

MINUTES
BOARD OF TRUSTEES' MEETING
December 12, 2008
General Academic Building
Troy University
Troy, Alabama

The Troy University Board of Trustees met at 1:00 p.m. on December 12, 2008, in the General Academic Building Conference Room on the Troy University Campus in Troy, Alabama.

I. Call to Order

Dr. Doug Hawkins, 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: Dr. R. Douglas Hawkins, Mr. Gerald O. Dial, Mr. Roy H. Drinkard, Mr. John D. Harrison (via telephone), Mr. Lamar P. Higgins, Mr. Forrest Latta, Dr. James R. Andrews (via telephone), Mr. C. Charles Nailen, Mr. Allen E. Owen, III, and Mr. Tim Parr, SGA President (non-voting member). Absent: Governor Bob Riley, Dr. Joe Morton, State Superintendent of Education; and Mr. Milton McGregor.

Following roll call, Mr. Higgins opened the meeting with prayer.

III. Approval of Minutes

A draft copy of the July 25, 2008, minutes was mailed to Board members prior to the meeting. There being no additions or corrections, Dr. D. Hawkins called for a motion to approve the minutes as presented.

ACTION: MR. GERALD DIAL MADE A MOTION TO APPROVE THE MINUTES AS PRESENTED FOR THE JULY 25, 2008, MEETING. A SECOND TO THE MOTION WAS MADE BY MR. ROY DRINKARD. HAVING RECEIVED A MOTION AND SECOND, THE MINUTES (COPIES OF WHICH WERE MAILED TO BOARD MEMBERS PRIOR TO THE MEETING) WERE APPROVED AS PRESENTED.

IV. Reports

A. Chancellor

Chancellor Hawkins summarized the agenda items that would be considered by the Board at today's meeting. Those items included an update on the Southern Association of Colleges and Schools (SACS) reaccreditation visit scheduled for April 2009, the Quality Enhancement Plan (QEP) reading initiative, the Doctorate of Nursing Practice (DNP) level change, and several financial items. The Board will also consider a Conflict of Interest policy as well as hear an update on athletics.

Chancellor Hawkins apprised the Board of several points which included the following:

- The State of Alabama funds 24% of TROY's operating budget and increasingly the university must rely on extramural funding.
- In regard to tuition and fees, Dr. Hawkins said the national level is \$5,400 and Alabama's average is \$5,900. Troy is the lowest funded public institution in Alabama.
- Last year \$75M was generated from outside of Alabama and through Distance Learning.
- In Contracts and Grants last year over \$18M was generated and over \$121M since 1991.
- The Confucius Institute ceremonial opening was held on November 21st in the Hall of Honor.
- Enrollment remains strong. Despite tuition increases in the Fall of 2008, enrollment remains steady with 29,495 students compared to 29,580 in the Fall of 2007.
- Credit hour production remained steady at over 260,000 course hours.

- Enrollment growth continues on the Troy Campus at about 5.1%. eCampus at 100%; and Dothan Campus approximately 2.6%.
- An update was given on eConnections initiative. This is a program where Troy University is working with Alabama's two-year colleges to provide an opportunity to students who graduate from the two-year institutions to pursue a baccalaureate without leaving home. Dr. Hawkins thanked Mr. Drinkard for his involvement in bringing this initiative to this point.
- In regard to faculty salaries, Dr. Hawkins stated that the university's long-term goal is to raise salaries to the SE Regional average in order to be competitive.
- An update was given on the Doctorate of Nursing Practice (DNP) and Dr. Hawkins said a \$225K commitment has been made to the nursing program.
- It was noted that in January 2009 an orientation to the Southern Association of Colleges and Schools (SACS) site visit is scheduled in Atlanta with key SACS team members. The university's Quality Enhancement Plan is to be submitted to SACS in February and in December 2009 SACS will vote on reaffirmation. In January 2010 an additional SACS team will review the progress on the DNP. SACS site visits are scheduled to begin in February of 2009 at Vietnam and Malaysia and conclude in late April at the Troy Campus.
- As a point of pride, Troy University is the first university to receive the Alabama Quality Award (AQA). The AQA recognizes organizations which use effective productivity and quality improvement strategies. Some other winners have included Boeing, Lockheed Martin, and Air Force Missile Defense Office. The AQA is administered by the Alabama Productivity Center.
- Additional recognitions include the induction in late May of 2009 of Coach Larry Blakeney into the Alabama Sports Hall of Fame, Troy University being named as a "Best Buy" by GetEducated.com, receipt of the Mark of Excellence Award from the Society of Professional Journalists Southeast Region, and the recognition of the TV station as most prestigious award for campus TV news.
- In governmental relations, the Trustee bill has been pre-filed for 2009 Legislative Session. The Council of Presidents adopted a UBR agreement recently to return to FY 08 funding levels plus mandated costs.
- An update was given on plans for a future arena.
- Future Board meetings have been set in 2009 for March 5-6 for the
- Joint Retreat with the Troy University Foundation, May 8, July 24, and November 21.
- In conclusion, Dr. Hawkins advised that the Troy Trojans will play in the New Orleans Bowl on December 21st.

