

**SUMMARY MINUTES
CALLED FAMU BOARD OF TRUSTEES MEETING
Thursday, June 7, 2012**

Chairman Solomon Badger called the meeting to order. He recognized Attorney Fuse-Hall for the roll call.

The following trustees were present: Chairman Badger, Trustee Torey Alston, Trustee William Jennings, Trustee Charles Langston, Trustee Kelvin Lawson, Trustee Spurgeon McWilliams, Trustee Rufus Montgomery, Trustee Narayan Persaud, Trustee Belinda Reed Shannon, Trustee Marjorie Turnbull, Trustee Marissa West and Trustee Karl White. A quorum was established.

Chairman Badger noted that the June meeting is the time reserved for the board “to become students again. We received a lot of in-depth information about several important topics and spent significant time understanding these issues which will aid our decision-making process in the coming year.”

The Chairman commented that “This year was another exceptional time spent with the President and the staff to get a better understanding of the difficult budget situation that this state and all State University System campuses are experiencing.” The board also reviewed the Division of Audit and Compliance and our new charters and how the University will proceed with internal audits. He thanked the staff for their time in answering every question and presenting the information.

Chairman Badger thanked Trustee Shannon for her leadership on the Anti-Hazing Plan. This first draft addressed some short-term initiatives that will assist the University in regards to this national issue. He noted that the University remained focused on the important issue of creating a safe climate for students and employees, while holding everyone accountable for reporting any incidents of hazing. “We will continue to

work with the justice system as perpetrators are adjudicated and we will discipline our students and employees in accordance with our policies, rules and procedures.”

Chairman Badger announced that the board would convene as a committee of the whole to transact important matters. He asked if the board members wanted to vote on the goals that were discussed at the retreat or “reflect upon these that we’ve discussed today and vote on these at the next meeting of the board.

Trustee Alston inquired if the consensus at the workshop was to review and have a meeting before July 1 for considering all goals at one time. He noted that a few things were still outstanding. The board agreed that this was the consensus.

Prior to the committee reports, Chairman Badger recognized Trustee Jennings for comments. Trustee Jennings noted that the University was at a precarious point in its history and that despite conversations with President Ammons, “he had no confidence” in his leadership at this time. Chairman Badger thanked Trustee Jennings for his comments; however, before he could pass the gavel for the first committee report, Trustee Persaud was recognized for an inquiry to Trustee Jennings.

Trustee Persaud inquired if Trustee Jennings’ comment was a motion. Trustee Jennings then moved that the board take a vote of “no confidence” in President Ammons. Trustee Persaud seconded the motion. Several trustees commented on their lack of confidence in President Ammons.

President Ammons requested a recess to speak with Chairman Badger and Vice Chairman McWilliams, separately and respectively. The Board stood at ease to permit this short break, pending the vote on the motion.

Following a short break, the chairman restated the motion for a “no confidence” vote in President Ammons. The roll call vote was:

	FOR	AGAINST
Alston, Torey	X	
Badger, Solomon		X
Jennings, William	X	
Langston, Charles	X	
Lawson, Kelvin		X
McWilliams, Spurgeon		X
Montgomery, Rufus	X	
Persaud, Narayan	X	
Shannon, Belinda	X	
Turnbull, Marjorie		X
West, Marissa	X	
White, Karl	X	

The motion carried.

Chairman Badger recognized President Ammons for a comment. Dr. Ammons noted that he heard the comments of the board members and he pledged his efforts to address the mentioned concerns and to improve communications with the board members.

He recognized President Ammons who introduced the new Dean of the College of Pharmacy and Pharmaceutical Studies, Dr. Michael Thompson. He noted that Dr. Thompson had worked with the College since 1981 and is a “well-published researcher, a seasoned administrator, an education who has secured nearly \$2 million in research.”

Next the president reminded the board about the campus initiative regarding anti-hazing and the \$50,000 devoted to conducting research on that topic. He introduced the two FAMU faculty members, who will conduct research in that area. Dr. Jermaine T. Robertson’s research project is entitled, “Exploring Social, Psychological, and Cultural Factors Impacting Hazing Participation among African-American

College Students.” Dr. Deanna Burney’s research project is entitled, “Psychosocial Risk Assessment and Determinate Model for Hazing Elimination.”

