

Florida A&M University
Board of Trustees Meeting
H. Manning Efferson Building
Grand Ballroom
December 1, 2005

Minutes/Summary

Trustees Present: Challis M. Lowe, Chairperson; Ramon Alexander; Barney Bishop (by phone); Regina Benjamin (by phone); Laura Branker (by phone); Al Cardenas (by phone); Mary Diallo; Pamela Duncan; R.B. Holmes, Jr.; Leerie T. Jenkins, Jr.

Trustees Absent: William Jennings, Vice-Chairperson and David Griffin

Chairperson Challis M. Lowe called the Board Meeting to order at 8:35 a.m. Two Trustees were absent, Vice-Chairperson William Jennings and David Griffin; four Trustees met telephonically: Barney Bishop, Regina Benjamin, Laura Branker and Al Cardenas. A quorum was established by Roll Call; the Agenda was approved and the Presidential Search Committee Report was added. The Minutes with corrections were adopted (October 6, 2005).

Chairperson Lowe began her comments by reflecting over the past year and stating that even though there are many challenges ahead that some great achievements have been made this year. She stated that the Board and the University should be proud. The first achievement that she noted was the re-implementation of the Board's committee structure. She praised the chairs and the committees for really digging into the issues in great depth and reporting to the full Board. Their work has made the Board Meeting more manageable. Next she stated that ending the year with a surplus instead of a deficit is something to be proud of, and that the budgeting process has more discipline associated with it. Chairperson Lowe continued by stating that the Board has had to make some tough decisions about the budgeting process, and she thanked the good leadership of Trustee Holmes and President Bryant. Further, she noted that one of the hard decisions regarding the Athletics program was reversed, and that good fiscal management and good fund raising enabled the Athletics program to re-instate its previous slate of activities. In concluding the Report, Chairperson Lowe enumerated some of the challenges that the

University faces such as the decrease of enrollment of African-Americans in Florida; ERP; facilities development; implementation of the Master Plan; student services improvement, compliance issues at various places across the University and a presidential search underway. She expressed appreciation for the confidence and support placed in her by allowing her to lead the Board this year. She looks forward to the new year and new challenges it will bring.

Interim President Castell Vaughn Bryant's Report began by announcing that this coming Monday will mark her twelfth month on the job. She expressed gratitude for everyone's willingness to join the vision of moving FAMU to the next level of excellence. She thanked those who consented to forego retirement, those who were willing to add additional challenges to their already demanding days, those who agreed to change their work sites in order to make contributions to this University and those who kept us in their thoughts and meditations. She continued by remembering the promises that she made during her December 7, 2004 interview: to put students at the center of the decision-making process; to work hard to understand the challenges facing the University; and to make difficult decisions in a competing and demanding environment.

The Report was divided into three (3) parts, pending issues upon her arrival, corrective actions and accomplishments. Among the major pending issues were negligence charges from the National Science Foundation and a question of whether a relationship with FAMU would continue; sixteen (16) unresolved audit findings from the State; questions from the Federal Government about whether we were capable of administering the Title IV program, (the financial aid program); eleven (11) teacher education programs on probation; two (2) teacher education programs that had been denied state approval; job classifications and salaries out of line with responsibilities, which caused numerous legal issues; NCAA violations that placed the Athletic programs in jeopardy; unresolved issues from the 1998 SACS visit as well as preparation for a 2008 visit from the same accrediting agency; no coordinated technology program, to name a few.

Actions taken include hiring a consulting firm, KPMG, to assist with an action plan to address the 51 million dollar deficit. A payroll audit was implemented and a moratorium was placed on all spending. Some University-wide compliance programs were put into place. The day-to-day reporting structure was adjusted so that persons in charge of troubled areas reported directly to the President. The Hay Group was retained to conduct a study to align job categories and responsibilities with salaries.

