

Summary Minutes
FAMU BOARD OF TRUSTEES MEETING
Grand Ballroom
Wednesday, February 12, 2009
8:30 a.m.

Vice Chairman R. B. Holmes called the meeting to order. Mrs. Fuse-Hall called the roll and the following trustees were present: Vice Chairman R.B. Holmes, Trustee Solomon Badger, Trustee Laura Branker, Trustee Robert Brown, Trustee Andrew Collins, Trustee Richard Dent, Trustee Maurice Holder, Trustee Charles Langston, Trustee Spurgeon McWilliams, Trustee Daryl Parks and Trustee Karl White. A quorum was established.

Vice Chairman Holmes noted that since the last board meeting, Trustee Pam Duncan resigned from the board due to a conflict with her new employer, the State Legislature. He applauded her service on the board, and mentioned that she will be missed. The board will recognize her service after the session ends.

“Also, we have very, very, good news from the Board of Governors,” said Vice Chairman Holmes. The Board of Governors (BOG) met at FAMU in January and highlighted FAMU on three separate occasions:

1. Dr. Moses Kairo, Associate Professor in CESTA presented information regarding his research on invasive species (or pests).
2. President Ammons, chaired a presidential task force on Financial Aid, and he presented that information at the meeting.
3. The Audit Committee of the BOG met and announced that Lynn Pappas resigned from the Board of Governors. Further, the committee concluded its project known as the Task Force on the FAMU Finance and Operational Issues.

Vice Chairman Holmes remarked, “Once again, we want to thank Dr. Ammons and the staff, faculty, students and supporters that have gotten us to this place--a place of clean audits, financial integrity and fiscal accountability. We can’t downplay the significance of the Task Force.”

The vice chairman announced that the trustee selection process will begin later spring. There are two terms that are gubernatorial appointments and two are appointments by Board of Governors. The Board of Governors is reviewing their process and this information will be shared with the members and the governor’s office via the Appointment’s Secretary will handle that process. Those interested in applying should use the appropriate form. Finally, he thanked the members for their full and active participation in the workshops of the last two days.

Trustee Collins moved approval of the minutes for December 3, 2008, and December 5, 2008, of the Executive Committee. Trustee Badger seconded the motion and it carried.

President’s Report

Vice Chairman Holmes recognized President James H. Ammons for his report. President Ammons introduced the following members of the University community:

- Dr. William E. Hudson, Jr., Director of Retention
- Ms. Granzetta Fitz, Director of Instructional Technology
- Ms. Phyllis Y. Watson, Director of Continuing Education

Vice President Gaines asked Dr. Julian White, Director of the Marching 100 to report on "The Hundred's" participation in the inaugural parade of the nation's President. They were very proud to represent the University, the City of Tallahassee and the nation. The Hundred appeared in the first division of the parade, selected by President and Mrs. Obama. The trip to Washington, DC "was very cold, but very enjoyable."

Associate Vice President Henry Kirby provided highlights from the Student Activities Office, including:

- Travelled to Washington, DC with two (2) buses of students for the Presidential inaugural ceremony.
- CBS Broadcast Network selected eight (8) institutions nationwide to produce a pictorial of their journey to the Presidential Inauguration, and FAMU was among the eight. The footage of this journey may be used at a later time as a part of a documentary of the inauguration.

Following the Committee Reports, Vice Chairman Holmes recognized Dr. Elizabeth Davenport for public comment. Dr. Davenport noted that he was representing the University Florida Faculty (UFF) and she thanked the administration for the work to restore the University's credibility.

Vice Chairman Holmes encouraged all board members to join President Ammons and the staff at the opening of the University Commons, followed by lunch at FAMU Developmental Research School.

There being no further business, the meeting adjourned.

Respectfully submitted,

Rosalind Fuse-Hall

Rosalind Fuse-Hall, Assistant Corporate Secretary

President Ammons noted that a critical issue that FAMU is facing along with every other public institution and state entity is how to maintain and provide a high quality of service while managing the massive cuts proposed to the University's budget. The forecasted cuts are predicted at 12-15%, which will be devastating to the budget. This would mean an additional \$15 million reduction from the budget that since July 1, 2007, has been reduced by \$16 million.

In anticipation of these cuts, the Leadership Team and the University's Budget & Planning Council have met and discussed strategies for managing the additional cuts. The board heard this information in a workshop last night. The options under consideration include:

- Reviewing low productivity programs
- Reviewing OPS positions
- Furloughs
- Hiring Freeze
- Travel Freeze

Despite these challenges, the president committed to teaching the students and protection enrollment.

