

**SUMMARY MINUTES OF
FAMU BOARD OF TRUSTEES MEETING
June 12, 2008**

The FAMU Board of Trustees met in the Moot Courtroom at the FAMU College of Law in Orlando. Chairman C. William Jennings called the meeting to order at 9:20 a.m. He recognized Ms. Fuse-Hall to call the roll. The Board of Trustee members present were Chairman Jennings, Vice Chairman R.B. Holmes, Trustee Solomon Badger, Trustee Laura Branker, Trustee Andrew Collins, Trustee Maurice Holder, Trustee Charles Langston, Trustee Spurgeon McWilliams, Trustee Daryl Parks, and Trustee Karl White. A quorum was established.

Chairman Jennings welcomed everyone to the meeting. In opening comments he thanked the members of the Florida legislature and Governor Crist for signing the budget. He noted the difficult fiscal situation in the declining state economy and appreciated the efforts of these officials to assist higher education given the scarce funds.

Chairman Jennings thanked the members of the Board of Trustees who participated in the Board Retreat. He noted that everyone takes this work seriously and he appreciated their respective commitment and service. He also thanked President Ammons and the staff for their preparation and the information presented which increased the board members' knowledge and understanding of University operations.

Chairman Jennings recognized Dean Leroy Pernell and appreciated the College of Law staff for their work in hosting the meeting and the committee meetings. He further commended him on the excellent lunch that was prepared. Chairman Jennings commended the hard work of the dean to ensure that FAMU has one of the premiere law schools in the nation.

The chairman noted the items on the agenda. Trustee Parks moved adoption of the agenda and it was seconded by Trustee McWilliams. The motion carried.

The minutes of May 7, 2008, April 10, 2008 and April 21, 2008 were reviewed and moved by Trustee Holmes for approval. The motion was properly seconded and the motion carried.

Chairman Jennings welcomed Trustee Andrew Collins, President of the Student Government Association to his first official meeting as a member of the board.

Mr. Collins noted that he “appreciated getting to know you and others during the retreat. I know that I am standing on the shoulders of giants such as Monique Gillum and Andrew Gillum and my father. I look forward to serving the mighty Rattlers.”

Chairman Jennings recognized President Ammons for his report. President Ammons welcomed Trustee Collins to the board. President Ammons noted that he was quickly approaching the completion of his first year in office. The University has made great strides, from FAMU receiving its first unqualified audit in three years to the successful go live of the payroll module to the successful President’s Tour. “Despite these accomplishments, Florida A&M University has been asked to cut its budget by \$6.5 million for the 2008-09 academic year.” He noted that the leadership team is developing a strategy to address the cut while preserving the quality of the academic programs. He reviewed the budget reductions in temporary staff, revenue generated from unfilled positions, and the reduction of operating expenses.

In the financial operations area, President Ammons noted that the Division of Administrative and Financial Services, the Division of Audit and Compliance, the Division of Student Affairs, the Enterprise Information Technology (EIT) Division and the Chief of Staff “were instrumental in developing the action plan” to address the financial concerns facing the university. He further noted that these units worked with the Florida Board of Governors Task Force on FAMU Finance and Operations Control. The Task Force has verified and validated that FAMU’s corrective actions are operating satisfactorily on 92% of the items that were reviewed and the final report is due on June 30, 2008, to the governors and the legislature.

The University’s SACS-COC Reaffirmation Committee has developed a timeline and is following it to ensure the University’s success in 2009. Further, the University has addressed the areas of non-compliance cited by the SACS-COC in June 2007 through the corrective action plan. The SACS-COC will decide the status of the University at its meeting in June. The president noted that certain disciplines had secured accreditation, including:

- Journalism
- Pharmacy
- Biological and agricultural systems
- Engineering

- Public Health
- Social Work
- Pharmacy Continuing Education

President Ammons identified the members of the Leadership Team. He noted the seven (7) elements of the 2007-08 recruitment plan which include:

- Targeted recruitment
- Integrated marketing and communications
- Consistent communications
- Special events and programs
- Collaborations
- Targeted goals
- Assessment

There is also a series of programs in place in the School of General Studies, known as the “College Preparatory Program,” to improve retention.

