The October Revenue Estimating Conference confirmed a continued four percent budget reduction plan.

Subsequently, the Board of Governors worked with the Governor's and Legislative Offices to prepare a system wide ten percent reduction on behalf of the universities that would be submitted in a comprehensive fashion to identify the cuts as related to enrollments, centers of excellence, etc., without specific details related to each

enrollment, and student access, and maximizing efficiencies of personnel assignments and distance education opportunities.

Members were

A query on utilizing interactive/distance learning options to maximize access and reduce travel issues for