The president informed the board of the 2009 Legislative Priorities which include support for Gov. Crist's proposed differential tuition increase that allow individual public universities setting tuition at the campus level up to 15%; protect the base budget; and provide \$7.5 million for Rural Diversity Health Care. The PECO projects are Pharmacy Phase II, Gore Education Remodeling, Utilities and Infrastructure; and the FAMU-FSU College of Engineering. He added that the Joint Management Council of the FAMU College of Engineering met and has requested \$1.5 million from the Board of Governors and the legislature.

President Ammons noted several other notable highlights for the University including:

- Honoring Wilhelmina Jakes and Carrie Patterson, who ignited the 1956 Tallahassee Bus Boycott.
- FAMU leads America's public universities in preparing African Americans for PhDs.
- Robert "Bob" Hayes, former FAMU sports legend, elected for induction into the National Football League Hall of Fame.
- FAMU launches "Live Smart: A 12 Month Celebration of Healthy Living"
- Defibrillators installed in buildings throughout campus
- Hosted "Focus on the Environment: Working Toward Sustainable FAMU"
- FAMU ranks second in the nation among HBCUs in recruiting National Achievement Scholars
- Sponsored a trip for Students to attend the US Presidential Inauguration and visit sites in Washington, DC
- Road to Washington and Beyond Campaign generated \$178,354
- Completed the Tom Joyner School of the Month Campaign raising \$1.2 million
- The Office of Communications received two (2) Council for the Advancement and Support of Education Awards—Award of Excellence for Total Media Relations Programs and Special Merit Award for Direct Mail (Inaugural Invitation)
- Launched the new campus website in conjunction with Enterprise Information Technology
- 2007-08 Operational Audit included seven (7) findings reduced from the previous 35 findings
- 2007-08 Financial Audit issued with no findings
- Announced upcoming events such as:

- Chief Justice Peggy Quince keynoting the Black History Month Convocation
- SACS Commission on Colleges On-Site Visit, March 9-12

President Ammons concluded his remarks with two special presentations:

- Recognition of Mr. Vinod Sharma for his outstanding service to the University
- Recognition of Coach Jake Gaither's Induction into the Head Coaches Hall of Fame (presentation by Athletic Director, William Hayes, and Head Football Coach, Joe Taylor).

Vice Chairman Holmes noted that the Board of the FAMU Family appreciates the work of Dr. Ammons and all the staff, faculty and others that worked to restore the public trust and the public confidence in the University. "You have moved us from 'Good to Great', the book you had them read. We want to thank you and the staff for a job well done."

COMMITTEE REPORTS

Budget and Finance Committee

The Committee heard from Vice President Teresa Hardee, who presented the amendments to the Operating Budget for fiscal year 2008-2009. There were three (3) amendments to the operating budget.

1. The University received SUS Allocation Amendment #5 from the Board of Governors. Pursuant to House Bill 5001, life insurance premiums were adjusted by the Legislature effective January 1, 2009. There was a decrease of \$38,936 in the University's General Revenue allocation.
2. \$125,000 in additional budget authority in the Auxiliary Trust Fund was requested as follows:
 - \$60,000 was requested for the College of Law Library coin operated copying and printing activity. This account was created to receive monies generated by the copiers and printers used by the students and public patrons. Since its creation in 2004, cash collections totaling \$61,261 have been deposited. Approval of this request will allow the College of Law to make the purchases necessary for the maintenance of the copiers and printers.
 - \$65,000 was requested in the Auxiliary Enterprises transcript department. The additional funds will be used for transcript requests forms, diplomas, other personnel services employees, and graduation applications. This budget requested will be covered by fund balance.
3. Additional budget authority of \$1,136,316 was requested in the Student Activities budget. As provided by the FAMU Student Body Statutes Chapter 717, a Senate Unallocated SGA Reserve account shall be established to hold unallocated and unexpended cash. All monies swept from the individual A&S accounts on June 30 (end of the fiscal year) shall be deposited into this account. The University Controller's office has confirmed the above amount as the carry forward balance. Activities and items to be funded with the Student Government Carry forward dollars include the following:
 - \$450,000 - to cover the lease costs of two (2) buses for SGA recruitment, student government, and general student use. This lease will be for a period of 3-5 years.
 - \$296,316 - to cover the utilities and maintenance overhead cost for the Student Union, Student Government, Gray-Core Complex and the Campus Recreation Center.