As a result of these measures, accomplishments include two site visits from the National Science Foundation, which concluded with a letter that applauded the University on the work that had been done in a short period of time. A payment plan was negotiated for a settlement agreement to repay NSF for a 1997 grant that lacked the requisite documentation and accountability. The 16 audit findings were addressed

and presentations including a corrective action plan were made to and accepted by the State Auditor General, the Joint Legislative Auditing Committee and the Florida Board of Governors. Problems over FAMU administering the Title IV grant have been cleared; the Athletic budget was balanced as required by legislative mandate by suspending four (4) sports. They have since been re-instated. All thirteen (13) programs in teacher education have been re-instated. The 1998 SACS issues are being addressed as well as preparation for the 2008 visit; some of the committees for SACS have been restructured. New key administrators have been hired to serve as the campus leadership team. There are still other key positions to be filled. In closing, President Bryant thanked the Board, the faculty, staff, students, alumni and friends of the University for the opportunity to serve.

Chairperson Lowe opened the floor for questions to the President. Trustee Bishop asked the President about the current status of Dean Percy Luney. She stated that Dean Luney is no longer employed at the University. Trustee Bishop asked why the Trustees were not notified. Discussion ensued.

The President's Report was accepted by a vote of 12-1.

Chairperson Lowe called for the Budget and Finance Report from Trustee Committee Chair Regina Benjamin. She in turn asked Trustee Leerie Jenkins, Jr. to lead the discussion since he was physically in the room. Trustee Jenkins referred the Board to Tab 2 of Packet, the Fiscal Strategy Overview. Section 2 is the report of the Budget and Finance Committee. In a meeting two weeks ago, presentations were made by the consultants and staff. Trustee Jenkins asked President Bryant and any staff or consultant to augment the report as deemed appropriate. Within the Fiscal Strategy Overview is the Vision, which reinforces emphasis on operations to a physical theme, establishes the financial planning and analysis group and establishes the treasury group, which deals with cash management. The extension of the agreement with KPMG was approved by the Committee. Trustee Benjamin then called Chief Financial Officer and Vice President Gerald Dunn forward and asked him to guide Trustees through the presentation. He discussed the preliminary meeting with State auditors, who reported that they found some journal entry adjustments that will change. Mr. Dunn reported that the entries do not significantly change any of the results that were reviewed at the October Board Meeting. Weekly meetings will be held to keep President Bryant informed. Chairperson Lowe asked about the final date for any/all adjustments. Appropriate measures will be taken until the final report is due no later than the end of March 2006.

Trustee Bishop asked for an explanation of journal entries, the amount of money being discussed and in what areas. Mr. Dunn explained that journal entries are accounting entries that flow through the accounting system. The entries are used and summarized to create the financial statements, the income statement and the balance sheet. Trustee Benjamin wanted to know which journal entries may change. Mr. Dunn is waiting for that information from the State auditors and will provide it as

soon as possible, but to date he has only been given a general overview without specifics. He also stated that journal entry adjustments are common with any audit.

Further, Mr. Dunn discussed new initiatives for continuous improvements that are being implemented. For example, the Three-month Plan with milestones set by the FAMU Team and KPMG. Mr. Dunn also stated that included in the Packet are some budget actual reports and some comparisons for the first quarter of 2005.

A review of contracts and grants is continuing and approximately half of the grants have been closed. He also spoke of policy review and updates and the establishment of the comprehensive policies, procedures and a framework to achieve goals. A volunteer group of over thirty employees from the fiscal area and consultants worked on comprehensive game-day controls review. Results from this venture will be implemented into a University cash-control strategy for athletics. The greatest finding from the review is the need to further solidify more of the policies and procedures governing athletics. The banking RFP has been recommended for re-issuance and more banks and institutions will be given the opportunity to respond.

Mr. Dunn's discussion moved to the Quarterly Budget Assumptions. He spoke of the 40/40/20, meaning 40 percent spring, 40 percent fall and 20 percent summer to address cash flow since it is seasonal. He continued by explaining a series of color-coded graphs and charts that detail the budget. Some portions of the explanations needed further clarification and President Bryant promised to provide more detailed analyses as requested by the Board.

