

**SUMMARY MINUTES
BOARD OF TRUSTEES MEETING
Thursday, February 10, 2011
Grand Ballroom
Tallahassee, Florida
8:00 a.m.**

Chairman C. William Jennings called the meeting to order. He congratulated Trustee Dent, Trustee McWilliams and Trustee White on their reappointment by the Board of Governors to continue serving on the board. Likewise, he congratulated Trustee Torey Alston who was reappointed by Governor Rick Scott. Each member begins a five-year term on the board.

Next, the Chairman thanked Coach Taylor, who joined the board for dinner and discussed the 2011 Football squad. The information was very interesting.

Chairman Jennings led the board in a moment of silence for the two students that died since the last meeting. Mr. Rasheed Lasaki, a senior major in Criminal Justice, and Mr. Cameron Jones, a kindergartener that attended FAMU DRS and was the son of a FAMU employee. Also, the moment paid respect to Trustee Alston's father and the death of the mother-in-law of Vice President Carla Willis and the mother of Associate Vice President Ed Willis.

Chairman Jennings asked Ms. Fuse-hall to call the roll. The following Trustees were present: Chairman Jennings, Vice Chairman Daryl Parks, Torey Alston, Solomon Badger, Richard Dent, Gallop Franklin, Maurice Holder, R.B. Holmes, Charles Langston, Spurgeon McWilliams, Marjorie Turnbull, as well as Karl White, who participated by telephone. A quorum was established.

Next, Chairman Jennings recognized Attorney Avery McKnight to cite the statute that authorized the board to meet in closed session. Following the attorney's recitation, Trustee Turnbull moved that the board convene in closed session. The motion was seconded by Trustee Alston and it carried. The board convened in closed session.

CLOSED SESSION

Following the closed session, the board reconvened in OPEN SESSION.

Trustee Badger moved the approval of the December 2, 2010, minutes of the board. The motion was seconded by Trustee Parks and the motion carried.

PRESIDENT'S REPORT

Chairman Jennings recognized President Ammons for his report. President James H. Ammons reiterated a comment by Trustee Holder that "Change is inevitable." He noted that the restructuring and reinvesting process affords the University the opportunity to plan the change. The president reviewed the Governor's budget; then, President Ammons updated the board on the restructuring process. He noted that,

We join our colleagues all across America, where other universities are looking at their academic programs, reviewing administrative and academic structures, as well as its business processes for addressing the diminishing resources from state allocations.

Other aspects of the restructuring process covered by the President included:

- Builds upon conversations and the academic program review which have taken place over the last two years.
- Developing a multi-year plan.
- Seeking input from various stakeholders including trustees, faculty, students and alumni.
- Named the President's Restructuring and Reinvestment Committee and an Advisory Group.
- Hired consultant Aon Hewitt to review work, identify gaps in methodology, and recommend solutions.
- Created a website to communicate the actions of the committee to the public, including dates for upcoming focus groups.
- Issued a survey to solicit input and solutions for becoming the University that we aspire to be.
- Convened four task force groups to address:
 - Restructure doctoral education
 - Provide stronger foundation for biomedical education, health sciences and STEM
 - Build an infrastructure to support students enrolled as profile admits
 - Build relationships and enrollment with Community Colleges.
- Will streamline several administrative processes.
- Reviewed academic and administrative methodologies.
- Will publicize efforts offered by the Employee Assistance Program (EAP), Workforce Plus, the Division of State Group Insurance and the Division of Retirement.

The President will issue the full report to the board before the April board meeting.

Chairman Jennings thanked the President for his report and recognized Trustee White for the report of the Budget and Finance Committee.

COMMITTEE REPORTS

BUDGET AND FINANCE COMMITTEE

Trustee White reported that the Committee had two action items and several informational items.

The Committee heard from Teresa Hardee, CFO & Vice President for Administrative and Financial Services, who presented the recommendation to increase the Athletic fee effective in the fall 2011 semester. The University sought to increase the Athletic Fee from \$12.62 per credit hour to \$13.97 per credit hour. This represented a \$1.35 per credit hour increase.