The president noted that the Public Relations Office has been reorganized to focus on timely dissemination of information and the development of new media to communicate to new audiences via a Facebook profile, MySpace Page, Rattlewire blogspot and the FAMU youtube as well as a social media page called “Alumni Avenue.”

He highlighted several accomplishments during the year to include:

- Fund-raising in work with corporate, foundation and individual donors across the nation for scholarships.
- Student accomplishments reveal FAMU students serving in the gubernatorial fellowship program and winning case competitions.
- National honors for the University being noted as one of the country’s “Most Innovative Colleges” in technology; ranked #2 out of 200 national colleges for growth in scientific publications.
- Securing new funds for the Pharmacy Building, Phase II (\$2 million) and Rural diversity outreach initiative for \$2.5 million.
- Developing a robust Audit staff in the Division of Audit and Compliance to assist the University in its accountability efforts.
- Develop a University wide audit plan to guide independent and reliable audits and investigations of non-compliance with University, BOG, state or federal policy, rules, and regulations.
- Assisting other HBCU with technological support, such as internet webcasting of Morehouse College’s commencement.

- Reducing the reliance on consultants to support iRattler technology and redirecting the \$7 million savings to several other projects.

Following the president's report, Trustee Holmes thanked and commended the President and the Leadership Team for "in under two years, you have literally turned the University around." He urged the board to consider providing bonuses for the faculty and staff. Trustee Holder joined Trustee Holmes in commending the president and the Leadership Team and the inclusive spirit of these divisions working relationships. Trustee Parks echoed the comments of his colleagues and added that he supported the president on many fronts.

Chairman Jennings also thanked the President and the Leadership Team for the work. There is a lot to celebrate. Chairman Jennings then recognized the committee chairs for their respective reports. Since the focus of the meeting was on the retreat only four (4) committees met this month.

BUDGET & FINANCE

Trustee Dent, chair of the Budget and Finance Committee, presented thirteen (13) action items and several items for information. The CFO and Vice President for the Division of Administrative and Financial Services (DAFS), Ms. Hardee, presented information regarding the amendments to the operating budget for FY 2007-08. Changes to the General Revenue budget include: #91,515 for the Performance based incentive funding, \$58,410 for the health insurance increase that went into effect on June 1, 2008, and \$41,000 for the State University System (SUS) Commercialization Assistance Grant Program. The carry forward budget is increased by \$861,472 as a result of the close out of the FY 06-07 encumbrances.

Trustee Dent moved approval of the amendments to the operating budget for 2007-08. The motion was seconded by Trustee Parks and the motion carried.

Next, the committee recommends approval of the FY 2008-09 General Revenue reductions plan that totals \$6,509,474 to be allocated as follows:

President - \$105,824
 Audit and Compliance - \$26,336
 DAFS - \$636,164
 Enterprise Information Technology (EIT) – \$2,400,000
 Vice President for Student Affairs - \$271,869
 Vice President for Development - \$57,196
 Provost and Vice President for Academic Affairs - \$3,000,000
 Women's Athletics - \$125,085

Chairman Dent noted that the administration devised an innovative and thoughtful approach to a very difficult situation in light of the cuts the University suffered earlier in the year.

Trustee Dent moved approval of the General Revenue budget reduction plan for FY 2008-09. The motion was seconded by Trustee Badger and it was carried.

Trustee Holmes inquired about any layoffs and the response was that the reductions included some OPS layoffs; however, conversations with the Provost and noted that key people in Academic Affairs Division were not compromised. Trustee Parks asked about the \$2.4 million for EIT, specifically, “is this affordable with projects underway?” Trustee Dent responded that the team is active with their review and it is ongoing.

Next, the committee recommended approval of the FY 2008-09 operating budget. The total amount of the operating budget is \$400,872,271 with the following breakdown:

Educational and General - \$172,062,905
Carry Forward (estimated) - \$6,500,000
Building Fee Trust Fund - \$700,000
Capital Improvement Fee - \$800,000
Auxiliary Enterprises (Housing and Auxiliary Trust Funds) - \$24,384,713
Financial Aid - \$58,857,762
Student Activities - \$3,351,453
Concessions -\$140,000
Contracts & Grants - \$52,693,279 (including 50,000,000 for Sponsored Research and \$2,693,279 for the FAMU Developmental Research School)
Intercollegiate Athletics - \$7,778,035

The total preliminary university operating budget, not including pass-through funds, is \$327,268,147. There are two loan programs with pass-through funds totaling \$73,604,124, specifically FFELP Loan Program (\$65,699,916) and FFELP Alternative Loan Program (\$7,904,208).