- \$100,000 - to cover funding requests for organizations that were not funded initially during the 2008-09 budget process due to the lack of available funds.
- \$41,000 - for Sonitrol Security in several areas and to purchase computers, projectors and other equipment needed for various SGA workshops and presentations.
- \$45,000 - to assist with the cost of the SGA's trip to Washington, D.C. for the Presidential Inauguration.
- \$40,000 - to assist with the cost of the Marching 100's trip to perform in the Presidential Inaugural parade.
- \$40,000 - to cover the expenses for the Annual Student Government "Be Out Day" Festivities which is no longer underwritten by a corporate sponsor.
- \$36,000 - reimbursement to the Executive Branch for 2007-08 Student Body football tickets, the Walker Ford Thanksgiving basket and provided funds to Hurricane Katrina victims for Christmas.
- \$30,000 - to renovate the Old Recreation Center in the Student Union into offices for Student Leaders of the University.
- \$58,000 - to cover unforeseen expenses.

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

Vice President Hardee presented several informational items. She provided an overview of the special legislative session that was held in January 2009 to address the budget shortfall.

On January 27, 2009, Governor Crist vetoed \$90.9 million in general revenue and \$273.6 million in spending cuts approved by the Legislature. The Governor vetoed one reduction in the State University System (SUS) budget related to the Florida Energy Consortium. This veto restored \$2.18 million to FAU for ocean current technology. All other reductions to the SUS and the Board General Office were approved. The General Revenue and Lottery appropriations for the state universities are reduced by \$110.6 million. The University's share of this reduction is \$4,659,494 (or 4% of the budget). There is a recurring reduction of \$4,613,928 in general revenue and lottery and the non-recurring reduction amount is \$45,566. In addition, the budget for FAMU DRS is reduced by \$50,572.

The Legislature included the following proviso language in the reduction bill:

Each university board of trustees is given flexibility to make necessary reductions to its operating budget. If any board plan reduces individual programs or projects with the university by more than ten (10%) percent during 2008-2009 fiscal year, written notification shall be made to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives and the Board of Governors.

Finally, Vice President Hardee provided information on contracts for \$100,000 or more. Two (2) contracts have been executed since the last board meeting. The contracts are with Florida Memorial University and Bethune-Cookman University for the Black Male College Explorer's Program. Both contracts are for \$100,000. FAMU serves as the fiscal agent for this program.

Audit Committee

The Committee heard from Vice President Charles O'Duor, who presented an update on the operational audit for fiscal year 2007-08. He added that the report noted seven findings, which have been addressed as part of the University's corrective action plan that was implemented last year. He stated that in comparison to the last operational audit, which reflected 35 findings, this is a remarkable turnaround.

Also, Vice President O'Duor presented an update on the financial audit for fiscal year 2007-08. The unqualified audit disclosed no findings. He stated that this was an exceptional achievement, particularly by Vice President Teresa Hardee and the Division of Administrative and Financial Services; the Division of Student Affairs, especially, those offices related to financial aid; and Enterprise Information Technology.

Additionally, the Division of Audit and Compliance conducted a review of the Title IV Federal Student Aid, as part of the Audit Plan. The purpose of the review was to determine whether funds had been returned to the applicable programs that were disbursed to Title IV recipients who failed to attend classes in a specified term, officially withdrew, or unofficially withdrew from a term in 2006-07. The review revealed no instances of non-compliance with the return of Title IV funds. The report was submitted to the U.S. Department of Education and no further action was required from the University.

Further, the Division of Audit and Compliance conducted a review of returned checks originating from decentralized collection points on campus. The purpose of the review was to determine whether returned checks are timely collected and properly recorded. The review revealed improvements in collection procedures for returned checks including: 1) increased staffing levels to enhance the collection efforts, 2) implementation of a check verification service to electronically process checks written to the University, and 3) assigned to a collection agency and/or the State Attorney's Office any returned checks for appropriate action.

Finally, Vice President O'Duor presented an update on the financial audit of the Athletics Department for the fiscal year ended June 30, 2008. The audit was required by the NCAA. The audit reflected an unqualified opinion without findings. However, in December 2008, members of the Board of Trustees were informed that an internal investigation revealed the misdirection of funds by one individual and the matter is currently before the State Attorney's Office for

appropriate action. As a result, the Division of Administrative and Financial Services, beginning in January 2009, is handling all financial aspects of the Athletics Department. The Division of Audit and Compliance is working on opportunities to improve internal controls and increase efficiencies in the operating systems in the department and monitor compliance with NCAA and State regulations, policies, and procedures.

