

MINUTES
BOARD OF TRUSTEES' MEETING
January 19, 2018, 9:00 a.m.
Adams Administration Building, Troy University Campus
Troy, Alabama

The Troy University Board of Trustees convened at 9:00 a.m. on January 19, 2018, in the Chancellor's Conference Room, Adams Administration Building, on the Troy University Campus, Troy, Alabama.

Prior to the Call to Order, Senator Dial presented a resolution by the Alabama Legislature commending the 2017 Troy Trojans football team on the occasion of winning its sixth Sun Belt Conference championship and compiling its best FBS season to date. Mr. Tom Davis read the concurrent resolution. Senator Dial recognized Coach Neal Brown and presented the resolution to Coach Brown. Senator Dial expressed appreciation to Marcus Paramore for his efforts in having the resolution drafted. Coach Brown provided brief remarks.

Also prior to the Call to Order, Senator Dial recognized SGA President Ashli Morris on the occasion of her engagement.

I. Call to Order

Board President Pro-tem Gerald Dial called the meeting to order. Senator Dial recognized Doug Gooden with WSFA Television. Mr. Dial welcomed all members and guests, and called for a roll call, with the following members answering present:

II. Roll Call

Senator Gerald Dial, Mrs. Karen E. Carter, Mr. Ed Crowell, Dr. Roy H. Drinkard, Mr. John D. Harrison, Dr. Earl V. Johnson, Mr. Lamar P. Higgins, Mr. Forrest Latta, Mr. Gibson Vance, Mr. Charles Nailen, Mr. Allen Owen (via phone), and Ms. Ashli Morris, SGA President.

III. Approval of Minutes

A draft copy of the July 28, 2017 minutes was provided to the Board members prior to the meeting. Senator Dial called for a motion to approve the minutes as presented.

ACTION: MR. CROWELL MADE A MOTION TO ACCEPT THE MINUTES FOR THE JULY 28, 2017 MEETING AS PRESENTED. THERE WERE NO CORRECTIONS OR ADDITIONS BROUGHT FORWARD. FOLLOWING A SECOND BY MR. OWEN AND WITH NO FURTHER DISCUSSION, THE MOTION CARRIED AND THE BOARD ADOPTED THE MINUTES AS PRESENTED.

IV. Reports

A. Chancellor

Chancellor Hawkins presented challenges facing higher education in 2018.

- For-Profits not going away:
 - Purdue-Kaplan deal signaling change with partnerships between public and private institutions
 - Trump Administration demonstrating more support for privates
 - CGI, ACOM, Troy Foundation, Valiant Cross partnerships
- Internationalization
 - Micro-campus on increase
 - TROY sites abroad: Malaysia, Japan, Korea, Vietnam (adding Da Nang site)
 - Challenge: Carry TROY to the world
- New Construction viewpoint
 - Technology changes
 - Space requirements are changing

- Challenge: integration of technology into programming and new construction
- Cell Phones are a Way of Life
 - Mobile society today
 - Mobile technology is vital to the modern university
 - Challenge: maximize use of cell phones
- Job-ready Graduates
 - Creation of internships and work opportunities
 - Non-traditional approach to educational programming
 - Challenge: Prepare students for the world of work
- Enrollment
 - Nationwide, enrollment is down 2.4 million students
 - Only 34 percent of universities met enrollment goals for 2017
 - Projections are fewer high school grads than in the previous decade
 - TROY is up slightly in credit hour
 - Declining confidence in higher education is a major concern
- Student Debt
 - \$1.4 trillion – topping credit card debt
 - 44 million borrowers, averaging \$351 per month in repayments
 - TROY is below state and national averages with \$21,200 total student debt load
 - Debt is reflection of reduced state funding
 - Increasing tuition
 - 20 percent of TROY budget is state appropriations
- College Debt
 - Universities owe a record \$240 billion
 - Last year, universities added \$41.3 billion
 - Annual debt service in \$48 billion
 - Average budgeted debt service is 9 percent; TROY is 6 percent
 - Challenge: Keep debt low
- Campus News and Points of Pride
 - Confucius Institute named 2017 CI of the Year
 - Coleman Hall was announced on Dothan Campus
 - Commencement held in New Orleans for football team
 - Princeton review named TROY Best in the Southeast for 13th year
 - Schools.com ranked TROY top-ranked university in Alabama
 - Value Colleges.com named TROY top online university in Alabama
 - Ranked one of 47 universities in the South by US News
 - AACSB accreditation in Sorrell College of Business
 - Entering final stage with site visits scheduled for Fall 2018
 - Accreditation makes TROY competitive with peers

