

**SUMMARY MINUTES
BOARD OF TRUSTEES MEETING
Tanner-Foster Band Room
Thursday, August 20, 2009**

Chairman C. William Jennings called the meeting to order at 9:15 a.m. Mrs. Fuse-Hall called the roll and the following Trustees were present: Chairman Jennings, Trustee Solomon Badger, Trustee Laura Branker, Trustee Richard Dent, Trustee Gallop Franklin, Trustee Maurice Holder, Trustee R. B. Holmes, Trustee Spurgeon McWilliams, Trustee Daryl Parks, and Trustee Belinda Reed Shannon, and Trustee Charles Langston, Trustee Karl White and Robert Brown (via phone). A quorum was established.

Chairman Jennings recognized Trustee Parks, who moved approval of the minutes of June 24, May 26, and April 22, 2009. The motion was seconded by Trustee Badger and the motion carried.

Chairman Jennings made brief remarks before the President's Report. He congratulated the University on three successful graduation ceremonies, christening the new Multi-purpose Teaching Gymnasium.

Chairman Jennings welcomed Attorney Belinda Reed Shannon to the Board of Trustees. Attorney Shannon was appointed by Governor Crist to complete the term vacated by former Trustee Pam Duncan. Trustee Shannon noted her honor at serving her alma mater in this capacity.

The chairman asked the audience to give Dr. Ammons, Provost Hughes Harris, Dean Leroy Pernell and their respective teams a standing ovation in light of the full accreditation of the College of Law. Trustee Parks read a resolution honoring the college of Law. He moved adoption of the resolution; it was seconded by Trustee Solomon Badger and the motion carried.

ELECTIONS

Chairman Jennings noted that the board's operating procedures require that at the first meeting following July 1, the board will elect its officers. Trustee R.B. Holmes nominated Chairman Jennings to serve as Chairman and Trustee Daryl Parks to serve as Vice Chair for a two-year term. Trustee Holmes moved that the nominations be closed. The motion was seconded by Trustee Holder. The motion carried. Trustee Franklin moved approval of the slate of officers; it was seconded by Trustee Solomon Badger. The motion carried.

Trustee Brown announced that he will not stand for re-election to the Board of Trustees. He appreciated the fellowship and the camaraderie. He noted that he will continue to support and advocate for the University. He asked his colleagues to consider him an ex officio member. Members of the board offered expressions of appreciation to Trustee Brown for his distinguished service.

Chairman Jennings announced that the goals and expectations of the board and the president will occur at a future meeting.

Chairman Jennings recognized President Ammons for his report. President Ammons reported on the following:

- Law School Accreditation
- Preparation for Fall Semester
 - Pre-planning session with faculty
 - H1N1 Virus preparations
 - Sidewalk along the set is nearing completion
 - Full day meeting with Leadership Team and SGA President
- Strategic Planning
- Lyceum series will begin with “Three Mo’ Divas”
- Introduction of the Head Men’s and Women’s Track Coaches

BUDGET & FINANCE COMMITTEE

Trustee Dent noted that the Committee had three (3) action items and several items for information. The Committee heard from Ms. Carrie Gavin, Director of FAMU’s Equal Opportunity Program, who presented the University’s Equity Reports (reporting information on Enrollment, Gender Equity in Athletics, & Enrollment) for the Board’s approval. The Board of Trustees is required to approve and submit this report to the Board of Governors annually. Several trustees inquired about the context of the information presented as well as how the information is used by the Board of Governors. Following extensive discussion, the staff will reference the connection of its work to the numbers noted in the Equity Report in future reports.

Trustee Dent moved approval of the report. It was seconded by Trustee White and the motion carried.

Next, the committee heard from Teresa Hardee, CFO & Vice President for Administrative and Financial Services, who presented amendments to Policy 2005-05 (Preparation and Submission of Budget). The policy is amended to:

- Conform to Board of Governors Regulation 9.007,
- Add language that does not require the Board of Trustees to re-approve budgets for E&G funds certified forward or non-E&G encumbrances as these expenditures were approved in the prior year’s budget, and
- Make technical changes and update regulation and statutory references.

Trustee Dent moved that the Board of Trustees approve the amendments to Policy 2005-05 (Preparation and Submission of Budget). The motion was seconded by Trustee White and it carried.

The last action item is the approval of amendments to the Operating Budget for fiscal year 2009-2010. There are two (2) amendments to the operating budget.

- 1) The University has received SUS Allocation Amendment #2 from the Board of Governors. This amendment decreases general revenue by \$27,098 to reflect an adjustment to the Risk Management casualty insurance premium allocation.
- 2) Additional budget authority of \$95,081 is requested in the Student Activities budget entity for the FAMUAN's advertising department.

