FLORIDA A&M UNIVERSITY
Board of Trustees

Meeting Minutes
June 6, 2025

Call to Order and Welcome

Chair Kristin Harper called the meeting to order at 9:00 a.m. A quorum was established with the presence of Trustees Brown, Bryant, Crossman, Figgers, Gibbons, Harper, Lawson, Reed, Vazquez, Washington, and White. Trustee Gainey had a schedule conflict and Trustee Perry had an excused absence due to death in the family. Chair Harper extended condolences to Trustees Perry and Crossman for their losses.

Public Comments

The Trustees heard public comments from students, alumni, and community members expressing concerns about President-elect Marva Johnson's lack of experience and contract terms, particularly salary. Many urged the Board to reconsider the contract and expressed concerns regarding the financial distress that would result by the Foundation for funding the contract. The following individuals addressed the Board:

- Chekesha Kidd
- Gabrielle Albert
- Lynette Jones
- Zachary Ansley
- Stacy Ransom

In accordance with Article 8.2 of the board operating procedures, the board chair may grant additional time for public comments. Therefore, Chair Harper extended public comments for an additional ten minutes and the following persons addressed the Board:

- Remi Kent
- Dr. Carolyn Collins

Approval of May 16 2025, Minutes

The May 16, 2025 meeting minutes were provided to the Board with their meeting materials and posted on the Board's website. Chair Harper asked if there were any questions and there were none. Trustee Lawson moved for the approval of the minutes and it was seconded by Trustee White. The motion carried unanimously.

Approval of the President-Elect Contract

The final agenda item was the approval of the President-Elect Contract. Chair Harper began the conversation by summarizing Board of Governors Regulation 1.002, Presidential Search and selection. And stated that the draft of the President-elect's employment agreement was provided with the meeting materials, and also posted on the Board's website for review. Afterwards, General Counsel

McKnight and Trustee Washington were recognized to present the draft agreement. Attorney McKnight presented the proposed five-year contract, starting August 1, 2025 and ending August 1, 2030. As outlined in section 2 of the draft agreement, the President's powers and duties include oversight for all the day-to-day operations of the University and additional obligations set forth in University and Board of Governors regulations, rules, policies, procedures, and state laws. Such powers and duties shall be consistent with those customary for the position of University President and applicable to the President's role as chief executive officer and corporate secretary. The president's initial base salary shall be an amount of $650,000 with 3% annual increases over the previous year's base salary. During the five-year term of her agreement., President-elect Johnson will reside in the University President's house and the University will be responsible for the cost of all renovations, repairs and maintenance of the house. The President-elect shall be eligible to receive a one-time reimbursement of up to $25,000 for moving and relocation expenses from her current home to the University President's house. A monthly car allowance of $1,200.00 will also be provided. In addition, the President shall be eligible for two separate annual accruing retention payments. The first accrued retention payment will be an amount of $450,000 if she has continued, uninterrupted service of her duties as President through August 1, 2028. The second accrued retention payment shall be in the amount of $300,000 if she has continued uninterrupted service as President through August 1, 2030. The draft agreement also reflects that upon the end of service as President for any reason other than death, disability, or termination for cause, the President-elect will be appointed as a faculty member at the College of Law at the same base salary as the highest paid faculty member

As to goals and objectives, the President-elect will provide the Board Ch

air with a list of proposed goals and objectives for the upcoming fiscal year no later than November 3 of this year and before July 1 of each year thereafter. Attorney McKnight drew the Board's attention to section 4.2 of that agreement, which stated the proposed goals and objectives shall be related to and in furtherance of the University's strategic plan, work plan and accountability report, and a Board of Governors strategic plan and performance funding model and other priorities as established by the Board of the Board of Governors. The goals and objectives are to be presented to the Board for discussion and approval. The Board and the President may agree to revise the goals and objectives as necessary during the fiscal year.

The President-elect shall be eligible for an annual performance compensation of $86,000 if the President-elect receives an overall evaluation of exceptional or outstanding starting with the 2025-2026 fiscal year and payable in the 2026-2027 fiscal year. The proposed employment agreement also reflects termination of the contract for cause and without cause. In respect to termination for cause, upon a vote of two-thirds of the Board of Trustees, the Board may terminate the agreement at any time for just cause, pursuant to the University regulations and polices. As for termination without cause, upon a two-third vote of the Board of Trustees, The Board may terminate the agreement at any time prior to the expiration of the Presidential appointment term without cause, provided that the President-elect is given 30-days prior written notice of the issue coming before the Board upon receiving notice from the Board. The President-elect may waive any portion of the entire notice period at her discretion, and terminate earlier to extend her employment as President. If terminated for other than cause, the President-elect shall be entitled to twenty weeks severance pay at her annual base salary in effect at the time of such termination, together with benefits during such period, The President-elect may also terminate the agreement at any time prior to the Presidential appointment term without cause, provided that she has given ninety days prior written notice to the Board. Upon receiving notice from the

President-elect, the Board Chair may waive any portion of the entire notice period at the Chair's discretion, and terminate earlier. To the extent that her employment as President ends as a result of resignation, death, or disability, such shall be deemed to have occurred for just cause, and the President-elect shall not be entitled to any further employment, compensation, or benefits from the University, except for compensation set forth in section 14.3, and for benefits required to be continued by law.