Chairman Badger recognized President Ammons for the approval of the hire of the Vice President for Audit and Compliance. The president outlined the search process and noted that in accordance with the charter of the Division of Audit and Compliance, the Vice President reports functionally to the chair of the Board of Trustees and the chair of the Audit Committee and reports operationally to the president. The Audit Committee met on May 24, 2012, and approved their support of the candidate. The president recommended Mr. Richard “Rick” Givens, who has served as the Interim Vice President for several months.

Trustee Alston moved that the board appoint Richard Givens as the Vice President of Audit and Compliance. Trustee West seconded the motion and it carried.

Given the retreat workshops and the goal setting exercise, “I will ask each committee chair to carry their action items. I will pass the gavel to each chair to conduct their items.

AUDIT COMMITTEE

Since Trustee White had to leave early, Chairman Badger called upon Trustee Alston to present the Audit Committee report. Trustee Alston noted that a recommendation from the report by Sniffen & Spellman was to revise the charter for the Audit Committee. A revised Audit Committee Charter was reviewed during the Board of Trustees Workshop. The audit committee charter was revised to better align with the Institute of Internal Auditors model charter and with best practices.

Trustee Alston moved that the board approve the revised charter for the audit committee. Trustee Jennings seconded the motion and it carried.

Finally, Trustee Alston noted that during the Board of Trustees Workshop, the board members reviewed the proposed 2012-13 Work Plan for the Division of Audit and Compliance. The work plan identified areas to be reviewed and projected the amount of time that will be allocated to various Audit and Compliance functions.

Trustee Alston moved that the board approve the 2012-13 Work Plan for the Division of Audit and Compliance. Trustee Montgomery seconded the motion and it carried.

BUDGET AND FINANCE

Chairman Badger recognized Trustee Rufus Montgomery for the report of the Budget and Finance Committee. He commented on the significant information the board members received regarding the legislative budget allocation, the University's revenue streams, and its expenditures.

Trustee Montgomery asked Vice President Teresa Hardee to present the information regarding the contract with Siemens for upgrading the telephone system.

Dr. Hardee noted that currently 85% of the offices on campus are using the Centrex phone system. The technology is old and very costly, at an annual cost estimated to be \$924,000. She noted that FAMU's Office of Enterprise Information Technology, the Office of Telecommunications, and the Office of Procurement Services recommended that the University contract with Siemens to upgrade the telephone system using the Voice over IP (VoIP) Solution.

After reviewing other VoIP solutions on the state contract list (i.e. Embarq, iCore, and Siemens), the Siemens' solution was more comprehensive and "not only contained the best pricing structure; but, offered a wealth of additional features for performance management." The Siemens contract will cost about \$625,000 annually. This equates

to an estimated annual savings of \$299,000 or \$1,492,005 over five (5) years. Additionally VoIP will improve intangible customer service and increase the communication technology throughout the campus. The agreement is a five (5) year lease with a \$1 buy-out at the end of the 5th year. The estimated amount for the five (5) year agreement is \$3,125,000.

Trustee Montgomery moved that the board authorize the president to execute a contract with Siemens to upgrade the Telephone System. The motion was properly seconded and it carried.

Trustee Montgomery noted that the next action items are the approval of the following: the Public Notice of Intent to Amend Regulation 3.017 – the *Schedule of Tuition and Fees* and the preliminary operating budget for FY 2012-13. These items will be presented together because they have a direct impact on the University’s operating budget for the next fiscal year. He asked Vice President Hardee to present this information.

First, the vice president provided a quick review of the budget process. The Division of Administrative and Financial Services developed a budget with the respective schools, departments and units based on internal vision/goal setting. Afterward the respective vice presidents scheduled a budget hearing with the President and the CFO. Then a preliminary budget is submitted to the trustees. The request from the trustees is to approve a preliminary budget and/or establish agreed upon goals for the University to obtain. Then the Board of Governors approves/disapproves the tuition differential and the University will then establish a final budget.