Trustee Dent moved approval of the FY 2008-09 operating budget. The motion was seconded by Trustee Holder and it carried.

The Committee recommends approval of four (4) Public Notices of Intent to Amend Regulations that relate to the purchasing area and will align the University

regulations with the newly approved Board of Governors' regulations. Specifically, these regulations are:

- Section 6.003 Definitions
- Section 6.004 Duties of Purchasing Department
- Section 6.005 Purchase of Commodities and Contractual Services
- Section 6.007 Sponsored Research Exemptions.

Further bid protest will no longer be handled by the Division of Administrative Hearing; but, will be handled internally on campus. Finally, the bid threshold increases from \$50,000 to \$75,000.

Trustee Dent moved approval of the Notice Period to revise these regulations and the subsequent adoption of these Regulations once the proper Notice Period has expired. The motion was seconded by Trustee Holmes and it carried.

Next, the committee recommends approval of the public notice of intent to establish Regulation 10.131 (Employee Background Screening and Fingerprinting), specifying protocols and responsibilities of FAMU in conducting security checks/screening on job candidates to whom an offer of employment has been extended for positions of special trust or responsibility or positions located in safety sensitive areas. Requirements for current employees are addressed also.

Trustee Dent moved approval of the Notice period to establish Regulation 10.131 and the subsequent adoption of the regulation once the proper notice period has expired. The motion was seconded by Trustee Parks and it carried.

The committee seeks approval of the tuition and fee increases. The Legislature approved a 6% tuition increase beginning with the Fall 2008 semester for undergraduate tuition. The undergraduate tuition (matriculation fee) is established at \$82.03 per credit hour for FY 08-09. The Board of Governors agree with this legislative action and further recommended that 70% of the increased revenue be directed to the reduction of student-faculty ratio and related support and administrative costs and 30% shall be used for need-based financial aid.

The Board of Trustees has the authority to establish tuition and fees for graduate and professional programs and out-of-state fees for all programs. The committee recommends a similar increase of 6% occur for the in-state tuition and financial aid fees for graduate programs and the College of Law.

PROGRAM	INCREASES
In-state Graduate	From \$180.24 to \$191.05/credit hour
Graduate matriculation fee	From \$9.01 to \$9.54/ credit hour
College of Law in-state	From \$204.85 to 227.14/credit hour
COL financial aid fee	From \$10.24 to \$10.85/credit hour
Out-of-state tuition and fees	NO INCREASE

The Rental Rate Review Committee met on May 9, 2008, and has recommended a 6% rental rate increase in the residential halls. The Student Fee Committee met on May 29, 2008, and has recommended the following fee increases: the post office box rental fee will increase from \$10 to \$15 per semester and the childcare fees will increase as follows: the student fee will increase from \$320 to \$350 monthly; the students voluntary pre-kindergarten fee will increase from \$175 to \$200 monthly; the charge for others will increase from \$450 to \$475 monthly; and the voluntary pre-kindergarten fee will increase from \$240 to \$300 monthly. The athletic fee will increase from \$8.90 to \$10.07 per credit hour. There were no increases recommended for the activity and service fee or the health care fee.

Trustee Dent moved approval of the tuition and fee increases that will become effective in fall 2008 semester. Trustee Holder seconded the motion and it carried.

The committee recommended approval of a policy to allow direct payments to persons/vendors. This policy rescinds Policy #5005-01 dated February 25, 2005, concerning the Elimination of Direct Payment to Persons/Vendors and establishes a new policy to such disbursements, including to governmental entities. These disbursements are subject to the requirements of federal and state laws and regulations and must have sufficient documentation to satisfy pre-audit and post-audit requirements. The University will maintain sufficient internal controls over the disbursement of funds.

Trustee Dent moved approval of the policy to allow direct payment to person, vendors and governmental entities. Trustee Holder seconded the motion and it carried.

The committee recommended approval of a Resolution designating signatories for University banking transactions, noting that the Board of Trustees delegates this authority to the president, chief financial officer (CFO) and the University Controller to execute financial transactions with approved fiduciaries on their behalf.

