

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

**SEPTEMBER 12, 2014
10:30 A.M.**

**FREDERICK P. WHIDDON ADMINISTRATION BUILDING
SUITE 130, BOARD ROOM**

MINUTES

ITEM

Approve: [Revised Agenda](#)

1 Approve: [Minutes](#)

2 Report: [President's Report](#)

3 Approve: [Amendments to Bylaws of the Board of Trustees](#)

HEALTH AFFAIRS COMMITTEE

4 Approve: [USA Hospitals Credentials – May, June and July 2014](#)

5 Report: Health System and Health Sciences

6 Report: USA Mitchell Cancer Institute

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

7 Report: Academic Affairs

8 Approve: [Professors Emeritus](#)

9 Approve: [Commendation of Dr. Carl C. Moore](#)

10 Approve: [Amendments to Resident and Non-Resident Tuition Policy](#)

11.A Approve: [Authorization to Negotiate and Sign Contract Extension for Food Services](#)

BUDGET AND FINANCE COMMITTEE

12 Report: Quarterly Financial Statements, Nine Months ended June 2014

12.A Approve: [USA Research and Technology Corporation Directors](#)

13 Approve: [University Total Budget, 2014-2015](#)

14 Approve: [Salary Increase](#)

AUDIT COMMITTEE

15 Report: KPMG Auditors

15.A Report: Independent Audit of the USA Foundation Consolidated Financial Statements and the Disproportionate Share Hospital Funds Combined Financial Statements, June 2014 and 2013

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

16 Report: Endowment and Investments

17 Report: Development and Alumni Relations

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

**September 12, 2014
10:30 a.m.**

A meeting of the University of South Alabama Board of Trustees was duly convened by Dr. Steve Furr, Chair *pro tempore*, on Friday, September 12, at 10:31 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Trustees Present: Chandra Brown Stewart, Scott Charlton (phone), Tom Corcoran, Steve Furr, Ron Jenkins, Bettye Maye, Arlene Mitchell, Bryant Mixon, John Peek, Jimmy Shumock, Ken Simon, Sandy Stimpson, Steve Stokes, Mike Windom and Jim Yance.

Trustee Absent: Robert Bentley.

Administration and Others: Beth Anderson, Owen Bailey, Joe Busta, Arlen and Diane Chase (UCF), Lynne Chronister, Sharon Davis, Kimberly Eblen, Joel Erdmann, Julie Estis (Faculty Senate), Michael Finan, Ron Franks, Philip Friedlander, Happy Fulford, Suzanne Goins, Ingrid Hagen, Johnson Haynes, Jeffrey Hamilton, Joanne Hamilton, Julie Hamilton, Stan Hammack, David Johnson, Sytske Kimball, Jordan Knight, Jan-Louw Kotze, Eric Loomis, Arnold Luterman, Joanna McCoy, Todd McDonald, Jason Mendel, Ross Metheny, Juliann Miller, Abe Mitchell, Carl Moore, Coleman Moore, Ryan Onkka, Alex Page, Michael Pienaar, Ryan Pope, Bill Richards, Tim Sherman, Mike Saxon (AL Power), Steve Simmons, John Smith, John Steadman, Lars Tatom, Eleanor ter Horst, Beth Thomas (AL Power), Jean Tucker, Tony Waldrop, Reginald Walker (AASA), Danielle Watson (SGA), Kevin West (Faculty Senate), Erikka Williams, Matt Wojciechowski, Bob Wood and Kelly Woodford (Faculty Senate).

Press: Letisha Bush (WALA), Sally Ericson (*Press-Register/al.com*), Josh Harlan (WALA), Dale Liesch (*Lagniappe*), Chad Petri (WKRG) and Jasmine Williams (WPMI).

Upon the call to order, Chairman Furr thanked Trustees and guests for joining and called for adoption of the revised agenda. On motion by Mr. Peek, seconded by Mr. Windom, the revised agenda was approved unanimously. Chairman Furr called for approval of **ITEM 1**, the minutes of the Board of Trustees meeting held on June 6, 2014, and of the Committee of the Whole meeting held on June 5, 2014. On motion by Dr. Stokes, seconded by Mr. Peek, the minutes were approved unanimously.

Chairman Furr recognized Judge Simon for his appointment by the Alabama Supreme Court to the Alabama Pattern Jury Instructions Committee – Civil, and Dr. Franks for his role as President of the Medical Association of the State of Alabama. He introduced Mr. Jeffrey Hamilton, USA Board of Trustee Scholar – the first to be named since announcement of the scholarship at the June 6 Board meeting. He discussed the scholarship criteria, as well as Mr. Hamilton's academic

credentials, and presented him with a plaque commemorating the award. Also introduced were Mr. Hamilton's mother and sister, Mss. Joanne and Julie Hamilton. Mr. Hamilton thanked the Board for their support and expressed enthusiasm for his next four years as a USA student.

Chairman Furr called upon President Waldrop for delivery of **ITEM 2**, the President's Report. President Waldrop thanked the members of the President's Administrative Council for welcoming him to the University and for their roles in developing the Institution. He introduced nationally respected archaeologists and close personal friends from the University of Central Florida Dr. Diane Chase, Executive Vice Provost and Professor of Archaeology, and Dr. Arlen Chase, Associate Dean of the College of Sciences and Professor of Anthropology. Also introduced were Drs. Julie Estis, Kevin West and Kelly Woodford, Faculty Senate President, Vice President and Secretary, respectively. President Waldrop recognized Ms. Danielle Watson, SGA President, who the Alabama Higher Education Partnership recently named as *STARS Coordinator* for her leadership role in and promotion of Higher Education Day. He introduced Mr. Reginald Walker, AASA Vice President.

President Waldrop shared details on two fundraising events to be held on campus – the *Heart Walk* benefiting the American Heart Association set for Saturday, September 13, and the 4th Annual *GO Run* on Saturday, September 20, a benefit to raise money for gynecologic oncology research at the Mitchell Cancer Institute (MCI).

President Waldrop called for a report from Dr. Erdmann. Dr. Erdmann was joined by 14 of 39 student athletes who earned a 4.0 grade point average in the 2014 spring semester. The athletes were asked to introduce themselves and share their team affiliations, majors and hometowns. Flyers listing all 39 student athletes were made available to Trustees and guests. Dr. Erdmann talked about upcoming USA games and broadcasts, including the home football game against Mississippi State on September 13.

President Waldrop acknowledged Mss. Suzanne Goins, Sharon Davis, Frances Henson and Monica Curtis for the roles they serve in the President's Office. He introduced a video montage of various ALS ice-bucket-challenge participants, which featured Dr. Erdmann, President Tony Waldrop and Dr. Julee Waldrop, senior administrators and deans.

Chairman Furr presented **ITEM 3** as follows (for copies of policies and other authorized documents, refer to **APPENDIX A**). On motion by Ms. Mitchell, seconded by Mr. Shumock, the resolution was approved unanimously:

**RESOLUTION
AMENDMENTS TO BYLAWS OF THE BOARD OF TRUSTEES**

WHEREAS, Article VIII of the Bylaws of the University of South Alabama Board of Trustees provides that "the bylaws may be amended or repealed at any meeting of the Board by eight members of the Board voting in favor of same, but no such action shall be taken unless notice of the substance of such proposed adoption, amendment or repeal shall have been given at a previous meeting or notice in writing of the substance of the proposed change shall have been served upon each member of the Board at least thirty (30) days in advance of the final vote upon such change. However, by unanimous consent of the entire Board, the requirements for such notice may be waived," and

WHEREAS, a copy of the proposed amended bylaws was mailed to each member of the Board on August 13, 2014, and

WHEREAS, the proposed amended bylaws (a copy of which is attached hereto and incorporated by reference herein) are presented for the Board's consideration of approval, a vote of eight members being necessary to adopt such amendments, and

WHEREAS, the foregoing actions comply with the notice requirements of Article VIII, pertaining to amendment of the bylaws, and

WHEREAS, the Board, after due consideration and deliberation, has determined that the proposed amendments are in the best interest of the efficient operation of the Board in carrying out its role and responsibilities to the University,

THEREFORE, BE IT RESOLVED, the Board of Trustees approves and adopts the Bylaws of the Board of Trustees as amended.