President Bryant stated that KPMG, Mr. Dunn and she had had many discussions regarding the quarterly reports that would be provided to the Board (the Board approved the process), and this was the first one. She reminded the Board that these kind of projects are built on historical data as well as processes and procedures that are being developed as the report was being prepared. She asked that the Board accept this report as a first attempt and that additional information will be forwarded to them. Also President Bryant asked to follow Mr. Dunn with a report on ERP, as they will be big contributors to moving the process. Mr. Dunn's report was incomplete without additional information on contracts and grants from Dr. Keith Jackson, Vice President for Sponsored Research, so Trustee Benjamin asked that he report next.

Dr. Jackson mentioned that 738 open grants existed when he arrived in August, 2005. Since August, 354 of those grants have been closed with the assistance of KPMG. He anticipates closing the balance of the projects by the end of the fiscal year or by July 1, 2006. Additionally, he provided further explanation of the pie charts introduced by Mr. Dunn. He stated that revenues are down a little from the same period last year. Response to this has been to increase the amount of invoicing that the University does for sponsored projects that are open. That process has increased by approximately 52 percent. FAMU has gone from 7.6 million over the

time period of August 22, 2005, to 11 from August 22, 2004, to November 23, 2004. Trustee Holmes asked if FAMU had gone from 7.6 – 11; Dr. Jackson responded from 7.6 to 16.2 in invoices out. Dr. Jackson explained that his figures are different from Mr. Dunn's because his report covers a different time interval. He stated that these funds were essentially "treasure troves" because they were just sitting there when all that was needed was to bill the customers or agencies for work previously performed by the faculty and students at FAMU. There should be an increase for next quarter and he and Mr. Dunn will closely monitor the in-flow to FAMU. Also they are developing a process and procedures plan for the same. Germane to the process is the full implementation of the PeopleSoft Enterprise Software for electronic billing instead of invoicing through a manual process.

President Bryant was asked to explain the KPMG contract by Trustee Jenkins in response to a question raised by Trustee Holmes. President Bryant explained that the initial contract with KPMG was for the completion of three tasks for 2 million dollars. Since that time, a fourth task has been added. KPMG has not finalized the fourth task but is still working within the current financial agreement. The President has planned to ask the Board or the Executive Committee to arrange to review work completed on the 4 tasks. Since the fourth task has not been finalized, it may be necessary to ask for additional funds. The reason for the fourth task is the establishment of the Compliance Division.

President Bryant began the status report for ERP by stating that a lot of things have happened and that a lot of additional things need to happen at the University.

One focus is the restructuring of ERP because improvement is needed for efficiency, and maximum benefits must be received from the software that has been purchased for the system. She provided a detailed history through slides of the contract and budget since November, 2002, when it began, and revisions/modifications of the same to present. Discussion followed about infrastructure, deliverables and efficiency. President Bryant hopes to hire a Chief Information Officer as soon as possible. But until the CIO is hired, ERP will be monitored by Vice Presidents Dunn and Little. She also stated that the CIO will build an internal team, and current ERP personnel will be given every consideration before job announcements go public.

The Budget and Finance Report was Accepted.

Human Resources Assistant Vice President Janie Greenleaf and Ms. Calista Allen explained the Hay Group Study. Although the Hay Group is an international firm, Ms. Allen is based in Atlanta. The first part of the 3-part study analyzes compensation for administrative and professional (A&P) positions. The purpose is to help the University to continue to attract, motivate and secure a high-performing workforce. President Bryant justified the study by sharing the fact that many salaries at the University are out of line with job responsibilities and the report will help to align those positions appropriately and will perhaps decrease some of the legal

challenges that the University faces. Dr. Greenleaf stated that the A&P portion of the study should be complete by January, 2006.

Trustee Cardenas provided the Facilities Planning Committee Report, three (3) action items that need Board approval, Tabs 5, A, B, C. The first one is good news - - people at the University have looked at the current financial markets and have deemed, by refinancing Revenue Bonds, Series 1992 and 1996, that we can realize substantial savings. Trustee Cardenas is asking the Board to authorize the refinancing of these student apartment facility revenue bonds: one for \$7,400,000.00 approximately; and with an outstanding principal amount of approximately \$5,964,000.00. Tab B is for \$11,185,000.00 with an outstanding principal of approximately \$9,651,000.00.

