

SUMMARY MINUTES

Florida A & M University

Board of Trustees

September 13, 2007

Trustees Present:

William Jennings, Chairman; R.B. Holmes, Vice Chairman; Solomon Badger, Robert Brown, Richard Dent; Pamela Duncan, Monique Gillum; Maurice Holder; Spurgeon McWilliam; Daryl Parks; and Karl White.

Trustees Absent: Laura Branker, Al Cardenas

The meeting of the Florida A & M University (FAMU) Board of Trustees was called to order at 9:10 a.m. by Chairman Jennings. Chairman Jennings noted a change in the agenda and indicated that the board convened in closed session after the roll call. The roll call established a quorum. The agenda was adopted. The minutes of July 11, 2007, were presented. Trustee Holmes moved approval of the minutes. Trustee Holder seconded the motion and the motion carried.

Chairman Jennings recognized Legal counsel to go into closed session to discuss a labor relations issue with outside counsel. Trustee Duncan moved to convene in closed session and it was seconded by Trustee McWilliams. The motion carried.

CLOSED SESSION—See the minutes after the matter becomes public.

OPEN SESSION:

Chairman Jennings appreciated Dean Weatherspoon for hosting the board of Trustees. He expressed his gratitude for the cooperation between the law school staff and the staff from the main campus. Also, he thanked his colleagues and fellow Trustees for their full participation over the last two days and distributes orange and green candy inscribed with "FAMU." He noted the discussion with President Ammons and the major goals and expectations mutually agreed upon by the board and the president. Trustee Parks moved adoption of the six (6) major expectations for 2007-08. See attached. Trustee Gillum seconded the motion and it carried.

Chairman Jennings recognized President Ammons for his report. President Ammons outlined the 2008-09 legislative priorities seeking nearly a million dollars for the accreditation related activities for the College of Pharmacy and \$3.3 million for matching the land grant formula funding. He updated the board on the accreditation review from SACS and the School of Law. President Ammons outlined the ten (10) keys to sustainability and accountability. These areas were specified in his recent State of the University address that was delivered to the entire campus.

Campus Highlights include:

- School of Journalism, Media and Graphic Arts will launch live newscast on September 17, 2007
- Hosted the FAMU Task Force
- Commendations to Vice President Roland Gaines and his staff for "the successful move-in for freshmen", refund checks issued early and the freshman enrollment increased by 18%
- FAMU ranked second among 200 top U.S. universities in growth in scientific publishing
- Selected as the initial school in 2008 for the Tom Joyner School of the Month campaign (Major Edgarshire spearheaded this event)
- Introduced Carmen Cummings, Executive Director of Alumni Affairs and Tola Thompson, new director of Governmental Relations
- Several key searches are underway including Provost, Vice President for University Relations, and Chief Information Officer
- Provided an update on the search for the Men's Basketball Head Coach
- Outstanding and moving program during the SGA installation of its new leadership team

During the question and answer exchange, Trustee Gillum inquired about the number of companies participating in the Business and Industry Cluster. There are 41 companies and the University will work to bring more companies into Cluster.

Chairman Jennings inquired about the legislative request for matching funds for the University. President Ammons explained that the request was sent to the Board of Governors along with the other requests however, given the way the Board of Governors were grouping, this request and the pharmacy phase II request did not nearly fit into any of these categories. It is important to support these request especially the Pharmacy Phase II because it impacts the accreditation concern for space. Without these funds there would be a delay in planning and subsequently construction

of Phase II. Moreover, the longer construction is prolonged the more expansive the project becomes. The state and the University made a commitment to the only HBCU public pharmacy programs. Rev. Holmes noted that in a moment of advocacy, and not adversary manner, that the board has to strongly support the President's legislative request. Rev. Holmes suggested that a resolution of support be provided to the Board of Governors. He moved approval of the resolution and it was seconded by Trustee Holder. The motion carried.

Chairman Jennings thanked President Ammons for his report. He noted that the University had much to celebrate and he commended the efforts of the staff also.

COMMITTEE REPORTS

ACADEMIC AFFAIRS

Trustee Duncan noted that the committee had three (3) items for action and a few items for information. During the committee meeting, Trustee Solomon Badger was elected to serve as the vice chair of the committee. Dr. Barbara Barnes, Provost and Vice President for Academic Affairs, presented information regarding a request from Dr. Richard Dozier, Professor in the School of Architecture for a leave of absence without pay. Dr. Dozier had been asked by Tuskegee University to serve as the department head and Associate Dean during the 2007-08 academic year. The committee was assured that his duties at FAMU would be covered during his absence. Tuskegee University has the oldest architectural program among the seven programs at historically black colleges and universities. Dean Rodner Wright and the Provost approved this request. She moved approval of this request and Trustee Gillum seconded the motion. The motion carried.

