

MINUTES
BOARD OF TRUSTEES' MEETING
May 9, 2014 2:00 p.m.
Hawkins Hall, Troy University Campus
Troy, Alabama

The Troy University Board of Trustees convened at 2:00 p.m. on May 9, 2014, in Hawkins Hall on the Troy University Campus in Troy, Alabama.

I. Call to Order

Senator Gerald Dial, President pro tempore of the Board, called the meeting to order.

II. Roll Call

Upon roll call, the following members, comprising a quorum, answered present: Senator Gerald O. Dial, Mrs. Karen Carter, Mr. Ed Crowell, Mr. Roy H. Drinkard, Mr. John D. Harrison, Dr. R. Douglas Hawkins, Mr. Lamar P. Higgins, Mr. Forrest Latta, Mr. Charles Nailen, Mr. Allen E. Owen, Mr. Gibson Vance, and Mr. Matthew Thompson, SGA President (non-voting member). Absent: Governor Robert Bentley.

III. Approval of Minutes

Senator Dial called attention to the draft minutes for the December 13, 2013 meeting. A draft copy was provided to Board members prior to the meeting. Senator Dial called for a motion to approve the minutes as presented.

ACTION: MR. HIGGINS MADE A MOTION TO ACCEPT THE MINUTES WITH ANY NECESSARY CORRECTIONS. THERE BEING NONE THE MINUTES, AS PRESENTED FOR THE DECEMBER 13TH MEETING, WERE APPROVED FOLLOWING A SECOND BY MRS. CARTER AND APPROVAL BY THE FULL BOARD.

Senator Dial welcomed guests and members of the media from WSFA TV and the Tropolitan to the meeting. He added that the agenda will be adjusted to accommodate the schedule for out-going Student Government Association President Mr. Cody Farrill. Senator Dial stated that Cody graduated today and has commitments with family. Therefore, Senator Dial moved the Student Affairs Committee report up on the agenda and called upon Mr. Higgins to make a report. (Please refer to the Student Affairs Committee under the Board Committee Reports section below.)

IV. Reports

A. Chancellor

Senator Dial called upon Chancellor Jack Hawkins to provide a report to the Board. The Chancellor shared highlights on today's agenda and touched on the importance to the University on the offerings of Ph.D. programs.

Chancellor Hawkins referenced an article that Trustee Latta shared with him: "The Loss of the University" by Wendell Berry. Although written years ago, the article is as timely as if it had been written today. The Chancellor said the article references that "increasingly, policy makers demand...the value of higher education be measured in terms of career preparation and earning power of graduates over the priority of preparing students to flourish as individuals who contribute to society." He added that Troy University wants to ensure its students can indeed make a living but are also well-prepared life-long learners.

The Chancellor mentioned that the greatest challenges the University faces are funding, enrollment, branding, retaining quality personnel, creating new opportunities for student and facilities/technology. He shared numbers relating to budget history reflecting a budget of \$253M in 2011 compared to \$229M in 2014. Chancellor Hawkins noted that the Board will consider a four percent tuition increase proposal today and he shared that the average of universities across the country is 4 percent.

An update was given on “Right-Sizing” efforts underway that the University is taking very seriously and the Chancellor stated the following areas are under review:

- Review of staff to balance resources with needs
- Since January 12st 52 vacant positions have been eliminated for a savings of \$2.4M
- In the academic division \$4.2M has been saved
- Global Campus -- \$1.3M savings
- Initiatives: paperless \$450K savings

The Chancellor noted that the enrollment picture shows unprecedented competition. Points made by the Chancellor follow: Community college enrollment dropped 13% over the last three years and online completion is at an all-time high. The good news is that the Troy Campus experienced a 3 percent growth this spring compared to last year and it was noted that the School of Nursing shows continued growth.

In regard to branding, the Chancellor stated that branding reflects quality. He shared the following examples of points of pride and initiatives underway for the University:

- Masters of Business Administration ranked nationally as “Best Buy”
- Sorrell College of Business cited a “Best for Vets” in Alabama by the Military Times
- The Broadcasters Association recently recognized TROY public radio network with two awards.
- In marking the University received five awards from Service Industry Advertising Association and one of those was for our billboards “It’s T Time.”
- TROY’s Trojan Arena has been recognized nationally.
- The University received Tree Campus USA award from the Arbor Day Foundation for urban forest management.
- The new John M. Long Hall opened recently.
- The Alumni Hall project bid has been accepted and projected date for completion is one year out.
- New academic programs include the Ph.D. in Sport Management, Master’s in Economics, Master’s in Second-Language Acquisition
- Aviation program with Mauna Loa Helicopters
- Pledge to triple number of TROY students studying abroad by 2019. Designated new scholarship fund with an initial investment of \$120K for study abroad scholarships to students.
- A Steinway initiative has been put into place with a goal to acquire 34 pianos for \$1.6M. TROY will be in the top 4% of music schools when it earns all-Steinway designation (160 out of 4,600)
- Re Athletic Training TROY is number one in Alabama for pass rate on Board of Certification examination. TROY’s pass rate is 88% with the national average at 68%.
- National Council for Licensure Examinations (NCLEX) nursing scores for 2013 BSN class reflects TROY’s 100% pass rate.

