



Item: A-M

BOT AUDIT AND FINANCE COMMITTEE

Tuesday, October 17, 2006

FORTHE

JUNE 14, 2006 AUDIT

AND FINANCE COMMITTEE MEETING.

PROPOSED BOARD RECOMMENDATION

Initiate roll call to document member participation and ensure appropriate quorum numbers are achieved.

BACKGROUND INFORMATION

Mr. Norman Tripp, Chair _____

Ms. Nancy (____) _____



Draft Minutes of the June 14, 2006 Audit and Finance Committee Meeting.

A typographical error indicating the increase of Out-of State fees was noted within this Agenda Item Cover Sheet. This error must be corrected prior to submission to the full Board.

With no further comments Chairman Tripp called for a motion to approve, with the correction noted above, the Request for Approval of Regulation Promulgation for Legislatively Established Increases in Student Fees for Academic Year 2006-2007. A motion was made and seconded to approve this request. The motion passed unanimously.

Agenda Item AF: A-4. Request for Approval of Increase in Housing Rental Rates.

Handout: Proposed Regulation 8.001 Amendment: Chapter 8, Tuition and Fees.
FAU Tuition and Fees Impact, June 14, 2006.

Dr. Jessell reminded members that this proposal to increase housing rental rates was presented at the April 2006

University has already identified approximately \$1 million in savings from the elimination of current data processing charges. Upon implementation of the Banner Student Information System in 2007 approximately \$1 million in savings will be realized and become available for reallocation to this and/or other priorities and goals. In this manner, the University is not relying on just new dollars but identifying existing dollars to enable implementation of priorities.

Dr. Jessell acknowledged institutional commitment to develop a template to list budget issues and funding allocations designated by the strategic plan to include identifying short-, medium- and long-term goals and the current and future allocation plans to meet these goals.

Dr. Jessell then reviewed the key funding elements of this Operating Budget comprising of Educational and General; Student Financial Aid; Contracts and Grants; Auxiliary Enterprises; Athletics; Student Government, and, Concessions. He noted an overall increase of \$30.3 million to \$493.2 million, or a 6.5 percent increase over prior year.

Educational and General. This is the largest portion of FAU's Operating Budget which is proposed at \$236.9 million or 11.5 percent over prior year. Within this budget, Instructional and Research funding represents over 64 percent or \$152.4 million, a 14.2 percent increase over prior year. Recent BOG expenditure data indicate that FAU is within one percentage point of the system-wide average in I&R funding and in fact, designates more to this category than our peer institutions.

Library/Learning Resources (\$14.1 million), Physical Plant (\$21.2 million), Student Services (\$20.6 million) and University Support (\$28.51 million) comprise the remaining \$84.5 million of the E&G funding allocation.

Student Financial Aid. This is the second largest component of the Operating Budget at \$122.8 million, which reflects a 2.7 percent increase over prior year and represents 24.9 percent of the current budget.

The remaining 27 percent is designated to the following budget components:

Contract and Grants, Auxiliary, Student Government and Concessions. These budgets are really status quo / continuation budgets. Increases in Contracts and Grants and Auxiliary Enterprises represent the increases in salary costs comparable to employees funded by state educational and general dollars. He advised members that although the university had distributed comparable increases in the past, this year the budget language requires these areas receive these increases.

Athletics. This component is funded at \$12,067,000, an increase of 9.7 percent over prior year. A nominal increase, of which approximately one-half is the result of student athlete financial aid support.

Dr. Jessell then reviewed the legislative adjustments and appropriations used in constructing the E&G Revenue funding which included the following items: cost to continue insurance and salary increases, legislative tuition increases, 2006 salary increases, plant operations and maintenance, enrollment growth, utility rate increases, Florida Israel Institute, St. Lucie campus expansion, Center for Disaster and Emergency Care, Targeted degrees (nursing) and the Challenge Grant program.

Commentary and discussion ensued on the following:

- Review of Instructional and Research funding by College;
- Clarification of funding given for Utilities;
- Institutional commitment to address deferred maintenance;
- Explanation of the cost to continue;

- Providing members a copy of the finalized SUS Allocation document; and,
- Providing members the percentage of faculty members eligible to receive merit increases.

With Chairman Tripp noting the prior review and understanding by Committee members of the Operating Budget, Dr. Jessell noted for members the more specific inclusion of linkage to strategic goals in the remainder of the presentation addressing new funding, enrollment growth allocations, and the reallocation of existing resources.

A cursory review of the 2006-2007 Revenue and Expenditure Budgets with comparisons to the 2005-2006 Revenue and Expenditure Budgets followed on all Operating Budget components.

The most significant issue addressed funding advances for team travel within the Athletics Department. Receipts from travel will be submitted on a timelier basis. He noted that with the implementation of the Banner SIS system some of these will clear automatically. The new system will show advances as an accounts receivable on the employees account and reimbursement needs can be accomplished by holding wages or tapping separation annual/sick leave payouts.

Chairman Tripp requested a motion to accept both audit reports. A motion was made and seconded. The motion passed unanimously.

Agenda Item AF: A-7. Presentation and Request for Approval of the Report on Diversity.

Handout: PowerPoint Presentation: Report on the Status of Diversity, June 14, 2006.

Dr. Bryant addressed the Committee noting the creation of this sub-committee. He then thanked its members for the tremendous effort put forth in gathering and analyzing data and developing the recommendations. He noted the report a blueprint for the President's implementation, and shared his satisfaction with the President's commitment to ensure diversity and inclusiveness at this university.

President Brogan addressed the Committee, noting the importance of this initiative by its adoption in the FAU Strategic Plan by the BOT. The university was directed to adopt strategies that would institutionalize diversity among the University's faculty and staff and to that end, the sub-committee conducted a diversity assessment of all units of the University.

The President then reviewed steps that will immediately be implemented to facilitate this initiative, including such measures as:

- Aggressive outreach/publicity both locally and nationally to targeted populations;
- Recruiting within our own student body;
- Accountability at all hiring levels in implementing these recruiting strategies;
- Annual reporting by all colleges and divisions detailing strategies utilized and the results of these efforts, including internal promotions meeting these objectives; and,
- Creation of a Diversity Advisory Committee to evaluate the effectiveness of this initiative.

A review of gender, ethnicity and program data on faculty, staffing, and student in all colleges, divisions, and campuses followed including comparative results to SUS and nation-wide peer institutions. As measured by service areas and student populations, several areas for improvement within the university were noted, i.e. black faculty representation in Bio-medical Science and Business, Hispanics in faculty and staff positions, and female representation in Engineering and Computer Sciences, among others.

President Brogan then presented the objectives and strategies to implement these recommendations as indicated in the FAU Action Plan.

To conclude, President Brogan noted the extent of involveCreatiBusddif a Diveobject

The meeting was adjourned at 2:10 p.m.