In section 16.1 it should be noted that there is a technical revision that needs to be made to change the term, Section 13.3 to section 14.3. In addition, there is another technical revision that needs to be made in the proposed employment agreement to section 2.1 to change the reference to **operation** procedures to **operating** procedures.

Trustee Washington thanked the Board for entrusting her with the responsibility of negotiating the employment agreement. She stated that she had some great conversation with the President-elect over the last couple of weeks and that the President-elect is excited to embark on her journey with FAMU, and is, in fact, already have begun to have some important conversations. She provided additional context to the employment agreement by stating that the market has changed. In 2017, we had four state University System presidents or State University System institutions that were nationally ranked. Today, Florida has four institutions in the top 50, and six in the top 100, including FAMU. Florida has been ranked the top higher education system in the country for the last nine years. Back then, only three presidents in the State University System had compensation packages over a million dollars. Today, that number has more than doubled with the average system compensation being $933,000.While it is nice to talk about times past, we have to look forward at the compensation package before the Board today, it is competitive, yet balanced, and reflects both the support of this Board and high expectations of accountability for the President-elect. Even with this compensation package, the President-elect is still in the bottom third of the system. She also noted the agreement requires accountability. Sections 4.2 and 4.3 require the President to develop goals by November 3rd. These goals would go through the same process of going through the Governance Committee. She also noted that most of the clauses in the agreement are aligned, if not replicated from several recent SUS President contracts. She also mentioned that she is aware that there have been some conversations about the University's ability to pay and noted section 8.2 of the employment agreement requires the Board to use its best efforts to direct the foundation to provide funds to the University, so they can meet its obligations under the contract. Although the purpose may become lost at times, pursuant to state law, which is section 1.00r.28, the foundation and all university direct support organizations are organized and operated to serve the best interest and mission of the University, and those interests are set by the Board of Trustees in conjunction with the Board of Governors. Therefore, when the Board meets next week regarding the Foundation's 2025-26 operation budget, the Board should keep this in mind. During the meeting last week, the foundation finance committee indicated the availability of funds to cover this contract, and it approved an operating budget in April and, seemingly predetermined the FAMU President's salary compensation. A determination was made on what they thought was reasonable and, unfortunately, that is not the role of the foundation to determine the President-elect salary range, as the Board did that at the last board meeting. The service of the Foundation Board members is obviously appreciated. The Board of Trustees and the Foundation have operated in good faith for many years, and would like to see that continue. In light of the concern, I received a note late last night about 40% reduction in pledges due in part to events that happened at this institution last year regarding a gift. So, she looked actually to see how the foundation adjusted its budget to accommodate the reduction. Imagine her surprise when she found out that not only did the foundation not reduce its but, but, in fact increased the budget by a million dollars by transferring funds from contingency into the operating budget for this upcoming year to fund, not scholarships or the Marching 100, but salaries, foundation support software maintenance, and renovations to the foundation building. She looked at the foundation budgets over the last several years and she have questions. For example, somehow the foundation has stopped recording actual expenditures on the budgets approved by the Board. The Board have approved over a million dollars in foundation board support over the last six years, over almost a million dollars in software maintenance and upwards to a half a million dollars on renovations. All that is to say, she really wants us to continue to be fiscal stewards. She appreciated all of the transparency and accountability and the questions that have been asked around this contract, but the foundation's job is to use its funds to support the best interests and mission of the University that is determined by this Board,. Therefore, where we are and with conversations that have been had with the Board of Governors, the Board should direct the foundation to revise its budget if the Board approve this contract today and to do so by a certain deadline in order for our approval. Should the foundation decide not to do so, then the Board have to explore next steps which, unfortunately, could include decertification. She trusts that we are not going to get there because the foundation is doing really great work, and has continued its commitment to the University. She is also sensitive to the outstanding needs and constraints, but believe that if we are to rise as not only the number one public HBCU, but the number one HBCU, top 50 University, and R1 University, then we have to recruit and retain a President that is going to help us get there. As such, I am going to move that we approve President-elect Johnson's employment contract with any necessary revisions as provided in our meeting materials. Trustee White seconded the motion. Chair Harper asked that the motion be repeated. Trustee Washington moved that we approve President-elect Johnson's employment contract with any necessary revisions, which would be the technical revisions that Attorney McKnight noted as provided in out meeting materials. For the record, Chair Harper requested Attorney McKnight to repeat, in detail, the technical revisions that he mentioned. Attorney McKnight indicated that there is one in section 2.1 where there is a reference to the Board of Trustees Operation Procedure that should reflect Operating Procedures. The second technical revision is in section 16.1 where it refers to section 13.3 that should be section 14.3. Chair Harper thanked Attorney McKnight for the clarification then recognized Trustee Lawson. He commented that he too had a concern about the dollar amount, and whether or not it would impact the foundation's ability to perform other functions. So, he reached out directly to Vice President Neal on Thursday during the meeting in Texas, and we told that if we went to the upper limit of the contract or the upper limit of the range that the search committee approve, that it would not impact the foundation's ability to execute on the plans that they had in place. So, with that he became more comfortable with the number and wanted to share that information with the balance of the Board because he could not share in any other forum other than here. First, Trustee Crossman thanked Chair Harper for her leadership in this challenging season and expressed appreciation for all of the hard work that she is doing. He then thanked Trustee Washington for her work and complimented her for being a very professional, high quality person and for spending a lot of her time and efforts on the contract. He was also thankful for Director Kidd and mentioned that he listened to her comments last couple of times, and have always found her comments to be well thought out and professionally presented, He then stated that we are definitely at a fragile season in FAMU's history. He thinks some very tough issues are getting worked on and addressed. He is a person that respects feelings, and there have been a lot of strong feelings expressed and he thinks there is a place for that He is trying to think what can be done to make steps where we are moving forward and trying to make sure that people are listened to, are heard, and how to make sure that they are well engaged. He heard a lot of the comments that were made concerning this issue. For his own reasons, he thinks the Board should move forward with approval of the employment contract.