Trustee Dent moved approval of a Resolution to authorize the President, CFO and University Controller to execute checks issued by approved fiduciaries. Further, the President's signature will be required on all checks along with the signature of either the CFO and the University Controller. Trustee White seconded the motion and it carried.

Next policy for consideration involved an amendment to the policy for writing off missing and stolen property. It is amended to grant the President the authority to approve the request to write off missing and stolen property. The President will provide to the Board of Trustees, for informational purposes, a listing of all property written off. This information will be provided at the next regularly scheduled meeting of the trustees immediately following the date of such write-off.

Trustee Dent moved approval of the amendment to the policy for writing off missing and stolen property. Trustee Parks seconded the motion. During the discussion, Trustee Holmes asked for the factors that cause write-offs. Several examples were provided of tangible items. Trustee Holder asked for consideration of items that reappear after being written off. Following the discussion, the motion carried.

The committee had several information items including two contracts that exceeded \$100,000 since the last board meeting. One involved Borders Solution Group LLC for \$230,000 and a contract with Write Quick Solutions, LLC for \$135,000.

The committee received information on the tangible personal property being written off along with a signed copy of the Surplus/Survey Property Disposition Form. The Vice President for DAFS provided information on the average hours taken by students living in campus housing facilities as of Spring 2008.

Following the committee report, there was discussion regarding salary increase for FAMU employees. Chairman Jennings noted that this matter was discussed during the Retreat. Trustee Holmes "direct Vice President Hardee to give bonuses to administrators, faculty and staff and find a pocket of money, maybe from the Foundation for one time." Chairman Jennings asked to let the President and CFO Hardee to look at the situation and within 2 to 3 weeks make a recommendation to the board. "There are a variety of circumstances that affect the University.

Trustee Parks noted that the FAMU Developmental Research School is a high priority; but, there are other equity issues that the president knows. Trustee Collins commended Vice President Hardee for her work and President for protecting the academic enterprise; but, he cautioned not to be too quick to cut OPS workers, since many students fall into this category.

AUDIT COMMITTEE

Chairman Karl White presented one (1) item for information. He noted that Vice President Charles O'Duor provided information regarding the investigation at the College of Law. The initial investigation involved a grade change to one student's transcript, resulting in termination of three employees and the removal of two students from the College.

In connection with the investigation of the academic records and admission documents, an audit of all grades at the College of Law was underway to ensure the integrity of the College's academic records and in response to a mandate from President Ammons. Although on-going as to grades for spring semester 2008, the review of over 27,000 grades issued since 2002, there have been no instances of improper alterations to any grades.

Trustee Dent asked that an audit schedule for 2008-09 fiscal year be presented at the next board meeting.

ACADEMIC AFFAIRS COMMITTEE

Trustee Badger presented the committee's report, noting four (4) action items. The Committee heard a presentation from Provost Hughes Harris regarding assessment and the University's commitment of using assessment activities to improve student outcomes and institutional effectiveness. The policy was approved by the Faculty Senate and is supported by President Ammons and the Provost.

Trustee Badger moved approval of the University's Assessment Policy. It was seconded by Trustee Holder and the motion carried.

Next, the committee recommends approval of a multi-year contract for Judge Herman Gierke as a Distinguished Judicial Lecturer. He is a retired judge, having previously served on the United State Court of Appeals for the Armed Forces and the North Dakota Supreme Court.

Trustee Badger moved approval of the three (3)-year employment contract. It was seconded properly and the motion carried.

The committee chair explained that in February, the Board of Trustees approved eight sabbaticals for the 2008-09 academic year. One faculty member approved previously has resigned from the university, thus opening another sabbatical opportunity. The Committee recommends that Dr. Evelyn Trujillo, who was ranked ninth on the list. He is an associate professor and serves as chair of the Foreign Languages Department at FAMU. Dr. Trujillo will complete a Spanish grammatical textbook, "Compendia: Spanish Grammar for College and University Students." The fall will occur during the fall of 2008.

Trustee Badger moved approval of the Sabbatical for Dr. Trujillo. It was seconded by Trustee Parks and the motion carried.

Trustee Badger moved approval of the University's Assessment Policy. It was seconded by Trustee Holder and the motion carried.