Trustee White moved that the board approves the Athletic fee increase. Trustee Turnbull seconded the motion and it carried.

Next Vice President Hardee presented two amendments to the operating budget. The first amendment provided \$131,000 in additional budget authority in the Auxiliary Trust Fund to pay

for additional mandatory expenditures such as postage, copying and telephone charges for the Student Union. The second amendment provided \$256,265 in additional budget authority in the Activity and Service Fee Fund. Pursuant to section 1009.24, (10) (b), Florida Statutes, “unexpended funds and undisbursed funds remaining at the end of a fiscal year shall be carried over and remain in the student and activity service fund and be available for allocation and expenditure during the next fiscal year.”

Trustee White moved that the Board of Trustees approves these amendments to the operating budget. Trustee Langston seconded the motion and it carried.

Trustee White asked Vice President Hardee to discuss the informational items. She noted that there were several other amendments to the budget that did not require approval; but, she brought them for the board’s information. The University received three (3) SUS allocation amendments that increased the General Revenue allocation by \$778,913:

- **\$413,913** for health insurance
- **\$300,000** for the New Florida Initiative Clustering Grants and
- **\$65,000** for the State University Research Commercialization Assistance Grants Program.

Additionally, the Direct Loan Program’s budget authority was increased by \$20 million due to an increase in student loans.

Next the Committee received information from Vice President Hardee regarding an update on the results of the revenue estimating conferences for General Revenue, Lottery, and PECO. She also presented a summary of the Governor’s Budget Recommendation for FY 2011-12 that was recently released.

Four (4) contracts totaling \$1.1 million were executed since the last Board of Trustees meeting: *University of Florida (\$493,000)*, *Woodruff Scientific (\$186,000)*, *Howard L. Bailit, LLC (\$130,000)*, and *the West Virginia University Research Corporation (\$243,000)*.

For the last informational items President Ammons gave an update on activities at Enterprise Information Technology (EIT) and he provided an update on the University Restructuring/Reinvesting Committee.

President Ammons noted that there has been a change in the structure and leadership at EIT. EIT is now reporting to Vice President Teresa Hardee and Mr. Michael James is serving as the Interim CIO. Mr. Gerald Adams, a consultant that has worked with the University, will assist Mr. James. Additionally the University is in the negotiation stage to select a company to host the iRattler application. The University will conduct an organizational assessment of our technology division.

Finally, President Ammons reported on the University's Restructuring/Reinvesting Plan. He presented an update on the following:

- The vision and objectives of the plan;
- Measures used to solicit input from the FAMU community as well as the communication strategies;
- A listing of the academic areas that FAMU will focus on in the 21st Century;
- Measures that will be implemented to ensure that we are successful; and
- The methodologies that are being used to review academic programs and administrative processes.

President Ammons illustrated an example of the administrative methodology and Provost Cynthia Hughes Harris walked the committee through the methodology utilized to designate academic program productivity.

The President will present the restructuring/reinvestment plan to the Board at the April meeting. The board members will receive these recommendations two (2) weeks prior to the meeting. Mr. Breyan Love, Vice President for Student Government Association, sitting in for Trustee Franklin inquired if this will be one plan or one with several scenarios. President Ammons responded that it would be one plan.

Chairman Jennings recognized Trustee Badger for the Academic Affairs Committee report.

ACADEMIC AFFAIRS COMMITTEE

Trustee Badger has two (2) action items and four (4) informational items. The committee heard from Provost Hughes Harris regarding applications for sabbatical and professional development leave. Twelve (12) applications for sabbaticals and two applications for professional development leaves were submitted for the 2011-2012 academic year. The Sabbatical and Professional Development Leave Committee reviewed the applications and recommended approval of eleven (11) applications to Provost Cynthia Hughes Harris and President Ammons. In reviewing the applications, the committee considered the programs and activities to be followed while on leave, the expected increase in value of the employee, to the University, and to the employee's academic discipline, specific results anticipated from the leave, and any prior leaves that had been provided to the applicant. The proposals were reviewed by President Ammons and Provost Hughes Harris. They recommended approval of the 11 sabbaticals and two (2) professional development leave applications.