Trustee Dent moved that the Board of Trustees approve the committee's recommendation to adjust the operating budget by the stated amounts. The motion was seconded by Trustee Holder and it carried.

Trustee Dent highlighted the informational items. The Committee heard from Vice President Hardee who presented the following updates:

- **FY 2009-2010 Operating Budget (including the use of the Federal Stabilization Funds):** Due to the short timeframe that has elapsed since the beginning of the fiscal year, there were no actual expenditures to report. Vice President Hardee reported that a total of 76.5 positions have been funded from the Federal Stabilization Funds to date. An update on actual expenditures will be presented at the next Board of Trustees meeting.

The Committee also heard an update on the revenue collections from General Revenue and the Lottery. The General Revenue collections have been reduced for Fiscal Year 2009-10 by \$147.1 million or less than 1% below the estimate from March. Although collections for 2009-10 are down slightly, there is expected to be sufficient revenue to cover the 2009-10 appropriations.

Although Lottery ticket sales are down; the adverse impact of lower sales was tempered by the fact that prize payout percentages are expected to be slightly lower than in the previous forecast, resulting in higher transfer rates to the trust fund.

- **Convenience Fee:** Beginning with the Fall 2009 semester, the University will charge a convenience fee not to exceed \$10 per transaction for on-line credit card payments.
- **Write-off Missing and Stolen Property:** Pursuant to BOT Policy 2008-03 regarding missing or stolen property, this year a total of 147 missing items with an acquisition cost of \$392.9 million and a net book value of \$2,523.74 will be written off. In addition, a total of eight (8) stolen items with a value of \$12,437.58 and a net book value of \$2,741.83 will be written off.
- **Write-off of uncollectible student accounts:** A total of \$3.7 million of uncollectible student accounts will be written off. The University is currently

working with 4 collection agencies. These agencies work accounts for 9-12 months.

In response to a request from the Board of Trustees, Vice President Hardee provided information on tuition differential waivers. Pursuant to Section 1009.24, of the Florida Statutes, "the tuition differential may be waived by the University for students who meet the eligibility requirements for the Florida Public Student Assistance Grant" (a need-based grant)." The Board of Governors is in the process of amending Regulation 7.008 (Waiver of Tuition and Fees) to authorize campuses to waive the tuition differential for students who are eligible for public assistance grants.

The Committee was also provided a summary of other regulations that the Board of Governors will be discussing at their September 24th meeting.

Next, Vice President Hardee reported on how the University has prepared for Phase II of the budget restructuring process. There are seven (7) committees formed to review the following: the reorganization of Academic Affairs, streamlining operational processes via technology, enhancing revenue resources, sustainability, increasing research funding, enhancing distance learning, and combining summer sessions. Vice President Hardee also provided a status report on these committees.

Finally, Mr. Michael Smith, Director of Business and Auxiliary Services, presented an overview of this department's operations. This information highlighted the following services: dining services, the Rattler card, the bookstore, the book voucher program, vending/concessions, laundry, post office and the copy center.

Members of the Board asked the staff to prepare a comprehensive review for increasing faculty salaries.

AUDIT COMMITTEE

The Audit Committee heard from Vice President Charles O'Duor who presented the University Audit Plan for 2009-10. The purpose of the Audit Plan is to guide audits, reviews, and investigative services to ensure compliance with statutory mandates; promote integrity, accountability and efficiency; make certain that resources are safeguarded against waste, loss, and misuse; and determine that resources are used consistent with laws, regulations, and policies. The Audit Plan is based on a combination of factors derived from a comprehensive risk assessment survey, prior financial and operational audit findings, and suggestions by management.

Trustee Karl White moved that the Board of Trustees approve the University Audit Plan for 2009-10. Trustee Langston seconded the motion and it carried.

The committee heard an update from Vice President O'Duor who presented the comprehensive risk assessment survey. The purpose of the risk assessment survey is to determine any potential risks relating to financial, operational, compliance, information technology, and strategic risks.

The Division used the results of the risk assessment survey to help set priorities for the University Audit Plan.

In addition, the Committee received an update on the 2005 compliance agreement between the National Science Foundation (NSF) and Florida A&M University. On July 17, 2009, the NSF informed President Ammons that in recognition of the improvements and accomplishments over the past two years, the special payment conditions placed on NSF awards would be removed immediately.

TRUSTEE-STUDENT RELATIONS COMMITTEE

Trustee Daryl Parks noted that the Trustee-Student Relations Committee had no action items and there are several informational items. The committee commended the Division of Student Affairs for their good customer service efforts. Further, Vice President Gaines noted that "Welcome Week" had begun and it was filled with varied activities.