President Ammons presented a request from Dr. Larry Rivers for a leave without pay. He explained the circumstances of the request to permit Dr. Rivers to retire at the milestone of 30 years of dedicated service. Dr. Rivers had been granted time away from Ft. Valley State University where he is currently employed to complete the projects such as the Research Journal and to assist with other important projects at FAMU to permit him to accrue his necessary leave time. Trustee Duncan moved approval of the request from Dr. Larry Rivers for a leave of absence without pay. The motion was seconded by Trustee Holmes and it carried.

Provost Barnes presented information regarding a request for a multi-year contract and tenure for the incoming Law School Dean, Attorney Leroy Pernell. The term of the appointment will commence on January 2, 2008 and continue through December 31, 2010. On August 6, 2007, Attorney Pernell accepted the offer to serve as the Dean of the FAMU School of Law. Trustee Duncan moved approval of the multi-year contract

and tenure for Attorney Leroy Pernell, who will serve as the next Dean of the School of Law. Trustee Gillum seconded the motion and it carried.

President Ammons recognized Dean Pernell and his wife who were in the audience. Dr. Ammons commended the work of Attorney Pernell, who currently is the longest serving African American dean of a school of law in the United States. Chairman Jennings invited everyone to join the trustees at a reception to welcome Dean and Mrs. Pernell.

Trustee Duncan noted that the University had prepared a draft Institutional Effectiveness Plan (IEP) that is designed to guide the continuous improvement efforts of the University to achieve its mission. Further, the IEP will align with the University budget. Trustee Duncan moved approval of the IEP and it was seconded by Trustee Gillum. The motion carried.

Trustee Duncan reported that the committee received status updates about the FAMU Developmental Research School and the Provost's activity to assist the school's improvement. More updates will occur at future meetings. Similar reports were made about the School of Nursing and the School of Law. The staff will continue to monitor these areas and keep the board apprised of progress.

BUDGET AND FINANCE COMMITTEE

Trustee Robert Brown reported that the committee had seven (7) items for action and several items for information. Trustee Karl White was elected as the vice chair of the committee. Interim Vice President Teresa Hardee informed the committee about the budget amendments for the 2007-08 fiscal year. She noted that the budget amendments were conservative projections and additional allocated dollars, including an adjustment to revenue of \$4,838,300 and an adjustment to expenditures of \$7,585,505. Trustee Brown moved approval of the 2007-08 budget amendments and it was seconded by Trustee Parks. The motion carried.

The committee heard information regarding the notice amendment to the purchasing regulations policy. This amendment permits purchases for less than \$5,000 without a written quote; but, prudent purchasing guidelines must be followed. This replaces the section of the previous policy that required written quotes for purchases of \$.01 to \$5,000. The Trustees inquired about the other price points and the policy was not disturbed in those areas, therefore, everything about 5,000.01 requires three written quotes. Trustee Brown moved approval of the request to notice amendment to the

purchasing regulations policy. The motion was seconded by Trustee Badger and it carried.

The committee heard from the interim Chief Information Officer Robert Seniors regarding the request to establish the telecommunications policy. This policy provides guidelines for the use of University-owned telecommunication equipment such as cell phones. It provides an option for reimbursement of cell phone charges or the issuance of a stipend for the use of employees' personal phones for business related charges. Trustee Brown moved approval of the telecommunications policy as recommended by the committee. Trustee Duncan seconded the motion and it carried.

Mr. Seniors also provided information to the committee regarding an update on the IT Plan and the IT disaster recovery plan.

Trustee Brown informed the board of additional presentations that the committee heard including:

- Status of the 2008-09 operating budget
- Status of the equity upgrade for sworn law enforcement officers. The trustees commended and appreciated the President for his support of the 5% pay raise
- Update on the status of contracts over \$100,000
- Update on financial statement preparation for fiscal year 2006-07
- Update on the corrective action plan for fiscal year 2005-06 operational and financial audits
- Overview of the Payroll workshop; information shared with the Board of Governor's Task Force, including an Assessment of Financial practices at FAMU; and the presentation to the leadership team on integrated planning and budgeting

TRUSTEE-STUDENT RELATIONS COMMITTEE

Trustee Park provided the committee report. He noted that the committee elected as vice chair, Trustee Monique Gillum. Trustee Parks reported that as a result of the recent Auditor General's operational audit of the University reviewed several policies, including Policy 2.008 on Health Fees in Section 2 of the Regulation. There is a need to amend this policy to include a sentence on how the health fee will be used "to cover the cost of operational expenses, personnel, general programs and other services related to Student Health Services unless provided otherwise by law." Trustee Parks moved approval of the revision to University Regulation 2.008, Health Services Fees. It was seconded by Trustee Gillum and it carried.