Dates to Remember

- July 24-25 Board Meeting/Commencement
- August 11 Fall semester begins
- Football season: Aug 30 vs UAB @ Legion Field; Sept. 6 vs. Duke @ home; Board football trip Sept. 20 University Georgia.
- Dec. 12 Fall Commencement/Board Meeting

B. Board Committee Reports

• **Executive Committee, Honorable Gerald Dial**

○ **Update on the Alabama Open Meetings Act—Mr. Dennis R. Bailey, Rushton Stakely**

Senator Dial reported that the Board would not receive an update on the Alabama Open Meetings Act today for two reasons—(1) The Open Meetings Act that was to be amended did not pass in the final session of the Legislature and (2) Mr. Bailey could not be at the meeting today. Senator Dial added that this update will be added to an agenda at a future meeting.

• **Academic Affairs Committee, Honorable Karen Carter**

Mrs. Carter reported that the Academic Affairs Committee met on April 28th and she indicated that the agenda items below were an outcome of discussions of the Academic Affairs Committee. She shared her excitement about the approval received from the Alabama Commission on Higher Education (ACHE) for a new Ph.D. in Sport Management. Mrs. Carter called upon Dr. Ingram to share an update of the timeline for the new Ph.D. program.

○ **New academic programs update:**

1. Ph.D. in Sport Management—Dr. Earl Ingram

Dr. Ingram reported that ACHE has given the University a timeline of March 2016 to initiate the first class. Once the first class has been initiated there are implementation expectations in terms of the average number of students who are taken in each year as well as the average number of students who would graduate each year. Dr. Ingram elaborated further on requirements and expectations of the program saying that the earliest the University will begin in recruiting its first students will be January 2015.

Senator Dial thanked everyone for their help that brought the University to the point. He added that the approval of a second Ph.D. program represents a great day for Troy University.

2. Troy University/Mauna Loa Aviation Partnership—Dr. Earl Ingram and Mr. Ben Fouts, President

At Mrs. Carter's request, Dr. Ingram provided an update on TROY's partnership with Mauna Loa Aviation and the City of Troy aimed at training commercial aviators at the Troy airport. The training program will offer a minor in Aviation Operations with a focus on either fixed-wing or rotary-wing. The minor will be a part of the Bachelor of Applied Science in Resource Management and Technology and will be housed in the Department of Chemistry and Physics. Students will be able to pursue an associate degree or the four-year Bachelor of Applied Science degree. The anticipated startup date is projected for fall 2014. Dr. Ingram stated that an announcement was made yesterday at the Troy Airport. Dr. Ingram introduced Mr. Ben Fouts, President, Mauna Loa Helicopters, who made brief comments.

○ **Report on the First-Year Studies Program—Dr. Hal Fulmer**

Mrs. Carter called upon Dr. Ingram to make brief introductory remarks and then asked Dr. Fulmer to brief the Board on Troy University's First Year-Studies program.

Dr. Fulmer advised that the focus of the program is student success across the spectrum. The mission of the program is outlined below:

- Provide students with academic support services to enhance retention, progression and degree completion
- Impart success skills to students
- Ensure students are Troy University acculturated
- Successfully execute the Quality Enhancement Plan's strategic initiatives to create a culture of engaged reading at Troy University

Dr. Fulmer addressed the current status of college readiness for our students and shared some background on the University's summer COMPASS Placement Testing in place to ensure academic success for students. He added that the Troy Campus has a model for student success and the essential elements of the Troy Campus model is being geared to engage other student at

other Troy University locations so that they are retained and are successfully academically. Dr. Fulmer also shared information on the University's TRIO Student Support Services, the TRIO Upward Bound program, and Tutorial and Student Support Centers.

Dr. Fulmer talked about some of the challenges the University faces and the primary challenges he identified are:

- Retention
- Student engagement in courses
- General studies transferability
- Academic progression
- Advisor training and development

In conclusion, Dr. Fulmer said that student success has a strong model on the Troy Campus. He added that the goal must be finding effective and appropriate ways to capture and integrate those success methods across all University location.

o Resolution No. 1—Recognizing Dr. Iris Xu

Following Dr. Fulmer's presentation, Mrs. Carter introduced a motion to adopt Resolution No. 1 below recognizing Dr. Iris Xu.

ACTION: WITH A MOTION FROM MRS. CARTER ON BEHALF OF THE ACADEMIC AFFAIRS COMMITTEE, SENATOR DIAL CALLED FOR A SECOND. RECEIVING A SECOND TO THE MOTION FROM MR. OWEN, THE MOTION TO ADOPT RESOLUTION NO. 1 RECOGNIZING DR. IRIS XU PASSED.

Following approval of the resolution, a framed copy was presented to Dr. Xu as an expression of appreciation to her for all she does for Confucius Institute.

Resolution No. 1

Resolution Honoring Dr. Iris Xu

WHEREAS, Troy University is committed to the internationalization as the best way to prepare its students to compete in a global marketplace; and

WHEREAS, The Confucius Institute at Troy University was founded in 2007 in order to promote the teaching of Chinese language and culture and promote economic development relationships between Alabama and China: and

WHEREAS, following a successful career leading the CI in Edmonton Canada, Dr. Iris Hong Xu was chosen to lead the Troy University Confucius Institute from its inception; and

WHEREAS, Dr. Xu's contributions to the Confucius Institute are many and varied, to include:

- Taking more than 400 middle school students, high school students, university students and professors, principals and entrepreneurs from Alabama to China to experience Chinese culture, education and economics over the past five years;
- Receiving \$400,000 in federal grants to promote Chinese language in Alabama;
- Establishing a Chinese Language Testing Center in Alabama;
- Establishing the first Chinese Textbook Research Center in the United States; and

WHEREAS, in 2012 the Confucius Institute at Troy University received worldwide recognition as a Confucius Institute of the Year due in large part to the leadership of Dr. Xu;

THEREFORE BE IT RESOLVED, that the Troy University Board of Trustees commend Dr. Iris Xu for her exemplary performance as Director of the Confucius Institute at Troy University.