Trustee Badger moved that the Board of Trustees approves the applications that were recommended for sabbatical and professional development leaves. It was seconded by Trustee Parks and the motion carried.

The committee heard from Provost Hughes Harris who presented comparative analysis data regarding four (4) service providers of distance education. These companies responded to the University's "Request for Information" that solicited information from companies that could provide the technological infrastructure, costs, and marketing support necessary for the successful delivery of online degree programs. The four (4) companies expressed an interest in providing this service to FAMU.

Provost Hughes Harris described the services that would be provided by each company and the associated the costs. Provost Hughes Harris and her Distance Education Committee recommended that the University select HBCUsOnline (TJOE), as the service provider because of the proposed costs, the breadth of services, and the length of the contract proposed.

Trustee Badger moved that the Board of Trustees approves HBCUsOnline (TJOE) as the distance education services provider for Florida A&M University. The motion was seconded by Trustee Alston and it carried.

The committee heard an update from President Ammons regarding the University's Carnegie Classification and doctoral degree programs at the University. He indicated that the University was recently notified that it had been classified, in the 2010 Carnegie Classification, as a Master's University/Large. The University corrected doctoral degree production data that had been submitted to IPEDS, to include two degrees that had not been previously reported. On Friday, February 4th, the Carnegie Foundation notified Provost Hughes Harris that, as of February 14, 2011, the University's classification would return to the status of Doctoral/Research University (DRU), based on the corrected data.

President Ammons indicated that the University will increase doctoral graduation rates by implementing aggressive strategies to increase research funding, increase recruitment efforts, and take other steps to ensure a steady stream of graduate students completing their degree requirements.

The committee also heard from Provost Hughes Harris who introduced the deans from nursing, allied health, education, pharmacy, and law to discuss their efforts regarding passage rates on professional licensure exams. Each dean shared the strategies implemented to address any issues. The Provost also proffered information regarding the FAM Developmental Research School and its interim superintendent, Mr. Bill Johnson, presented information also.

The committee also heard about the University's community college initiative and the updated transfer manual. This manual, which should be complete by February 14, 2011, will provide community college students with critical information regarding academic programs and that will facilitate an easy transition from a community college to FAMU. The committee learned that earlier in the week, President Ammons, Provost Hughes Harris and Interim Vice President William Hudson, Jr. met with Tallahassee Community College's President, Provost, Vice President for Student Affairs, and the Dean of Academic Support. More activities are planned to

continue to foster this relationship. The president and provost extended their appreciation to Trustee Turnbull for coordinating the meeting.

Next Chairman Jennings recognized Trustee White to provide the Audit Committee report.

AUDIT COMMITTEE

Trustee White noted that the Audit Committee had several informational items.

The committee heard a presentation from Vice President O'Duor, who provided an update on the National Science Foundation (NSF) report. He stated that in accordance with the June 2005 compliance agreement between Florida A&M University and NSF. The University was required to submit a compliance report to the NSF by the end of September, each year for the previous five (5) years. The agreement ended in 2010 and the final report was submitted to NSF on September 24, 2010. The report included the results of the audit of the NSF awards for the fiscal year ended June 30, 2010. The audit was conducted by Moore Stephens and Lovelace, an independent public accounting firm, and the audit contained no findings.

Additionally, Vice President O'Duor presented to the committee an update on the 2009-10 operations audit. He stated that in November 2010, the State Auditor General released the operational audit report for the fiscal year ended June 30, 2010. Each member of the Board of Trustees received a copy of the report. The audit disclosed five (5) findings. The University submitted a response to the State Auditor General and developed corrective action plans to address the findings.

Also, the financial audit of Florida A&M University for the fiscal year ended June 30, 2010, is in progress, and being conducted by the State Auditor General. The audit report is expected in late February and will be forwarded to each member of the Board of Trustees. Additionally, the audit results will be presented at a future Board meeting.

