



Item: AF: A-8d

AUDIT AND FINANCE COMMITTEE

Thursday, April 19, 2012

SUBJECT: REQUEST FOR APPROVAL OF PROPOSED 2012-13: ATHLETICS FEE.

PROPOSED COMMITTEE ACTION

Review and recommend that the Board of Trustees approve the proposed Athletics Fee.

BACKGROUND INFORMATION

Under Section 1009.24(13)(s), Florida Statutes, the University is authorized to establish an Athletics Fee Committee to recommend any increase in the athletic fee to the Board of Trustees. A committee was appointed and voted unanimously to recommend a \$0.82 per credit hour fee be added to the current athletics fee. The recommended increase is to offset the five percent of student fees which is pledged as a condition of the stadium loan with Regions Bank. In addition, costs continue to rise in a variety of areas including: tuition, fees, room, board and books, medical insurance for student athletes, conference mandated travel, and game related expenses.

As a member of the Sun Belt Conference (SBC), Florida Atlantic University (FAU) sponsors 18 National Collegiate Athletic Association (NCAA) Division I sports. FAU Owls teams compete in football, basketball, golf, soccer, softball, swimming and diving, tennis, indoor and outdoor track, cross country, and volleyball winning more than 20 conference championships in recent years. In men's soccer, the FAU team holds membership in the Mid-American Conference while cheer and dance compete at the national level in their respective organizations. For the most up-to-date information on intercollegiate sports at FAU, visit www.fausports.com.

Florida Atlantic University is among the most distinctive universities in the United States in terms of student demographics and diversity, number of campuses, and state college partnerships. 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.

IMPLEMENTATION PLAN/DATE

July 1, 2012.

FISCAL IMPLICATIONS

Fee Breakdown:

2011-12 Athletic Fee:	\$16.45/per credit hour
Proposed 2012-13 Athletic Fee:	\$17.27/per credit hour
Increase in the Athletic Fee:	\$0.82/per credit hour

This fee increase will generate approximately \$508,400 (annualized) for Academic Year 2012-13.

Supporting Documentation:

PowerPoint: Athletics Fee Proposal

Presented by: Mr. Dennis Crudele, Senior VP-Financial Affairs
Ms. Melissa Dawson, Interim Athletics Director

Phone: 561-297-3267
Phone: 561-297-3199



Athletics Fee Proposal

March 14, 2012

State University System of Florida

Current Student-Athletic Fees (2011-2012)

<u>INSTITUTION</u>	<u>CURRENT FEE</u>	<u>SCH</u> <i>(Student Credit Hours)</i>	<u>Proj. Fee Revenue</u>
UWF	\$17.49/CREDIT	259,539 SCH	\$ 4,316,134
FIU	\$15.56/CREDIT + \$10 FLAT FEE	1,050,000 SCH	\$16,400,000
USF	\$14.15/CREDIT + \$10 FLAT FEE	1,175,064 SCH	\$15,398,998
FGCU	\$16.54/CREDIT	346,296 SCH	\$ 5,526,481
FAU	\$16.45/CREDIT	610,000 SCH	\$10,034,500
UNF	\$14.98/CREDIT	403,000 SCH	\$ 6,036,940
FAMU	\$13.97/CREDIT	365,068 SCH	\$ 5,100,000
UCF	\$13.10/CREDIT	1,511,973 SCH	\$19,975,000
FSU	\$7.39/CREDIT	1,040,000 SCH	\$ 7,500,000
NC	\$6.28/CREDIT	N/A	N/A
UF	\$1.90/CREDIT	1,315,789 SCH	\$2,500,000

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. The Owls compete in football, basketball, baseball, golf, soccer, softball, swimming and diving, tennis, indoor and outdoor track, cross country, volleyball, cheer, and dance, winning 25 conference championships since joining a league. In men's soccer, the Owls are a member of the Mid-American Conference. The cheer and dance teams are also the umbrella of athletics and both compete on a national scale each February.

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. Opening the \$70 million, 30 seat stadium took the stage in 2011. In 2010, it was baseball that captured center stage with a SBC title and NCAA Tournament berth. Less than 10 months later men's basketball captured the league title with the help of nearly 1,000 students a game cheering for the team. That same ruckus crowd traveled to FIU and to the NIT tournament. The 2012 season opener for baseball was one for the record books. The Owls swept Alabama in a three-game series, becoming the first non-sec team to sweep Alabama at home since 1899. For the most up-to-date information on intercollegiate sports at FAU, visit www.fausports.com.

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. In October 2010, FAU broke ground on an on-campus football stadium. 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, by five (5) percent (\$0.82), from \$16.45 to \$17.27 per credit hour.

Projected Revenue

This increase will generate approximately \$508,400 additional revenue for 2012-13 (annualized).

Proposed Expenditures

Currently, all students are charged an Athletics Fee for each credit hour in which they are registered. The current fee is \$16.45 per credit hour and **the recommended increase is to offset the 5% of student fees which has been pledged to Regions Bank in the funding of the stadium.** In addition, costs continue to rise 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, etc.), and contracted salaries/fringe benefit rate.

FEE BREAKDOWN

2011 - 12 Athletics Fee	\$16.45/credit hour	\$493.50/30 credit hours
2012 – 13 Athletics Fee	\$17.27/credit hour	\$518.10/30 credit hours
Increase	\$0.82/credit hour	\$ 24.60/30 credit hours

Proposed Fee Increase – FY 13

Approx. 585,716 credit hours x \$0.82 \$480,287
(Fall 2012, Spring 2013, Summer 1 & 2 terms)
(620,000 credit hours annualized = \$508,400)

Approx. 34,284 credit hours x \$0 \$0
(Summer 3 term - no fee increase from prior year)

Total Fee Available for FY 13 \$480,287

Anticipated Athletics Expense Increases

EXPENSES	CURRENT ALLOCATION	PROJECTED ALLOCATION	DIFFERENCE
1. Scholarships	\$4,451,828	\$4,877,912	\$ 426,084
Tuition (15%), Fees (5%), Room (6%), Board (5%), Books			
2. Summer School	\$496,886	\$600,000	\$ 103,114
Graduation, eligibility, season preparation, (FB, MBB, WBB athletes all taking 6 credits to help facilitate graduating on time)			
3. Salaries/Benefits	\$5,332,230	\$6,133,087	\$ 800,857
Contractual increases, New Coaching Staff (Football, Women's Basketball)			
4. Medical Insurance	\$225,000	\$325,000	\$ 100,000
Insurance continues to rise each year			
5. Team Travel	\$1,765,507	\$2,070,173	\$ 304,666
6. Game Officials	\$294,913	\$325,790	\$ 30,877
Sun belt has provided each institution w/the approved fee schedules for the next three years (began FY 11)			
TOTAL			\$1,765,598