Textbook initiative

- Students spending average of \$1,200 per year on textbooks
- 49 percent prefer e-books; 47 percent prefer to rent textbooks
- Other institutions moving to e-books; open-source textbooks
- In next year 2,000 TROY students will save \$200,000
- Goal: reduce to \$600 per student per year

Dr. Hawkins then provided a facilities update on Student Recreation Center, Trojan Center parking lot, and the new training facility at University Park. He shared dates to remember for upcoming University events.

Mr. Higgins commented that the new rec center will be a focus point for activities during games. He also asked Chancellor Hawkins for any information regarding the new tax plan by the Trump Administration.

Chancellor Hawkins responded that public institutions will not see as large of an impact as the large-endowment universities. However, athletics will see some impact. Chancellor asked Athletics Director Jeremy McLain to comment. He reported that most donors are not scared, and most salary implications are for those over \$1 million.

Dr. Johnson mentioned the tax planning seminar with Winton Smith had been rescheduled for February. He encouraged all to attend as the new issues will be discussed.

Senator Dial mentioned that the Legislature passed a boat license that will generate funds for the University; TROY tags available. TROY is third largest University in terms of tag sales. \$50 million goes into organization through specialty tags in the state.

Senator Dial made comments following Chancellor Hawkins' comments, and a general discussion ensued. Mr. Nailen asked for clarification from Chancellor Hawkins regarding his earlier comment on "declining confidence." Dr. Hawkins stated that people are beginning to think that the investment in a degree is not worth the time or money, and there is a shifting emphasis toward "workforce development." A general discussion ensued.

B. Board Committee Reports

- **Finance Committee, Honorable John Harrison**

Senator Dial called on Mr. Harrison to present the Finance Committee report. Mr. Harrison thanked the Governor for increasing TROY's equity funding but he pointed out all universities were still not equal. He then called on Dr. Bookout to present the Financial Report.

Overview FY 2017

- Total revenue is up 4 percent to 261,545,059
- Total expenses are up 2 percent at \$257,197,198
- Increase in net position \$4,056,861, to \$170 million
- Expenses by classifications were
 - Salary and Benefits, 54 percent
 - Supplies and Services, 23 percent
 - Student aid, 12 percent
 - Depreciation, 5 percent
 - Utilities, 3 percent
 - Interest on debt, 2 percent
 - Other non-operating costs, 1 percent
 - University has seen a 155 percent increase in its net position from FY 2008-2017
 - University has seen a 166 percent increase in assets FY 2008-2017
 - Tuition and fee revenue and scholarship expense were roughly equal
- Dr. Bookout stated 2017 was a much better year than 2016 financially
- Dr. Bookout providing an overview of core financial ratios and composite financial index
 - Reserve ratio's give TROY about 6 months operating coverage
 - Return on net position ratio was 2.4 percent, up from 1.4 percent FY 2016
 - Each ratio is positive and growing
 - Viability ratio is almost at national benchmark
 - Composite financial index is 2.65, with the national benchmark at 3.0
 - TROY is comparable in its position with USA, UAH, Auburn and UA
 - Funds held for investment: total market value of \$67,528,903; achieved a 8.94 percent annualized return for FY2017

A general discussion followed regarding investment strategies and exit strategies. Dr. Bookout related that 60 percent are in equity producing investments and 40 percent bond funds.

Dr. Bookout provided an enrollment update. As of Oct. 2017 total enrollment was 20,510 students.

- Construction update included a status on
 - McKinley Drive redesign
 - Trojan Center parking lot
 - Track Resurfacing project
 - Fitness Center
 - Trojan Center Food Court
 - North End Zone
 - Adams Admin Admission complete
 - University Park Training Center

ACTION: MR. HIGGINS MOVED FOR ADOPTION OF FINANCE COMMITTEE REPORT. SECONDED BY DR. JOHNSON. THE MOTION WAS APPROVED.