Further, on December 13, 2010, the Auditor General presented to the University a preliminary and tentative finding and recommendation, which will be included in a report regarding the audit of the Federal awards administered by the State of Florida for the fiscal year ended June 30, 2010. The finding related to the untimely return of undistributed student loan funds to the lenders. As part of the corrective action plan, personnel in the Office of Student Financial Aid and Scholarships will make the appropriate adjustments on the outstanding student loan balances. The return of all loan funds will occur by March 15, 2011. Also, Ms. Marcia Boyd, Assistant Vice President for Student Affairs, presented an update on the student loan program and the status of this work.

Chairman Jennings recognized Trustee Parks for the report of the Trustee-Student Affairs Committee.

TRUSTEE-STUDENT AFFAIRS COMMITTEE

Trustee Parks noted that the Student Affairs Committee had several informational items. Trustee Gallop Franklin, Student Government Association (SGA) President, presented the following regarding SGA activities:

- Used carry forward funds were to assist clubs and organizations. .
- Helped with One Stop Shop (advisement/registration), January 3-8, 2011
- Gave \$75,000 to support the Lyceum Series
- Participated in the Restructuring Forums and Survey
- Launched the new website about 3 weeks ago
- Announced that Student Government Association elections will occur February 16-22, 2011, with new terms beginning in May, 2011
- Initiated the First Year Course
- Sponsored the Black History Month Activities,
- Assisted in organizing and facilitating the Super Bowl Week activities
- Participated in the Super Bowl viewing and the opening of Phase II of the Campus Recreation Center
- Collected \$340,000 in pledges through the new Call Center using student workers.

Everyone congratulated Trustee Franklin who received a Fellowship to Russia. He will travel in March, 2011.

Interim Vice President William Hudson, Jr. informed the committee that the Board of Governors amended Regulation 6.002, requiring each Board of Trustees to determine the number of first-time-in-college (FTIC) students that will be admitted through profile assessment. Effective July 1, 2011, student must meet the following as minimum qualifications:

- The sliding scale for grade point averages will be eliminated and a minimum of 2.5 GPA
- A minimum score on each subsection of the ACT/SAT to include:
 - Reading: 460 SAT 19 ACT
 - Math: 460 SAT 19 ACT
 - Writing: 440 SAT 18 ACT

Students who do not meet the minimum requirements on both subsections and the GPA will be considered a Profile Admit.

The board discussed the various impacts of profile admissions; however, it is very important that the university adhere to its mission.

Also, the committee heard information regarding how financial aid packaging occurs at FAMU.

Chairman Jennings recognized Trustee Langston for the report from the Direct Support Organizations.

DIRECT SUPPORT ORGANIZATION (DSO) COMMITTEE

Trustee Langston provided the DSO Committee report. The committee had two (2) action items and several items for information.

The committee heard a report from President Ammons who provided background information on the proposed Comprehensive Campaign. President Ammons informed the Committee that since the December 1 BOT Workshop, where the proposed campaign details were discussed, the FAMU Foundation Board of Directors had voted unanimously to support the Campaign and fund a significant portion of its operating expenses in the amount of \$1,368,100.

As a point of information, President Ammons informed the committee that the Foundation Board voted to temporarily reallocate license plate revenue to supplement campaign funding. The previous allocation of 85% to scholarships and 15% to fundraising has been reallocated to 75% for fundraising and 25% for scholarships. President Ammons noted that after some analysis, it was determined that this change will not negatively affect the University's ability to award scholarships over the next five years, which is the length of the campaign. Additionally, President Ammons noted that he fully expected the Foundation Board to change the allocation back to its original ratio at the conclusion of the Campaign.

Trustee Langston moved that the Board of Trustees approves the recommendation to launch the five-year, \$50 million Comprehensive Campaign in April 2011. The motion was properly seconded and it carried.

In another matter, President Ammons informed the committee that in an effort to support the Campaign, the Foundation Board voted to amend its budget, increasing the Fiscal Year 2010-11 operating budget to include funding for the Campaign in the amount of \$84,298. Per the Internal Management Memorandum, the Board of Trustees is required to approve any DSO operating budget amendment that is more than 15% of its operating budget or exceeds \$40,000.

