



MINUTES
AUDIT AND FINANCE COMMITTEE MEETING
Wednesday, June 13, 2007

Ms. Nancy Blosser, Chair of the Audit and Finance Committee, convened this portion of the Joint Meeting of the Audit and Finance/Strategic Planning Committees at 11:10 a.m. The following Committee members participated:

Mr. David Feder (via telecom), Dr. Rajendra Gupta, Mr. Bob Stilley, Mr. Tony Teixeira, Mr. Norman Tripp and Dr. Frederick Hoffman (non-voting ex-officio).

The following Board of Trustees members participated:

Mr. Scott Adams, Mr. Armand Grossman, Mrs. Lalita Janke (via telecom), and Dr. Eric Shaw.

The following University officials participated:

Mr. Frank T. Brogan, President; Dr. Kenneth A. Jessell, Vice President for Financial Affairs; and Mr. David Kian, General Counsel.

Chair Blosser noted the review that occurred during the April 25 and June 6 Audit and Finance Committee meetings on each of the following fee increase requests. In addition, she advised that Dr. Jessell had prepared and would review a 'bottom line' spreadsheet indicating the financial impact of all fee increases being requested.

Dr. Jessell addressed Members to review the handout on tuition and fees semester impact noting the figures are based on 12 credit hours per semester for Undergraduate students and 7 credit hours per semester for Graduate students. Beginning with the basic tuition, which includes statutory fees such as the building fee, the capital improvement fee, and the financial aid fee, the Undergraduate In-State, Undergraduate Out-of-State and Graduate Out-of-State tuitions remain unchanged. An increase of 5 percent has been requested for Graduate In-State students. This increases the base matriculation fee by \$10.02 and the statutory financial aid fee by \$0.50 for a total per credit hour increase of \$10.52 for 2007-2008.

The Activity and Services fee, which funds Student Government, and the Athletics fee remain unchanged. An increase is requested for the Health Fee and Dr. Jessell noted the revision made to this request as recommended by Members at the June 7 Audit and Finance Committee meeting. This request is now limited to a one year increase of \$1.33 per credit hour and is predicated upon the creation of a Student Health Services Task Force to prepare a comprehensive report on the array of services provided by Student Health Services and the Student Counseling Center with

recommendations for changes and improvements to be brought before the Committee during the 2007-2008 academic year.

The Transportation Access fee and Housing fees are semester block fees which mean they are a fixed amount for each semester. An increase of \$10 is requested for the Transportation Access fee bringing the semester total to \$60. Based upon the most common type housing FAU provides (Heritage Park/Double occupancy), the housing fee increase request is just over 2 percent totaling a semester increase of \$73.45.

A review of the collective totals followed, under the assumption that all fee increases are approved, with semester increases ranging from \$19.31 to \$25.96 for Graduate Out-of-State and Undergraduate In- and Out-of State students to \$92.95 for Graduate In-State students, excluding housing.

Mr. Kian, General Counsel, then confirmed for Chair Blosser that voting as a block on the recommendation to approve all fee increases to the full Board of Trustees is permissible. Chair Blosser identified for Members each of the following items to be included in the forthcoming vote:

AFSP: A- 5. Request for Approval to Increase Housing Rental Rates.

AFSP: A- 6. Request for Approval to Increase Student Health Fees.

AFSP: A- 9. Request for Approval to Increase the Transportation Access Fee, the Parking Decal and the Fine Structure.

AFSP: A-10. Proposal to Initiate Regulation Promulgation for Board of Trustees Established Increases in Student Fees for Academic Year 2007-2008.

Member discussion followed on voting procedure options. A motion was made and seconded to vote fee increase requests in a block format. The motion passed unanimously.

Chair Blosser then called for a motion to recommend approval of the aforementioned fee increase requests to the Board of Trustees. A motion was made and seconded.

Discussion ensued with Trustee Tripp expressing satisfaction with the processes utilized in disseminating requested fee increase dollar and impact information but frustration at the continuing, cumulative strain placed on students both financially and from a standpoint of access to higher education.

Voting commenced with five members voting for approval and one member voting in opposition. The motion passed.

AFSP: A- 7. Request for Approval to Increase Fees for the Karen Slattery Educational Research Center for Child Development.

Chair Blosser addressed this item and advised Members that Mr. Glenn Thomas was present to answer any further questions Members might have. Discussion followed to acknowledge, for the record, the

receipt and due consideration of issues addressed in a letter from a student parent opposing this fee increase.

With no further discussion topics, a motion was made and seconded to approve the increase in fees for the Karen Slattery Educational Research Center for Child Development to the Board of Trustees. The motion passed unanimously.

AFSP: A- 8. Request for Approval to Suspend 2007-2008 Activity Fees for Currently Enrolled Florida Atlantic University School Students.

Chair Blosser again noted Mr. Glenn Thomas' presence to answer outstanding questions from Members. With none forthcoming, a motion was made and seconded to approve the suspension of activity fees for currently enrolled FAUS student for the 2007-2008 school year. The motion passed unanimously.

AFSP: A-11. Request for Approval of the 2007-2008 Florida Atlantic University Operating Budget.

