

SUMMARY MINUTES
FAMU BOARD OF TRUSTEES MEETING
Via Teleconference Call
May 26, 2009

Chairman C. William Jennings called the meeting to order at 1:07 p.m. Mrs. Fuse-Hall called the roll and the following Trustees were present: Chairman Jennings, Vice Chairman R.B. Holmes, Trustee Solomon Badger, Trustee Robert Brown, Trustee Laura Branker, Trustee Richard Dent, Trustee Gallop Franklin, Trustee Maurice Holder, Trustee Charles Langston, Trustee Spurgeon McWilliams, Trustee Daryl Parks, and Trustee Karl White. A quorum was established.

Trustee Branker asked to amend the agenda to discuss the costs of speakers for the spring commencements since full information was not presented earlier. President Ammons noted that Mrs. Sharon Saunders, Chief Communications Officer, would contact Trustee Branker to discuss the details given the limited time of the call.

Chairman Jennings asked President Ammons to present the information regarding the amendment to Regulation 3.017, which includes the tuition increases and fee increases. This information was sent to each member of the Board of Trustees. President Ammons greeted the board members and noted that the state legislature recently approved the tuition increase of eight (8%) percent for the academic year 2009-10.

President Ammons continued that with the decreased budget allocation to higher education—a reduction of 16%--the tuition increase is a means for bringing funds into the general revenue stream. The Board of Governors has approved this increase; therefore, we recommend that the board approve the 8% increase in tuition for the academic year 2009-10. He noted that this legislation will provide the university Board of Trustees the flexibility to establish a tuition differential for undergraduate courses. The legislation notes that 30% of this amount will be used for need-based financial aid and the other 70% will be used to enhance the classroom experience. This increase will not apply to students that enrolled before July 1, 2007. The estimated revenue from the tuition differential is approximately \$978,000.

Chairman Jennings asked President Ammons to present the next item regarding tuition differential increase. President Ammons noted that last year the legislature permitted five (5) campuses to charge additional tuition in addition to the base tuition assessed by all other SUS campuses. During this legislative session, this differential tuition charge was extended to the other SUS campuses up to 15%. Therefore, President Ammons recommended that the board approve the campus to charge 7% in addition to the tuition increase, bringing the revenue collected to the full 15% permitted by the legislation. Further, President Ammons recommended approval of the regulation amending the fees as discussed at the last meeting of the board on May 4, 2009.

Trustee Badger moved approval of the recommendations by the President regarding Regulation 3.017 and it was seconded by Trustee White. Chairman Jennings asked for a comments or discussion. Trustee Branker and Trustee McWilliams asked if the fees are within reason and has

the University gauged the price-point for students. Mr. Sharma, Comptroller, noted that these numbers were discussed at the last meeting and would send that information to Trustee Branker.

Chairman Jennings asked how long does the regulation have to be posted and when does the clock begin to run? Attorney McKnight responded that the regulation would be published on the website today if it is approved and it runs for 30 calendar days.

Trustee Dent asked to hear the student perspective from Trustee Gallop Franklin, who also serves as the Student Government Association (SGA) President. Trustee Franklin noted that he is against the motion as are all students for putting the costs of education on the "backs of the students." He noted that SGA will work to raise funds for a retention scholarship. "We understand the situation and the need to get through this turbulence." Trustee Dent inquired if Trustee Franklin was comfortable with the information presented. Trustee Franklin said, "Yes, I am aware and comfortable with the information. This matter has been discussed with the students."

Following the discussion, the Chairman asked for readiness and the board noted they were ready for the vote. The motion carried with one negative vote by Trustee Franklin.

As for the differential tuition, Trustee Parks noted that he supports the motion; however, he is concerned that the legislature is not meeting its obligation to higher education. Trustee Dent commented that "the reality is that four years from now, the state will not roll-back these cuts. Trustee Langston said that the increase applies only to in-state undergraduates. Trustee Holmes asked if this has a growing negative impact on our students. President Ammons responded that the funds generated from this motion will provide access to students. The increase is tempered by the requirement that 30% of the generated revenue must address those on need-based financial aid. Families that are one dollar above the need base cut-off will feel the full brunt of these increase and may impact access.