With that being said, he asked Trustee Washington if there was anything she could think of that would be helpful at this time, based on Director Kidd's or others comments that the Board can tweak or adjust to help just address any of those concerns in a level or unifying and healing moving forward? Trustee Washington replied that she thinks there might have been some misconceptions around the level of merit and accountability. This is, in fact, embedded in the contract as it stands. As VP McKnight as well as myself have stated, this is not a contract that is going to pay itself. It is not something that anybody is going to get just for sitting in the seat. Again, the President-elect was given ninety day approximately to develop a rigorous set of goals and objectives that will be tied to her performance bonus. Those goals and objective will go through the Governance Committee after review by the chair, and they will have to approved by this Board. You have seen the templates used for our performance evaluation. It is not a simple or easy process. This should give some level of comfort that may have been a point of confusion or misunderstanding. The Board has done all that we can to maintain a level of competitiveness and she did everything she could to maintain the ranged that was provided. She hopes that this explanation helps people move forward and think about how we can continue to rally around and provide support for the President-elect. Trustee Crossman responded that her response was helpful to him and it is really important to him that people are acknowledged and heard when there are legitimate concerns. So, his understanding is what Trustee Washington is saying is that there is accountability for the new President and there remains a checks and balance system within that accountability with different levels. Additionally, he stated that it has been a couple of comments about the law school portion of the contract. Many of you know that I served as the chair of the Dean's Advisory Board for several years, and he live in central Florida, and he have great concerns about agendas to remove the law school from Florida A&M. He has made it very public those concerns. I feel like I've fought very hard for that. From a different perspective, he looked at a former University President is there in central Florida and on the law school staff that it's protecting the law school. As someone who has knowledge of people trying to remove the law school from FAMU, he like the line item in the contract because he thought it was a level of protecting FAMU. He again commented that he wanted to make sure that we're really trying to systematically listen to comments and make sure people are getting all the information they need. Trustee Gibbons commented that he agreed with the previous comments and was glad that Trustee Crossman asked those questions because he takes Director Kidd's comments pretty seriously as she is usually on point and on base as it relates to certain things. He also appreciated Trustee Washington and Attorney McKnight's responses.

