

**SUMMARY MINUTES
CALLED MEETING OF
FAMU BOARD OF TRUSTEE
Tuesday, December 15, 2009**

Chairman C. William Jennings called the meeting to order at 1:05 p.m. Attorney Rosalind Fuse-Hall called the roll and the following Trustees were present: Chairman Bill Jennings, Trustee Solomon Badger, Trustee Laura Branker, Trustee Gallop Franklin, Trustee Maurice Holder, Trustee R. B. Holmes, Trustee Daryl Parks, and Trustee Karl White. A quorum was established.

Chairman Jennings recognized President James H. Ammons for the first item regarding the Annual Report. President Ammons noted that at the December meeting of the Board, the Provost presented information regarding the Annual Report that the University is required to submit to the SUS Board of Governors by December 18th. The staff distributed the report to members of the board at that time for their review. Since no questions have been raised since that time, the President recommended that the board approve the Annual Report for submission to the Board of Governors.

Trustee Parks moved approval of the Annual Report and it was seconded by Trustee Badger. The motion carried.

Chairman Jennings asked President Ammons to present information regarding the Howard Hughes Medical Institute. President Ammons noted that the University has been in partnership with the Howard Hughes Medical Institute (HHMI) since 1996. The Institute funds educational initiatives that support research and student experiences. The University has received three (3) four-year grants from the Institute; the last one was issued on September 1, 2004. The grant ended on August 31, 2008.

On October 28, 2009, the University was informed via a letter with an attached audit report from HHMI, that expenditures totaling \$242,485 were not authorized under the HHMI grant agreement. Further, the letter requested that the remaining funds in the grant totaling \$117,942 be returned immediately. Upon receipt of the letter, the President asked Dr. Charles O'Duor, Vice President for Audit and Compliance, to review the grant and its expenditures.

Dr. O'Duor has preliminarily reported that the items identified as unallowable expenditures in the HHMI report appear reasonable. Therefore, the University issued another check in the amount of \$90,665 which the president delivered personally when he visited the Institute's president two weeks ago. This check was based upon unexpended funds returned by the University to the Foundation. Trustee Karl White, chair of the Audit Committee, and Dr. Larry Robinson, Vice President for Research, accompanied the President on this visit.

The meeting between the University representative and the HHMI staff went well. HHMI identified four (4) conditions for FAMU to receive future grants after 2015:

- Return of all monies owed to HHMI that came to the University;
- Evidence that appropriate accounting controls are in place at the University;
- Absence of any current or pending sanctions by other organizations or accrediting bodies; and
- Plan for administration of any future HHMI grant.

Since this grant was housed in the FAMU Foundation, the president asked the Foundation to repay the balance of the funds due and owing to HHMI which amounts to \$151,621, as reasonable expenditures. The Executive Committee of the FAMU Foundation Board met on Friday and approved a budget amendment in this amount. Given this action, the President asked the Board of Trustees to approve this budget amendment and authorize the FAMU Foundation to issue a check in the amount of \$151,621.

Such action should meet the first requirement for restoring our eligibility for additional HHMI grants. The remaining three (3) conditions for further consideration by HHMI will be addressed also, including the formulation of a policy regarding who and how grants are administered by the University. Further, the Division of Audit and Compliance will continue its investigation to address any administrative weaknesses that may exist in the current process. The president pledged to keep the board apprised of any further findings in this matter as appropriate.

Following the presentation, the board members asked several questions. Trustee Holder inquired whether there were other grants in the Foundation. This was the only one to anyone's knowledge. Trustee Parked noted a general concern from an audit standpoint; he asked if an overview occurred of all grants as part of the work by the Division of Audit and Compliance. Vice President Robinson noted that it is routine for Audit and Compliance to review these activities. Also, contract and

grants are part of ongoing audit processes by the sponsoring agencies. Trustee Branker asked if Dr. O'Duor's review "scrubbed all the grants to ensure that everything is operating well." Dr. Robinson responded that a thorough assessment has occurred. Trustee Holder asked what does that do for those funded by this grant. Dr. Robinson noted that since the grant ended in 2008, no one was impacted.

Trustee Holder moved that the Board direct the FAMU Foundation to repay the amount due and owing to the HHMI in the amount of \$151,621. Trustee White seconded the motion and it carried. President Ammons thanked the board for taking this critical action with one of the University's significant partners.

Chairman Jennings asked President Ammons to present information regarding an update on the FAMU Developmental Research School (DRS). President Ammons noted that over the last week there was much discussion regarding "laying-off" nine (9) teachers at DRS. "I want everyone to know that these teachers were on OPS contracts with a specified end date. Further the teachers received notice in September of the December 22, ending date. However, I would ask Provost Hughes Harris to provide an update on the DRS situation."

Provost Hughes Harris noted that at the beginning of the 2009 fall semester, Dr. Ronald Holmes, Superintendent of the FAMU DRS, anticipated an enrollment of 600 students. He was confident that his recruitment efforts would yield the 600 students. In anticipation of achieving that goal, Dr. Holmes asked that the University extend the contracts of nine (9) faculty members whose contracts were scheduled to end in August. Although the official enrolment numbers, which provided the budget for faculty salaries would not be available until late in the semester, the University permitted Dr. Holmes to extend these contracts until December 22, 2009, the end of the fall semester. The faculty members were notified in September that their contracts needed as of December 22 and that an extension would be based on the school achieving its enrollment goals.

Last week, it was reported that nine (9) teachers at DRS were being "laid off" after this semester when actually, a layoff was not occurring—instead the contracts of these OPS teachers had expired. Additionally, the University also received work from the State that DRS had not met its enrollment projection. The State originally informed DRS that it had an enrollment of 518 students—not the 600 students that

were projected. Therefore the budget was not available to support these nine (9) teachers. After noting a glitch in the state system, the number was revised to 544 students. The recalculation, in addition to supplemental funding from other sources such as small amount from savings in unspent accounts as well as the University assuming some of the costs related to mandatory expenditures, allowed DRS to maintain the nine (9) teachers by reissuing contracts for them beginning January 4th. Dean Genniver Bell, College of Education, Superintendent Holmes and the Provost provided this information at the Parent-Teacher Organization (PTO) last week and Dr. Holmes will share the same information with the DRS Advisory Council tonight. Provost Hughes Harris will meet with the teachers tomorrow and issue them their contracts. She is committed to the parents and teachers to work cooperatively to increase communication and recruitment efforts at the school.

Chairman Jennings thanked everyone for their reports and wished the President and the staff happy holidays. There being no further business, the meeting adjourned at 1:29 p.m.

Respectfully submitted,

Rosalind Fuse-Hall

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Assistant Corporate Secretary