Chairman Furr called for a report from the Health Affairs Committee. Dr. Stokes, Committee Chair, said, at its meeting on September 11, the Committee recommended authorization of **ITEM 4** as follows by the Board of Trustees. Chairman Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS
FOR MAY, JUNE AND JULY 2014**

WHEREAS, the Medical Staff appointments and reappointments for May, June and July 2014 for the University of South Alabama Hospitals are recommended for Board approval by the Medical Executive Committees and the Executive Committee of the University of South Alabama Hospitals,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama approves the appointments and reappointments as submitted.

Dr. Stokes called on Dr. Franks, who recognized USA's four physicians who were named among the nation's top doctors by *U.S. News and World Report*. He introduced and provided biographical highlights on the work of Dr. Michael Finan, Associate Director for Clinical Affairs and Professor of Interdisciplinary Clinical Oncology at the MCI, who also serves as Chief of Gynecologic Oncology; Dr. Johnson Haynes, Professor of Internal Medicine and Director of USA's Comprehensive Sickle Cell Center who also serves as Assistant Dean for the College of Medicine's Office of Diversity and Cultural Competence; Dr. Arnie Luterman, retired Ripps-Meisler Professor of Surgery and Medical Director of USA's Burn Center, which was recently named in his honor; and Dr. William Richards, Professor and Chair of the Department of Surgery who also serves on the MCI surgical team.

Chairman Furr called for a report from the Academic and Student Affairs Committee. Ms. Maye, Committee Chair, said, at its meeting on September 11, the Committee recommended authorization of **ITEM 8** as follows. Chairman Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION
PROFESSORS EMERITUS**

WHEREAS, the following faculty members have retired from the University of South Alabama:

ACADEMIC AFFAIRS:

Roy J. Daigle, Ph.D., Professor of Computer Science
Norris W. Hoffman, Ph.D., Associate Professor of Chemistry
David D. Langan, Ph.D., Professor of Computer Science
Leonard A. Macaluso, Ph.D., Associate Professor of History (*Posthumous*)
Carl C. Moore, Ph.D., Professor of Management
Joseph P. Mozur, Ph.D., Professor of Foreign Languages and Literatures
Joseph A. Nigota, Ph.D., Associate Professor of History (*Posthumous*)
Robert L. Shipp, Ph.D., Professor of Marine Sciences
Frank R. Urbancic, DBA, Professor of Accounting (*Posthumous*)

COLLEGE OF MEDICINE:

Thomas M. Lincoln, Ph.D., Professor of Physiology
Jack W. Olson, Ph.D., Professor of Pharmacology
Glenn L. Wilson, Ph.D., Professor of Cell Biology and Neuroscience

PAT CAPPS COVEY COLLEGE OF ALLIED HEALTH PROFESSIONS:

Zarintaj Aliabadi, PA-C, Pharm. D., Ph.D., Professor of Physician Assistant Studies

and,

WHEREAS, in recognition of their contributions to the University through extraordinary accomplishments in teaching and in the generation of new knowledge through research and scholarship, and for serving as consistently inspiring influences to students, and

WHEREAS, in accordance with University policy, the respective faculty committees, Departmental Chair, College Dean, and the Senior Vice President for Academic Affairs or Vice President for Health Sciences, and the President have duly recommended the aforementioned faculty retirees,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby appoints these individuals to the rank of Professor Emeritus or Associate Professor Emeritus with the rights and privileges thereunto appertaining, and

BE IT FURTHER RESOLVED that the Board of Trustees of the University of South Alabama, in recognition of their extraordinary accomplishments and dedicated service to the University of South Alabama, conveys its deep appreciation to these individuals.

Ms. Maye reported that the Committee recommended approval of **ITEM 9** as follows. Chairman Furr called for a vote and the resolution was approved unanimously. Ms. Maye invited Dr. Carl Moore, retired Dean of the Mitchell College of Business, to stand and Mr. Windom read the resolution. As President Waldrop presented a commemorative resolution to Dr. Moore, Trustees and guests honored him with a standing ovation. Dr. Moore made brief remarks about his 43-year tenure at South Alabama, and he introduced his daughter and USA alumna, Ms. Kimberly Eblen, and his son, Mr. Coleman Moore. Mr. Yance noted that Dr. Moore continues to teach classes:

**RESOLUTION
COMMENDATION OF DR. CARL C. MOORE**

WHEREAS, Dr. Carl C. Moore has served as Dean of the University of South Alabama Mitchell College of Business for twenty-five years, and

WHEREAS, Dr. Moore has taught at the undergraduate, graduate and doctoral levels at the University of South Alabama for 43 years, and

WHEREAS, during his tenure as Dean, he established the Melton Center for Entrepreneurship, the Center for Real Estate Studies and Economic Development, and led the successful launch of the College's Doctorate in Business Administration, and

WHEREAS, Dr. Moore established and maintained excellent donor relationships that led to the renovation of the Mitchell College of Business building, establishment of the Mitchell Scholars Program and construction of the John Saint Financial Analysis Center and the Joseph and Rebecca Mitchell Learning Resource Center, and

WHEREAS, Dr. Moore was instrumental in bringing the Alabama Banking School to USA, guiding the College through successful re-accreditation by the Association to Advance Collegiate Schools of Business, and the initial accreditation of the College's programs in accounting,

THEREFORE, BE IT RESOLVED, that the University of South Alabama Board of Trustees expresses its appreciation to Dr. Carl C. Moore for his many contributions to the University of South Alabama and offers its best wishes upon his retirement.

Ms. Maye presented **ITEM 10** as follows, noting that the Committee voted unanimously to recommend approval. Upon the call for a vote by Chairman Furr, the resolution was approved unanimously:

**RESOLUTION
REVISION TO RESIDENT AND NON-RESIDENT TUITION POLICY**

WHEREAS, the Alabama Legislature has enacted legislation through Act 2014-177 that amends Sections 31-6-2, 31-6-4, 31-6-5, 31-6-6, 31-6-11, and 31-6-15 of the Code of Alabama 1975 relating to post-secondary scholarship benefits for dependents of veterans through the Alabama G.I. Dependents' Scholarship Program, and

WHEREAS, one such amendment requires Alabama institutions of higher learning to assess in-state tuition and fees for recipients of this scholarship, and

WHEREAS, these changes require modifications to the Resident and Non-Resident Tuition Policy at the University of South Alabama, and

WHEREAS, the Board of Trustees of the University of South Alabama supports these modifications as part of the University's ongoing commitment to our service men and women, to our veterans, and to their families,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama approves and adopts the amended Resident and Non-Resident Tuition Policy as set forth in the document attached hereto.