Chair Harper then presented a couple of questions and provided a presentation of a summary of the five-year total compensation by line item. She mentioned there are aspects of the compensation that are not included, as seen in the super and the footers, around business travel and expenses, security, housing, renovations, repairs and maintenance, professional dues, meeting and entertainment. These costs have not yet been determined and they do not include any cap inside of the contract. However, she bought t the Board's attention to the third column around total compensation based on the draft contract that had been negotiated. While it may be more competitive with the SUS, there is one of three benchmarks that was included in the compensation study. The other two benchmarks were research to universities, of which this is significantly higher than the average of our two universities, and definitely, significantly higher among HBCSs, which was the third benchmark. Furthermore, the total compensation is not only at the high range that was approved by this Board of $750,000 all in for total compensation, it significantly exceeds it. Therefore, she asked Trustee Washington how to reconcile this. Trustee Washington responded that the compensation, as it is written in the contract, includes an accrued retention bonus. The contract was negotiated by looking at the compensation study that was completed by Myers McRae and by looking at the base bonus, annuity, housing and car allowance. She also noted that President-elect Johnson had decided to forego annuity, and will live in the President's house so that there will be some savings on the housing as well. The retention bonus has become more standard in university system contracts and the $150,000 annual bonus included in the contract does not actually pay out in years one, two or three. It is not paid out until year four, so that would bring the numbers within the $750,00 range for the first year. The Board recently approved a coach's contract, which is a five-year guarantee contract, that is required to be payable upon termination for cause or other, which is upwards of a million dollars. The foundation accrued in its budget only accounted for a current year salary did not account for it. In the President-elect contract, if we were to terminate the contract, the only way the $150,000 would be payable before year four is due to death or disability of the President. There is one more component in contract, the relocation reimbursement cost of up to $25,000, which is not a payout. It is a reimbursement for the President-elect moving that is standard across the system. Chair Harper questioned that the entire compensation package, as noted in 8.2 of the contract, is limited by what the state of Florida can pay, which is the statutory limit of $200,000. This employment agreement would create a burden, from an accounting perspective, for the foundation to supplement the rest of the contract including, but not limited to standard expenses like the $25,000 for relocation. Also, from an accounting perspective, accrual means that you book it on the P and L and within the balance sheet and the financial statements. You book it at the time it is earned, not when it is paid out. So, it is appropriate to book an earmark, a contractual obligation for an accrual. What was mentioned around termination and a termination clause not booked in accrual. It's not typical that will be booked as an accrual because that is an action that would be caused by termination. However, when an organization is contractually committing to a certain dollar amount, as note in this proposed contract, it is appropriate to book that accrual when it is earned. Based on the language of this contract, that would be $150,000 per year for a retention bonus and $86,000 per year for a performance bonus. Therefore, it does exceed the limit that this Board committed to. Chair Harper then asked Trustee Washington the rationale of prioritizing retention over performance since the total compensation amount for retention over the five years is $750,00 and the total performance is $430,000. She stated that she was concerned that what matters to this Board occupying a seat or delivering against outcomes for student success. Trustee Washington responded by stating that it's interesting that Chair Harper see that as an either, while she sees it as a both since, in order for the President to remain for three years would require that she has performed over that time. She does not see this Board of the state of Florida Board of Governors keeping a president who does not perform. For the record, Chair Harper clarified that this is concern that she has as it relates to the foundation. She then read the letter sent by the foundation board chair as well as the finance committee chair to the Board for the record. The letter read: " As you know, the FAMU Foundation, Inc. (Foundation) Board of Directors met again on May 30, 2025, as part of the 10-year tradition of joint and/or concurrent meetings with the FAMU National Alumni Association (NAA) at its annual, national convention. As a point of personal privilege, we would like to thank you for your attendance at the NAA's national convention, and for joining us for key portions of the Foundation's board meetings.

Notably, our Finance Committee once again met to take a deeper dive into the Foundation's annual budget, as approved by us on April 30, 2025. As part of those deliberations, we had the benefit of information about a wide array of funding priorities, if not imperatives or exigencies, in respect of athletics and the Marching 100, among others. That is the biggest benefit of the joint and/or concurrent national convention meetings, and we certainly encourage the full Board of Trustees to participate next year.

Further to the point, while we were not aware of the proposed compensation package for the President-Elect at that time, the Finance Committee did review, for a second time, the appropriate contribution level for the next President of the University. Our review centered on "affordability," proper stewardship of the Foundation's limited resources, the aforementioned priorities and exigencies (which exceeded well over $1.8 MM when combined), the University and Foundation's fundraising metrics to date (which, for a number of reasons which we will not recite, are down approximately 40% from last year), and the general climate for philanthropic and university giving due to numerous macro- and micro-economic forces of which we have no or limited control. Said another way, our review centered on maintaining our high standard of rigorous financial review, forecasting and stewardship of limited resources -- noting that, at the Board of Trustee's request, we recently exhausted all the Foundation's contingency reserves.

With this as the backdrop, the Finance Committee determined, and the Foundation Board left undisturbed, a decision to table discussions on increasing the April 30, 2025, budgetary line item to the University President. As the Board of Trustees is aware, that figure rests at a healthy $388,562, which, when coupled with the University's contribution at the state maximum of $200,000, results in a total compensation package of $588,562. This figure is roughly equivalent to the total compensation package paid to our prior University President, Dr. Larry Robinson, during his seventh year of service to FAMU. In addition, this figure places the University squarely in the middle of the $450,000 to $750,000 total compensation range approved by the FAMU Board of Trustees, at the recommendation of the Presidential search committee. Please see attached the "FBOD Proposed Presidential Compensation" table which formed a part of the Foundation's budgetary deliberations. We further note that only after a friendly amendment at the Presidential search committee meeting on May 15, 2025, did the total compensation recommendation ultimately made to the FAMU Board of Trustees stray above that which the Foundation had already determined to be "affordable." She stated that the key word is affordable, not necessarily reasonable. She also noted that in another contract for a SUS President-elect, it specifies that the execution of an employment agreement consistent with the term sheet will occur after obtaining Board of Trustees approval, the Foundation's approval of its financial obligations, if applicable, and confirmation of the candidate by the Board of Governors. The Board have received information from the foundation leadership on the amount that their budget can accommodate that is determined to be reasonable. Again, that totals $388,562. If you add the $200,000 from the University, it is significantly less than the proposed salary of the President-elect.