Each state university is required to annually submit the "Florida Educational Equity Act (FEEA) Report" to the Florida Board of Governors. This report included equity data associated with enrollment, employment, tenure, gender equity in athletics and a budget incentive plan to promote diversity.

The University's report will include a footnote explaining the retention rate, a comparison between the expected graduation rate and the actual graduation rate. Future reports will also note that many of the popular programs such as pharmacy, business and allied Health require 5-6 years to complete.

Trustee Badger moved approval of the University's Equity Report. It was seconded by Trustee Holder and the motion carried.

FACILITIES COMMITTEE

Trustee McWilliams, as chairman of the Facilities Committee, presented the committee report, noting there were two (2) action items and one informational item.

In March 2008, the Board of Governors amended their regulations related to the naming of buildings or facilities. The Facilities Planning Committee reviewed a request to establish a policy and procedures for the naming of facilities, programs, and other tangible property rights under the control of the Board of Trustees. The policy and procedure covers circumstances such as naming requirements and prohibitions; honorary, gift-related and matching gift naming opportunities; and re-

naming or removal of names. The University will involve the appropriate vetting process during naming opportunities.

Trustee McWilliams moved approval of the University's Naming Policy. It was seconded by Trustee Parks and the motion carried.

Next, the committee recommended approval of a Five-Year Capital Improvement Plan and the 2009-10 Fixed Capital Outlay Legislative Budget Request. Every year the BoG provides the legislature with a recommended budget for additional academic and academic support facilities that are needed at the Universities for the upcoming five-year period. An Educational Plan Survey which evaluated existing facilities and recommended future capital projects for the University was completed in April 2005. The University has prepared its Fixed Capital Outlay legislative Budget request and the Capital Improvement Plan in accordance with the findings of the 2005 Educational Plant Survey and the Master Plan

Trustee McWilliams moved approval of the University's Five-Year Capital Improvement Plan and the 2009-10 Legislative Budget Request and authorizes the President to forward them to the Department of Education. It was seconded by Trustee Langston and the motion carried.

Trustee Badger moved approval of the University's Assessment Policy. It was seconded by Trustee Holder and the motion carried.

The committee heard information regarding the fixed capital outlay funding appropriated by the Legislature for Fiscal Year 2008-09 and they are:

- \$2,960,430 – **final** funding for the University Common Renovation
- \$2,960,430—**continuation** of funding for Utilities/Infrastructure/Capital Renewal/Roofs
- \$2,960,430—**final** funding for the Multi-Purpose Center & Teaching Gym
- \$7,000,000—**final** funding Tucker Hall Remodeling
- \$2,500,000—**initial** funding for Rural Diversity Healthcare—Crestview
- \$2,000,000—**continuation** funding for Pharmacy Phase II
- \$5,100,000—**new and complete** funding for student sports facilities
- \$1,574,202—**continuation** funding for minor projects

Chairman Jennings reminded the members that the board is responsible for conducting an annual evaluation of the president. He will prepare an outline of how the process will occur.

Mr. Jennings announced that SACS-COC will comment on the status of the FAMU probation at its June Meeting on or about June 26th. “I think the University has managed this process very well and has provided thorough responses. He also announced that the last meeting of the BOG Task Force on FAMU will meet on June 25, 2008.

Trustee Parks noted that he wanted to publicly thank Chairman Jennings for his hard work with the Task Force, which was created at a critical time in the life of the University. This was a metamorphic period for the president and “from the bottom of my heart” we commend your efforts. Trustee McWilliams noted that coming out of “stormy period,” he commended the focus and collegial work between the chair and the president. Trustee White noted his sincere support for the president and his team. He is excited about the future of FAMU. “Thanks, you’ve raised the bar; but we wish you well.” Trustee Collins echoed the comments of the board and to the chair and the president, on behalf of the students, he is no stranger to FAMU and when he looks in the eyes of Rattlers, he sees true pride. Trustee Holmes reiterated that this work should receive a tangible reward.

PUBLIC COMMENT:

- Dr. Robin Kennedy offered public comments about a situation in his lab.
- Mr. Bill Tucker spoke.

There being no further business to come before the board, the meeting adjourned.

Respectfully submitted,

Rosalind Fuse-Hall
Assistant Corporate Secretary