Ms. Maye called upon Dr. Johnson to report on the activities of the Division of Academic Affairs. Dr. Johnson discussed recent faculty appointments and introduced Dr. Eric Loomis, Associate Dean of the College of Arts and Sciences; Dr. Sytske Kimball, Chair of the Department of Earth Sciences; Dr. Lars Tatom, Chair of the Department of Theatre and Dance; Dr. Eleanor ter Horst, Chair of the Department of Foreign Languages and Literature; and Dr. Bob Wood, Dean of the Mitchell College of Business (MCOB). Dr. Wood briefly shared his vision for the MCOB.

Dr. Johnson gave an overview on fall enrollment as Board members viewed corresponding data. He reported a record enrollment of 16,055 students, an increase of 744 students over last year, or 4.9 percent. This enrollment constitutes a milestone in the University's history for having exceeded 16,000 students enrolled. Other enrollment records include 2,073 first-time freshmen; 1,107 new graduate students; 4,023 total graduate students; and 3,285 African-American students. Dr. Johnson said the average freshman ACT score is 22.9, compared to 20.6 in the state and 21.0 in the nation. He broke down the ACT scores of new freshmen who earned scores of 28 and above.

Dr. Johnson identified student retention as an important institutional priority and he discussed a comprehensive plan to increase retention rates, which concentrates on first-year programs and enhancing support for students in academics and student life. He said these efforts are proving effective, as shown by data on freshman students to their sophomore year that demonstrates a six-percent improvement in retention from 65 percent in 2010 to 71 percent in 2013. Dr. Johnson said this is a trajectory the University would continue to pursue. He addressed comments on contributing factors, including college affordability and the ease of transition from high school. He said Dr. Nicole Carr, Director of the Office of Student Academic Success/Retention, tracks retention efforts and trends at other institutions. He talked about efforts to strengthen the advising of first-year students and the use of degree analytic software to help identify students who need help. Judge Simon shared positive impressions on one such retention program, the College of Education's *Educating the African-American Male*. Mr. Peek asked if non-traditional students receive consideration and support, to which Dr. Johnson responded the University offers tailored assistance programs for adult learners as well.

Ms. Maye called upon Ms. Chronister for introduction of a report on cyber security, an area Ms. Chronister said the University's School of Computing has tremendous strength. She introduced Dr. Todd McDonald, Professor, who gave an overview on the Cyber Assurance Program, considered widely as foremost in the state. As Board members viewed a visual summary, Dr. McDonald discussed the faculty and their research backgrounds in forensics, critical infrastructure protection, education and cyber assurance. He stated, for her work, Ms. Becky Base, Chief Strategist for the School of Computing, has garnered national attention in being ranked the #2 *Female Cybersecurity Impact Player* in the August edition of *SC Magazine*. He reported that the program received a \$2.1 million grant from the National Science Foundation, which currently supports 11 scholarships, and said USA's proposal for an Alabama Experimental Program to Stimulate Competitive Research (EPSCoR) grant is under consideration for \$20 million to be awarded. He advised that malware is the primary tool of miscreants to cause harm, and he demonstrated how information systems can be hacked to carry out international acts of terrorism. He detailed the program's four-point research strategy focused on hardware-based protections, side-channel vulnerability analysis, mitigating lifecycle/supply chain risks and zero

day rootkit/malware detection. Judge Simon asked what individuals are involved in research pursuits. Dr. McDonald said faculty, graduate students and some undergraduates participate in research, as do other universities. He added that *Research Experiences for Undergraduates* (REU) grants from the National Science Foundation are expected in the future.

Ms. Maye described **ITEM 11.A** as follows, noting that the Academic and Student Affairs Committee voted unanimously to recommend approval by the Board of Trustees. Chairman Furr called for a vote, and the resolution was approved unanimously:

RESOLUTION
AUTHORIZATION TO NEGOTIATE AND SIGN CONTRACT EXTENSION FOR FOOD SERVICE

WHEREAS, the current food service contract with Aramark expires on June 30, 2020, and Aramark has expressed an interest in restructuring the contract if there is an extension of the termination date, and

WHEREAS, financial benefits will accrue to the University from a restructuring and extension of the contract, and

WHEREAS, approval by the Board of Trustees is required to extend the contract,

THEREFORE, BE IT RESOLVED, pursuant to Code of Alabama, Section 41-16-27 (g), the Board of Trustees authorizes the President to negotiate and sign a contract extension with Aramark that is within the limits and requirements allowed by law, and

BE IT FURTHER RESOLVED, any contract extension will not increase meal plan rates for the current academic year.

Ms. Maye said that, during the September 11 Committee meeting, Dr. Smith reported on the record number of students living on campus, and the engagement of an architect that would help the Administration pinpoint options for building a new residence hall to be prepared for student demand into the future. She called upon Dr. Smith for additional remarks. Dr. Smith discussed *Move In Day*, the annual event to welcome students who live on campus and their families. This year's event was held on August 16, and over 700 administrators, deans, faculty, staff and students, including coaches and student athletes, volunteered their time to help move belongings into the residence halls. Photos were shown. Dr. Smith mentioned that, at this year's event, in excess of 200 band members marched among the crowds and played their instruments. He credited Ms. Barbara Shirvanian of the Division of Student Affairs and the President's Office for a job well done in coordinating the popular ambassadorial effort.

Chairman Furr called for a report from the Budget and Finance Committee. Mr. Corcoran, Committee Chair, said, at its meeting on September 11, the Committee recommended approval of **ITEM 12.A** as follows. Chairman Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION
ELECTION OF DIRECTORS OF THE
USA RESEARCH AND TECHNOLOGY CORPORATION**

WHEREAS, pursuant to the Amended Bylaws of the USA Research and Technology Corporation ("Corporation"), the Board of Trustees of the University of South Alabama ("University") shall elect directors of the Corporation who are not officers, employees or trustees of the University, and

WHEREAS, the Board of Directors of the Corporation is authorized to nominate new directors consistent with the aforesaid for consideration and confirmation by the Board of Trustees of the University, and

WHEREAS, Mr. Danny K. Patterson and Ms. Cheryl Coleman Williams were elected to serve as directors for four-year terms which concluded in June 2014 but continue to serve pursuant to the Corporation's Amended Bylaws, which provide that directors hold office until their successors have been duly elected and qualified; and

WHEREAS, the Board of Directors of the Corporation has nominated for consideration and confirmation by the Board of Trustees of the University Mr. Danny K. Patterson and Ms. Cheryl Coleman Williams for additional four (4) year terms beginning September 2014, and these persons have agreed to serve in this capacity if elected,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama does hereby elect as Directors of the USA Research and Technology Corporation Mr. Danny K. Patterson and Ms. Cheryl Coleman Williams, both for four (4) year terms beginning September 2014.

Mr. Corcoran presented **ITEM 13** as follows, noting that the Committee unanimously recommended approval by the Board of Trustees. He advised that the budget proposal is balanced and provides for a two-percent raise for University general and health care employees. He said the Health System component of the budget includes a contingency for Medicaid reform. Chairman Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION
UNIVERSITY TOTAL BUDGET FOR 2014-2015**

BE IT RESOLVED, the University of South Alabama Board of Trustees approves the 2014-2015 University of South Alabama Total Budget, which includes both the University General Budget and the Hospitals and Clinics Budget, and

BE IT FURTHER RESOLVED, the University of South Alabama Board of Trustees approves the 2014-2015 Total Budget as a continuation budget for 2015-2016 in order to be in compliance with bond trust indenture requirements if the budget process cannot be completed prior to beginning the 2015-2016 fiscal year.

