

- 1) What are the President's funding priorities? The President's priorities are all related to enhancing student success. As outlined in her Annual Goals and Objectives document the five key areas are: Create a 21st Century Living and Learning Community; Enable Excellence in University Processes and Procedures; Develop, Enhance and Retain Resources to Achieve Mission; Enable Excellence in University Relations and Development; and Enhance Environment to Promote Internationalization, Diversity, and Inclusiveness.
- 2) What is the overall budget process? The process vary and are in transition due to the newness to campus of the President, Provost and CFO and the significant uncertainties related to legislative budget funding outcomes. For FY16, non-E&G funded units and DSO have meetings with administrative and academic budget personnel to review prior year funding and adjust based on year-to-date actual. E&G funded academic units have been required to submit budgets reflecting a 2% reduction in funding from current year levels. Administrative units have submitted budgets reflecting a 2.5% reduction. Senior leadership has developed a format whereby units can then present a needs statement/budget request document that reflects how funding will enhance efforts to meet/improve the ten performance metrics and assist in the University's strategic mission to become a best in class doctoral, research-focused university. There will be hearings to consider these requests. The core hearing team consists of the President, Provost and CFO.
- 3) How much more are we putting in set aside above the required 5%. The University has traditional set aside an additional 5% but in recent years has used all of that money to fund unusual and non-recurring expenses.
- 4) How are the set aside dollars allocated/criteria? See item 2 above regarding the 2% and 2.5% reserves generated this year. The additional 5% is allocated based on submissions from individual units who submit proposals to the VP/CFO. Such requests are considered in light of the President's priorities and are funded slowly throughout the year to assure availability for emergency needs.
- 5) Do we have the opportunity to charge a fee for Pass Thru Dollars? Generally no as the vast majority of those funds are Pell Grants and Financial Aid which prohibit such charges. The remaining small group of dollars are largely spent on campus on a discretionary basis and it has been deemed that charging a fee would likely result in a net loss of revenue.
- 6) What are the 3 year cost trends of the President's Leadership Team (Salary, Headcount, Benefits, Travel, Special Funds/Presidents Funds etc--total cost of the Leadership Team)? See attachment 6 which shows salary and headcount. There are no special benefits nor special funds for any of these employees except the President; details of which are discussed below in responses to questions 13 and 17. We are working to identify travel to specific individuals which is made difficult by the way in which Purchasing Card transactions are aggregated when recorded in the accounting records.
- 7) Provide a list and names of new/incremental positions added in administration in the last three years. We need a more precise definition of "Administration" to answer this question. We will work through the definition with the Committee Chairman and provide data to the Committee members prior to the June Board meeting.
- 8) What has been our 3 year trend in recruitment spending? Student recruitment spending is shown in Attachment 8. We are working to develop a schedule for senior level employment search expenses incurred since President Mangum's arrival. We will provide this data to the Committee members prior to the June Board meeting.
- 9) What has been our total cost of outside Counsel in the last three years? See Attachment 9.
- 10) Where do we stand with any PR related contracts (DKC etc)? The contract with DKR expired in January 2015.

May 13, 2015

11) Have we or can we create a performance based funding model for the set aside funds? Generally no, since these are non-recurring in nature and often software related. We endeavor to do this when possible – a good recent example being funding for enhanced security equipment which does have a predictable cost savings related to a reduced need for temporary security personnel.

12) Can you provide some degree of detail around how we are managing the Athletic budget in the short term/how are we covering their shortfall? The focus has been on managing expenses and changing the culture regarding costs of travel including how many people attend events, mode of transportation, length of stay and more cost-efficient ways to feed athletes and staff. We are currently working to book air travel well in advance for FY16 sports events and expect savings approaching \$75,000. We are also working to save money on hotels by guaranteeing stays at certain chain hotels. This plan may save us 20% or more on rooms as well as savings by staying at hotels that provide breakfast and are willing to discount other food.

13) What falls into the Presidents Fund/are their records to show historical spending in this fund? The President does not have a discretionary fund per se. However, she does have some discretionary money from concessions and also has some funding from the Foundation. Concession funds are generated by contracted services, i.e. snack vending; drink vending and laundry services. In all cases, there are records to track historical spending of these monies. See also response below to question 18.

14) Do we have what you would perceive to be the proper mix of short term and long term expenditures? The best measure in the University field is the percentage of operating funds spent on faculty and staff. These expenditures are long-term investments by nature. Generally Public Universities spend 60 to 67% of their operating budgets on compensation and benefits. FAMU's 2013 and 2014 audited financial statements show that 62.4% and 64.4 % of operating expenditures (excluding depreciation – which is non-cash) were spent on compensation and benefits in FYs 2013 and 2014, respectively. So, we are squarely in the normative range. See also Attachment 14.

15) Provide details on the Carry Forward Funds and how they will get added into the budget, on paper it looks like we are underspending from year to year? This is described above in responses to questions 3 & 4. Again looking at the University's audited financial statements – we find that unrestricted fund balance has declined in each of the last two years. This means that we are NOT underspending and points out the disparity that can exist between budgeted and all activity.

16) Detail out what is being spent on lobbying efforts and to which firms? See Attachment 16.

17) How many dollars are being pulled from the Foundation to Cover Leadership Salaries? Total dollars from the Foundation in FY15 - \$333,030. Components: Salary and benefits: \$256,643; Other contractual items (annuity, auto lease, cell phone) \$76,387. Total salary and benefits for VPs of Student Affairs and VP Legal Affairs/General Counsel - \$17,536. The remainder of the \$333,030 is based on contractual obligations to the President as outlined in her employment agreement.

18) Are there any real dollars coming back to the University from the Food Service Contract? The contract estimates that net operating revenues to the University's Auxiliary Enterprise will be in the range of \$1.5 to \$2.0 million per year during the term of the contract. We currently expect the net return for FY15 (the first full 12 month fiscal period of the contract) will be about \$1.8 million. This profitability has allowed internal contributions to support President's Scholarships, Athletics, Student Life and Residential Life.