- **Finance Committee, Honorable John Harrison**

Mr. Harrison reported that the Finance Committee met on April 24th in Troy. The budget was reviewed, while recognizing that the University continues to fall less than equitable in state funding. Mr. Harrison noted that all cuts had been made where appropriate in regard to next year's budget. With the cuts to the budget, Mr. Harrison stated that there was still a shortfall in funding which brought the committee's discussions back to a tuition increase. Mr. Harrison stressed that considering a tuition increase was not an easy task for the Finance Committee or is it for the full Board. He added that he wanted to preface Dr. Bookout's presentation by sharing that there was a lot of concern in trying to get the budget where it needs to be. Mr. Harrison stated that we do not want to run the university by being tuition-driven so the Board, the administration, the faculty, and all others are challenged to pull together to ensure the University is not tuition driven in future years. Mr. Harrison called on Dr. Bookout to present a finance report.

- **Finance Report— Dr. Jim Bookout**

Dr. Bookout shared an overview of the history of state appropriations to total revenue budget and tuition/fee revenue. He talked briefly about revenue considerations and revenue sources. Dr. Bookout stated that when looking at the budget a drill down is done to look at all considerations and sources of revenue with an increase in tuition being the very last option. He said that this year the University's budget is \$229M. For 2015 in regard to projecting revenue potential generation, the best estimate is \$217M (a \$12M shortfall.) This is after cutting the budget to the bone so there is a need to recommend some type of a tuition increase unfortunately. Dr. Bookout noted that in the last two years the budgets were cut deeply and reduced by \$21M with a commitment for a slight tuition increase. Projections for 2015 are a little better because the University is in the middle of a right-sizing initiative. This same approach will be taken in 2015 and the proposed budget reflects a \$4M reduction. Dr. Bookout reported that the proposed undergraduate tuition increase would generate \$2.8M and graduate would generate \$3.7M to help address the \$12M shortfall.

Dr. Bookout outlined the proposed tuition increase as reflected below:

- Undergraduate per credit hour tuition - \$273 (up from \$264)
- Graduate per credit hour tuition from - \$366 (up from 4338)
- Global Campus Troy tuition - undergraduate per credit hour tuition - \$250 In-Class; \$326 On-Line (up from \$240 in-class and \$308 on-line)
- Global Campus Troy tuition - graduate per credit hour tuition - \$330 In-Class; \$488 On-Line (up from \$325 in-class and \$460 on-line)
- Dr. Bookout also outlined the proposed fee structure as follows:
 - Housing rates: Min/Max from \$1,463/\$2,735 to \$1,505/\$2,820
 - Meal Plan Rate from \$1,553 to \$1,600
 - Global Campus Tuition per Credit Hour—undergraduate from \$240 to \$250 and graduate from \$325 to \$330
 - eTroy Tuition per Credit Hour—undergraduate from \$308 to \$326 and graduate from \$460 to \$488

At this time Dr. Bookout moved into the brief on the Investment Policy presented for the Board's consideration today. (See Investment Policy section below for report.)

- **Resolution No. 2—Tuition**

ACTION: FOLLOWING DR. BOOKOUT'S PRESENTATION, MR. HARRISON, ON BEHALF OF THE BOARD'S FINANCE COMMITTEE, MOVED TO ADOPT RESOLUTION NO. 2 TO CHANGE THE TUITION RATES AND FEE STRUCTURE. MR. OWEN PROVIDED A SECOND TO MR. HARRISON'S MOTION.

AT THIS TIME MR. HIGGINS WAS RECOGNIZED BY THE CHAIR. MR. HIGGINS STATED THAT IT IS DIFFICULT FOR HIM TO DISAGREE WITH THE FINANCE COMMITTEE BECAUSE HE BELIEVES IN THE ADMINISTRATION AND IN THE FINANCE COMMITTEE. HOWEVER, HE SAID THAT LAST YEAR WE INCREASED TUTION AND AT THAT TIME HE VERY VOCALLY ASKED THAT

WE INCREASE IT ENOUGH SO THAT TUITION WOULD NOT HAVE TO BE INCREASED THIS YEAR. MR. HIGGINS SAID THAT WE CONTINUE TO INCREASE TUITION AND THAT CONCERNS HIM. MR. HIGGINS ADDED THAT AS LONG AS THE UNIVERSITY CONTINUES TO RAISE TUITION THERE IS NO NEED FOR MONTGOMERY TO LISTEN TO US REGARDING OUR NEED FOR THE ONE-THIRD/TWO-THIRDS SPLIT. MR. HIGGINS SAID HE WOULD HAVE TO OPPOSE THIS RESOLUTION TO RAISE TUITION AND PROPOSED THAT THE BOARD TABLE IT UNTIL THE NEXT MEETING ALLOWING TIME FOR THE STAFF REVIEW IT AND COME BACK WITH A PROPOSAL OF UP TO THREE PERCENT INSTEAD OF THE PROPOSED FOUR PERCENT WITH THE UNDERSTANDING THAT WE WOULD NOT RAISE TUITION UNLESS WE HAVE A CUT IN STATE FUNDING MORE THAN TEN PERCENT IN THE FUTURE.