Resolution 21-05 was adopted unanimously.

The second part of Trustee Cardenas' Report had to do with the Centennial Building, where FAMU has facilities and the need to expand the Physics Department from 28,000 square feet to around 5,700 additional square feet to meet the requirements of certain grants for the University Center for Science and Technology.

Resolution 22-05 adopted unanimously.

Next Trustee Cardenas moved to Tab C, 5C which deals with the new College of Law building. The only things remaining is for the architect to do the final walk-through and for the City of Orlando to issue the Certificate of Occupancy. Turner Construction will turn over the building on or before December 23. Then Trustee Cardenas asked the Board to accept the new College of Law building, subject to receipt of the CO from the City of Orlando.

Accepted unanimously.

The President announced that the next Board Meeting will be held at the College of Law in Orlando.

Public Hearing on Campus Master Plan

Mr. Sam Houston began the discussion of the progress of the Master Plan and called upon Mr. Chris Flagg to assist. The Master Plan was designed to reflect how the University expects to grow and develop over the period of 2000 – 2015 and the way the growth and development may impact the surrounding community. A series of public hearing have been scheduled to inform the University community about the process and to solicit public input. Mr. Flagg is a master planner from Reynolds, Smith and Hills, and he explained that the primary focus of the plan is to look at internal transportation or pedestrian movement of the campus and the way it operates in conjunction with vehicular traffic. He provided a history of activities in this

regard. A slide presentation followed and it detailed landscaping, walkway improvements, lighting, bus shelters, to name a few. Mr. Flagg stated that the Plan had evolved through four administrations. Trustee Alexander had questions about The Set and it remaining the heart of campus life. President Bryant stated that she and planners are going to explore all the possibilities with the commitment of bringing campus life back to the center of the campus.

Dr. Bill Tucker asked about buildings for classroom instruction; he thought that there would be new buildings instead of renovated ones. Trustee Alexander asked questions about plans to address safety on the south side of the campus, the Recreation Center and Palmetto South. Trustee Diallo inquired about the renovation of the faculty dining room or is it the President's dining room? President Bryant stated that it should be completed shortly.

The Master Plan Report was accepted unanimously.

Trustee Branker spoke of the Visioning Workshop facilitated by Bill Worley, who is still preparing the report. Hopefully it will be ready for the March meeting.

Trustee Chairperson Lowe gave the Executive Committee Report and stated that action on the Resolutions under Consent Agenda are a result of the meeting of the Executive Committee:

1. Amended and Proposed Regulations for Part I (University Employees) of the University Regulations (SEE ENCLOSED DOCUMENT)
 - A. Regulation 10.100 Generally
 - B. Regulation 10.101 Applicability of Part I
 - C. Regulation 10.102 Classification; Compensation
 - D. Regulation 10.103 Non-Discrimination Policy and Discrimination and Harassment Complaint Procedures
 - E. Regulation 10.104 Direct Deposit Program
 - F. Regulation 10.105 Recruitment, Selection and Employment of University Faculty, Administrative and Professional, University Support Personnel System and Other Personal Services Employees
 - G. Regulation 10.106 Nonreappointment and Separation of Administrative & Professional Employees
 - H. Regulation 10.107 Employment of Non-US Citizens
 - I. Regulation 10.108 Service Obligations
 - J. Regulation 10.110 Additional Employment

K. Regulation 10.111	Disruptive Conduct
L. Regulation 10.112	Consensual Relationships
M. Regulation 10.113	Layoff and Recall of Faculty, Administrative and Professional and University Support Personnel System Employees
N. Regulation 10.115	Retirement Programs
O. Regulation 10.116	Workers' Compensation; Unemployment Compensation
P. Regulation 10.121	Employment of Relatives
Q. Regulation 10.122	Outside Employment/Activities; Financial Interests
R. Regulation 10.124	Use of University Facilities and Services
S. Regulation 10.126	University Sick Leave Pool
T. Regulation 10.127	Other Personal Services

Trustee Diallo had several questions about the items related to the faculty. Trustee Chair Lowe asked Trustee Diallo to bring questions on her concerns to the next meeting.