Trustee Lawson clarified his point that was made earlier regarding a conversation with Vice President Neal. He did not want to misquote the VP and stated that Vice President Neal did express some concerns about the upper limit of the salary range. He also stated that he thinks that everyone wants to try to what is right for the institution and by the individuals we're trying to bring in. He expressed his appreciation for the robust discussions of the Board and public speakers. He also reassured everyone that there will be very finite performance goals, which are negotiated between the President and Board Chair and presented to the full Board for approval, that the President will have to attain although they are not included in the employment agreement. Chair Harper thanked Trustee Lawson for his comments and directed those listening and watching to two documents, the Boldly Striking 20222-2027 Strategic Plan and the 2025 FAMU Accountability Plan, which was approved on April 24, 2025 and includes the Board of Governors approved goals from 2027-2028, that will influence the President's goals. Trustee Bryant commented on the annual performance review versus the retention payment statement by Trustee Washington saying that it's a both. Based on her review, it seems as though the $150,000 retention bonus is basically a payment just because of the President-elect being present and the $86,000 performance compensation only pays for exceptional or outstanding ratings, which is the best caliber of performance possible and which the amount is a little over half of what her retention payment would be. She felt that her analysis is a clear indicator that her presence is more important than her performance and wants to understand the rationale behind differences in payments. She understands Board members mentioning that it lines up with the strategic plan, but if the plan is already in place, what is the point of the President-elect presenting another performance metric to prove or make this exceptional standing worth it? In response, Trustee Washington was unsure of the second part of Trustee Bryant's question, but stated that the President-elect would be eligible for a certain amount of compensation each year upon her outstanding performance, and on the third year of exceptional/outstanding performance, she would receive a retention bonus. She does not see anyone on the Board being okay with mediocre performance.

Trustee Brown wanted to help clarify and to provide some information on comments related to educational experience of the candidate as it relates to salary. He began by stating the structure of the Florida Board of Education oversees the colleges in the college system. Those colleges reported to the Board, which was chaired by President-elect Johnson. He is puzzled at the constant conversations stating that someone who sat in a position where they oversaw K-12, online school, juvenile schools, and the entire Florida college system, and a person for whom the performance-based philosophy began to be implemented, has no experience. He also commented on the Siegel Study and questioned why did the first stud for faculty and staff say one thing and then suddenly have huge numbers in this study, with many things missing. FAMU was completely excluded from the study as well as faculty and study. The Provost and COO did apologize, however the study contained smaller schools with less than 4,000 students enrolled, schools with no or minimal doctoral programs, and data from professional accreditation schools that have benchmark salaries based on their accreditation. The study excluded the majority of our SUS schools. As faculty senate president, it is good that we're looking at a better pay structure because, according to the National Education Association, we are factually the lowest paid faculty in the state SUS system. He thinks that it is a great thing to start a trend of receiving better pay. For the record, the President-elect study looks different because the Siegel Study for faculty and staff was not done in the same fashion. Therefore, he supports the contract from the perspective that it would be a good trend for DRS and for the faculty and staff on all of our campuses to have a competitive salary like their peers and for us to have a compensation study that is fair.