The Division and the University Budget and Planning Council will review the final budget, the agreed upon goals and discuss how to best meet these goals. Resource requests should be based on the priorities of the Board of Trustees and the President. The University must then decide how to re-direct staff, re-align budgets, and restructuring. She noted that, “Requests from the division does not and should not always

be generated from new dollars. Restructuring and re-designing can and should be an option.”

Next, Vice President Hardee presented the preliminary budget for FY 2012-13 and then the recommendations for tuition and fee increases that were outlined in the proposed amendments to Regulation 3.017, copies of which were distributed to each board member. She noted that the proposed tuition and fee increases were incorporated in the Education & General (E&G) preliminary operating budget.

Pursuant to Section 1011.40 (2), Florida Statute, “each university board of trustees shall adopt an operating budget for the operation of the university as prescribed by law and rules of the BOG”. Vice President Hardee said that the University also is required to maintain a 5% unencumbered balance in the Education and General fund. If at any time the unencumbered balance goes below 5%, the president shall provide written notification to the Board of Governors.

Further, Vice President Hardee noted that Section 1009.24 (16), Florida Statutes, authorizes each Board of Trustees to establish a tuition differential for undergraduate courses. The sum of the tuition and tuition differential may not be increased by more than 15% of the total charged for the aggregate sum of these fees in the preceding year.

The legislature included the following tuition and fee assumptions in their budget recommendations:

- No base tuition increase is recommended for undergraduates.
- Universities will receive approval from their Boards of Trustees for a 15% tuition differential increase.
- Universities would implement an 8% increase for graduate and professional students.
- Universities would implement an 8% out-of-state fee increase for non-resident students (across all levels).

Section 1009.24 (16), Florida Statutes, authorizes each Board of Trustees to establish a tuition differential for undergraduate courses. The sum of the tuition and tuition differential may not be increased by more than 15% of the total charged for the aggregate sum of these fees in the preceding year.

The staff recommended that the tuition differential increase by 15%. Seventy (70%) percent of the revenues must be used to enhance undergraduate education (i.e. increasing course offerings, improving graduation rates, and decreasing student-faculty ratios) and thirty (30%) percent of the remaining revenue will generate approximately \$3 million which must be used for need-based financial aid. The Board of Governors will review the tuition differential proposals during their meeting on June 19-21, 2012.

Pursuant to section 1009.24 (4) (C), Florida Statutes, each Board of Trustees may establish tuition for graduate and professional programs, and non-resident tuition for all programs. It is recommended that the tuition for graduate and law matriculation increase by 15% for resident tuition.

The staff also recommended the following fee increases for graduate, professional, and law students:

- **Financial aid fee** – 15% increase
- **Technology fee** – 15% increase

There is a decrease in the Repeat Course Fee and the Repeat Course Preparatory Fee, primarily due to less state funding being expended in FY 2011-12, the decline in the number of remedial student credit hours from the prior year, and the decline in the cost per credit hour at the lower level for course such as English, Humanities as well as Math. The recommendation is:

- **Repeat Course Fee** – from \$159.87 to \$120.24
- **Repeat Course Preparatory Fee** – from \$185.42 to \$109.03

The College of Law Bar Review Preparation Fee in the amount of \$2400, approved at the December 2011 FAMU Board of Trustees meeting, was approved by the Board of Governors at its March 2011 meeting. This fee is also included in the draft regulation.

Additionally, House Bill 5201 (Conforming Bill) allowed increases to the Capital Improvement Fee effective fall 2012. Universities were required to establish a fee committee to decide if a fee increase would be recommended and determine initial project recommendations.

The University established a Capital Improvement Fee committee pursuant to the legislation. The committee was comprised of the following members:

- Mr. Henry Kirby, Associate Vice President of Student Affairs & Dean of Students (Chair)
- Trustee Marissa West, President of SGA
- Mr. Vinod K. Sharma, Associate Vice President of Administrative & Financial Services
- Mr. Joseph Bakker, Interim Associate Vice President of Construction and Facilities Management
- Mr. Sam Houston, Director of Facilities Planning
- Mr. Michael Jefferson, Vice President of SGA
- Mr. Bernard Jackson, SGA Senate President

The committee met on May 21, 2012, to discuss the fee increases. The Board of Governors will review the tuition differential proposals during their meeting on June 19-21, 2012. Without a fee increase the Capital Improvement Fee would generate \$1.8 million. If the University implements a \$2.00 fee increase, this would generate \$6.1 million. After a lengthy discussion, the fee committee unanimously agreed to recommend that the Capital Improvement Fee be increased by \$2.00 from \$4.76 to \$6.76. The priority project is to build a Student Union.

