



Item: II

**SUBJECT: REQUEST TO AMEND THE FLORIDA ATLANTIC UNIVERSITY 2007-2008  
AND 2008-2009 OPERATING BUDGETS**

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**PROPOSED BOARD ACTION**

Provide approval of an amendment to the 2007-2008 and 2008-2009 FAU Operating Budgets to reflect the revenues and proposed expenditures associated with Florida Atlantic University's lease of its excess Educational Broadband Service spectrum to Clearwire Spectrum Holdings II, LLC ("Clearwire"). The Board is requested to approve (i) increasing the 2007-2008 Auxiliary Revenue Budget by \$8,643,155; (ii) increasing the 2008-2009 Auxiliary Revenue Budget by \$5,990,195; and (iii) increasing the 2008-2009 Auxiliary Expenditure Budget by \$10,079,895 consistent with the proposed expenditure plan presented to the Board on September 10, 2008.

**BACKGROUND INFORMATION**

At the September 10, 2008 Board of Trustees Committee of the Whole meeting, there was a presentation on FAU's lease of its excess Educational Broadband Service (EBS) spectrum capacity to Clearwire. As indicated in the presentation, Clearwire was the successful bidder in a competitive ITN process and was awarded a lease with the University that provides for payments associated with the lease of EBS licenses. Also presented was a proposed expenditure plan for the payments that focused on six strategic areas: Fostering Student Successes, Strengthening the Information Technology Infrastructure; Strategic Investment in Research; University-wide Academic Enhancement; Establishing an Academic Enhancement Endowment; and Rewarding Faculty and Staff Contributions to Florida Atlantic University's Mission.

The September 10 presentation pertaining to the requested expenditures for rewarding faculty and staff contributions proposed establishing a pool of funding to provide all eligible personnel a salary increase of 1 percent, effective November 1, 2008, as well as a one-time non-recurring lump-sum bonus of \$1,000.00. The presentation also proposed establishing a comparable pool of funding to address potential compensation increases for in-unit faculty.

Lease payments to the University were made in June 2008; therefore, it is necessary to amend the 2007-2008 Auxiliary Revenue budget by the amounts of these payments. For the 2008-2009 year, it is necessary to amend both the Revenue and Expenditure Budget to reflect projected revenues and

expenditures consistent with the strategic expenditure plan presented to the Board at the September presentation.

The proposed revised budget amendment and information will be presented to the Board's Audit & Finance Committee on October 22, 2008.

#### **IMPLEMENTATION PLAN/DATE**

Upon approval by the Board of Trustees.

#### **FISCAL IMPLICATIONS**

The Amendments will increase the 2007-2008 Auxiliary Revenue Budget and the 2008-09 Auxiliary Revenue and Expenditure Budgets. The projected expenditures will be less than the total revenue received over the 2007-2008 and 2008-2009 fiscal years.

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**Supporting Documentation:** N/A.

**Presented by:** Dr. Kenneth A. Jessell, Vice President for Financial Affairs

**Phone:** 561-297-3266