Trustee Reed asked clarification for the proposed retention bonus. Is it one bonus of $150,000 or two bonuses, one at year three and one at year five? Trustee Washington responded, two bonuses, one at year three and one at year five. Trustee Reed then asked if the retention bonus total $300,000. Chair Harper responded, no. It is $150,000.00 per year paid after year three at a total of $450,0000 and paid after year five at a total of $300,000 for a total retention bonus over a five-year contract of $750,000. Trustee Reed replied so the agreement essentially takes the current bas salary and then an increase of $150,000 on top of the current base salary. From his perspective, going back to the discussion around fiduciary responsibility, he felt the Board needed to take a step back and ask themselves a few questions. The first, the contract in place from the previous president was base on his performance and the work that he achieved on behalf of the University and he thinks that if we had the ability to pay him more, we would have. The Board spent a lot of time discussing the ability to be able to reward for performance, which is the reason why we have a very transparent and rigorous process on how we measure the performance of the President in place. Trustee Lawson had a lot to do with putting this process in place on behalf of this Board, which fundamentally holds joint accountability for overall performance and that ultimately allowed us to get to where we are today on a salary range that was affordable and competitive from a compensation perspective. He found it highly difficult to approve a contract that significantly exceeds the previous president's salary who had significant experience as a sitting president and as a faculty member in a higher ed institution and the experience subsequent to that as well. He understands, as a Board, the decision was made to move forward with a compensation package that could essentially have a $750,000 amount to it, which is odd understanding where we are coming form, but this board approved it and now have a contract that financially exceeds the agreed upon compensation from the last Board meeting. The board put in place a requirement and a cap for the organization in terms of what we were going to strive t pay and now to go beyond that, he found it odd. He believes the Board should look at affordability, although he understands you have to pay for talent and we want to make sure that we are paid for the work that we do, but we also have to prove performance first. When you don't have a history of proven performance I the role in which you're going into, then ultimately, you have to basically set a baseline of performance and expectation that then drives the rewards associated with that. He again stated that he finds it difficult to approve a contract that significantly exceeds the $750,000 cap that was put in place by the Board in addition to having retention bonuses built in before there have been opportunities to actually witness performance that should be driving against the overall performance goals set for the University. He asked for more insight into the justification for the Board to think it is okay to have a compensation package that is this significant and that exceeds what the Board approved. Also, when you look at the three benchmarks that were articulated, this is significantly above two of the benchmarks getting somewhere in the range of one of the benchmarks, but it seems extremely rich. The question is how will the University afford it? Trustee Washington replied that there is not much commentary outside of what's already been said around the current context and benchmarks. While she understands the concern around the accrual of the $150,000 this year, it would not be payable this year, and without the $150,000 retention bonus that will be paid out until potentially FY 2028-2029, the employment contract actually is $689,400, below the $750,000. Trustee Reed asked the reason for proposing the retention bonus. Trustee Washington informed him that the retention bonus exists in the last four university presidents' contract and usually at a substantially higher rate with the next lowest one being $200,000 a year accrued after three and five years. There are several others that are upwards of 20% of the base salary accrued yearly, payable after three or five years. This is common practice. Trustee Reed stated the next question becomes affordability from the university's perspective. Given the foundation point of view in the context of affordability, especially with the incremental expenses requested of the foundation to assume on behalf of the University, and the fact that there is a $200,000 cap that can come from University funds, now means the dollars requested would now have to come from donors and alumni, gives me pause that the Board does not have a clear pathway to affordability for something that is quite significant in terms of a financial expectation. In response, Trustee Washington stated that she had several questions with the administration over the last year or so about how we, as the Board, view our giving and our receipts. She's had several conversations attempting to understand how we determine what are the unrestricted gifts received and where do they show up on the University's balance sheets. Those questions have been asked over the last year. What is before the Board right now is the proposed foundation budget for this year, and, as previously mentioned, the budget last year had about a $1,200,000 in contingency, which appear to be one-time funds. The funds for this year, a million dollars of that was rolled into their operating budget, which was not used for student scholarships or the Marching 100. $415,000 of it is going university advancement salaries and benefits, a $50,000 increase in software maintenance to the tune of $200,000, $150,000 in renovations to the 625 E. Tennessee Street building. She has a lot of questions about how we are accommodating and how we are budgeting the foundation resources as well since there was $400,000 in the budget last year for scholarships that is not in this year's budget. Therefore, she agreed with Trustee Reed and thinks that this is an area that the Board should look more deeply into. Chair Harper thanked Trustee Washington for her reply, expressed appreciation for the engagement and stated her belief that it is prudent to have explanations of the foundation's budget from those closest to the budget and, for the record, understand the nuances and the details of it, which there aren't anyone on this call who has the expertise to provide such explanation. Afterwards, Trustee White requested to call to question but dismissed it to allow Trustee Vazquez to comment. Trustee Vazquez shared his perspectives when looking at the compensation for the University President by stating, I Florida, the ranges can range from a total compensation of half a million to 1.6 million dollars. There are many factors that go into compensation such as enrollment, university classification, etc., In the information provided, there are two Florida universities, New College and Florida Polytech, that have much lower enrollment, but pay much higher than the University's current president, and more are on par with the contract currently before the Board. The current contract will make the University's president the eighth highest paid president out of twelve in the Florida State University System. The University has a unique distinction of being the only public HBCU in the Florida University System, which is something the university wears with honor and we want to make sure that carries on for a very long time. When you look at other comparable information that was provided regarding HBCUs, there's one distinction that is left out, and that is those HBCUs are not in the number one ranked university system in the country. They are not in Florida. The other thing he looked at was accountability and found two specific sections in the contract, 4.2 and 4.3, to make sure this standard is being upheld. And, as Trustee Brown alluded to earlier regarding faculty and staff, he thinks this can also be a moment that can set a very good precedent for the faculty and staff for potentially higher income or wages in the future by using these comparisons and benchmarks. Therefore, this is not about one individual but more the university as a whole. Afterwards, Trustee Crossman stated for many reasons he is in favor of the contract, but have a major issue that he's at a breaking point with, which is the deeper issue that the Board must get their arms around and create a plan around trust. There is a huge number of alumni that do not trust this Board and there are some Board members that do not trust each other as well as trust issues between the Board and alumni with the BOG. He mentioned that he loved raising money and promoting FAMU, which he will continue to do so regardless of what happens to him, but if a plan to address the trust issue is not developed quickly, it is going to be a remarkably painful, unnecessary process that he does not want to participate in anymore. The Board must address the issue of trust where people are being heard and listened to. He would be happy to be a part of a team that work on this with key constituents to address the issue. Trustee Brown thought that it was good to spend the needed time to carefully review the President's contract, however his only issue is that something better was asked for faculty and staff. He counted the trustees over a series of months and at least five trustees, including the chair said that SUS comparison data for faculty and staff was need. He stated he was appalled and frustrated that the Board has spent more than an hour and half on the president's contract, but when is came to faculty and staff, it was told the Board could not get the SUS data and he, as the faculty trustee, had to go to the Siegel Company personally and receive that data that was said could not be provided. The University have advisors being paid $40,000 less than their SUS peers, faculty members making $50,000 lees than their peers, and faculty and graduate students not having the resources they need. Not a single alumna has asked about the needs of the faculty and staff of the University. The University does not have the funds for faculty and staff needs, but the next time that a conversation on a compensation study for faculty and staff is held, his hope is that at least thirty minutes are spent to get real comparisons, data, and numbers of the needed resources to run this institution.