The Board of Governors will review the Capital Improvement Fee increase proposals during their meeting on June 19-21, 2012.

Trustee Alston asked a rhetorical question “Does the quality of education increase by 8%? Does the quality of education increase by or 15%? What do students get in return by us making these increases? For the first time I think I mentioned student loan debt has exceeded credit card debt.” Trustee Montgomery remarked that since students were involved, their input was gained. Trustee Turnbull noted that while you can’t guarantee that the increase will improve the quality, the legislative action puts the board in the current position. Trustee West noted that the Capital Improvement fee increase was a way to help “us in a number of other projects as we move forward because we know that this fee is supplemented to fund the recreation center in the past and things that the student body relies heavily on.”

Trustee Montgomery moved the approval of the FY 2012-13 Preliminary Operating Budget as well as the notice and adoption of Regulation 3.017, after the expiration of the 30-day notice period, provided that there are no public comments, in accordance with the Florida Board of Governors’ Regulation Development Procedure dated July 21, 2005. He reminded the members that the Board of Governors’ approval is necessary before noticing the regulation. Trustee Persaud seconded the motion. The motion carried; however, Trustee Alston asked that his “no” vote be noted in the record.

Trustee Montgomery noted that the next action item is the approval of the five-year Capital Improvement Plan and the Fixed Capital Outlay Legislative Budget Request for FY 2013-14. Since Trustee McWilliams

chairs the committee, he yielded to Trustee McWilliams for that action item.

Trustee McWilliams asked Vice President Hardee and Attorney David Self to present the next item. They have been working on various options of financing facilities and facility related activities. Dr. Hardee noted that each university within the State University System of Florida must submit a Fixed Capital Outlay legislative budget request and an updated five-year Capital Improvement Plan annually to the Board of Governors.

She continued that an Educational Plant Survey was completed in March 2010, which is required by each University. This survey evaluated existing academic facilities and recommended future capital projects for the University. The legislative budget request for FY 2013-14 and the five-year Capital Improvement Plan are aligned with the 2010 Educational Plant Survey and the Master Plan. The staff recommended approval.

Trustee McWilliams moved approval of the Five-Year Capital Improvement Plan (FY 2013-14 through FY 2017-18) and the FY 2013-14 fixed legislative budget request. Trustee Montgomery seconded the motion.

Trustee Persaud asked “Dr. Hardee to include as one of my pet projects in there, which is a faculty building, in her—as one of the priorities. I would like to see faculty have a place to go.”

Next, Attorney Self presented information regarding a conference on public-private partnerships that CFO Hardee and he attended. A comprehensive plan will be presented by the next board meeting.

Trustee Montgomery noted that the last action item is the approval of the DSO Operating Budget for FY 2012-13. Since Trustee Shannon chairs

that committee he yielded to Trustee Belinda Shannon to handle this matter.

Trustee Shannon asked Dr. Haynes, vice president for University Advancement, to present this information. Vice President Haynes noted that the FAMU Foundation Finance Committee approved a temporary change to the Foundation's administrative fee structure for fiscal year 2012-13 from one (1%) percent to two (2.5%) percent to meet the operating expenses of the Foundation. The board of directors approved the temporary change at its meeting on November 19, 2011. Following a meeting of the FAMU Board of Trustees Direct Support Organization Committee on February 8, 2012, additional information was gathered. He noted that the current administrative fee was supported by a fund balance, which "collectively made up the operating budget." After this fiscal year, he reported that the fund balance will be depleted and therefore an increase in the administrative fee is needed.

Trustee Shannon moved that the board approve the DSO Operating Budget, which includes a request for an administrative fee increase from 1% to 2%. Trustee Alston seconded the motion.