Trustee Langston moved that the Board of Trustees approves the recommendation to amend the FAMU Foundation's Fiscal Year 2010-11 operating budget in the amount of \$84,298. Trustee White seconded the motion and it carried.

The committee received a fiscal year-to-date fundraising comparison report. The report highlighted that total income is up from \$2.5 million to \$2.8 million, and unrestricted giving income and commitments have increased as compared to the same time during the last fiscal year at February 4. The report also provided a breakdown of alumni participation, noting the number of alumni donors, alumni gifts, and total amount given has increased significantly. As such, the

Alumni Participation Rate has increased from 2.95% that was reported during this time last fiscal year to 5.09%, a 73% increase.

The Committee was also provided with a summary of the Foundation's investment market value, noting that the closing value on February 4 was approximately \$107.9 million.

Chairman Jennings recognized Trustee McWilliams for the Facilities Committee report.

FACILITIES COMMITTEE

Trustee McWilliams presented the report of the Facilities Planning Committee which includes four (4) action items and three (3) informational items.

The Facilities Planning Committee heard a presentation from Attorney Avery McKnight regarding the adoption of proposed Regulation 3.021 which governs the possession, service, sale, consumption or distribution of alcoholic beverages in University facilities or on its properties. It was shared that the proposed regulation was noticed on December 15, 2010, and that there was one timely comment to the notice. The respondent inquired about the limitations and restraints in the proposed regulation. Written clarifications were provided to the respondent by the General Counsel's Office and copies were provided to the members of the board. No further comments were submitted by the respondent or anyone else.

Trustee McWilliams moved that the Board of Trustees approves Regulation 3.021 – Alcoholic Beverages, as previously noticed. Trustee Langston seconded the motion and it carried.

The Facilities Planning Committee received background information for approval of Change Order Request #1 for the renovation of Sampson and Young Residence Halls. This Change Order Request #1 is to add \$1,129,600 to the contract with the Design/Builder, Premier Construction and Land Development. The existing contract is for \$9.3 million. At the time the contract was signed the University excluded several tasks for which either a clear scope of work was still being defined, or for which the University wanted the option to use another contractor. This Change Order Request #1 is for \$1,129,600 and is to add the following items to the Premier Contract:

- \$274,100 – for wireless interior door access controls for student residents.
- \$359,000 – for automatic Heating, Ventilation, and Air-Conditioning Controls
- \$345,000 – for asbestos and lead abatement
- \$151,500 – for repairs and replacements of sewage, domestic, storm water and fire main lines that service Sampson and Young Halls.

With the approval of Change Order #1, the project would still remain within its budget.

The work and prices for Change Order #1 have been reviewed and recommended for approval by the project architect and by the University's Construction and Facilities Management staff. BOT Policy 2005-06 requires Board of Trustees approval when the cumulative Change Order totals exceed \$250,000.

Trustee McWilliams moved that the Board of Trustees approves Change Order Request #1 for Sampson and Young Residence Halls for \$1,129,600. Trustee Holmes seconded the motion and it carried.

The Facilities Planning Committee reviewed a request for the approval of Change Order Request #5 for the renovation of Jones Hall which houses physics, chemistry, and biology labs, classrooms, and offices. This Change Order Request #5 is to add \$215,101 to the contract with the Construction Manager, LLT Corporation for the several additions. Four (4) Change Order Requests totaling work additions of \$1,273,588 were previously approved by the Board.

Change Order #5 has been reviewed and recommended for approval by the project architect and by the University's Construction and Facilities Management staff. With the approval of Change Order #5, the Jones Hall renovation project would still remain within its funding budget. The project is substantially complete.

Trustee McWilliams moved that the Board of Trustees approves Change Order Request #5 for \$215,101 for Jones Hall renovation. Trustee Parks seconded the motion and it carried.

Chairman Jennings requested the scope of work, defined terms and related information regarding the change orders for Sampson and Young Residence Halls.

The Facilities Planning Committee also heard information from CFO and Vice President Teresa Hardee, regarding the ranking of the short-listed firms that applied to serve as Construction Manager for the Rural Development Health Care Facility in Crestview, Florida.

