



A MESSAGE FROM THE PRESIDENT

Student success is our focal point as articulated in our strategic plan, FAMU Rising. Part of providing an exceptional student experience includes strategically enhancing our Athletics program. Sometimes, in order to continue rising, we must assess our progress, apply what we learned and make course corrections.

During the summer and past few months, we have undertaken a detailed assessment based upon actual revenue and expense trend data and decided to make a course correction immediately, but with as much compassion as possible. This is not easy. With a focus on providing a sustainable Athletics program for our students, fans and supporters, these actions will help maintain FAMU's position as a leading HBCU in the nation.

Our Athletics program faces a projected deficit of \$2.4 million for the current fiscal year, which ends June 30, 2020. This program is a critical part of our University that attracts students and generates excitement among alumni, stakeholders and the local community that we serve. My team and I are committed to taking all necessary steps to eliminate the Athletics program's deficit in the current fiscal year and maintaining a sustainable and successful program. The elimination of two athletic programs (men's tennis and men's cross country) effective June 2020, is part of a comprehensive strategy to resolve this persistent issue.

Here is how we arrived at this tough decision and others that will help balance the Athletics budget:

- In June 2019, our financial and athletic administrators determined it would cost \$10.2 million to maintain FAMU's 16-sport athletics programs.
- In August, during the Board of Trustees Retreat, the Board set the Athletics budget at \$10.2 million.
- In late August, the interim chief financial officer (CFO) informed me that Athletics' spending trends were higher than expected. I called for immediate expense controls and further study on how to fully address this issue.
- In September, another step was taken with a hiring freeze in Athletics.
- I also charged a seven-member Athletics Review Team with identifying cost savings, and an additional 33 senior administrators, staff and students focused on identifying scholarship funding, revenue enhancement strategies including support from Direct Support Organizations (DSOs).

The CFO also informed me that the \$8.9 million revenue projection for Athletics was unlikely to be fully realized. Based on three-year trends, he suggested \$8.4 million was a more realistic revenue projection estimation.

Around the nation, many universities typically rely on corporations and donors to support their athletics programs. This is particularly true in the State University System of Florida in which the Florida Board of Governors regulations prohibit the use of auxiliary funds to support Athletics operations.

See our previous FAQs about this regulation (<http://www.famunews.com/2019/08/university-provides-summary-of-report-related-to-famus-use-of-auxiliary-funds-for-athletics/>). At FAMU, for the past several years, revenues have not covered operating expenses for our Athletics program.

Since 2017, the FAMU Foundation, Booster organizations, and the President's Discretionary Fund have all been utilized to balance the Athletics budget. A summary of the contributions is provided below:

Fiscal Year	Amount
2016/2017	\$705,000
2017/2018	\$1.77 million
2018/2019	\$1.70 million

With these numbers in mind, we developed a plan that is designed to eliminate the projected \$2.4 million deficit by making adjustments to the 2019-2020 budget including:

- Reductions in staff and operating expenses;
- Utilization of alternative funding sources for Athletics scholarships; and
- Reduction of sports programs.

The actions were strategically designed to achieve the savings needed while minimizing the impact to student-athletes and staff, who we value immensely, and ensuring that the University complies with applicable regulations. Unfortunately, a total of 12 student-athletes on the men's tennis team and men's cross-country team will be impacted by the reduction of sports programs. All affected student-athletes will maintain their scholarships if they continue to enroll at the University and meet academic requirements.

I know that this is a difficult circumstance for so many of you who love FAMU so dearly. It is difficult for me as well. However, we must turn the Athletics budget around in order to continue our recent successes and strengthen our University. I am determined to make this happen.

With your continued support, I know that we can maintain our standards of excellence and rise in FAMU Athletics and in all areas of University operations.

Together We Rise,



Larry Robinson



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