Trustee Langston asked Vice President Haynes if this will reduce the amount credited to endowments from 4.5% to 3%. He noted that this issue arose before. Further, he inquired if this increase will reduce the scholarship amounts provided to students. Dr. Haynes responded that there are accumulated earnings in those scholarships and will allow the foundation "to continue to pay out to the scholarships." Trustee Langston inquired that as we go forward in fundraising, asking people to endow scholarships, then the generated amounts from the endowments may be non-competitive with what other schools may offer.

Trustee Alston asked if the recommendation from the Board of Directors of the Foundation was 2.5%. Dr. Haynes acknowledged that it was; Trustee Alston inquired that in light of the budget discussions and the

positions to be added, “is the 2% doable?” Dr. Haynes responded, “yes.”

Trustee Turnbull commented that this is a bigger discussion than “we’re having here.” All Foundations are struggling with this issue. “We’ve been paying out at a rate that is higher for us to sustain.” She noted the importance of this action in order to conduct a “vigorous campaign.” She noted that the Foundation has to address this and other expenditures. Trustee Persaud inquired what happens if the University falls short of its fundraising goal. Trustee Turnbull responded, “You don’t fall short of the goal.”

The motion carried; however, Trustee Langston voted “no” to the motion.

ACADEMIC AFFAIRS

Chairman Badger recognized Trustee Marjorie Turnbull for the report of the Academic Affairs Committee. She recognized Provost Robinson to discuss the naming of the restructured College of Arts and Sciences.

Provost Robinson informed the board that effective July 1, 2012, the College of Arts and Sciences will split into two separate colleges. This re-grouping will create a more cohesive educational community, as science and technology will be in one college and the other college will include the social sciences and the arts. This split of the College of Arts and Sciences is one of the most critical changes that will occur as a result of the University’s Restructuring Plan.

The proposed “*College of Science and Technology*” will include the following departments:

- Chemistry
- Biology
- Computer information systems
- Mathematics

- Physics

The proposed “*College of Social Sciences, Arts and Humanities*” will house the following departments:

- History/Political Science/geography/Afro-American Studies
- Music
- Psychology
- Social work
- Sociology/Criminal Justice
- Visual arts/Humanities/Theatre
- English (the Foreign Language department will be combined with the English department)

Trustee Turnbull moved that the board approve the re-naming of the College of Arts and Sciences to the “*College of Science and Technology*” and the “*College of Social Sciences, Arts and Humanities*”. Trustee Persaud seconded the motion and it carried.

Trustee Turnbull asked the provost to present the information on the University’s Work Plan. Provost Robinson noted that Board of Governors Regulation 2.002 requires the submission of university work plans to the Board of Governors. The University’s Work Plan, which conforms to the required elements, metrics and format provided by the Board of Governors, identifies strategies, strengths and opportunities, proposes key initiatives for the next three years, includes data for key performance indicators, enrollment plan, and fiscal data and proposes new degree programs for the next three years. He discussed each item with the board in conjunction with a PowerPoint presentation.

Trustee Turnbull moved that the board approve the University's 2012-2013 Work Plans. Trustee Lawson seconded the motion and it carried.

Next, Provost Robinson provided information regarding the proposed Bachelor of Science degree in pharmaceutical science. The provost noted that this program is on the list of new programs for exploration in the University's Strategic Plan, and would be offered by the College of Pharmacy and Pharmaceutical Sciences. It would be the first such program at an HBCU and in the State University System of Florida.

The BS in Pharmaceutical Sciences is designed to provide graduates with the knowledge and skills needed for employment in the pharmaceutical industry's research and development operations, where there is a shortage of appropriately trained graduates. The program would also prepare students to enter professional schools such as medicine and dentistry, or graduate school in programs such as the PhD in Pharmaceutical Sciences, fulfilling a major unmet need and answering the call by the National Institute of Health to increase underrepresented groups in biomedical research.

The College of Pharmacy and Pharmaceutical Sciences proposes to offer this 120 credit hour program with no new resources, thus increasing productivity. If approved, the College plans to implement the program in fall 2012.