In July 2010, the University advertised for a Construction Manager for the project and sixteen (16) firms responded. A Selection Committee was appointed by the President. The Selection Committee reviewed the qualifications of the firms, short-listed the firms, and then interviewed the short-listed firms. The following, in order of the highest ranking, are the results of the interviews conducted by the Selection Committee:

1. Peter R. Brown Construction/One Day Game (JV) - Tallahassee
2. Ajax Building Corporation – Midway, Florida
3. Culpepper Construction, Inc. – Tallahassee, Florida

The results of the interviews were presented to the President who approved the Selection Committee's priority list for the selection of the Construction Manager.

Trustee McWilliams moved that the Board of Trustees:

- (a) **Ratifies the President's approval of the Selection Committee's ranking of the Construction Managers for the Rural Diversity Healthcare Center and authorizes the President to initiate contract negotiations with Peter R. Brown Construction/One Day Game (JV)**

- (b) **Authorizes the President to execute a contract with Peter R. Brown Construction/One Day Game (JV) upon successful negotiation of contract terms, subject to review and approval of the Office of the General Counsel;**
- (c) **Note that should negotiations with Peter R. Brown Construction/One Day Game (JV) be unsuccessful, authorizes the President to proceed with negotiations with next-ranked firms, until a contract is successfully negotiated, reviewed and approved by the Office of the General Counsel; and**
- (d) **Receives a report on the contract negotiations, from the President, at its next regular meeting after the execution of the contract.**

Trustee Alston seconded the motion and it carried.

Vice President and CFO Hardee shared with the Committee information regarding the December 2010, Public Education Capital Outlay (PECO) Estimating Conference. It was announced that the PECO project allocation decreased for the state universities from \$220 million to \$110 million for fiscal year 2011-12. On the basis of this decrease, the Board of Governors' most recent recommendation for FAMU is \$3.16 million for Utilities/Infrastructure/Capital Renewal/Roofs and \$8.4 million for Pharmacy Phase II. The \$8.4 million allocation for Pharmacy Phase II will complete the funding for this construction.

The Committee also received an update on the recently renovated buildings or new construction that would receive building plaques.

Finally the Committee received an update on the status of the nine major ongoing construction projects.

Trustee Holmes noted that he understood that legally, the University cannot pursue minority contractors; but, "can we do anything to encourage minority contractors." Trustee Parks responded that people can only be informed.

PUBLIC COMMENTS

Chairman Jennings asked Mrs. Fuse-Hall if anyone signed up for public comment.

- Mr. John Branch, Jr. appreciated the president for giving the students an opportunity to participate in the Restructuring process.
- Dr. Elizabeth Davenport appreciated the president for involving the campus community in the restructuring process. "Could be better; but, so far, I'm impressed."

Chairman Jennings permitted board members to make comments:

Trustee Holder inquired about the firearm policy on campus. Dean Kirby responded that firearms are prohibited on campus; however, there is proposed legislation to change this law. Trustee Holder encouraged the staff to hold a seminar about firearms on campus.

Trustee McWilliams commended the president and the University for participating in the inaugural events for Governor Scott. The events hosted by the University were presented well.

Trustee Turnbull commended the Lyceum Series, especially the event featuring Maya Angelou. It was a “special event.”

Chairman Jennings asked the staff to follow-up on the contract as it related to the Higher Education Act proposed amendment regarding the cost for doing business in other states. He will get with the President to approve the contract.

In response to an inquire regarding the graduation rates at FAMU, President Ammons responded that the graduation rates for HBCUs is about 43%; over six years at traditionally white institutions. Examples given were Harvard University about 95%; highest among HBCUs is Spelman College at 77%. The president noted:

We have to find a way to graduate our students. We have to find the components to assist students to complete their studies. This is a goal for reinvesting—academic success that includes advising, mentoring, career services, course selection, and the number of hours taken.

There being no further business, the meeting adjourned.

Respectfully submitted,

Rosalind Fuse-Hall

Rosalind Fuse-Hall

Assistant Corporate Secretary