SENATOR DIAL ASKED MR. HIGGINS TO RESTATE HIS MOTION FOR CLARITY. MR. HIGGINS STATED THAT HIS MOTION IS TO TABLE THIS RESOLUTION UNTIL THE NEXT MEETING, ASK THE STAFF TO REVIEW, COME BACK WITH RECOMMENDATIONS IF THERE IS A TUITION INCREASE NECESSARY, AND THAT IT BE NO MORE THAN THREE PERCENT WITH THE UNDERSTANDING THAT NEXT YEAR WE WOULD NOT INCREASE TUITION UNLESS OUR STATE FUNDING IS CUT MORE THAN TEN PERCENT OR PRORATION KICKS IN. A SECOND WAS PROVIDED BY DR. D. HAWKINS. THE CHAIR RECOGNIZED MR. OWEN WHO ASKED MR. HARRISON IF THERE IS A TIME SENSITIVITY IN COMING BACK AND VOTING AT THE NEXT MEETING ON JULY 25TH. MR. HARRISON RESPONDED SAYING THAT THIS BUDGET IS EFFECTIVE OCTOBER 1ST. SENIOR VICE CHANCELLOR JOHN SCHMIDT ADVISED THAT THERE IS A TIME SENSITIVE ISSUE IN THAT STUDENTS AND PARENTS NEED TO KNOW TUITION RATES AND FEES IN ORDER TO GET FINANCIAL AID AND OTHER CONSIDERATIONS IN PLACE.

AS FURTHER CLARIFICATION IN REGARD TO HIS MOTION, MR. HIGGINS SAID WHAT HE IS PROPOSING IN HIS MOTION IS REGARDING THE TUITION INCREASE, BUT IN THE INTERIM IF THE CHANCELLOR SHOULD DECIDE NEXT WEEK WE CAN OPERATE THE UNIVERSITY AT A THREE PERCENT INCREASE, THEN THAT IS WHAT THE BUDGET SHOULD BE.

IN SUMMARY, THE CHAIR STATED THAT AS HE UNDERSTANDS IT MR. HIGGINS MOTION IS TO TABLE THIS MOTION UNTIL THE NEXT MEETING BUT IN THE MOTION ALLOW THE CHANCELLOR TO GO AHEAD AND IMPLEMENT THE INCREASE UP TO THREE PERCENT AND THEN THE BOARD COME BACK IN JULY AND ADDRESS WHETHER WE GO TO FOUR PERCENT OR STAY AT THREE PERCENT. SENATOR DIAL RECOGNIZED THE CHANCELLOR WHO STRESSED THAT EVERYONE IS CONCERNED ABOUT OUR STUDENTS. HE CONTINUED BY SAYING THAT WHEN YOU LOOK AT THE HARD DATA AND COMPARE TUITION YOU REALIZE THE COMPETITIVENESS, AND WITH ALL DUE RESPECT WHEN THE FINANCE COMMITTEE DELIBERATED, THEY LOOKED AT ALL DATA AND THE UNIVERSITY IS WORKING AGAINST A HARD DATE AS DR. SCHMIDT EXPLAINED. THE CHANCELLOR FURTHER SAID HE FEELS THE PROPOSAL IS FAIR TO THE STUDENTS. HE REITERATED THAT WE ALL ARE CONCERNED FOR THE STUDENTS BUT TO HAVE A PROCESS THAT HAS BEEN WELL THOUGHT OUT CHANGED AT THE VERY LAST MINUTE IS DIFFICULT TO ACCEPT. MR. HIGGINS ADDED THAT HAD HE BEEN NOTIFIED THE FINANCE COMMITTEE WAS MEETING TO DISCUSS A TUITION INCREASE HE WOULD NOT HAVE TO HAVE THIS DISCUSSION TODAY. MR. NAILEN SHARED THAT HE SERVES ON THE FINANCE COMMITTEE BUT WAS UNABLE TO AVAIL HIMSELF OF THE OPPORTUNITY TO PARTICIPATE. MR. NAILEN COMMENDED DR. BOOKOUT ON HIS EXCELLENT PRESENTATION TODAY TO BRING ALL BOARD MEMBERS UP TO DATE. HE ADDED THAT A TUITION INCREASE IS EXTREMELY TROUBLING BECAUSE MANY OF THE FAMILIES OF OUR STUDENTS HAVE NOT SEEN THEIR INCOME RISING OVER THE LAST FEW YEARS. ANOTHER CONCERN MR. NAILEN EXPRESSED INVOLVED THE START-UP COSTS OF THE NEW PROGRAMS BEING IMPLEMENTED AND HIS QUESTION

WAS THAT IF EVERY DOLLAR HAS BEEN CUT THAT IS POSSIBLE, WHAT STOPS US FROM USING OUR SAVINGS ACCOUNT TO FUND THE GAP. DR. BOOKOUT RESPONDED AND CITED EXAMPLES OF AREAS WHERE RESERVE FUNDS ARE USED SUCH AS ROOF REPLACEMENTS, CHILLERS, AND OTHER MAINTENANCE AND SMALL PROJECTS. DR. BOOKOUT SAID THAT RESERVE DOLLARS ARE SET ASIDE FOR THESE TYPES OF NEEDS.

THERE BEING NO FURTHER QUESTIONS SENATOR DIAL RESTATED THE MOTION TO ENSURE ITS ACCURACY. HE STATED: THE MOTION IS THAT WE TABLE THE INCREASE, ALLOWING THE CHANCELLOR THE OPTION TO IMPLEMENT AN INCREASE OF UP TO THREE PERCENT AT A TIME THAT HE SEES FIT AND THIS BUDGET WILL BE REVISITED AT THE JULY MEETING.