Mr. Corcoran presented **ITEM 14** as follows, which received the Committee's unanimous recommendation. Chairman Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION
SALARY INCREASE**

WHEREAS, the University has continued to sustain positive momentum in achieving its mission through careful management and the united efforts of its employees, and

WHEREAS, the proposed 2014-2015 fiscal year budget is a balanced budget that includes a proposed two-percent continuing salary increase that is possible because of ongoing diligent management of finances, enrollment growth and a modest tuition increase, and

WHEREAS, this two-percent increase would be across the board for eligible administrators and faculty employed on or before August 15, 2014, and eligible staff employed on or before the effective date, and

WHEREAS, this salary increase would be effective approximately January 1, 2015, and subject to the standard University personnel guidelines and procedures and other adjustments as approved by the President, and

WHEREAS, this salary increase would apply to all eligible employees of the University of South Alabama --- those in the University General Division and at the Hospitals and Clinics,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby approves a two-percent increase as described herein, for eligible current salaried or hourly regular administrators and faculty employed prior to August 15, 2014, and eligible current salaried or hourly regular staff employed on or before the effective date.

Mr. Corcoran reported that the Quarterly Financial Statements for the nine months ended June 2014, **ITEM 12**, were reviewed by the Committee on September 11. He said action on this item was not required.

Chairman Furr called for a report from the Audit Committee. Mr. Peek, Committee Chair, gave a synopsis of the presentations given on September 11 by Mr. Mark Peach, KPMG partner, on the audit process under way for fiscal year September 2014, **ITEM 15**, and by Mr. Simmons on the results of an independent audit of the USA Foundation's consolidated financial statements and the Disproportionate Share Hospital Funds combined financial statements for the fiscal year ended June 2014, **ITEM 15.A**. He said action by the Board of Trustees was not required.

Chairman Furr called for a report from the Development, Endowment and Investments Committee. Mr. Yance, Committee Chair, stated that an overview on endowment performance, **ITEM 16**, was delivered on September 11. He said the endowment yielded a return of 10.43 percent for the period October 2013 to July 2014, an outperformance of 1.97 percent over a benchmark profit of 8.46 percent. He advised that asset allocations are consistent with the parameters of the University's endowment investment policies. Since inception, the endowment has outperformed with a 5.29 percent return versus the index return of 4.51 percent. Mr. Yance said that, given market volatility, investments are rebalanced on a quarterly basis and gains are pulled to safeguard against loss.

Mr. Yance recognized Dr. and Mrs. Stokes for their longstanding generosity and service to the University, as evidenced by their most recent gift of \$75,000, presented by Dr. Stokes during the September 11 Committee meeting. The gift will fund an environmental sustainability symposium that, while concentrated on the critical ecological concerns experienced locally and in the upper Gulf Coast region, is expected to draw a national audience. Dr. Jim Connors, Special Assistant to the Vice President for Research and Economic Development, will spearhead the project.

President Waldrop called upon Dr. Busta who recognized guests from the Mobile Division of the Alabama Power Company Mr. Mike Saxon, Vice President, and Ms. Beth Thomas, External Affairs Manager. Dr. Busta described the relationship between Alabama Power and USA's College of Engineering, and he detailed the company's giving history, which has included \$500,000 for scholarships for engineering students ranked a sophomore or higher and \$400,000 for engineering equipment in Shelby Hall. He announced that a \$300,000 gift from Alabama Power would make possible a comprehensive undergraduate scholarship program that includes scholarship support for freshmen. This contribution, together with matching funds provided by the Mitchell-Moulton Scholarship Initiative, raises Alabama Power's total endowment for the College of Engineering to \$1.5 million. Dr. Steadman, Dean of the College of Engineering, expressed gratitude for Alabama Power's continuing commitment to education, and he thanked USA's Board of Trustees for their leadership. He reported a record 1,500 engineering students enrolled for the fall semester, and he credited Mr. Abe Mitchell for the great difference the Mitchell-Moulton Scholarship Initiative makes in the College's ability to attract and retain high-achieving students who, as graduates, will be the leaders in economic development for the region. President Waldrop, Chairman Furr and Mr. Mitchell joined Mr. Saxon and Ms. Thomas for the check presentation and handshakes were exchanged. Mr. Saxon conveyed delight that Alabama Power's gift would be doubled, and expressed enthusiasm at the prospect of today's scholarship recipients becoming the problem solvers of the future.

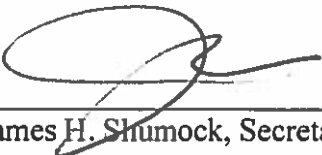
Judge Simon referenced a unique research project taking place in space. Ms. Chronister shared details of a study by Drs. Richard Honkanen, Biochemistry Professor, and Andrzej Wierzbicki, Chemistry Professor and Dean of the College of Arts and Sciences, on a protein that appears to promote cancer cell growth. The protein, delivered to the International Space Station aboard a SpaceX rocket, can grow larger crystals in a microgravity setting than is possible in a typical laboratory, providing the researchers the ability to view the structure of the protein with a greater degree of clarity, which could aid in the development of a cancer-inhibiting drug.

Chairman Furr reminded the group that the inauguration of President Waldrop would take place at 2:00 p.m. at the Mitchell Center.

There being no further business, the meeting was adjourned at 11:42 a.m.

Attest to:

Respectfully submitted:


James H. Shumock, Secretary


Steven P. Furr, M.D., Chair *pro tempore*

B Y L A W S
OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF SOUTH ALABAMA

PREAMBLE

The Legislature of the State of Alabama vested full management and control over the University of South Alabama in a Board of Trustees pursuant to Act No. 157, Acts of Alabama, 1963, Secondary Extraordinary Session, stating at that time: "The Governor and the State Superintendent of Education, by virtue of their respective offices, and the [T]rustees appointed from the senatorial districts of the state, enumerated in Section 16-55-2, are constituted a public body corporate under the name of the University of South Alabama to carry into effect the purposes expressed in this article and to establish a state institution of higher learning."(Code of Alabama, 1975, Section 16-55-1). For the purpose of providing a definitive and orderly form of governance, and in order to continue to carry out the purposes required of the Board of Trustees of the University of South Alabama, in the establishment and continuation of a state institution of higher learning, the Board of Trustees hereby does promulgate and adopt these Bylaws.

ARTICLE I

THE BOARD OF TRUSTEES

The entire management and control over the University of South Alabama (hereinafter referred to as the "University") shall be vested in the Board of Trustees of the University of South Alabama (hereinafter referred to as the "Board"); however, upon general or specific authorization or delegation made or provided for in these Bylaws, the Board may exercise such management and control through the officers, officials, committees and agents as it may deem fit and appropriate, all in accordance with state law. The Board acts as a body politic and no individual member of the Board shall have the authority to act for the Board or for the University.

Section 1. **Composition of Board.** Consistent with the 2014 amendatory language to Sections 16-55-2, Code of Alabama 1975, the Board shall consist of **three** members from Mobile County; **five** members from the state at large; **two** members from the United States at large; the Governor, who shall be *ex officio* President of the Board; and **one** each from each of the following state senatorial districts, or combinations thereof, as those districts existed in 1963: (1) Sixteenth and Seventeenth Districts comprising Monroe and Wilcox Counties, and Butler, Conecuh, and Covington Counties, respectively; (2) Nineteenth and Twentieth Districts comprising Choctaw, Clark, and Washington Counties, and Marengo and Sumter Counties, respectively; (3) Twenty-first District comprising Baldwin and Escambia Counties; (4) Twenty-third, Twenty fifth, and Thirtieth Districts comprising Dale and Geneva Counties, Coffee and Crenshaw Counties, and Dallas and Lowndes Counties, respectively; and (5) Thirty-fifth District comprising Henry and Houston Counties.