The committee heard from Trustee Gillum on the activities of the Student Government Association, including a meeting with Governor Crist's representative, Chancellor Rosenberg and the other SUS Student Body Presidents and the newly organized student campaign, "I Believe in FAMU." Vice President Gaines informed the committee of the current unofficial student enrollment, which was 11,524. He further discussed campus safety and security, recruitment activities for fall 2007, and participation in the Marching 100 by Florida State University and Tallahassee Community College students.

The Athletic Director Nelson Townsend informed the committee about the NCAA Certification process. A peer review is scheduled for October 8-10, 2007 from select Division I institutions will visit the campus. The reviewers will meet with student-athletes, coaches, faculty, administrative leaders, and conclude their visit with an exit interview with the President.

AUDIT COMMITTEE

Trustee White noted that the Audit Committee has three items for action and several items for information. He noted that the committee met via teleconference call on September 6, 2007, and again in a joint meeting with the Budget Committee on Wednesday, September 12, 2007. Trustee Dent was elected as the Vice Chair of the Audit Committee.

The committee heard a presentation from Vice President Charles O'Duor regarding the Financial Audit report for FAMU for the fiscal year ended June 30, 2006. The report included 13 findings and recommendations. Ten (10) findings, which were related to financial transactions, were repeat findings. Most of the findings related to financial issues that were raised in the Operational Audit. The remaining three (3) findings were related to information technology security controls. President Ammons and Vice President O'Duor recognize the serious implications of the findings. Corrective actions are underway with resolution expected by the time the financial statements are submitted on September 17th.

The University is required to submit to the Auditor General within thirty (30) days a written statement concerning all the findings. The University developed the response to the audit findings, which the Audit Committee discussed via teleconference on September 6, 2007. During the discussion, the Committee expressed the need for detailed actions to correct the findings. This information is included in the board notebooks in the Budget and Finance Committee section. The Audit Committee approved the University's response, which was submitted to the Auditor General on September 7, 2007. Given the time sensitive nature the report as well as a request from the Board of Governors Task Force to have the Audit Committee review the responses before

submittal, the Committee reviewed the responses and vetted the matter with President Ammons and the staff during the committee meeting. They authorized the staff to submit the responses to ensure a timely submittal. Trustee White moved approval of the University's response to the financial audit findings for the fiscal year ended June 30, 2006. The motion was properly seconded and it carried. Also, Trustee White noted that the committee met jointly with the Budget Committee on Wednesday, September 12, 2007.

In another matter, the committee heard from Vice President O'Duor regarding the operational audit of the Florida Bright Futures Programs at FAMU for FY 2005-06. There were three (3) findings and the staff created an action plan for addressing the problems. Trustee White moved approval of the corrective action plan for this program. It was properly seconded and the motion carried.

The committee received information about the University's Audit Plan for fiscal year 2007-08. The Division of Audit and Compliance will oversee the plan by providing independent and reliable audit and investigative services to ensure compliance, accountability, safeguards against waste and loss, and obtains, fully disclose and maintain reliable data. Further the areas of focus are based on those areas with the most likelihood of risk occurring as reflected in the operational and financial audit reports, including payroll management, inventory/asset management, athletics, contracts and grants management, cash management, information technology, follow-ups on corrective action, management reviews, and internal administrative complaints and investigations. Despite the need to fill several vacant position, Vice President O'Duor expects to be sufficiently staffed by the end of September 2007. Trustee White moved approval of the University Audit Plan and seconded by Trustee Solomon Badger. The motion carried.

The committee received updates on the:

- Audit by the National Science Foundation (NSF) resulted in an unqualified opinion; however, several areas were noted for needed improvements.
- Documents delivered to the U. S. Department of Labor regarding its audit of FAMU salaries and wages. The audit will be completed in September 2007.

Trustee Dent acknowledged and commended Interim CIO Robert Seniors, Interim Vice President Teresa Hardee, and Vice President O'Duor for their hard work. He noted that on behalf of the committee members, he noted the excitement about the future. It appears that the staff has their arms around this situation and the board feels good about the direction that the University is going towards.

FACILITIES COMMITTEE

Trustee McWilliams noted that the Facilities Planning Committee had two items for actions and there are some items offered for information. The first item involved Turner Construction Company that submitted a Guaranteed Maximum Price (GMP) in the amount of \$34,700,000. These increases are attributed to the cost escalation. The staff agreed to provide information that shows the factors that caused this increase in cost escalation.

The fees to the architect/engineering firm were originally established, based on the agreement between the firm and the University at \$1,312,467.00. With the GMP, the fees for the architectural services have been re-calculated, providing an increase of \$663,033 in accordance with the State of Florida Department of Management Services design fee guidelines for architectural/engineering services.