MR. HIGGINS STATED THAT A SUBSTITUTE MOTION MAY BE BETTER STATING THAT THE CHANCELLOR WOULD BE AUTHORIZED TO REVIEW THE TUITION NEEDS AND WILL BE ABLE TO APPROVE UP TO THREE PERCENT AND THAT AT THE JULY BOARD MEETING THE BUDGET WOULD BE APPROVED. MR. HIGGINS ADDED THAT HE WAS TRYING TO SIMPLIFY THE MOTION. MR. HARRISON SUGGESTED THAT IF THE BOARD WOULD GO BACK TO THE ORIGINAL MOTION GIVING THE CHANCELLOR THAT RIGHT THEN HE THOUGHT WE COULD LOOK AT VOTING ON IT. OTHERWISE, MR. HARRISON STATED THAT HE WOULD URGE COMMITTEE MEMBERS TO VOTE NO AND TO GO WITH THE ORIGINAL MOTION. MR. HIGGINS STATED AGAIN THAT HE WOULD RATHER HAVE HAD THIS CONVERSATION WITH THE FINANCE COMMITTEE, BUT SINCE THAT DID NOT HAPPEN THEN WHAT HE WANTED LOOKED AT MAY HAVE ALREADY BEEN DONE BUT HE DID NOT KNOW. THEREFORE, HE WANTED TO SEND IT BACK TO THE FINANCE COMMITTEE AND TO CHANCELLOR TO LET THEM REVIEW THE PROPOSED TUITION AND FEE STRUCTURE. MR. HARRISON RESPONDED TO MR. HIGGINS SAYING THAT THE FINANCE COMMITTEE HAD CHALLENGED THE CHANCELLOR AND DR. BOOKOUT TO MAKE SURE TODAY'S PROPOSAL WAS THE BEST THAT WE COULD DO AND MR. HARRISON ASSURED MR. HIGGINS THAT HAD BEEN DONE. HE ADDED THAT THE BUDGET PRESENTED WAS ABSOLUTELY A PRUDENT BUDGET REQUEST FOR NEXT YEAR. MR. HARRISON REITERATED THAT NO ONE WANTS TO RAISE TUITION BUT WE NEED TO DO WHAT IS NECESSARY TO KEEP THE UNIVERSITY MOVING FORWARD.

MR. HIGGINS STATED THAT HE WAS IN AGREEMENT WITH MR. HARRISON'S STATEMENT BUT HIS ONLY QUESTION AGAIN IS WHAT WOULD BE THE DIFFERENCE BETWEEN A FOUR PERCENT AND A THREE PERCENT—IS THAT AFFORDABLE. MR. HARRISON RESPONDED SAYING THAT WHEN YOU LOOK AT THE PROPOSED TUITION INCREASE FOR THE TROY CAMPUS IT IS A LITTLE OVER THREE PERCENT. LOOKING AT THE GRADUATE TUITION PROPOSAL IT IS A LITTLE OVER FOUR PERCENT BUT THE AVERAGE COMES OUT AROUND FOUR PERCENT. MR. HARRISON SAID THAT IF WE JUST USE WHAT WE HAVE AND CHALLENGE THE CHANCELLOR TO GO BACK AND MAKE SURE IT IS THE ABSOLUTE BEST IT CAN BE THEN WE COULD GO UP TO THAT BUT IF IT IS ANY LESS LET THE CHANCELLOR HAVE THE OPTION TO REDUCE IT. MR. HIGGINS STATED THAT HE WOULD SUPPORT THAT BUT HE STRESSED WE NEED TO GET TO A POINT WHERE TUITION IS NOT RAISED EVERY YEAR.

THE CHAIR RECOGNIZED MR. CROWELL. MR. CROWELL SAID THAT ONE OF THE PLEASURES HE HAS EXPERIENCED SERVING ON THIS BOARD IS THE SYNERGY DISPLAYED AMONG THE MEMBERS. HE SAID ALL BOARD MEMBERS AND THE ADMINISTRATION ARE VERY SENSITIVE TO COSTS IN ALL ASPECTS AS IT RELATES TO THE PARENTS AND STUDENTS AND THE UNIVERSITY IS DOING ITS BEST TO LIVE WITHIN ITS MEANS. IN DISCUSSIONS TODAY MR. CROWELL SAID IT IS APPARENT THAT EVERYONE WANTS THE

SAME THING AND HE WOULD NOT LIKE TO SEE THIS BE A DIVISIVE TIME FOR THE BOARD BECAUSE WHAT IS BEING DISCUSSED IT JUST TOO CRITICAL AND TO IMPORTANT TO ALL.

CHANCELLOR HAWKINS AGREED WITH MR. CROWELL'S STATEMENT AND SAID THE PLEASURE FOR THOSE ON THE STAFF IN WORKING WITH THE BOARD FOR THE PAST TWENTY-FIVE YEARS HAS BEEN CONGRUENT AND IT IS THE ADMINISTRATION'S INTENT TO KEEP IT SO. CHANCELLOR HAWKINS CONTINUED BY SAYING THAT EVERYONE IS DOING EVERYTHING WE CAN TO RIGHT-SIZE, BE GOOD STEWARDS, AND TO MAXIMIZE RESOURCES. HE SAID THAT THE ADMINISTRATION WILL CONTINUE TO BE GOOD STEWARDS. AT THIS TIME THERE WAS DISCUSISON ABOUT STATE APPROPRIATIONS.

TO SUMMARIZE THE MOTIONS THUS FAR, MR. HARRISON SAID HE HAD MADE A MOTION ON BEHALF OF THE FINANCE COMMITTEE TO APPROVE THE BUDGET. HIS MOTION RECEIVED A SECOND AND DISCUSSION FOLLOWED.