Trustee Branker, assisted by Vice President of Academic Affairs Debra Austin, presented the Academic Affairs report. Of note are the academic calendars for '05/'06, '06/'07 and '07/'08 and a new degree program, the EDS in School Psychology.

The academic calendars were adopted.

Vice President Austin explained the EDS in Psychology, one of the targeted programs in the Board of Governors' Strategic Plan, as well as identified as an area of critical shortage by the BOG. The existing master's degree in the School of Psychology will be refocused with the reduction of credit hours.

The EDS in Psychology was adopted.

Trustee Branker announced that the Committee is also working on tenure and promotion criteria. They plan to review the process and make improvements as deemed appropriate. Further, the Committee is working on academic policies and over the next year report its progress to the full Board.

Trustee Allen reported for the Direct Support Organizations (DSO) Committee; FAMU Foundation was audited by Watson Rice. The Audit was acceptable and everything explained.

The FAMU Foundation Audit was accepted unanimously.

Trustee Allen stated that the National Alumni Association and Boosters Audits were unacceptable. The decision was based upon budgetary commitments and focused priorities. It is not that these groups are not raising money; it is what they are doing with the money. When there are students with 3.5. 3.6 GPAs who cannot afford an education, this should be the focus of the Alumni and Boosters. They should provide on scholarships for deserving students.

Trustee Allen and President Bryant spoke of a new Direct Support Organization, Research Foundation. A draft of Articles of Incorporation and By-laws are included in the Board Packet for consideration for approval. The purpose of the Research Foundation would enhance the University's research level. It would provide a structure for reinvestment of research funds that are generated from invoices to agencies.

The Research Foundation was approved by the Board unanimously.

The next item discussed by Trustee Allen was the FAMU Foundation Endowed Chair and a proposal to raise 10 million dollars for the same. Col. Ronald Joe had presented the initiative earlier, but it needs Board approval.

The FAMU Foundation Endowed Chair was approved unanimously.

In closing Trustee Allen spoke of other organizations that are not certified as Direct Support Organizations that are using the FAMU name and raising money in FAMU's name. He plans to meet with these organizations and tell them that if they are not approved by the Board that they do not have the authority to raise money in the name of FAMU. They neither support the University nor students. Further Trustee Allen plans to invite them to the Alumni Meeting in Miami.

The Direct Support Organization Report was approved unanimously.

Trustee Jenkins reported that in the meeting of the Student Affairs Committee they reviewed existing and proposed fees. He requested that the fee structure portion of the Report be tabled until the March meeting since the Committee would like to consider the technology issues and fees that may be forthcoming. Other institutions around the State submit fee proposals to the Board of Governors for approval during March. The Committee will schedule additional meetings before the next meeting. Trustee Chair Lowe thanked Trustee Jenkins for the Report and called for the Presidential Search Committee Report.

Trustee Holmes thanked Trustee Chair Lowe for her guidance in the process and persons on the Committee. Trustee Holmes sought Board approval for the Plan for the Presidential Search; it has already been approved by the Committee. Further, he stated that there are four (4) components as it relates to sub-committees: **Leadership and**

Qualification Committee, chaired by Trustee Diallo; Trustee Branker is also on the Committee. The second component is the **Process and Procedure Committee**, which is chaired by Trustee Branker; Trustee Jenkins is on this Committee. They will develop a timeline for accepting nominations and applications in addition to developing guidelines for selecting a national recruiting firm. The third component is the **Focus Group Committee**, chaired by Trustee Alexander; Trustee Diallo is also on this Committee. The fourth component is the **Vast Committee**, which is chaired by Trustee Duncan.

The Plan for the Presidential Search Committee was approved unanimously.