B. Financial Report, Mr. Jim Bookout

Before beginning his report, Mr. Bookout introduced and welcomed to the staff the University's new Controller, Ms. Tara Donaldson, who comes to Troy University from Central Alabama Community College.

Mr. Bookout's report covered the 2008 financial reports for year ending September 30, 2008; property acquisitions; and a budget reduction strategy. The financial statements included a condensed statement of net assets, revenues, and expenses. Mr. Bookout pointed out that the financial report presented today for the most recent fiscal year end is marked "draft" since it has not been audited by the State Examiner's office. In regard to total assets, Mr. Bookout stated that the university's total assets total \$314,870,829. In conclusion, Mr. Bookout gave a detailed comparison of revenues versus expenditures for 2008 and said overall it was a very good year.

Mr. Bookout highlighted several property acquisitions on Collegedale Street, the Wachovia Bank Building, the Parklane Shopping Center, and Elm Street properties.

In regard to the proposed budget actions for FY 2009 and 2010, Mr. Bookout said as a result of the continuing concerns at both the state and national levels, the University feels it needs to take a conservation stance as it moves forward into 2009 & 2010. But rather than eliminating programs, eliminating positions, freezing vacant positions, reducing travel, etc., our history of good stewardship with resources as well as our success in creating efficiencies will allow the university to ride the crest of the recession through 2010 but initiating a few strategic budget reduction actions. Mr. Bookout outlined some of the proposed budget reduction actions. He responded to questions/comments from Board members.

C. Board Committee Reports

○ **Academic Affairs Committee, Honorable Gerald Dial**

• **SACS Update**

Dr. Ed Roach, Executive Vice Chancellor and Provost, was called upon to give an update on the Southern Association of State Colleges and Universities (SACS). He mentioned that at the SACS meeting in San Antonio, Texas, the vote was to approve Troy University's proposal for a level change that will authorize the University to offer up to three doctoral programs. This represents a significant accomplishment and will be a milestone in the history of Troy University. Dr. Roach expressed appreciation to Graduate Dean Dr. Dianne Barron, Dr. Edith Smith, and Dr. Bernita Hamilton and her team for the tremendous job they did in submitting a very good level change proposal.

The SACS off-site team has found our university to be in compliance with many vital requirements, including our financial picture. Our academic area was viewed positively, as well as the academic support services, library resources, strategic planning and other core areas. The on-site team will conduct additional reviews of our faculty resources, institutional effectiveness and will verify supporting documentation.

Dr. John Dew was commended on the fine job he has done in leading the University in its SACS reaccreditation efforts.

• **QEP Report**

Dr. Roach gave an update of our Quality Enhancement Plan (QEP) which is called "Creating a Culture of Reading." The plan is in the final stages of preparation and will be sent to the Southern Association in early February. The on-site will review the plan in the upcoming visit. Dean Eleanor Lee was commended in the outstanding leadership she is providing in this initiative.