During the Audit Committee meeting, members of the Board of Trustees expressed their appreciation for the exceptional work by President Ammons, the leadership team, and the staff for achieving an unqualified financial audit and a significantly impressive operational audit. Additionally, members of the Board of Trustees expressed appreciation for the leadership of Chairman Bill Jennings, especially for his role on the Board of Governors Task Force, which officially concluded its work at the February meeting of the Board of Governors.

Academic Affairs Committee

Vice Chairman Holmes recognized Trustee Badger for the report of the Academic Affairs Committee. Trustee Badger noted that the Committee heard from Provost Hughes Harris regarding ten (10) of 12 faculty members recommended for sabbatical leaves. These applications were submitted in the fall semester of 2008 for the 2009-10 academic year. Prior to making its recommendation, the University's Sabbatical and Professional Development Leave Committee reviewed the applications. Provost Hughes Harris and President Ammons recommended the sabbaticals as justified and documented.

Trustee Branker moved approval of the sabbatical leaves. The motion was seconded by Trustee Holder and the motion carried.

The Committee heard information regarding the proposed list of new degree programs. This, which was not prioritized, outlined several programs to be explored during the life of the University Strategic Plan as developed and approved by the Board of Trustees in 2004. This list has recently been revised to reflect new opportunities and priorities as discussed by the Deans, the Provost and the President. This list will be included in the Strategic Plan and represents the vision and goals for the academic units within the University. Placement on the list however, is not a guarantee of program development within any specific time frame. Programs will be considered for approval based on multiple factors including resources, emerging areas, market demand, and the strategic direction of the University that emerges from the updated strategic plan that is being updated, the discipline, or the profession and the ability of the University to support the program.

Trustee Holmes moved approval of the list of new degree programs and seconded by Trustee Branker. The motion carried.

Vice President Wesson from the Division of Research presented information regarding intellectual property noted as "Works and Innovations." In light of the discussion and questions raised by board members during the Committee meeting, the staff will review this information carefully and asked that the Board defer action at this time.

Provost Hughes Harris informed the committee about the recent meeting of the Joint Management Council of the FAMU-FSU College of Engineering. During that meeting the Council agreed on

how PECO funds should be used to renovate the facility. The Council also agreed that the College should be held harmless from any budget cuts. The College is currently preparing for its accreditation visit in Fall 2009. Provost Hughes Harris assured Trustee Collins that students will be involved in the accreditation process.

Facilities Committee

Trustee McWilliams presented the committee report which reviewed one (1) action item, and three (3) informational items.

The Facilities Planning Committee reviewed a request for the approval of the energy savings contract with Siemens Building Technologies Inc.

At the December 7, 2006, Board of Trustees meeting, the Board passed Resolution No. 13-06, authorizing the President to proceed with the implementation of an energy performance contracting. On June 11, 2007, the University approved a Siemens Guaranteed Energy Performance Savings Contract, the highlights of which were:

- Siemens would institute thirteen (13) energy savings measures requiring an investment of \$14.3 million.
- The investment of \$ 14.3 million would be fully paid for by the energy cost savings.
- FAMU would assume responsibility for financing the project.
- Siemens would guarantee the energy savings.

The June 11, 2007, approval did not include financing the energy savings measures.

The University and Siemens have come to an agreement on financing for three (3) energy savings measures. These measures are:

- Lighting retrofit - \$1,298,000 in investment with at least \$242,000 annual savings;
- Steam trap upgrades - \$346,000 in investment with at least \$54,000 annual savings; and
- Pipe insulation - \$457,000 in investment with at least \$88,000 annual savings.

The three measures total \$2.45 million in investments and at least \$384,000 in annual savings. SunTrust Bank, Inc. has offered to finance the project. The University will explore options for more favorable financing. Upon approval by the Board of Trustees, this matter will be forwarded to the Board of Governors for final approval.

Trustee Badger moved that the Board: (a) authorizes the President to conclude negotiations with Siemens to institute energy savings measures costing up to \$2.5 million, for lighting retrofit, steam trap upgrades, and pipe insulation as presented to the BOT; (b) authorizes the President to present the proposed energy savings contract information, as required, to the Board of Governors; and (c) authorizes the President to enter into a contract with Siemens to institute energy savings measures for lighting retrofit, steam trap upgrades, and pipe insulation, and to provide financing for the project, after receiving required approval of the Board Of Governors. Trustee Langston seconded the motion and it carried.