Section 2. **Election and Term of Office.** The Governor, as an *ex officio* Trustee, serves his or her term of office in correspondence with his or her term of office as Governor of the State of Alabama. In accordance with the statute regarding the University of South Alabama, the Trustees are appointed by the Governor, by and with the advice and consent of the State Senate, and, for those appointed or reappointed after the effective date of the 2014 amendment to said statute, hold office for a term of six years, and until their successors shall be appointed and qualified. Any Trustee appointed to serve a twelve-year term before the effective date of the 2014 amendment will continue to serve for the remainder of that term. As terms expire after that date,

appointments to fill positions on the Board shall be for six-year terms. There are three classes of board members, so that, after the transition to all Trustees serving six-year terms, one-third of the members of the Board is appointed every two years. Vacancies occurring in the office of Trustee, from death or resignation, and the vacancies regularly occurring by expiration of the term shall be filled by the Governor, and the appointee holds office until the next meeting of the Legislature. Successors to those Trustees whose terms expire during an interim shall hold office for a full term, unless they are rejected by the Senate. Neither the existence nor continuation of a vacancy in the office of the Trustee shall serve to impair or hinder any provisions of these Bylaws or the validity of the operation and actions by the Board by virtue of that vacancy alone.

Section 3. Compensation of Trustees. No Trustee shall receive any pay or emolument other than his or her actual expenses incurred in the discharge of duties as a Trustee; such expenses shall be paid or reimbursed from university funds, upon the authorization of the President of the University (hereinafter referred to as the "President").

Section 4. Primary Functions of the Board. The Board acts as a public body corporate, and no individual member of the Board has the authority to act for the Board or the University. Communications to the Board shall be directed to the Board through the President or Chair *pro tempore*, except as otherwise provided herein. The Board of Trustees, as a public body corporate, has all rights, privileges, and authority necessary to promote the purpose of its creation, which is to establish and provide for the maintenance and operation of a state university in Mobile County. In accordance with such powers, the Board of Trustees shall have the power to organize the institution by appointment of instructors and faculty members, and such executive and administrative officers and employees, as may be necessary to operate the University, which the Board hereby delegates to the President; the Board may remove any faculty members or employees in its discretion, and shall have the power and authority to fix salaries or compensation, increase or reduce same at its discretion, all of which duty the Board hereby delegates to the President. The Board may prescribe courses of instruction, rates of tuition and fees, confer such academic and honorary degrees as are usually conferred by institutions of like character, and may do all else necessary and considered in the best interest of the institution to carry out the purposes of the institution.

Section 5. **Emeritus Status.** The Board, in its sole discretion, may recognize any Trustee who has served with distinction as Trustee Emeritus following said Trustee's term of service. The Trustee must have provided distinguished and meritorious service, outstanding leadership, and exceptional contributions to the University over a period of years. Any Trustee so recognized as Trustee Emeritus shall have no voting rights and will remain Trustee Emeritus at the pleasure of the Board of Trustees. Such designation shall confer no responsibilities, duties, rights, privileges, or benefits, but shall constitute recognition of service and experience and will publicly acknowledge that person as particularly suited for counsel and advice to the Board. The Board encourages the availability of those who have been awarded Trustee Emeritus status for such counsel and advice and may request special services of them.

Section 6. **Honorary Trustee.** The Board, in its sole discretion, may recognize as an Honorary Trustee any individual who has demonstrated a sustained and extraordinary commitment to the mission of the University. Election of an Honorary Trustee shall occur at any regular meeting of the Board and, because of the prestige of this position, shall occur on very rare occasions. Honorary Trustees shall have no voting rights and will maintain this designation at the pleasure of the Board. Such designation shall confer no responsibilities, duties, rights, privileges, or benefits, but shall constitute recognition of service with distinction to the University. It will also publicly acknowledge that person as particularly suited for counsel and advice to the Board.

Section 7. **Removal of a Trustee.** Under the laws of the State of Alabama, the Board of Trustees has no power to remove one of its members. Section 60 of the Constitution of Alabama, which provides that "[no] person convicted of embezzlement of the public money, bribery, perjury, or other infamous crime, shall be eligible to the legislature, or capable of holding any office of trust or profit in this state" sets forth the constitutional grounds and procedure for removing a Trustee.

ARTICLE II

MEETINGS OF THE BOARD OF TRUSTEES

Section 1. **Annual and Regular Meetings.** The Board shall hold a regular annual meeting each year at the University on the first Monday in June, unless the Board, in regular session, shall determine to hold its annual meeting at some other time and place. Each year at the

annual meeting, the Board shall schedule its regular meetings to be held during the ensuing year, and may designate one such meeting as the annual meeting of the Board. This schedule of meetings then will be recommended to the Governor for approval. The Chair *pro tempore* may cancel or change the date, place or time of a scheduled regular or annual meeting. The President will provide advance notice of such changes or cancellation. In any event, the Board shall meet at least once in each year.

Section 2. **Special Meetings.** In addition, other than the annual and regularly scheduled meetings of the Board, special meetings of the Board may be assembled, as follows: Special meetings may be called by the Chair *pro tempore* of the Board or the Governor by written notice mailed to each Trustee at least ten (10) days in advance of the date of the meeting; a special meeting shall be called by the Chair *pro tempore* or the Governor upon application in writing of any three or more members of the board. No special meeting shall be held on a date less than ten (10) days subsequent to the Chair *pro tempore*'s or Governor's notice of the meeting, except in case of an emergency, which the Chair *pro tempore* or Governor shall specify in his or her notice to the Board of Trustees.

Section 3. **Adjourned Meetings.** At any meeting, the Board may continue in session as long as it may deem proper for the welfare of the institution. Any session may be adjourned, as provided in *Roberts Rules of Order*, as last revised, and continued at a future time with proper notice to all members.

Section 4. **Quorum.** Seven members of the Board of Trustees shall constitute a quorum, but a smaller number may adjourn from day to day until a quorum is present. A majority of those present shall govern unless a greater number is required hereunder. Members of the Board of Trustees may participate in a meeting of the Board or committee by means of telephone conference, video conference, or similar communications equipment by means of which all persons participating in the meeting may hear each other at the same time. Participation by such means shall constitute presence in person at a meeting for all purposes. However, a majority of a quorum of the members of the Board of Trustees, or, in the event of a meeting of only the executive committee, a majority of a quorum of the executive committee of the Board of Trustees, must be physically present at the location noticed and called for the meeting in order to conduct any business or deliberation. Members of the Board of Trustees and any committees of the board

may not utilize electronic communications or otherwise conduct meetings except as in compliance with the Alabama Open Meetings Act. No Trustee for whom a conflict of interest exists shall vote on such matter before the Board.

Section 5. Agenda. The President shall mail to each member of the Board notice of the time and place of any meeting, which shall include an agenda for the meeting, at least ten (10) days prior to the time of meeting. The development and preparation of the agenda for Board meetings shall be vested in the President, who shall place such items on the agenda as are needed for the ongoing operation of the institution and/or that require the approval of the Board. Members of the Board desiring to place any item or items on the agenda for meetings shall inform the President in writing not less than fifteen (15) days prior to the meeting concerning such items, and the President shall include the items in the agenda to be mailed out to the members of the Board in accordance with the foregoing. Any item not included on the agenda mailed to members prior to a meeting may be considered upon the approval of a majority of those present and voting; provided, however, that any discussion or action upon the election of officers of the Board and/or the appointment and/or termination, including a contract renewal, of the President of the University, must be specifically identified on the agenda that was mailed at least ten (10) days prior to the time of meeting. The agenda that is approved by the Board at the commencement of the Board meeting shall be considered the official agenda. The omission of an item from the official agenda shall not invalidate otherwise valid actions by the Board.

