

**Florida Agricultural and Mechanical University
Board of Trustees**



**Special Committee on Athletics Minutes
August 16, 2019**

Committee Chair Kelvin Lawson called the meeting to order. Attorney Barge-Miles called the roll. A quorum was established. The following committee members were present: Ann Cavazos, Thomas Dortch, David Lawrence and Kelvin Lawson.

The first item on the agenda was a review of the mechanics behind the athletic revenue generation plan. Joyce Ingram, immediate past interim CFO explained that Athletics had a starting budget of \$10,003,000, with 7.8 million in actual revenues, so that represented about 80 percent of the starting budget. The University projected slightly over \$1 million in additional revenues that needed to be collected, leaving an estimated year-end budget shortfall of \$313,000. By the year-end closeout the deficit had increased due to not meeting revenue projections in a number of areas.

Chair Lawson stated that as opposed to being aggressive in the revenue estimations, they are now going to be more conservative in our revenue estimations. VP Maleszewski indicated that some of the shortfalls came from royalties, athletics parking and vending, Tag Bragg program and Investing in Champions.

Chair Lawson stated that the University needs to bring down expenses and focus on raising needed funds for Athletics. He further shared that only one school in the State University System has an athletic program that is self-sufficient. Most of the schools rely on their Boosters for additional support. He stated that Athletics has downsized peoples, downsized expenses and cut travel.

For the current budget, it was shared that the Foundation will be responsible for this year's repayment to Auxiliaries and the \$305,000 NCAA fine is included in the budget, although it is being appealed.

Ms. Ingram indicated that the University reviewed the \$10.4 million revenue projections for 2019/2020 and based on that assessment, the revenues were adjusted downward to \$9.4 million. The Athletics budget still had gap. She reported that AD Eason had met with the Athletics department to set specific expectations about how it will operate within the budget and the expectation of coaching staff to raise funds specific to their sports. The expected revenues are at \$8.9 million, with \$2.28 million in transfers will balance the budget revenues versus expenses.

Chair Lawson moved that the Committee give the University budget authority up to \$10.231 million pending further update at mid-year, as they relook into revenue and expenses. The motion was seconded by Trustee Dortch. In response to Trustee Carter's question, Chair Lawson explained that the motion included three numbers: actual expenditures of \$9.87

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million, NCAA pending penalty of \$302,000 and the required repayment to Auxiliaries of \$50,000, for a grand total of \$10.231 million. The motion was approved unanimously.

Chair Lawson shared that the Athletics Oversight Committee reviews the budget monthly and they also review the budget monthly with the Board of Governors staff. He said that if they see a need to change the budget, they will bring the budget back to the full Board of Trustee for action. Chair Lawson indicated that he will share the monthly report with the full BOT.

There being no further business, the meeting adjourned.