• **University Accreditations**

Dr. Roach mentioned that the ACBSP visit to the Sorrell College of Business was made in November and we have received notification that all business programs of Troy have been reaccredited.

In the College of Education, NCATE accreditation team visit was made in October and it is a two-step process which includes a review of certification programs by the Alabama Department of Education and the second step involves the NCATE team for compliance with six accreditation standards. The report indicated that the University passed all six of those standards and now it will go in April before the NCATE Board for a formal vote. It will also be placed on the March agenda for the State Department of Education. Upon completion of the process our programs will be accredited through 2015.

Another accreditation visit involves the Council for Accreditation for Counseling and Related Educational Programs (CACREP). This particular accreditation visits are site specific.

In response to an inquiry regarding the use of Remote Proctor technology, Dr. Roach provided an update on this process.

○ **Finance Committee, Honorable Roy H. Drinkard**

• **Report on Property Acquisition**

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Mr. Drinkard introduced Resolution No. 1 and called upon Mr. Bookout who gave a brief overview.

• **Resolution No. 1 - Transfer of Surplus Assets to State Funded Agencies**

RESOLUTION NO. 1

ACTION: MR. GERALD DIAL MADE A MOTION TO ADOPT RESOLUTION NO. 1. A SECOND TO THE MOTION WAS MADE BY MR. ROY H. DRINKARD. THERE BEING NO FURTHER DISCUSSION, RESOLUTION NO. 1, WHICH FOLLOWS, WAS UNANIMOUSLY ADOPTED BY THE BOARD.

RESOLUTION NO. 1

**Troy University
Transfer of Surplus Assets to State Funded Agencies**

WHEREAS, Troy University is required to dispose of surplus property in accordance with the Code of Alabama 1975, Title 41, Article 6 (Sections 41-16-120 through 125); and

WHEREAS, the code requires a formal sale to the general public of equipment and certain furnishings which have been deemed as no longer providing a benefit to the mission of the University; and

WHEREAS, Troy University periodically desires to supply other government agencies with needed equipment and furnishings; and

WHEREAS, the Board of Trustees has the authority (Sections 16-56-2 and 16-56-7) to dispose of property as it may deem in the best interest of the university.

THEREFORE BE IT RESOLVED by the Board of Trustees of Troy University to authorize the University to transfer surplus equipment and furnishings in good working condition, in lieu of a formal public sale. Examples include, but are not limited to, band instruments, school desks, office desks and science equipment. The process shall be implemented by the Department of Asset Management under the supervision of the Senior Vice Chancellor for Finance & Business Affairs.

• **Resolution No. 2 - On State Appropriations for the University**

Mr. Drinkard called upon the Chancellor to summarize the resolution before the Board. Following the Chancellor's comments, the following action was taken.

RESOLUTION NO. 2

ACTION: A MOTION TO ADOPT RESOLUTION NO. 2 WAS MADE BY MR. ROY H. DRINKARD. A SECOND WAS PROVIDED FROM MR. FOREST LATTA. IN DISCUSSION, MR. ALLEN OWEN INQUIRED AS TO HOW WE WILL USE RESOLUTION 2. THE CHANCELLOR RESPONDED THAT AS MEETINGS ARE HELD WITH LEGISLATORS IT WILL BE ESSENTIAL TO CONTINUE TO STRESS EQUITY FUNDING. THERE BEING NO FURTHER DISCUSSION, RESOLUTION NO. 2, WHICH FOLLOWS, WAS APPROVED BY UNANIMOUS VOTE.

RESOLUTION NO. 2

On State Appropriations for Troy University

WHEREAS, the Board of Trustees is aware of the economic condition of our State and the likelihood of proration in the current FY '09 Education Trust Fund Budget, as well as possible cuts in the FY '10 ETF Budget; and

WHEREAS, the Board of Trustees is aware that the State's Universities received cuts in the Education Trust Fund of 11-15%, and the Post-Secondary System received cuts of 4.5-8%, and the State Department of Education was cut 3%; and

WHEREAS, the Board of Trustees believes that cuts in the Education Trust Fund be equitable; and