Chair Harper acknowledged that there had been a number of Board conversations around the compensation that have extended for a good period of time. She told Trustee Crossman that she heard his concerns as it related to trust and agreed with his remarks. She also stated the Board has a mandate to follow through with all BOG regulations, including regulations 1.001, the powers and duties of trustees and 1.002, the presidential search and selection process, which includes gaining stakeholders feedback, which was done at the beginning of the search process by the Presidential Search Committee, and concluded with a series of robust on-campus visits. She expressed her disappointment in the Board for ignoring the outcry of thousands of people, as trust is earned , not given. The Board at a point where we voted 8 – 4 for the President-elect and are now reviewing the contract, however there are a few things she would like to share for the record. First, Chair Harper expressed concerns about the mix of retention and performance bonuses and said that she would prefer that they are swapped by rewarding outcomes at $150,000 and retention at $86,000. That would have been her preference. Had she negotiated the contract, as chairs normally do in circumstances where a chair is elected to represent a body, this would have been more of a pay for performance contract, and not one that certainly exceeds not only history, but the present, as it relates to the compensation study that was reviewed. She also reminded the Board of their fiduciary duties, which are the duty of care to pursue the interests of the institution with reasonable diligence and prudence, the duty of loyalty to place the interests of the institution ahead of your own interest, and the duty of obedience to ensure the institution complies with the applicable laws and regulations, act in accordance with its own policies and carries out its mission appropriately. She stressed that n the comments that had been made with Trustee Washington as well as the duty of loyalty and others. There are multiple interests and certainly the President of the University is one of several interests. The Board does have fiduciary oversight of the university that is emphasized with accrediting bodies such as SACS and the Higher Learning Commission which states balancing the short- term and the long-term providing oversight, not control, and, as is stated in the contract at the end of 2.1, subject to the direction, controls and instructions of the Board, which seems like an overreach for a governing board. She had concerns not only with moving forward with a motion to approve the contract that exceeds the threshold that was previously approved by the Board, but she would like to understand what 8.2, which reads, "while serving as President during the term of this agreement and contingent upon the availability of funds, the Board shall not be responsible for, but authorizes the compensation arrangement, and shall use its best efforts to cause the foundation to contribute to the University the portion of all payment provided in this agreement that exceed the limit set forth in Florida statute section 1012.975" truly mean. The Board certainly has the authority to review and approve the budget as an example, but doe this Board have the legal ability to cause a different body that has its own regulations, distinct bylaws, processes and procedures to take specific action. And "best efforts" is ambiguous at best. Therefore, she had grave concerns about the language in the contract as well as the financial burden that it places on the University and the University's inability to fund this sweetheart deal. Trustee Bryant agreed with the concerns of Chair Harper, but wanted to follow up on Trustee Crossman's comment about ensuring all stakeholders are heard and the Board re-establishing lines of communication and transparency. Her concern was that since beginning her role on the Board, it confuses her that for months faculty, staff, foundation member, and other stakeholders have been speaking and begging to be heard, but the Board votes in opposition of what was vocalized when we, as a Board, are supposed to be serving in the best interest of the different stakeholders. Therefore, if there is an opportunity to reestablish these pipelines and reshape what it means to actually speak on behalf of the stakeholder, she would love to work with Trustee Crossman to make that it happens. Chair Harper also mentioned that BOG Regulation 9.00073(a) states that expenditures from any source of funds by any university shall not exceed the funds available. She then reminded the Board of another SUS President-elect contract that stated the contract is contingent upon the foundation's approval of its financial obligations. That university took the proper steps to ensure the foundation had the appropriate information in order to decide and the contract was not just contingent upon funds being available, but pre-confirmed that the foundation provided that approval, Finally, she noted , in historical contracts, it was stated that funds could be provided by the FAMU Foundation or other sources of funds, which is not included in the current contract. For clarification, Trustee Reed asked, if we don't have confirmation of the source of funds to approve this contract, are we too early going forward with approval of the contract? Attorney McKnight suggested that, based on the June 5 letter shared from the foundation, funds might be reallocated from university department areas within the foundation. Chair Harper responded that based on the sentence Attorney McKnight read, there appears that funds are available, but the Board did not have confirmation at this particular meeting if it is true or not. Therefore, she believes that it is too early to take up this measure without having a clear line of sight into what is truly available or not. Trustee White requested that the Board address the motion on the floor. Chair Harper read the motion that had also been seconded that the Board approves President-elect Johnson's contract with any necessary technical revisions, specifically in 16.1, changing the language from the referral of 13.3 to 14.3, and in section 2.1, changing the language operations procedures to operating procedures. During the period of unreadiness, Trustee Reed revised the motion to align the funds that were approved, based on the $388,562 currently in the foundation budget, which has already been approved by the Board. Chair Harper seconded. The roll call vote failed 10-1 with Trustees Brown, Bryant, Crossman, Figgers, Gibbons, Harper, Lawson, Vazquez, Washington and White voting "No" and Trustee Reed voting "Yes". Therefore, the Board returned to the original motion to approve President-elect Johnson's contract with the technical revision on the floor. Trustee Reed asked for clarification on the contract language on the way we potentially get to the funds via a reallocation of dollars. His concern is that the decision on reallocating the funds does not have a negative impact on programs that are already established relative to students and other programs that are currently being funded. Chair Harper responded that there will not be an answer to his question during the current meeting. Trustee Reed then asked if the Board prepared to take money from students without having some clarity as to how the contract would be funded. Trustee Washington responded that it is her understanding the foundation would be required to amend their budget to accommodate the expense. She also noted that the current foundation budget that was approved does not include funding for athletic scholarships. If that's something the foundation is considering, the Board would not determine how they reallocate those funds, but would require them to reallocate funds. Chair Harper responded that required is a strong word. Is that what is meant by "best efforts to cause the foundation to fund this?" Trustee Washington responded her understanding is that, if the Board approves the decision, the foundation has a ministerial duty to accommodate the decision. Chair Harper commented that she does not believe that the Board, based on operating procedures, BOG regulation, or state statute, has the authority to require any direct service organization to take any action, including, but not limited, the budget. Afterwards, the roll call vote was conducted with the motion passing by a vote of 8-3 with Trustees Brown, Crossman, Figgers, Gibbons, Lawson, Vazquez, Washington and White in favor and Trustees Bryant, Harper and Reed against.