Provost Robinson noted that Dr. Michael Thompson, who has been selected as the new dean of the College of Pharmacy and Pharmaceutical Sciences, and Dr. Seth Ablordeppey, interim dean of the College, are present today and ready to address any questions you may have regarding the proposed program.

Trustee Shannon inquired if there were specialized admission requirements to enter this program. Provost Robinson responded, "No, this is not a limited access program, like pharmacy itself." In response

to her follow-up question, the provost noted that this program is designed to work with students that aspire to enter the Pharm D. program and “weren’t quite successful.” There was much discussion to ensure that students are aware of their employment options if they pursue this degree versus the Pharm. D. Further, it was noted that students with this degree are not eligible to take the licensure exam.

Trustee Turnbull moved that the board approve the new BS degree program in Pharmaceutical Sciences. Trustee Shannon seconded the motion and it carried.

Trustee Turnbull noted the final item for consideration involved the FAMU BOT Policy 2005-14, Financial Conflicts of Interest Governing Research. She recognized Dr. Ken Redda, Vice President for Research, to present this information.

Vice President Redda noted that the proposed revision to the University’s policy “Financial Conflicts of Interest Governing Research” promotes objectivity in research by establishing standards that provide a reasonable expectation that the design, conduct, and reporting of research funded under NIH grants or cooperative agreements will be free from bias resulting from investigator financial conflicts of interests.

The revisions of this policy consist of the following changes:

- Inclusion of the term “financial” in the title of the policy;
- Expansion of the policy statement and definition section;
- Requiring submission of the “Statement of Financial Interests Form” to the Division of Audit and Compliance;
- Changing reporting thresholds from \$10,000 to \$5,000
- Establishing a process regarding untimely identification of significant financial interests;
- Providing public access to conflict of interest information;

- Requiring retrospective review in cases of non-compliance; and
- Mandatory training for investigators engaging in research related to any contract or grant.

Trustee Turnbull moved approval of the revisions to FAMU Policy 2005-14, Financial Conflicts of Interest Governing Research. Trustee Jennings seconded the motion and it carried.

PUBLIC COMMENTS

Chairman Badger announced that he received a written request from former President Castell Bryant to speak at the meeting. “Madame President welcome back and the board will hear from you at this time for three (3) minutes.” Dr. Bryant provided a handout which was distributed to the members of the board. She expressed her dismay regarding “a statement on page 8 of the spring 2012 edition of the A&M Magazine.” She noted that,

No administrative or financial problems and a call to select a permanent president had anything to do with my resignation. So today, I respectfully request that the presentation that I have prepared become an official part of the minutes of this meeting. It will help, in my opinion, to be sure that the history of this University is not distorted.

Chairman Badger thanked Dr. Bryant for her comments. He asked for other public comments and noted that each speak had two (2) minutes. Other speakers included:

- Mr. Victor Gaines: Alumni Band Association will assist in rebranding the Marching 100 and the University.
- Mr. Travis Roberts: Clarification regarding permissible performances by what music students in the Marching 100.
- Mr. Brandon Cunningham: Disagree with decision to exclude any ensemble members of the Marching 100 from performing.

- Ms. Katrina Roy: Pleased with the administration in supporting the Marching 100's idea re: an anti-hazing unit and displeasure at decision to exclude any ensemble members of the Marching 100 from performing.
- Dr. Elizabeth Davenport: Everyone must account for the hazing problem and the University needs to refocus on academics.
- Mr. Tommy Mitchell: National Alumni Association sponsoring a rally following the board meeting in support of the BOT and the president.
- Mr. Kyle Washington: Concerns with the Director of Student Activities.
- Dr. Clyde Ashley: Addressed the governor to permit the BOT, president, administrators and others at FAMU do their job.
- Mr. Earl Williams: Expressed support for the University.
- Mrs. Carolyn Collins: former NAA president expressed support for the University.
- Rep. Alan Williams: Stand with the 10th President, Dr. James Ammons and with FAMU.

There being no further business, the meeting adjourned.

Respectfully submitted,

Rosalind Fuse-Hall

Rosalind Fuse-Hall
Assistant Corporate Secretary