Section 6. Minutes. Minutes of all meetings of the Board and its committees shall be prepared and distributed promptly to all members of the Board under the direction of the Secretary of the Board. Upon approval by the Board or committee, such minutes shall be maintained permanently and in an accessible manner in the Office of the President under the direction of the Secretary of the Board.

Section 7. Public Admission to Meetings. All meetings of the Board of Trustees shall be open to the public, except that the Board may declare an executive session as authorized by law. Formal action by the Board resulting from any executive session discussions shall be taken by the Board in an open meeting and made a part of the official minutes.

Section 8. **Rules of Order.** Rules of order shall be in accordance with *Robert's Rules of Order*, as last revised, which are the normal governing parliamentary procedure rules. The Chair of the meeting will determine all questions concerning such rules.

Section 9. **Meeting Attendance.** Inasmuch as the Board of Trustees has determined that meeting attendance is crucial to the most efficient management of the University and operation of the Board, the names of all Trustees who do not attend at least half the meetings scheduled each Board year will be reported to the Chair *pro tempore* at the next annual meeting of the Board, and the Chair *pro tempore* will then take the actions he or she deems appropriate.

ARTICLE III OFFICERS

The Board shall have the following officers and any other officers it may elect from time to time. Such officers shall have the powers and shall perform the duties as are set forth herein, together with those which may be authorized and delegated by the Board from time to time. The terms of office for the Chair *pro tempore*, Vice Chair, and Secretary will be three years, with elections held at the annual meeting of the Board corresponding with the expiration of those terms. If a vacancy occurs during the term of any such office, an election to complete the term of that office will be held at the next meeting of the Board.

Section 1. **Chair of the Board.** The Governor of the State of Alabama shall be *ex officio* President of the Board as well as *ex officio* Chair of the Board. The Chair shall preside at all Board meetings which he or she attends and shall call special meetings of the Board upon the conditions set forth herein.

Section 2. **Chair Pro Tempore.** Upon adoption of these Bylaws and thereafter, the Board of Trustees shall elect from its membership a Chair *pro tempore* for a three-year term, commencing immediately following the annual meeting at which the election is held. Such officer may not be elected for successive terms. He or she shall preside at all Board meetings in the absence of the Governor and call special meetings of the Board upon the conditions set forth herein. The Chair *pro tempore* shall serve as chair of the Executive Committee, and shall appoint such committees as may be authorized by the Board, or as he or she may deem desirable, fill

vacancies which will occur on such committees, and give final approval to the agenda for the Board meeting.

Section 3. Vice Chair. Concurrent with the time of election of the Chair *pro tempore* for the term set forth for the Chair pro tempore in Section 2, the Board shall elect from its membership a Vice Chair. In the absence of both the Governor and the Chair *pro tempore*, the Vice Chair shall assume those duties. The Vice Chair shall serve on the Executive Committee.

Section 4. The Secretary. Concurrent with the time of election of the Chair *pro tempore* and for the term set forth for the Chair pro tempore in Section 2, the Board shall elect a Secretary. Through the Office of the President of the University, the Secretary shall be responsible for the preparation and distribution of notices of Board meetings and agendas. In addition, he or she shall attend Board meetings and make, record, and retain complete records and minutes of all official actions of the Board and its committees. The Secretary shall be the custodian of the corporate seal and affix the seal to documents as executed on behalf of the Board and shall attest to the same and certify any action of the Board. The Secretary shall serve on the Executive Committee.

Section 5. Removal from Office. Any officer of the Board may be removed from his or her office for cause by a two-thirds vote of the full Board of Trustees.

ARTICLE IV COMMITTEES

Organization. The Board may create such committees as it deems proper, and may assign to such committees any authority, duty or responsibility desired by the Board; provided, however, that all committees, except the Executive Committee, are advisory to the full Board. The committees of the Board shall consist of the standing committees created herein and other committees created by the Board from time to time. The standing committees shall have the powers, duties and responsibilities set forth herein, or subsequently assigned by the Board through adoption and approval of amendments to these Bylaws. Vacancies in committee memberships shall be filled in the same manner as when appointments originally were made. Committee

members and the chair and the vice chair of the committees shall be appointed by the Chair *pro tempore* for terms concurrent with the term of the Chair *pro tempore*.

Method of Operation. The committees and subcommittees shall meet upon the call of the President, the Chair *pro tempore*, or the chair of the committee or subcommittee. Unless otherwise provided, actions taken by such committees are not binding upon the Board, but shall be advisory, except those actions undertaken by the Executive Committee, as authorized in Article IV, Section I, herein. All recommendations and actions of the committees shall be reported to the Board of Trustees.

Committee Participation. The President of the University is vested with the responsibility of providing notice of all committee meetings to the members of the committees. The Chair *pro tempore* will serve as an *ex officio* member on each committee. The President and the Chair *pro tempore* may participate in all meetings but shall have no vote, except that the Chair *pro tempore* shall have a vote when he or she is a member of the committee. All committees assist and support the Board, President, faculty, and staff in carrying out their responsibilities. Committees may request through the Office of the President any information necessary or appropriate to their deliberations. All committee reports and recommendations shall be submitted for consideration and are advisory in nature until they have been approved by the full Board. Any Board member may attend any committee meeting.

Section 1. Executive Committee. The Chair *pro tempore* shall appoint an Executive Committee consisting of seven (7) members of the Board, subject to the approval of the Board, with terms concurrent with the term of the Chair *pro tempore*, who serves as chair of the Executive Committee. The majority of the Executive Committee constitutes a quorum. With notice from the President or the Chair *pro tempore*, the Executive Committee may meet at any time. The Executive Committee has the power to transact all business of the Board in the interim between meetings of the Board and may perform all duties and transact all business necessary for the well-being of the University, including, but not limited to, matters related to real estate, personnel, investments and athletics. However, action by the full Board is required to amend these Bylaws, remove officers of the Board, select or remove the President of the University, issue bonded indebtedness on behalf of the University, or as otherwise determined by the full Board. The Executive Committee shall serve a dual role as Governance Committee responsible for trustee

matters including, but not limited to, service, honorary designations, efficiency, educational development, and travel. Minutes of the Executive Committee shall be submitted to all members of the Board.

Section 2. Budget and Finance Committee. The Budget and Finance Committee shall be responsible for the review and study of budget requests; recommending comprehensive budgets; review and study of real estate transactions and matters related to facilities construction and infrastructure maintenance; and submitting such reports and recommendations to the Executive Committee of the Board and/or the full Board, as deemed necessary and appropriate.

Section 3. Audit Committee. The Audit Committee shall be responsible for the oversight and integrity of the financial statements and other financial reports; performance of the University's internal and external audit functions; selection of an external auditor; assurance that the University is performing self-assessment of operating risks and evaluations of internal controls on a regular basis; the study and review of all reports and other correspondence from external auditors; and the submission of audit reports and recommendations to the Board of Trustees. The Executive Director of Internal Audit shall be accountable to the Board of Trustees through the Audit Committee, and shall make reports to the Audit Committee as appropriate.

Section 4. Long Range Planning Committee. The Long Range Planning Committee shall be responsible for long range plan recommendations; review of new and existing academic programs; academic planning and organization; mission statement and statements of role and scope; review of planning for new facilities; and other matters which may be referred to it by the President or the Board.