WHEREAS, The mandated cost of TRS and PEEHIP for university retirees was not funded in addition to the reduction in the O&M, Troy University's overall cut equaled \$9.3 million; and

WHEREAS, Troy University should receive \$12 million in equity funding, a funding initiative supported by the Governor and an agreement reached with the Alabama Legislature; and

WHEREAS, the Board of Trustees agrees with the Council of Presidents that funding for our State's Universities should be restored to FY '08 levels and mandated costs be included as well;

THEREFORE, BE IT RESOLVED, that the Board of Trustees most strongly requests that the Governor mandate that FY '08 funding for Troy University be restored, including mandated costs;

AND BE IT FURTHER RESOLVED, that equity funding authorized by the Legislature of the State of Alabama be made available to provide a quality education for the citizen's of Alabama, and to support the role and mission of Troy University.

○ **Athletics Committee, Honorable Allen Owen**
● **Athletics Report**

Mr. Owen called upon Athletics Director Steve Dennis to update the Board on athletics activities. Mr. Dennis talked about fundraising efforts and said that the main fundraising source this year was the Trojan Warrior Booster Club with 600 members that has generated \$400,000. Through the Trojan Shield Society \$135,000 has been generated from Planned Giving for athletics.

From an academic stand point, the final numbers are being finalized in regard to the Academic Performance Rate (APR). We anticipate our results to be outstanding.

In regard to community service efforts, Mr. Dennis provided an update on student-athlete initiatives in the community which included a canned goods drive that was very successful.

An update was given on our Bowl participation and Mr. Dennis commended Coach Blakeney and his staff for their outstanding leadership.

○ **Executive Committee, Dr. Doug Hawkins**
● **Resolution No. 3 - Conflict of Interest Policy**

Chancellor Hawkins was called upon to introduce Resolution No. 3. He indicated that the resolution is to satisfy as SACS requirement.

RESOLUTION NO. 3

ACTION: MR. DIAL MADE A MOTION TO APPROVE RESOLUTION NO. 3 WHICH FOLLOWS. A SECOND TO THE MOTION WAS PROVIDED BY MR. HIGGINS. THERE BEING NO FURTHER DISCUSSION, RESOLUTION NO. 3 PASSED.

RESOLUTION NO. 3

Troy University Conflict of Interest

WHEREAS, the Troy University Board of Trustees leads by example and works in the best interest of the University; and

WHEREAS, the Board of Trustees is not controlled by a minority of Board members nor is it controlled by organizations or interests separate from the Board; and

WHEREAS, the Trustees comply with the ethics requirements of Alabama, including annual filing of a statement of financial interests (Code of Alabama, Section 36-25-14); and

WHEREAS, the Trustees serve in a position of great responsibility and trust, and must comply with the State ethics laws (Code of Alabama, Section 36-25-2).

THEREFORE BE IT RESOLVED by the Board of Trustees of Troy University to further demonstrate fidelity to the University by adopting the following "conflict of interest" statement as Article VI of the Bylaws of the Board of Trustees for Troy University.

Conflict of Interest Policy Statement
12/12/08

It is the policy of the Troy University Board of Trustees that all members of the Board must exercise their responsibilities in managing the affairs of the institution in such a fashion and atmosphere that they continuously demonstrate that their decisions are based solely on the best interests of the institution. The Board wishes to guard against those actions that are illegal and improper as well as those that may create the appearance of impropriety. In order to avoid any potential or real conflict of interest involving the position of a Trustee of Troy University and any business or economic interest which said member of the Board has, the Board member shall fully and publicly disclose said interest and will not participate in the discussion, debate, or voting upon said matter. Said disclosure shall be duly noted in the minutes

of the meeting of the Board of Trustees or committee, if appropriate. The Board of Trustees, or a duly charged committee thereof, has the responsibility for administering the disclosures required in this conflict of interest policy statement.

A member of the Board of Trustees shall not use his or her position on the Board to profit financially from any service on the Board, except by receiving normal and customary reimbursement for expenses for service.

- **Resolution No. 4 -Commending Retiring Faculty and Staff**

Dr. Doug Hawkins called for a motion on Resolution No. 4 commending retiring faculty and staff. The following action was taken.