FOR FURTHER CLARIFICATION, THE CHAIR STATED THAT A MOTION WAS MADE BY MR. HARRISON AND SECONDED. THEN A SUBSTITUTE MOTION WAS MADE BY MR. HIGGINS. MR. HIGGINS' SUBSTITUTE MOTION WAS FOR THE BOARD TO TABLE THE FOUR PERCENT INCREASE MOTION WHILE THE CHANCELLOR IS GIVEN THE OPTION TO INCREASE TUITION UP TO THREE PER CENT AND THEN THE BOARD WILL REVISIT THE BUDGET AND VOTE ON IT AT ITS JULY MEETING. IN RESPONSE TO THE CHAIR'S QUESTION, MR. HIGGINS AGREED THAT THE CHAIR DID QUOTE THE SUBSTITUTE MOTION CORRECTLY. THE CHAIR ADDED THAT THE MOTION WAS MADE AND DR. D. HAWKINS PROVIDED A SECOND.

IN CONCLUSION, THE CHAIR SAID THAT THERE IS A SUBSTITUTE MOTION TO TABLE THE FOUR PERCENT INCREASE MOTION WHILE THE CHANCELLOR IS GIVEN THE OPTION TO INCREASE TUITION UP TO THREE PER CENT AND THEN THE BOARD WILL VOTE ON THE BUDGET AT ITS JULY MEETING.

THE CHAIR CALLED THE QUESTION AND THE FOLLOWING VOICE VOTE WAS TAKEN:

Senator Dial – No
Mrs. Karen Carter – No
Mr. Ed Crowell – Yes
Mr. Roy H. Drinkard – Yes
Mr. John Harrison – No
Dr. Doug Hawkins – Yes
Mr. Lamar P. Higgins – Yes
Mr. Forrest Latta – Yes
Mr. Gibson Vance – No
Mr. Charles Nailen – Yes
Mr. Allen Owen – No

THE CHAIR STATED THE VOTE WAS SIX VOTES FOR AND FIVE AGAINST. THE SUBSTITUTE MOTION CARRIED IN REGARD TO RESOLUTION NO 2.

Resolution No. 2

Changing the Tuition Rates and Fee Structure

WHEREAS, Troy University received an increase of \$776,000 in its state appropriations for the fiscal year 2013-2014, and is expected to receive an increase of \$170,000 for the fiscal year 2014-2015 totaling approximately 20% of budgeted revenue; and

WHEREAS, Troy University has become a self-reliant, tuition driven institution, only through good stewardship of its resources, sound financial management, and its entrepreneurial spirit has it been able to not only sustain itself during a declining economy but advance its mission; and

WHEREAS, Troy University's current tuition structure is as follows; and

1. Undergraduate per credit hour tuition - \$264
2. Graduate per credit hour tuition from - \$338
3. Global Campus Troy tuition - undergraduate per credit hour tuition - \$240 In-Class; \$308 On-Line
4. Global Campus Troy tuition - graduate per credit hour tuition - \$325 In-Class; \$460 On-Line

WHEREAS, Troy University's current fee structure is as follows; and

1. Student dining fee of \$ 250 per term for Troy campus students taking 9+ cr. hr.'s (unless all 9 are online)
2. General Fee - \$35.00 per credit hour

WHEREAS, Troy University's proposed tuition structure is as follows; and

1. Undergraduate per credit hour tuition - \$273
2. Graduate per credit hour tuition from - \$366
3. Global Campus Troy tuition - undergraduate per credit hour tuition - \$250 In-Class; \$326 On-Line
4. Global Campus Troy tuition - graduate per credit hour tuition - \$330 In-Class; \$488 On-Line

WHEREAS, Troy University's proposed fee structure is as follows; and

1. Student dining fee of \$ 250 per term for Troy campus students taking 9+ cr. hr.'s (unless all 9 are online)
2. General Fee - \$39.00 per credit hour

THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES that Troy University proposes to increase the tuition and fee structure, as proposed, with the understanding that the Chancellor is authorized to set the final rate at some date after the legislative budget process is final.

o Resolution No. 3—Investment Policy

Dr. Bookout briefed the Board members on the proposed investment policy being presented for consideration today. He stated that the proposed investment policy would expand the current investment policy to include funds held for investment with the goal to:

- Allow the University's non- operational funds to be invested to earn a maximum total return.
- Preserve the purchasing power of non-operational funds held for investment while generating an income stream to support the needs of the University.
- Correlate the investment policy with the investment policy of the Troy University Foundation within the constraints of the Code of Alabama.

Dr. Bookout responded to comments and questions from Board members.

Mr. Harrison advised that the proposed Investment Policy will align the University's investment policy along with that of the Troy University Foundation giving more flexibility regarding investments. After discussions the Finance Committee offered the following Investment Policy for approval by the full Board.

ACTION: MR. HARRISON MADE A MOTION TO APPROVE THE INVESTMENT POLICY AS PRESENTED. A SECOND WAS PROVIDED BY MR. DRINKARD. THE CHAIR RECOGNIZED MR. VANCE WHO PROPOSED AN AMENDMENT TO THE POLICY STATING THAT THE BOARD RECEIVE A REPORT AT EVERY BOARD MEETING AS TO THE CURRENT STATUS OF INVESTMENTS. HE ADDED THAT HE BELIEVES IT IS INCUMBENT ON THE BOARD TO RECEIVE PERIODIC STATUS REPORTS. MR. HARRISON SUGGESTED THAT QUARTERLY REPORTS BE PROVIDED TO BOARD MEMBES.