Section 5. Health Affairs Committee. The Health Affairs Committee shall be responsible for providing guidance to and receiving reports from staff and administrative personnel responsible for the University of South Alabama Hospitals and Clinics. It will consider and make recommendations requiring Board action relating to the Hospitals and Clinics and the College of Medicine. In addition to committee members designated as provided in these Bylaws, the committee includes, as non-voting *ex officio* members, the President, the Vice President for Health Sciences, Dean of the College of Medicine, the President of the Medical Staff of the University of South Alabama Medical Center and the Vice President for Health Systems.

Section 6. **Academic and Student Affairs Committee.** The Academic and Student Affairs Committee shall be responsible for receiving and reviewing information relevant to issues involving academic affairs and student affairs at the University.

Section 7. **Development, Endowment and Investments Committee.** The Development, Endowment and Investments Committee shall be responsible for establishing policies and guidelines to oversee the University's Development and Alumni Relations programs, invest and manage the University's endowment and other investment funds, and for submitting such reports and recommendations to the Executive Committee of the Board and/or the full Board of Trustees, as deemed necessary and appropriate.

ARTICLE V

PRESIDENT AND DUTIES

Appointment of the President of the University as Chief Executive Officer of the Institution. The President shall be selected by the Board of Trustees and serve at the pleasure of the Board but may be removed only by a vote of eight members of the Board. The Board of Trustees is responsible for conducting periodic evaluations of the performance of the President.

The President is the chief educational and administrative officer of the University. Unless excused by the Chair, he or she shall attend and participate in all meetings of the Board and may make recommendations on matters before the Board. The President does not vote on Board matters. The President shall be responsible for the execution of the policies of the Board and the Executive Committee and performing all those matters necessary to carry out the ends and purposes for which the University was established. The President shall have all authority necessary to conduct the programs of the University, including the authority to award degrees, add officers to the University which he or she deems necessary, delegate authority among subordinates and all other authority which shall, from time to time, be delegated by the Board of Trustees to the President. Prior to appointment of vice presidents, the President shall notify the Board of his or her intention to appoint such officers to the University. The President reports to the Board on the current operations of the University and directs, coordinates and implements the planning, development and appraisal of all activities of the University of South Alabama.

ARTICLE VI

CONFLICT OF INTEREST

Members of the Board of Trustees ("Trustees") of the University of South Alabama have an affirmative obligation to act at all times in the best interests of the University. This policy serves to define the term "conflict of interest" to assist members of the Board in identifying and disclosing such conflicts, and to minimize the impact of such conflicts on the actions of the University whenever possible.

Fiduciary duty. Each Trustee has a fiduciary duty to conduct himself or herself without conflict to the interests of the University. When acting within his or her capacity as a Trustee, he or she must subordinate personal, business, third-party, and other interests to the welfare and best interests of the University.

Conflict of interest. A "conflict of interest" is any transaction or relationship which presents, or may present, a conflict between a Trustee's obligations to the University and his or her personal, business, or other interests. A conflict of interest may arise in any circumstance that may compromise the ability of a Trustee to make unbiased and impartial decisions on behalf of the University. Such circumstances may involve family relationships,¹ business transactions, professional activities, or personal affiliations.

Further, Alabama Code §13A-10-62 (1975) provides:

- (a) A public servant commits the crime of failing to disclose a conflict of interest if he exercises any substantial discretionary function in connection with a government contract, purchase, payment or other pecuniary transaction without advance public disclosure of a known potential conflicting interest in the transaction.
- (b) A "potential conflicting interest" exists, but is not limited to, when the public servant is a director, president, general manager or similar executive officer, or owns directly or indirectly a substantial portion of any non-governmental entity participating in the transaction.

¹Family relationships include spouse, child, grandchild, parent, grandparent, sibling, niece, nephew, aunt, uncle, cousin, in-laws and step relations, as well as any person living in the household of a Trustee.

- (c) Public disclosure includes public announcement or notification to a superior officer or the attorney general.
- (d) Failing to disclose a conflict of interest is a Class A misdemeanor.

Disclosure. The Board of Trustees recognizes that conflicts of interest are not uncommon, and that not all conflicts of interest are necessarily harmful to the University. However, the Board requires full disclosure of all actual and potential conflicts of interest. Each Trustee shall disclose any and all facts that may be construed as a conflict of interest, both through an annual completion of a Statement of Disclosure, and completion of an amended Statement of Disclosure whenever such actual or potential conflict occurs.

Process. Any actual or potential conflicts which are presented in a Statement of Disclosure or amended Statement of Disclosure will be evaluated for action, as needed, by the Chair *pro tempore* of the Board of Trustees. The Chair *pro tempore*, or Vice Chair if evaluating a possible conflict of the Chair *pro tempore*, of the Board may either handle the evaluation on his or her own or refer it to the Board for further consideration. Additional information from a Trustee may be sought at any time. A Trustee whose potential conflict is under review may not debate, vote, or otherwise participate in the evaluation of the conflict. If a conflict is being evaluated or has been found to exist, the Trustee shall recuse himself or herself from any discussion or voting regarding transactions involving the area of conflict.

Resolution. If it is determined that an actual or potential conflict of interest does exist, an appropriate remedy shall be determined. Such remedy may include, but is not limited to, the following:

- Waive the conflict of interest as unlikely to affect the Trustee's ability to act in the best interests of the organization.
- Determine that the Trustee should be recused from all deliberation and decision-making related to the particular transaction or relationship that gives rise to the conflict of interest.

Policy regarding Trustees doing business with the University. A conflict of interest exists any time a Trustee seeks to enter into a business relationship with the University. Similar

conflicts may arise through family members or through organizations in which a Trustee serves in a leadership, employment, or ownership capacity.

Such conflicts do not necessarily preclude business relationships with the University. The following procedure is designed to resolve conflicts of interest whenever a Trustee or a member of his or her family (see footnote number 1) has an ownership interest in, is a director, officer, or key individual of an entity which intends to enter into a business relationship with the University:

- The Trustee must promptly disclose the intent to enter into a business relationship with the University to the Chair *pro tempore* of the Board of Trustees.
- The Trustee must recuse himself or herself from all deliberation, debate and voting related to the contemplated business relationship.
- The Chair *pro tempore* or the Board if the issue is referred by the Chair, must determine without the presence or participation of the Trustee under review that the transaction is fair and in the best interest of the University.
- If the business relationship under consideration is approved, the Trustee may not participate in any process by which his or her performance as a vendor or recipient is evaluated, or in any such evaluation of a related party.

Notwithstanding the foregoing, contracts, or proposals for purchases of goods, property, or services will not be awarded to organizations in which a Trustee either:

- 1) holds an interest of ten percent (10%) or greater, or
- 2) serves as a director or senior executive officer,

if a substantial part of the contract or proposal involves the quality of performance (i.e. possibly requiring enforcement of a performance bond or filing suit for non-performance). Also, no Trustee shall advocate or attempt to influence the employment by the University of any member of his or her family.

ARTICLE VII

SEAL

Section 1. **Official Corporate Seal.** The official corporate seal of the University of South Alabama shall be circular in form, encircled as follows:



ARTICLE VIII

AMENDMENT OR REPEAL OF BYLAWS

After the adoption of these Bylaws, they may be amended or repealed at any meeting of the Board by eight members of the Board voting in favor of same, but no such action shall be taken unless notice of the substance of such proposed adoption, amendment or repeal was given at a previous meeting or notice in writing of the substance of the proposed change was served upon each member of the Board at least thirty (30) days in advance of the final vote upon such change. However, by unanimous consent of the entire Board, the requirements for such notice may be waived. The Chair *pro tempore* may appoint an ad hoc committee which may meet from time to time to consider Bylaw amendments.