Trustee Gallop Franklin summarized activities of the Student Government Association (SGA), which included:

- SGA Inauguration scheduled for September 3, 2009 in Lee Hall Auditorium. All trustees are invited.
- Working on a Stimulus Package for students – spending student' monies on students
- Working with Associate Vice President Edward Willis on finalizing the 'Call Center'; the Call Center will help to raise funds for the University and permit current students to assist prospective students in making a smooth transition to college.

Vice President Roland Gaines provided an update on activities within the Division, To date 1,873 students have enrolled -- 1,403 from Florida. The University received 6,612 applications and has admitted 4,076. Nearly, 186 community college transfer students have enrolled. Student Affairs and Academic Affairs have worked collaboratively in attracting transfer students. The University has enrolled 76 graduate level students and 223 law students have enrolled. The total University headcount, to date, is 9,653. It is estimated that enrollment could total about 12,000 students.

Vice President Gaines noted that the largest problem that the Division has experienced has been issues associated with the economy. Many in-state students are eligible for need-based grants. The out-of-state students will probably need to apply for the Parent Plus Loan, which could very easily be denied due to parents' credit unworthiness. An out-of-state student will need approximately \$28,000 per year to attend the University. Students that file their financial aid forms on or before March 15th will receive their awards timely. Many FAMU students submit their financial aid documents late and this is a major reason students don't get their aid timely.

The Committee heard a report regarding the Student Health Services Office that is monitoring the updates from the state, the Center for Disease Control, and other agencies regarding the H1N1 virus. The Leadership Team was updated on these issues two weeks ago. Additionally, updates are regularly posted on the front page of FAMU's website. Eleven (11) cases of the H1N1 virus have been confirmed on campus. All have been mild cases. A protocol has been

established to handle such cases. Also, there is a Crisis Team made up of representatives from all necessary offices in case there is a large scale emergency.

Orientation and Welcome Week occurred and approximately 1,000 students are participating in orientation. These are students who did not participate in the July orientation sessions. As a result, we anticipate about 2,300 in the freshman class. New students were required to read the book, *The Pact* over the summer. Numerous group discussions occurred across campus yesterday and on Thursday, the students will have an opportunity to hear from the three authors from “the hood” who made a pact to become medical doctors—which they became.

FACILITIES PLANNING COMMITTEE

Trustee McWilliams presented three informational items discussed by the Facilities Planning Committee. The Committee heard a report on the status of the on-going major construction projects including the remodeling of the Student Services Center, which was completed on August 14, 2009. Board members thanked Sodexo for hosting lunch on Wednesday.

The Committee also received an update on the status of PECO funding. The Board of Governors informed the University that state revenue estimates indicated that for fiscal year 2010-11, no PECO funding will be available. If this estimate holds true, the University will see a decline in its infrastructure and very low probability of full funding for any of the Capital Improvement Plan projects within the next three (3) years. The University will keep the Board apprised of any further developments and will request modifications to the Capital Improvement Plan and 2010-11 Legislative Budget Request, if necessary.

Finally, the Committee received information regarding negotiations with Premier Construction and Development Inc., the top-ranked respondent to the University’s Invitation to Negotiate (ITN) for the design and construction of the new 800-bed facility and the renovation of Sampson and Young Residence Halls. The negotiating team appointed by the President met with Premier Construction on two occasions to discuss contract terms.

The University has also been in consultation with the state’s Division of Bond Financing regarding the financing of the housing projects. The national financial crisis has limited the availability of funding for housing projects via traditional financing sources. As a result, the University is seeking alternative sources of funding. Meanwhile, in order to meet the deadlines for completing Sampson and Young by July 2010, the University will use internally generated funds to complete the pre-construction and design work for Sampson and Young Residence Halls. The total cost for this work is approximately \$860,000. The University will return to the Board for approval of the construction contract, including funding for the remainder of the identified projects complete construction.

PUBLIC COMMENTS

There were no public comments.

Trustee Parks commended the branding that has occurred by the Office of Public Relations. He commended President Ammons and Trustee Dent for the work they have begun.

Trustee McWilliams congratulated the President regarding Bob Hayes regarding induction. This is a representation of FAMU and there should be a public recognition.

Trustee Dent commended Vice President Carla Willis and Athletic Director Bill Hayes for their work.

Chairman Jennings noted that committee assignments would occur soon. He thanked Vice Chairman Holmes for his support and “your friendship to me personally as chairman” during his service as vice chair.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Rosalind Fuse-Hall

Rosalind Fuse-Hall
Assistant Corporate Secretary