TO SUMMARIZE THE AMENDED MOTION, THE CHAIR STATED THAT THE FINANCE COMMITTEE SHALL ADVISE EACH BOARD MEMBER OF THE INVESTMENT POLICY PROCEDURES, INCOME/LOSS QUARTERLY BY ELECTRONIC MEANS. THE CHAIR SAID THAT THERE IS A MOTION TO AMEND THE INVESTMENT POLICY BEFORE THE VOTE. ON MR. VANCE'S MOTION TO AMEND THE INVESTMENT POLICY, A SECOND WAS PROVIDED BY MR. HIGGINS. THE AMENDMENT PASSED.

FOLLOWING APPROVAL OF THE AMENDMENT, THE CHAIR ADDED THAT MR. HARRISON HAD MADE A MOTION TO ADOPT THE INVESTMENT POLICY (RESOLUTION NO 3) AS AMENDED. WITH A SECOND FROM MR. DRINKARD, THE INVESTMENT POLICY, AS AMENDED. WAS ADOPTED.

Resolution No. 3

Investment Policy

WHEREAS, the objective of Funds Held for Investment by the University is to earn a maximum total return that preserves the purchasing power of non-operational funds held for investment while generating an income stream to support the needs of the University; and

WHEREAS, the current University Investment policy limits investment opportunities to fixed income and marketable securities to include:

- Direct obligations of the United States of America of obligations unconditionally guaranteed as to the principal and interest by the United States of America.
- Obligations of any agency or instrumentality of the United States of America.
- Repurchase agreements secured by the U.S. Government and Agency obligations.
- Shares in externally managed money-market funds, specifically approved by the Board.
- Certificates of deposit with commercial banks secured as required and approved as depositories by the Board.

WHEREAS, in order to invest University Funds Held for Investment into investment vehicles that allow such funds to achieve greater returns on investment providing an opportunity for superior total returns within acceptable levels of risk and volatility it is advantageous for the University to adopt a new Investment policy that also allows the Chancellor and the Senior Vice Chancellor for Finance and Business Affairs to transfer periodically a portion of the University's Funds Held for Investment to the Troy University Foundation to be invested in accordance with its investment policy as directed by its Stewardship Committee and approved by its Board of Directors; and

WHEREAS, the Foundation has a structured investment policy established by its Board of Directors and managed by its Stewardship Committee to maximize investment earnings within specified risk parameters, prudently invest assets in a high quality, diversified manner and emphasize the preservation of capital plus above average rates of return on investment to the appropriate set allocation between fixed income and equity securities based upon the needs of the University; and

WHEREAS, the proposed University Investment policy is in compliance with the Code of Alabama Section 16-13-2 Investment of endowed funds held by State Board of Education and trustees of state institutions with authority granted to the State Board of Education and the board of trustees of all state institutions respectively, where education is a part of the program of the institution, to invest and reinvest endowment funds and **funds held for investment**; and

BE IT FURTHER RESOLVED THAT, the Board of Trustees approves the proposed University Investment policy.

- **Student Affairs Committee, Honorable Lamar P. Higgins**

- **Chair's Report—Mr. Higgins**

Mr. Higgins reported that the Student Affairs Committee met on May 7 on the Troy Campus. At this time, Mr. Higgins took the opportunity to present Resolution 4 commending SGA President Cody Farrill for his outstanding service as president. Mr. Higgins presented a motion to accept Resolution No. 4 by acclamation.

ACTION: HAVING RECEIVED A MOTION FROM MR. HIGGINS TO ADOPT RESOLUTION NO. 4 COMMENDING SGA PRESIDENT CODY FARRILL, THE CHAIR CALLED FOR A SECOND TO THE MOTION. A SECOND WAS MADE BY MR. CROWELL AND THE MOTION WAS ADOPTED.

- **Resolution No. 4—Honoring Mr. Cody Farrill**

Resolution No. 4

Commending Cody Farrill for his service as SGA president

WHEREAS, Cody Farrill served as President of the Troy University Student Government Association for the 2013-2014 academic year; and

WHEREAS, Mr. Farrill has shown outstanding leadership qualities and has played an integral role in the progress of Troy University; and

WHEREAS, Mr. Farrill's administration was marked by his devotion to serving as a passionate advocate for the student body he represented; and

WHEREAS, Mr. Farrill's creation of an advisory committee of students to consult with campus dining on food quality and choice was an example of his advocacy on behalf of students; and

WHEREAS, Mr. Farrill has done an outstanding job of representing the student body on the Board of Trustees, among the faculty and staff and in the greater community; and

WHEREAS, Mr. Farrill's term as SGA President came to an end during spring semester 2014, marking his fourth consecutive year of service as a member of the Student Government Association;

THEREFORE BE IT RESOLVED, that the Board of Trustees hereby recognizes Cody Farrill for hard work and exemplary leadership of the Student Government Association and wishes him the best for future success.

- **SGA President's Report—Mr. Cody Farrill**

Mr. Farrill thanked the Board for the opportunity to serve the Board as a representative of the student body. He stated that the SGA has accomplished many worthy projects this past year and added that now as a member of the alumni of the university he wanted to call attention to the student recreation project. The SGA passed a resolution which would enable a \$150 per student charge per semester for students to go into a fund to provide a revenue source for a new recreation center to replace Sartain Hall. Mr. Farrill reported that in working with the Student Affairs Committee the resolution was favorably send forward to the Finance Committee. He closed by encouraging that consideration be given in the future to the proposal regarding a new rec center.

In closing Mr. Farrill thanked the Board for its continued support of the students at Troy University.

At this time the Board presented a framed copy of Resolution No. 4 to Mr. Farrill.