Trustee Alexander shared the schedule of meetings for the Focus Group Committee: Miami, January 5-7, 2006, Tallahassee; FAMU Faculty, January 17, 2006, during Faculty Senate Meeting, Tallahassee; Town Hall Meeting for Students, January, 2006. Also meetings with the administrative alliance and a community open forum will be held in January. Trustee Diallo stated that the meeting with faculty must be approved by the Faculty Senate Steering Committee. Trustee Chair Lowe complimented the Plan. Further, she stated that since the items listed under Consent Agenda had already been approved that she would move to President Bryant's evaluation.

Trustee Chair Lowe explained the handout for the President's Evaluation to the Board. The evaluation was divided into seven (7) categories, and each was divided into internal and external sub-categories: 1) overall leadership; 2) budget and fiscal management; 3) infrastructure development; 4) compliance; 5) academic affairs; 6) student services; and 7) stakeholders relationships.

Responses to questions in the various categories included exceeded expectations, more than met expectations; needs further development and did not meet expectations. Based upon responses to the categories by Trustees, President Bryant received an overall excellent appraisal for the work she had done. Next Trustee Chair Lowe discussed President Bryant's bonus.

According to President Bryant's contract her salary is \$25,000 less than the previous president. And according to the contract ". . . you shall be eligible for a performance bonus of at least \$25,000, and such bonus should be paid the earlier part of December, 2005, or at such time as a permanent president is appointed." Trustee Allen moved that President Bryant receive a \$35,000 bonus for exemplary services rather than \$25,000; it was seconded by Trustee Holmes.

The President's Bonus was approved unanimously.

Next Trustee Chair Lowe wanted to be certain that President Bryant's salary is commensurate with the other presidents in the State University System. Attorney McBride shared the information about presidential salaries in the system. The \$35,000 Bonus boosts President Bryant's salary to \$285,000, and at this time her salary has been brought in line with other presidents in the system. President Bryant's contract expires

on December 31, 2005. If President Bryant's tenure extends beyond December 31, 2005, the Board will establish a new bonus target for 2006.

Trustee Allen suggested a two-year extension for President Bryant as the Presidential Search continues. Discussion ensued regarding terms of the contract. It was agreed that if a permanent president is found within the two-year period of President Bryant's contract, that she be given a 60-day notice. Specific details and language will be drafted before December 31, 2005, by the Board and Attorney McBride.

Trustee Chair Lowe moved to the Discussion Agenda. At the forefront of the discussion was public access to Board Meetings. She asked Attorney McBride to share data that she had collected on what other universities are doing to make their meetings public. Various approaches were discussed including teleconferencing, radio broadcasts, call-ins and web casting. The web casting seems to be more economically efficient. FAMU is already in the process of placing its Agenda on the web page. Trustee Chair Lowe stated that the web page and call-ins may be the best way to go. Trustee Diallo asked about FAMU's radio station, which currently broadcasts Board Meetings. Trustee Alexander was concerned about the fee that FAMU's radio station charges the Board for broadcasting their meetings when the radio station is funded by the Student Government as an A&S Agency. Public access to Board Meetings will be decided at the March meeting.

The next Discussion Item involved a calendar for Board Meetings. The proposed schedule will be finalized by next Board Meeting and will include committee meeting dates as well. The March meeting will be held in Orlando, Florida at the FAMU College of Law. Travel for Trustees will be arranged through the President's Office.

Public Comments followed: Ms. Wilson gave her opinion of a summation of activities concerning ERP since 2002; Dr. Reginald Beal of United Faculty of Florida requested salary increases; and Dr. William Tucker, United Faculty of Florida, spoke of salary bonuses for faculty, his concerns over the state of affairs between FAMU and the United Faculty of Florida's collective bargaining agreement and faculty raises other than the 3.6 percent mandated by the State of Florida. President Bryant addressed the faculty raises beyond the 3.6 percent. Faculty who received promotion and tenure received additional increases, but the President will not consider additional pay increases until the statements have been audited to see if there is really a budget surplus in fact.

Meeting adjourned at 3:15 p.m.