



Item: AF: I-6

AUDIT AND FINANCE COMMITTEE

Wednesday, May 26, 2010

SUBJECT: REQUEST FOR CONSIDERATION OF A PROPOSAL TO INCREASE THE ATHLETIC FEE.

PROPOSED COMMITTEE ACTION

Informational review of a proposal to increase the Athletic Fee effective Academic Year 2010-11.

BACKGROUND INFORMATION

Under Sections 1009.24,(10),(11),(13), Florida Statutes, the University is authorized to establish a separate Activity & Service, Health and Athletic fee. The 2010 Florida Legislature passed, and the Governor signed into law, HB 5201 which allows for a one time increase of these fees by 15 percent for the 2010-11 academic year. Prior legislation restricted the annual increase for these fees to a 5 percent increase per year. This restriction will be returned for the 2011-12 and subsequent fiscal years.

An Athletics Fee Committee was appointed and voted 8 - 0 to recommend an increase of \$2.15 per credit hour. The recommended increase is to help offset the continued increases in a variety of areas including: tuition, fees, room, board and books, summer school, medical insurance for student athletes, conference mandated travel, baggage/gas fees, game related expenses, and contracted salaries/fringe benefit rate increase.

A member of the Sun Belt Conference, Florida Atlantic University (FAU) sponsors 18 NCAA Division I sports. FAU Owls teams compete in football, basketball, golf, soccer, softball, swimming and diving, tennis, indoor and outdoor track, cross country, volleyball, cheer, and dance, winning more than 20 conference championships in recent years. In men's soccer, the FAU team holds membership in the Mid-American Conference.

In 2007, FAU's seven-year old football team became the youngest in NCAA history to reach and win a bowl game. One year later, the team brought home another stunning victory by winning a second bowl game, providing convincing evidence of its rapid maturation. FAU's softball team, one of the best in the nation, has won ten conference titles. For the most-up-to-date information on intercollegiate sports at FAU, visit www.fausports.com.

FAU is among the most distinctive universities in the United States in terms of student demographics and diversity, number of campuses, and community college partnerships. Over the past years, FAU has enhanced their programs and support facilities to assure competitive programs. Additional funding is needed to ensure that sufficient scholarship dollars are available to meet NCAA minimum requirement and student athletes can make satisfactory and timely progress in fulfilling degree requirements.

IMPLEMENTATION PLAN/DATE

July 1, 2010.

FISCAL IMPLICATIONS

This fee increase will generate approximately \$1,055,650 for Academic Year 2010-11 (\$1,247,000 annualized).

Supporting Documentation: N/A.

Presented by: Mr. Craig Angelos, Director-Athletics

Phone: 561-297-4403



Athletics Fee Proposal

May 26, 2010

State University System of Florida

Current Student-Athletic Fees (2009-2010)

<u>INSTITUTION</u>	<u>CURRENT FEE</u>
FGCU	\$15.54/CREDIT
FIU	\$14.51/CREDIT + \$10 FLAT FEE
FAU	\$14.30/CREDIT
UWF	\$14.22/CREDIT
UNF	\$13.36/CREDIT
UCF	\$12.68/CREDIT
USF	\$11.76/CREDIT + \$10 FLAT FEE
FAMU	\$11.30/CREDIT
FSU	\$6.77/CREDIT
NC	\$3.72/CREDIT
UF	\$1.90/CREDIT

Athletics Fee Proposal

Executive Summary

Background

A member of the Sun Belt Conference, Florida Atlantic University sponsors 18 NCAA Division I sports involving 500 student athletes. FAU Owls teams compete in football, basketball, baseball, golf, soccer, softball, swimming and diving, tennis, indoor and outdoor track, cross country, volleyball, cheer, and dance, winning more than 20 conference championships in recent years. In men's soccer, the FAU team holds membership in the Mid-American Conference.

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Florida Atlantic University (FAU) is among the most distinctive universities in the United States in terms of student demographics and diversity, number of campuses, and community college partnerships. Over the past five years, FAU has added a significant number of new athletic programs and support facilities to assure competitive programs. A review of athletic programs at FAU reveals a continuation of this excellence will require additional funding to assure that scholarship dollars are available and that student athletes can remain in school.

Proposal

To increase the Student Athletic Fee, legislatively approved 15 percent, by \$2.15 to \$16.45 per credit hour.

Projected Revenue

This increase will generate approximately \$1,055,650 additional revenue for 2010-11.

Proposed Expenditures

Currently, all students are charged an Athletics Fee for each credit hour in which they are registered. The current fee is \$14.30 per credit hour and the recommended increase is to offset the continued increases in a variety of areas including: tuition, fees, room, board and books, summer school, medical insurance, conference mandated travel, baggage/gas fees, game related expenses (officials, EMT, police at Lockhart, etc.), contracted salaries/fringe benefit rate and the FY 10 athletics fee shortfall for scholarships.

Anticipated Usage of Athletic Fee Increase

Proposed Fee Increase

\$1,055,650

— Approx. 491,000 credit hours

EXPENSES	CURRENT ALLOCATION	PROJECTED ALLOCATION	DIFFERENCE
1. Scholarships	\$3,843,746	\$4,266,174	
Men's Scholarships			\$205,785
Women's Scholarships			\$216,643
Tuition (15%), Fees (?), Room (6%), Board (?), Books (?)			
2. Summer School	\$296,254	\$396,254	\$100,000
Graduation, eligibility, season preparation			
3. Women's Swimming Scholarship			\$ 25,000
Women's Swimming, women's basketball, volleyball, women's cc/track, women's golf, women's tennis, men's tennis, men's golf, men's swimming and men's soccer scholarship budgets were cut and this is the first phase of bringing them back up			
4. Medical Insurance	\$191,000	\$335,000	\$144,000
Purchase more insurance due to the economic times and the parents no longer carry insurance			
5. Team Travel	\$1,515,499	\$1,678,142	\$162,643
Baggage Fees/Gas			\$ 25,000
Sun Belt Conference scheduled games as well as airlines now charging more for checked baggage and carry on			
6. Game Officials	\$231,643	\$257,335	\$ 25,692
Sun belt has provided each institution w/the approved fee increases for the next three years (this increase for FY 11 only)			
7. Contracted Salaries/ Fringe Benefit Rate	\$1,748,055	\$1,869,898	\$121,843
8. FY 10 Athletics Fee Shortfall			\$ 35,000
TOTAL			\$1,061,606