- **Athletic Policy Committee, Honorable Allen Owen**

Mr. Owen introduced Mr. Steve Stroud, Associate Athletic Director for External Affairs and called upon him to provide the athletics report.

o **Athletics Report, Mr. Steve Stroud**

Mr. Stroud advised that he had been on board with the University for five weeks and said that his responsibilities include all fundraising and special events, tickets sales and operations, and sponsorship sales. He introduced members of the staff serving in external affairs area. Mr. Stroud noted that fundraising initiatives include the annual fund, sport-specific fund, and capital improvements. Fundraising goals, he said, are simple and include engage more people, building a base of support, and building relationships. In regard to ticket sales and operation, initiatives include sales in season tickets, individual game tickets, and group ticket sales. In reporting on sponsorship sales, Mr. Stroud indicated that Troy sports properties initiatives are maximizing value of all Athletics Department assets and creating unique opportunities for sponsorships.

Mr. Stroud shared with Board members information concerning a number of upcoming summer events to include the Trojan Tour which kicks off June 19th on the Troy Campus and Football 101 set for Saturday, June 21st. The Fall Sports Fan Day is set for August 16th followed by Football appreciation Party in the evening.

Mr. Stroud shared that the women's golf team are the 2014 Sun Belt Conference champions and in men's golf Jared Bettcher received NCAA Tournament individual berth.

A copy of the football schedule was shared with Board members and Mr. Stroud noted that Troy will have six home games and six road game. Troy will open at UAB on August 30th and host Duke on September 6th. He added that Troy will play North Carolina State there in 2015 and will host NC State in 2017.

V. Old Business

• **Bylaw Committee, Honorable Lamar P. Higgins**

Mr. Higgins advised that included in the Board packets is a proposed amendment to the Troy University Board of Trustees Bylaws. The amendment covers (1) Article IV to delete "Long Range Planning" and insert "Institutional Advancement" (2) Article IV, Section 6 by deleting Section 6 and (3) adding the Development and Governmental Affairs as sub-committees under the Institutional Effectiveness Committee. Mr. Higgins also stated that in the draft provided the wording "FTE Equity Funding" should be struck through. Mr. Higgins handed out a revised copy which is reflected below.

ACTION: THE CHAIR CALLED ON MR. HIGGINS WHO MADE A MOTION TO AMEND THE BYLAWS AS REFLECTED IN THE PROPOSAL BELOW. A SECOND WAS MADE MR. NAILEN. THE MOTION TO AMEND THE BYLAWS WAS APPROVED.

HAVING THE APPROVED AMENDED BYLAW BEFORE THE BOARD, THE CHAIR CALLED FOR A MOTION TO APPROVE THE BYLAWS AS AMENDED. MR. HIGGINS MOVED FOR ADOPTION, WITH A SECOND FROM MR. CROWELL. THERE BEING NO FURTHER DISCUSSION THE MOTION TO AMEND THE BYLAWS WAS APPROVED.

o **Report on Committee Structure**

Proposed Amendment to the Troy University Board of Trustees By-Laws

Amend Article IV, delete "Long Range Planning and insert "Institutional Advancement".

Amend Article IV, Section 6 by deleting Section 6 and inserting the following:

Section 6: Institutional Advancement Committee: The Institutional Advancement Committee shall be responsible for review of long-range and strategic plan recommendations; resources required for new academic programs; long term goals and mission statements to assure alignment with

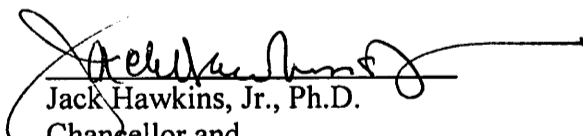
the University's role and scope; facility master plan for the expansion of the University's programs, facilities and campuses; provide assistance and recommendations for the advancement of institutional development and governmental relations. Two sub-committees shall operate under the auspices of the committee: Development and Governmental Affairs. The Development Sub-Committee shall review and assist in fundraising, alumni relations, capital campaigns and special projects, programs and events to increase membership, visibility, cooperation and support among University stakeholders; The Governmental Affairs Sub-Committee shall assist the University in formulating policy related to governmental relations on the local, state and federal levels; review and make recommendations regarding strategy relating to the State Educational Budget, State Capital Bond Issues, and other governmental funding opportunities in accordance with goals developed as developed by the Board and the Administration.

VI. Adjournment

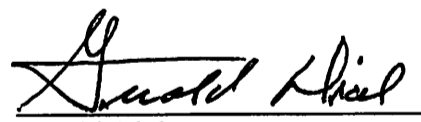
Before adjourning the meeting Senator Dial took the opportunity to introduce the newly appointed Student Government Association President, Matthew Thompson. Senator Dial welcomed Matthew to the Board and shared that Matthew's brother, Will Thompson, also served on the Board during his tenure as SGA President. Matthew expressed his appreciation to the Board on behalf of the students for everything the Board does for the student body and added that he looks forward to working with the Board.

At this time Mr. Vance asked to be recognized by the Chair to make brief comments in regard to tuition increase discussions. Mr. Vance said that when incoming students and their parents begin arriving campus in early June to enroll they will want to know the tuition cost. Therefore, Mr. Gibson proposed that the Board schedule another meeting within the next couple of weeks after the administration has had an opportunity to go back and review the numbers. The Board needs to meet again to vote on the tuition proposal and with certainty advise students and parents of the tuition cost. Senator Dial stated that under the guidelines the Board will be able to call a special meeting and he will discuss with the Chancellor and set a date in the next two weeks in order to make a decision.

There being no further business to come before the Board, the meeting adjourned.



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



Gerald Dial
President pro tempore,
Board of Trustees
Troy University