- **Student Affairs Committee, Honorable Lamar P. Higgins**
Senator Dial recognized Mr. Higgins to present the committee report. Mr. Higgins stated that there were no action items from the committee but the Board members were updated on student activities and an enrollment report was given.

Mr. Higgins recognized Student Trustee Morris. Ms. Morris provided a report on diversity inclusion.

- Student town hall meeting regarding a video incident around a fraternity holiday party
 - Ms. Morris relayed findings from student commenters during the town hall meeting
 - Mr. Higgins recognized Ms. Morris and the SGA for taking leadership; and recognized the fraternity involved for corrective actions
- Next steps: SGA needs to promote positive thinking on campus
- February SGA Diversity Inclusion Week with roundtables to get talking about issues
- Inclusion of diversity issues in IMPACT sessions
- Exploration of a mandatory diversity class for all students

Mr. Vance commended Ms. Morris for her role in providing leadership to the student body in resolution of the issue. Mr. Nailen also made comments regarding the report and trustee support for diversity.

Mr. Higgins wrapped up the report, and provided a brief update on the African American Leadership Conference on Feb. 2-3.

ACTION: ON THE MOTION BY DR. JOHNSON, SECONDED BY MR. NAILEN, THE REPORT OF THE STUDENT AFFAIRS COMMITTEE WAS ADOPTED WITHOUT DISSENT.

- **Athletic Policy Committee, Honorable Allen Owen**
Senator Dial recognized Mr. Owen for the committee report, who introduced Director of Athletics Jeremy McClain. Mr. McClain's report covered:
 - A review of the 2017 football season;
 - A fall sports recap;
 - An update on the North End Zone project; and
 - An announcement of the 2018 Sports Hall of Fame inductees.

Mr. McClain stated that the LSU win was largest exposure for the TROY program. The team garnered more attention from that win than anything else. The win was the top story on SportsCenter for 24 hours. The TROY name continues to come up any time LSU is mentioned. Conference championship with win over Arkansas State, and a great bowl game highlights of the season. High-water marks on social media – 27 million Facebook viewers. Giving is strong; seat and ticket sales increasing and concession numbers nearly doubled. Next year’s schedule was shared as follows:

- First game is Boise State and North End Zone ribbon cutting; anticipate facility move-in over the summer and operational by first game.
- Hired 3 head coaches in FY 2017

A general discussion followed with Mr. Harrison and Dr. Johnson making brief remarks regarding accolades for the department and committees.

ACTION: ON THE MOTION OF MR. CROWELL, SECONDED BY MR. HARRISON, THE ATHLETICS REPORT WAS ADOPTED WITHOUT DISSENT.

- **Ad Hoc Committee on External Affairs, Honorable Gibson Vance**

Senator Dial recognized Mr. Vance to provide the report of the committee. Mr. Vance stated that Montgomery was the first focus of the committee’s attempt to make campuses more relevant in the communities they serve. Mr. Vance provided an overview of the Valiant Cross partnership. He recognized Campus Vice Chancellor Lance Tatum to provide a briefing on the partnership.

- Dr. Tatum provided an overview of the program that included:
 1. An overview of Valiant Cross Academy
 2. Activities of TROY-VC partnership
 3. A formal alliance with the academy to provide educational support in a public-private partnership
 - a. In August, VCA will move into space on the Montgomery Campus
 - b. Lease agreement
 - c. Expected to add grades each year
 4. Value of the partnership to Troy University
 - a. Community oriented
 - b. Education expansion
 - c. Grants and contracts
 - d. Public-private enterprise
 - e. Effective use of space on the campus – building 136

Senator Dial provided general comments recognizing the efforts of the committee and the efforts of Dr. Tatum and others in building the partnership.

ACTION: ON THE MOTION OF MR. HARRISON, SECONDED BY MRS. CARTER, THE REPORT OF THE COMMITTEE WAS ADOPTED WITHOUT DISSENT.

- **Executive Committee, Honorable Gerald Dial**

Senator Dial brought forward the recommendation of the committee for Resolution 1, commending the University’s retirees during 2017.