Trustee Holmes lamented the negative tone that is being driven by the state. "How many colleges had the differential tuition before?" he asked. Five other campuses had it before. Trustee Franklin asked if there would be a negative impact on graduation rates. President Ammons responded that the increases will impact currently enrolled students although the Pell Grant will increase by \$500 to \$5000 and the University will use 30% of the tuition and the differential tuition to shield the neediest students. Trustee Holmes appreciated that action. Trustee White asked what percentage of undergraduates is on need based financial aid. The response was 70-75% is on need-based financial aid.

Trustee McWilliams asked if these increases would send more students to the community colleges instead of coming to universities. The response was that FAMU has appealed to young people to enroll in college and the University is working with transfer students. President Ammons reiterated that FAMU's appeal is "pretty strong." Other SUS colleges are increasing their recruitment of transfer students. Transferring from community colleges has not been the typical route for FAMU students. Trustee Badger noted that at community colleges, the fees, especially for the technology areas, exceed the tuition. "I don't think the impact is significant to FAMU."

For differential tuition, Trustee Badger moved approval and it was seconded by Trustee White. The motion carried with one negative vote by Trustee Franklin.

Chairman Jennings announced that at this time, "we will discuss the president's performance bonus as required in the employment contract between Dr. James H. Ammons and the University." The applicable section is Section 4 which deals with compensation and Section 5. Section 5 states that on or before April 15, 2007, . President Ammons did that and more. "Just to highlight he addressed the items raised by the Southern Association of Colleges and Schools, Commission on Colleges probation; he led and reverse the unqualified audits; he led to increased enrollment and he restored the public trust in FAMU. Moreover, Section 4 provides that annually, if the goals are met, then Dr. Ammons shall receive a performance bonus in the range of 25-35%. If approved, the bonus will be paid from FAMU Foundation funds. "As a public agency, we have a responsibility to honor all legally binding contracts," said Chairman Jennings.

Trustee Holder asked about the status of future bonuses; Chairman Jennings responded that that the contract automatically renews itself. Trustee Langston commented on the contract also.

Trustee Parks made the following motion:

Mr. Chairman, in light of the extraordinary and truly exemplary leadership shown by President Ammons during the 2007-08 academic year, I move that the Board of Trustees authorize the FAMU Foundation to pay 35% of the President's base salary in accordance with his employment contract.

Trustee Badger seconded the motion.

Trustee Holmes, noted that he supported the motion and wanted to add an amendment. He explained that a few weeks ago, he led a group of ministers to protest balancing the budget on the backs of state employees with the proposed cut to employee salaries. It was noted that the two (2%) percent pay cut exempts University employees. Trustee Holmes withdrew his amendment. Trustee Holmes continued and agreed with the decision to honor the contract with the president; but, he directed the president to look at all state and federal resources to find bonuses for the Leadership Team, faculty and staff. "It is our moral responsibility to give our employees an increase."

It was noted that this should be a separate motion. Trustee Holmes agreed and called for the question. The original motion was approved unanimously.

Trustee Holmes then moved to direct the President and the fiscal staff to explore possibilities of using state or federal stimulus funds to provide bonuses to all qualified employees. The motion was seconded by Trustee Badger and discussion of the motion occurred. Trustee Franklin asked if the President would come back to the board with this information. As a point of information, Trustee Holder asked what was President Ammons being asked to do?

Trustee Brown noted that he had “a problem with this. Putting this in the public domain while these economy matters are dire. I don’t see that; it’s doing the right thing at the wrong time. This sends the wrong signal; the best help for our employees is for everyone to keep their jobs.” Trustee McWilliams agreed with Trustee Brown. He noted that the Leadership Team in preparation for budget reductions and talk about laying people off. After more discussion, Trustee Holmes agreed to withdraw his motion.

President Ammons had several announcements, including:

- Appointed Professor Larry Robinson as the Vice President for Research.
- Appointed Chief of Staff Rosalind Fuse-Hall as interim director of the Title III programs.
- Engaging a search firm to assist with the search for the Dean of the School of Business and Industry.
- Will seek a multi-year contract for Dr. Fredrick S. Humphries, Regent Professor at the School of Law.

There being no further business, the meeting adjourned.

Respectfully submitted,

Rosalind Fuse-Hall

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Assistant Secretary