Chair Blosser noted the review of this item at a prior Audit and Finance Committee meeting, as well as the review conducted with members of the Strategic Planning Committee earlier in this meeting.

President Brogan noted that this budget was developed without the requested 5 percent Undergraduate In-State tuition increase that the Governor vetoed. For information only, Members were advised of ongoing conversations being held regarding Governors' decision and possible future challenges to that decision.

With no other questions or comments, a motion was made and seconded to recommend approval of the 2007-2008 FAU Operating Budget to the Board of Trustees. The motion passed unanimously.

AFSP: A-12. Request for Approval of the 2007-2008 Florida Atlantic University Capital Outlay Budget.

Chair Blosser noted prior review of this item and called for questions or comments. With none forthcoming, a motion was made and seconded to recommend approval of the 2007-2008 FAU Capital Outlay Budget to the Board of Trustees. The motion passed unanimously.

AFSP: A-13. Request for Approval of the Florida Atlantic University 2006-2007 Florida Equity Reports: Enrollment, Gender Equity in Athletics, and Employment.

Ms. Paula Behul addressed this item commenting that the Florida Equity Reports on Enrollment, Gender Equity in Athletics and Employment summarize Florida Atlantic University's efforts to expand access to educational advancement and equitable opportunities to previously underserved and underrepresented student and employee populations.

Ms. Behul proceeded to review requirements provided for each section beginning with enrollment data which includes the BOT's annual certification, the policies and procedures used, documentation of

FAU's non-discrimination policy, an analysis of Academic Programs, and new for this year, Student Services data.

Gender Equity in Athletics was reviewed next noting intercollegiate sports offerings, participation rates among men and women, facilities available for use, publicity and promotional initiatives, equipment availability and the need for equipment in tennis, golf and swimming/diving. Ms. Behul advised Members of the transition from the current use of Prong II compliance guidelines, which relates to the addition of sports which is not required of FAU at this time as our offerings are appropriate. Implementing Prong III is the next initiative. The guidelines of Prong III, relate to assessing interest in sports programming. To implement these requirements, in Fall 2007 a survey of athletics programming interest will be distributed to new undergraduate students; follow-up every other year is required to remain in compliance.

The presentation continued reviewing FAU's statistical data on diversity in employment practices to ensure consistency with national standards. Ms. Behul reminded Members of the importance placed on this issue in the FAU Strategic Plan and the creation of the FAU Diversity Committee to address these issues. Information provided included statistics on current and newly hired faculty, executive, administrative and managerial employees and on protected-class representation in the tenure process.

A new reporting item requests diversity composition of the individuals serving on promotion and tenure committees. The data provided reflects representation by ethnicity, gender and college. Currently at issue and a topic of continuing discussion between EOP Directors and the BOG, is the meaning of the composition information; does the diversity representation on committees affect promotion/tenure decisions and does it matter. Answers to these questions could change future reporting requirements.

Noteworthy and needing action for future equity reports is the development of a University Budget Incentive Plan. This plan requires the university to outline specific employment equity goals and the resources to fund these goals. It is recommended that each executive area annually commit to a specific monetary plan. These plans and their associated diversity accomplishments should be submitted to the President annually in March.

Ms. Behul then noted the inclusion of the Presidents 2005-06 Evaluation and continuing efforts of the Diversity Committee to address employment equity.

Brief discussion followed on verifying the diversity of employment applications to ensure that diversity goals and status are met and maintained and funding marketing issues to these goals.

With no further discussion requested, a motion was made and seconded to recommend approval of the Florida Atlantic University 2006-2007 Florida Equity Reports: Enrollment, Gender Equity in Athletics, and Employment to the Board of Trustees. The motion passed unanimously.

AFSP: A-14. Revised Enrollment Projections/Plan for the University of Miami Miller School of Medicine at Florida Atlantic University.

** This agenda item is an action item of the Strategic Planning Committee. Discussion details on this issue are included in the minutes of that Committee.

Upon conclusion of this item, Chair Blosser questioned the need for the planned Audit and Finance Committee meeting scheduled for June 20, 2007. Mr. Kian advised that to date no requests for public meetings had been received in response to the publication of the Notice of Proposed Regulation Amendment regarding the increase in tuition, fee schedule and percentage of cost for 2007-2008. The last opportunity to submit such a request is 5:00 p.m. this evening. He asked that the June 20, 2007 meeting date be held open pending conclusion of the required publication deadline after which he would send *email notification on the need to hold this meeting.

Discussions followed regarding the Board of Governors' meeting on June 14 where tuition issues and a possible challenge to the Governors' tuition veto were to be considered. Further conversations centered on developing system-wide initiatives to address the Board of Governors', the Legislature's, and the Governor's processes and formulas in meeting State University System budgetary needs.

With no other issues for discussion, Chair Blosser adjourned the meeting at 12:37 p.m.

** Update: Per Mr. Kian's email of June 14, 2007, no public meeting requests were received and therefore the June 20, 2007 meeting is not needed. Per Dr. O'Flannery's email of June 15 to the BOT, the June 20, 2007 meeting was cancelled.