The calculation provided for an increase of \$663,033. Funds to cover this increased cost for the GMP and the architectural/engineering fees have been appropriated by the legislature for the project and are in the budget for the project. Trustee McWilliams moved approval of the project construction GMP cost for the Multipurpose Center and Teaching Gym in the amount of \$34,700,000. And the fee adjustment of \$663,033 for the architectural/engineering and design services as per the contract agreement. Trustee Parks seconded the motion and it carried.

The committee also heard information regarding the lease modification agreement that transfers the property of FAMU from the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida to the FAMU Board of Trustees. The Board of Regents originally entered into the lease for public land to benefit FAMU. When the Board of Regents was abolished, the Florida Board of Education was created to succeed the Board of Regents. The Florida Board of Education was dissolved and the Board of Governors was empowered to enter leases, and contract and own real property. This lease modification now transfers the property of FAMU to the FAMU Board of Trustees. Trustee McWilliams moved approval of the lease modification agreements, transferring property of FAMU from the Trustees of the Internal Improvement Trust Fund to the FAMU Board of Trustees. Trustee Badger seconded the motion and it carried.

A copy of the campus master plan was distributed to the Board of Trustees. Trustee Holmes asked for information regarding the update on the construction items on campus as well as the amount of unimproved land on the campus. A future meeting of the board will outline the current master plan.

DIRECT SUPPORT ORGANIZATIONS (DSO) COMMITTEE

Trustee Brown noted that Trustee Daryl Parks was unanimously elected to serve as the Vice Chair of the committee. The Committee reviewed the schedules of the 2006-07 annual audits for each of the DSOs, namely the National Alumni Association, the FAMU Boosters, and the FAMU Foundation. Although everyone had agreed to complete their audits by December 1, President Ammons requested that all DSOs have their annual audits completed at an earlier date, aligning the completion date with the University's annual audit in October. The committee agreed to this request.

In another agreement, the Committee discussed to amend the University's Internal Management Memorandum (IMM) in order to provide a more detailed agreement on the relationship between the University and its DSOs. It was agreed that the need existed to explore the requirement for separate support agreements between each of the DSOs to accommodate the difference in their University support function. A sub-committee of three (3) trustees (Trustees Duncan, McWilliams and Parks) with at least one representative from each DSO and the General Counsel, will assist in revising the IMM that will govern each DSO.

The Committee heard from Interim Vice President Ronald Joe regarding the invitation for FAMU to serve as the Tom Joyner Foundation "School of the Month" campaign. FAMU will serve as the initial school in the 10th anniversary year of the Foundation. All segments of the University and its supporters will engage in activities to raise funds to meet the University's goal of \$1.5 million. The Committee enthusiastically supported the initiative and pledged its support.

The Committee heard an update on the Florida Classic Consortium for fiscal year 2006-07. The presidents of the respective universities serve as co-chairs of the consortium in conjunction with the Citrus Bowl Sports Authority. Each school will retain \$1,346,533 in revenue from the 2006 Florida Classic, an increase of over \$400,000 for each institution. The committee discussed the enormous potential for using this event to generate even greater revenue for the respective universities. Also, Dr. Alvin Bryant, President of the FAMU National Alumni Association, informed the committee that the NAA awarded \$71,000 in scholarship. The committee thanked Dr. Bryant for the support from the NAA and encouraged them to continue its fundraising efforts.

Following the committee reports, several trustees revisited the status of the School of Nursing. Provost Barnes reported that the nine (9) complainants sought relief from the Nursing Comprehensive Examination (NCE). In May 2007 and one student reappeared the July meeting with the same issue. Since these students' appearance, the School of Nursing has improved its strategy designed to increase student performance on the

NCE and on the other Deans. On September 11, 2007, the University received notice that the National League for Nursing Accrediting Commission, Inc. (NLNAC) is investigating a complaint from a former student of the nursing program. The University must respond by October 4, 2007. The complaint stems from the results of the April 2007 Nursing comprehensive examination and the School is in the process of addressing these responses. Trustee Holmes inquired about the graduation rates.

The response was that in 2003—it was 53%; in 2004—it was 69%; in 2005—it was 77% and in 2006—it was 94%. For the first quarter of 2007, it was 92%. The national average is 88%.

The Board moved into its public comment section. Below is a list of signees.:

- Mr. Bryant, Miami
- Miss Linda Tallahassee

Chairman Jennings talked with members about the SACs visit in the campus on October 4-5. He encouraged the trustees to show support with your presence.

There being no further business, the meeting adjourned.

Respectfully submitted,

Rosalind Fuse-Hall (electronic signature)

Rosalind Fuse-Hall

Board Liaison