**Resolution No. 1
Honoring Retirees**

WHEREAS, the following Troy University faculty and staff members retired in 2017:

Holly Anderson, Assistant Professor of Mathematics; Bernard Avant, Assistant Professor of Mathematics; Teresa Carol Ballard, Associate Vice President of Financial Aid; Elaine Bassett,

Coordinator for Instructional Support Services; Benjamin Bateman, Professor Department of Chemistry and Physics; Mary Battaglia, Assistant Professor in ASN Program; Alan Belches, Professor of English; Sheila M. Bennett, Assistant Professor, Division of Psychology; Kathy Bradshaw, Coordinator Accounts Payable; Linda M. Brown, Lecturer Department of Education; Alan Campbell, Assistant Professor, School of Accountancy; Rita Kay Chiesa, Orlando Campus Enrollment Coordinator; Glenn Cohen, Professor and Divisional Chair Biology; Marilyn J. Coe, Director for Center for Student Success; Mickey Crews, Professor of History; Reba Davis, Access Director; Kimberly Dove, Director of AMSTI; Carol Franks, Associate Professor of Music; Linda Jo Germany, Enrollment Coordinator, Ft. Walton; Albert Glover, Assistant Professor in English; Geraldine Gowdy, Graduation Analyst II; John Irwin, Associate Professor of Management and Marketing; Dorothy Jean Jones, Transcript Specialist; Linda Jones, Assistant Director, Graduation Center; Marianne Kellogg, ACCES Coordinator, Faculty Certification; Jean Laliberte, Associate Vice Chancellor of Development; Stanley Lewis, Associate Professor, School of Accountancy; Glenda Locklar, Department Secretary, Kinesiology and Health Promotions; Christi Magrath Associate Professor of Biology; Joseph McCall, Senior Lecturer, History; Diane Porter, Associate Professor/Divisional Chair for Mathematics; Bertha Roberts, Lecturer, Division of Education; Darlene Scmurr-Stewart, Dean of International Student Services; James Smith, Associate Professor in Music; Raymond Smith, Associate Professor in Music; Dan Teed, Assistant Professor, School of Accountancy; Theresa White, Program Development Specialist for In-Service Education; and Melanie Wood, Associate Director of Graduate Center.

THEREFORE, BE IT RESOLVED that this Board express to these faculty and staff members sincere appreciation for loyal and conscientious service to the University and wish them health and happiness in their retirement.

ACTION: ON THE MOTION OF MR. DIAL, SECONDED BY DR. JOHNSON, THE RESOLUTION WAS ADOPTED WITHOUT DISSENT.

- Senator Dial then recognized Mr. Paramore to provide a brief overview of the Governor's Budget.
 - 3.4 percent increase for TROY in the proposed budget; all universities receiving 3 percent under the proposal

Mr. Higgins demonstrated and made remarks concerning a phone app for sharing University information and Athletics marketing.

Senator Dial noted that Chancellor Hawkins' contract was set to expire in September 2018, and sought direction from the Board regarding the contract. There was a brief discussion and the following action was taken.

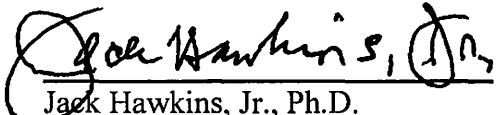
ACTION: ON THE MOTION OF MR. HIGGINS, SECONDED BY MR. OWEN, FOR THE EXECUTIVE COMMITTEE TO BEGIN NEGOTIATIONS TO EXTEND THE CONTRACT OF DR. JACK HAWKINS, JR., THE MOTION WAS PASSED WITHOUT FURTHER DISCUSSION.

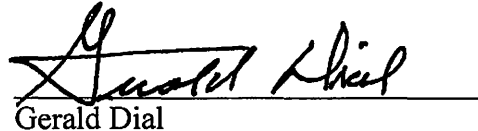
IV. New Business

Mr. Nailen made comments regarding the need to keep diversity at the forefront of the board idea. Senator Dial indicated a diversity resolution would be assigned to Mr. Higgins' committee. Senator Dial directed Mr. Higgins to develop the resolution.

V. Adjournment

ACTION: ON THE MOTION OF MR. HIGGINS, SECONDED BY MR. OWEN, THE MOTION TO ADJOURN WAS ADOPTED WITHOUT DISSENT.


Jack Hawkins, Jr., Ph.D.
Chancellor and
Secretary, Board of Trustees
Troy University


Gerald Dial
President pro tempore,
Board of Trustees
Troy University