RESOLUTION NO. 4

ACTION: MR. GERALD DIAL MADE A MOTION TO ADOPT RESOLUTION NO. 4. A SECOND TO THE MOTION WAS MADE BY MR. ALLEN OWEN. THERE BEING NO FURTHER DISCUSSION, RESOLUTION NO. 4, WHICH FOLLOWS, WAS UNANIMOUSLY ADOPTED BY THE BOARD.

RESOLUTION NO. 4

Commending 2008 Retiring Faculty and Staff

WHEREAS, the following Troy State University faculty and staff members retired or will retire on the specified date:

FACULTY:

Joanne Bryant, Professor, Arts and Sciences, Montgomery Campus, August 1, 2008; Dr. Frank Allen Dennis, Professor of History, College of Arts and Sciences, Troy Campus, June 1, 2008; Adair Gilbert, Dean, School of Business, Dothan Campus, June 1, 2008; Patricia Hardin, Professor of Curriculum and Teaching, College of Education, Troy Campus, July 31, 2008; Peter Hefron, Associate Professor, Instructional, Pacific Region, Global Campus, January 1, 2008; James Holstead, Project Manager, Student Services, Southeast Region, Global Campus, May 1, 2008; Leslie Medlock, ESL Teacher, International Programs, Troy Campus, August 1, 2008; Ray Edward Moody, Accounting Lecturer, Sorrell College of Business, Troy Campus, June 1, 2008; Dr. Darrell Pearson; Dr. Fred Viohl, Interim Director/Graduate Business Programs, Sorrell College of Business, Troy Campus, August 1, 2008; Dr. Mary Ann Tighe, Professor of English, College of Arts and Sciences, Troy Campus, August 1, 2009;

STAFF:

James M. Clower, Director of Radio/TV, Troy Campus, April 1, 2008; Bonnie Money, Phototypesetter Operator, Creative Services, August 1, 2008, Troy Campus; Mary Kathryn Devlin, Associate Registrar, Phenix City Campus, August 1, 2008; Michael Fairfield, Electronic Engineer, Department of Radio/TV, Troy Campus, March 1, 2008; Gisela Ford, Assistant to the Director, Institutional Support, e-Army ; Jimmy Holley, Coordinator for Continuing Education, Troy Campus, January 1, 2008; Jonua Byrd, Director of Financial Aid, Dothan Campus, January 2, 2008; Harry Willis, Equipment Operator, Grounds Maintenance, Dothan Campus, May 1, 2008; Jeannie Ann Kilbourne, Mary D. Lee Clerk Stenographer III, Enrollment Services, Troy Campus, January 1, 2008; Arthur Folmar, Post Office Supervisor, Troy Campus, January 1, 2008; Douglas C. Patterson, Senior Vice Chancellor for Administration, Troy Campus, January 1, 2008; Dr. Cameron J. Martindale, Senior Vice Chancellor for Advancement and External Relations, Troy Campus, January 1, 2008; Kathy A. Young, Assistant Director of Academics, Global Campus, Fort Walton Beach, Florida Campus, January 1, 2008.

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.

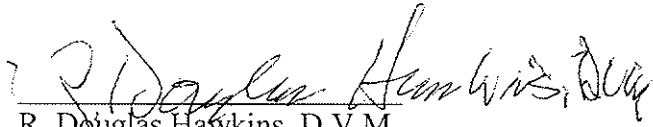
BE IT FURTHER RESOLVED, that an appropriate certificate be sent to the aforementioned as evidence of this recognition of his/her service to the university.

V. Other

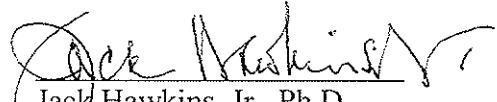
There was no further action to come before the Board.

VI. Adjournment

With no further business, the Board meeting adjourned on a motion by Mr. Higgins with a second by Mr. Owen.



R. Douglas Hawkins, D.V.M.
President Pro Tempore, Board of Trustees
Troy University



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