The Committee heard an update on providing additional insurance for University buildings whose replacement costs were not fully covered by the state's current insurance policy. The Board of Governors (BOG) is currently exploring the possibility of providing the supplemental insurance for the State University System as a whole. FAMU's Risk Manager is a member of the BOG team. The University has suspended its independent investigation of the matter.

The Committee also heard the following status report on the ongoing major construction projects.

MAJOR PROJECTS UPDATES

Project	% Complete	Substantial Completion Date
Multi-Purpose Teaching Gym	95%	02/28/09
Developmental Research School	100%	10/14/08
The University Commons – Phase I	100%	12/15/08
Campus-wide Electrical and Technology Infrastructure Upgrades	92%	03/26/09
The University Commons – Phase II	5%	06/30/09
Crestview Health Care Center	Architect selection by March 2009 (Awaiting Construction Funding)	
Jones Hall Renovation	Start construction September 2009, complete November 2010	
Tucker Hall Renovation	Start construction September 2009 complete November 2010	

Direct Support Organization (DSO) Committee

Trustee Brown highlighted a report from Vice President Carla Willis about the activities within the Division. The report included a fiscal year-to-date fundraising comparison graph, data regarding online giving, and a final report on the "Road to Washington and Beyond" Campaign.

The committee heard a final report on the Tom Joyner "School of the Month" Campaign, and the 2008 Faculty and Staff Scholarship Endowment Campaign. In total, the Division has raised \$3.3 million via these various campaigns and other fundraising initiatives undertaken this fiscal year. Other activities within the Division include the Target Analytics data produced by Blackbaud. Over 20,000 records were rated by the Blackbaud Company for the director of prospect research to provide a more in-depth look at prospects identified in this data. This data will prove very helpful as we take a more strategic and targeted approach to our fundraising efforts.

The committee heard a report from Mrs. Carmen Cummings Martin on Alumni Affairs and the increased memberships and activities that have occurred since the last Committee meeting. She informed the Committee of new alumni chapters and growth in membership since Dr. Ammons became president of FAMU. Additionally, Ms. Martin reported on the increase in alumni records in the database. Finally, Ms. Martin reported on the recognition of notable alumni such as a state marker regarding Ms. Carrie Patterson and Mrs. Wilhemia Jakes; and Bob "Bullet" Hayes' induction into the Hall of Fame. Finally, the committee heard about plans to organize 10-15 station call centers to conduct telephone solicitations and other university telephone outreach.

Trustee-Student Committee

Trustee Andrew Collins, SGA President, briefly discussed the efforts of the students.

- Since the last BOT meeting, the SGA administration has taken into serious consideration the well being of students at the Joint College of Engineering. A future visit is being planned, within the month, to go back to the College for further discussions. Dr. Ammons is scheduled to accompany the group.
- Sixty (60%) percent of the platform is completed.
- Finalizing the work on the Academic Advisement Council project.
- April 2-3, 2009 will be host the State of Black Student Summit. Intellectuals will speak with students on a variety of subjects.
- Student elections for the 2009-10 academic year. Declarations of candidates ended on February 12, 2009.

Attorney David Self presented information regarding the recommendation to initiate a suit against Global Airline Services for undelivered services during the 2008 football season.

Trustee Badger moved approval to initiate the law suit. The motion was seconded by Trustee Collins and the motion carried.

Associate Vice President Danielle Kennedy-Lamar recapped the Spring 2009 Registration. Early registration was held from November 3 to December 17, 2008. During this time frame, 8,052 students were registered. Regular and late registration was held January 5-9, 2009. During this time, 2,435 students were registered. Due to system malfunctions, registration was extended until January 16, 2009, with 506 students being registered. After January 17, 2009, 122 students with exceptions were registered. She noted that 92% of the students who registered in January had some type of hold, i.e., financial, property, judicial or academic. The total enrollment to date is 10,790. At this time last year, the enrollment was 10,866.

Vice President Roland Gaines informed the committee about highlights within the Division, including:

- Received notification within the last two weeks that there were eleven (11) National Achievement Finalists enrolled during Fall 2008.
- The University is ranked #2 among HBCUs with National Achievement Finalists enrolled.
- The University is ranked #17 among the nation's institutions with National Achievement Finalists enrolled.