Prior to adjournment, Chair Harper asked Attorney McKnight to provide insight on the question asked around the authority of the Board of Trustees as it related to the Foundation Board and its requirements. Attorney McKnight responded, pursuant to the agreement as reflected, the Board shall use his best efforts to cause the foundation to contribute to the University the portions of all payments provided for in the agreement. In do so, pursuant to state law, the Board of Governors regulation and Board policy concerning direct support organizations including the FAMU Foundation, those governing provision state that each DSO, including the foundation, shall be organized and operated to serve the best interests of the University. As a matter for the board next week, the budget of DSOs, including the foundation, will be presented and this Board has already approved financing this obligation, pursuant to the proposed contract, that it would serve in the best interest and mission of the University. Therefore, the Board will have an opportunity to exercise its best efforts by making sure that the foundation's proposed budget includes any financial obligations provided for in the employment contract for President-elect Johnson. Chair Harper then asked that Attorney McKnight provide guidance based on state statute. Attorney McKnight provided Board of Governors regulation 9.011, which states operating budgets to support organizations shall be paid at least annually and approved by the organization's governing body and the University Board of Trustees. Therefore, the proposed budget for the FAMU foundation will be presented next week, as scheduled, and consistent with serving the best interests of the University and being committed to the mission of the University. The Board can require the foundation to by denying its suggested budget and requiring them to make changes t that budget consistent with the obligation contained in President-elect Johnson's contract. For clarification, Chair Harper restated Attorney McKnight's statement, "by denying the suggested budget, the Board of Trustees can require the FAMU foundation to make changes to the budget ." Correct? Attorney McKnight responded, in exercising his best interests, the Board can inform the FAMU Foundation it needs to amend its budget such that funds will be reallocated to fund this contract within a certain timeframe. Trustee Crossman stated that the Board must complete a proactive plan to address the issues with all key constituents to ensure everyone is heard. Following up on Attorney McKnight's comments, Chair Harper expressed her concerns on issues shared relating to requirements from notwithstanding what is in the draft employment agreement. Based on her research, she believes there are still issues with the best efforts in causing the foundation to take any action and the language about requirement. For a deeper understanding, she asked if that was consistent with a more thorough review of not only BOG regulations, Board of Trustees policies, Florida state statutes, but also accrediting standards of multiple accrediting bodies because there may be some concerns and will follow up with Attorney McKnight.

Adjournment

There being no further business, the meeting was adjourned.