13th Edition, September 12, 2014

Residency

RESIDENT AND NON-RESIDENT TUITION POLICY

Students enrolling at the University of South Alabama who come to the state of Alabama from another state [with the exception of the Service Area in Florida (Escambia and Santa Rosa counties) and Mississippi (George, Greene, Harrison, Jackson, Perry, and Stone counties)] for the purpose of attending school will be considered a "non-resident student" for tuition purposes. The Office of Admissions determines a student's residency status at the time of admission. This determination is based on the application information, transcripts, and other documents required for admission and will default to "non-resident" status if any out-of-state information is received. After the initial determination of a student's residency status, the status shall continue unchanged through all registrations at the university until and unless 1) a non-resident student provides satisfactory evidence that they are a resident of Alabama as defined by this policy, or 2) a student classified as a resident is absent from Alabama with the intent to become a resident in another state. Residency status is also reviewed at the time of readmission to the university after any absence of one year (three semesters) or more. At the discretion of the institution, residency status can be reviewed at any time.

A person or, if the person is a minor, the person's supporting person(s) who moves to Alabama or to the Service Area for the primary purpose of attending college shall not be considered to have demonstrated intent to establish domicile in the Alabama or the Service Area and will not generally be considered eligible for classification as a resident student. A person or, if the person is a minor, the person's supporting person(s) who establishes domicile in Alabama or the Service Area for the sole purpose of avoiding Alabama non-resident tuition will be subject to non-resident tuition.

Non-resident students who carry a full-time academic load for the fall or spring semester will be presumed to be in Alabama or in the Service Area for the primary purpose of attending college. These students will not be considered to have demonstrated the intent to establish domicile in Alabama or the Service Area and will remain subject to non-resident tuition.

A "resident student" for tuition purposes is one who, at the time of registration admission to the university,

- Is not a "minor" and is a resident of the state of Alabama and has been a resident of the state for a least one year (12 consecutive months) immediately preceding the date of registration; or
- Is a "minor" whose "supporting person(s)" is a resident of the state of Alabama and has been a resident of the state for at least one year immediately preceding the date of registration; or
- Is a recipient of the Alabama G.I. Dependents' Scholarship administered through the Alabama Department of Veterans Affairs; or
- One who, at the time of registration, is not a "minor" and:
 - Is a full-time (not temporary) employee of the University of South Alabama or is the spouse of such an employee; or
 - Is employed as a graduate assistant or fellow at the University of South Alabama; or
 - Is able to verify full-time permanent employment within the state of Alabama and shall commence said employment not more than 90 days after registration (first day of classes) with the institution, or is the spouse of such an employee; or
 - Is a member or the spouse of a member of the United States military on full-time active duty stationed in Alabama under orders for duties other than attending school; or
 - Is a resident of any county within the University of South Alabama's Service Area (Florida: Escambia and Santa Rosa counties; and Mississippi: George, Greene, Harrison,

- Jackson, Perry, and Stone counties) and has been a resident of that county for at least one year immediately preceding the date of registration; or
- Has been a member of the Alabama National Guard for a period of at least two years immediately preceding the student qualifying for resident tuition and continues to be a member of the Alabama National Guard while enrolled at the University of South Alabama; or
 - Is a veteran of the Armed Forces of the United States, provided that the veteran has become a resident of Alabama and satisfies one of the following conditions:
 1. The veteran has served on active duty for a continuous period of time, not less than two years, and has received an honorable discharge as verified by a United States Department of Defense Form 214 within five years of enrolling at the University of South Alabama.
 2. The veteran is currently serving in a reserve component of the Armed Forces of the United States as verified by a memorandum from the commanding officer of the veteran student.
 3. The veteran has been assigned a service-connected disability by the United States Department of Veterans Affairs; or
 - Is in a program or takes courses within an interstate consortium of colleges or universities that either offers reciprocal resident student tuition to residents of Alabama in the program or courses offered by colleges or universities not within Alabama, or is enrolled in a program or courses through an interstate consortium of colleges or universities that assesses tuition at a uniform rate for all students enrolled in that course or program; or
 - Is an accredited member of or the spouse of an accredited member of a consular staff assigned to duties in Alabama; or
 - One who, at the time of registration, is a "minor" and whose "supporting person(s)":
 - Is a full-time employee (not temporary) of the University of South Alabama; or
 - Is able to verify full-time permanent employment within the state of Alabama and shall commence said employment not more than 90 days after registration (first day of classes) with the institution; or
 - Is a member of the United States military on full-time active duty stationed in Alabama under orders for duties other than attending school; or
 - Is an accredited member of a consular staff assigned to duties in Alabama; or
 - Is a resident of any county within University of South Alabama's Service Area and has been a resident of that county for at least one year immediately preceding the date of registration.

A non-resident student is one who does not meet the criteria for a "resident student" as specified in the preceding section.

The ultimate determination of residency status shall be made by the institution. In determining whether the student is in fact a resident of Alabama or a resident of the Service Area for the purposes of assessing a student non-resident fee, the burden of proof is on the student. A student can change their status from non-resident to resident student only by establishing a physical presence and place in Alabama or in the predefined Service Area and by providing clear and convincing evidence that, for 12 consecutive months prior to the semester of registration, this presence and place has been the student's or, if the student is a minor, the student's supporting person's single location at which they reside with the intent of remaining in that location indefinitely as evidenced by more substantial connections with that place than with any other place and not for the purposes of obtaining an education.

Definitions:

- **Minor Students:** Minor Students are those students who lack the capacity to contract under the law of the State of Alabama because of their age (persons under 19 years of age or persons under 18 years of age if married) excluding those persons whose disabilities of non-age have been removed by a court of competent jurisdiction for a reason other than establishing a legal residence in Alabama.
- **Residence:** For the purpose of this policy, a residence shall be the single location at which a person resides with the intent of remaining in that location indefinitely as evidenced by more substantial connections with that place than with any other place and not for the purposes of obtaining an education.
- **Resident:** A person or, if the person is a minor, the person's supporting person(s) whose residence is in the State of Alabama or the defined Service Area and not for the purposes of obtaining an education.
- **Residence of a Minor Student:** The residence of a minor student shall be the residence of his or her supporting parent unless neither parent has legal custody. When neither parent has legal custody, the residence of the minor student shall be the residence of the person having legal custody of the minor student.
- **Supporting person:** If the student's parents are living together, the "supporting person(s)" may be either or both of the parents. If the parents are divorced or living separately, then either the parent having legal custody or the parent providing the greater amount of financial support of the two (verified by a copy of the most recent income tax return.) If both parents are deceased or if neither had legal custody, then supporting person shall be established in the following order: legal custodian of the student, and, if none, the guardian, and, if none, the conservator.
- **Service Area:** The following counties in the states of Florida and Mississippi shall be defined as the University of South Alabama Service Area: in Florida: Escambia and Santa Rosa; in Mississippi: George, Greene, Harrison, Jackson, Perry, and Stone.
- **Resident/Non-resident Student:** In determining resident or non-resident classification, the primary issue is one of intent. If a person is in Alabama primarily for the purpose of obtaining an education, that person shall be considered a non-resident student.

How does a Non-resident student request reclassification of residency status for tuition purposes?

To be reclassified for tuition purposes, a non-resident student must prove by sufficient evidence, as determined by the institution, that he or she is a resident of the state of Alabama. A student's status as a resident student is determined by one of the following methods by proving that:

- The student has a residence in the state of Alabama which means the specific address in Alabama at which they reside; that they intend to remain there indefinitely; that they have more substantial connections with Alabama than with any other state; and that the student has established a physical presence and place that has been their true, fixed, and permanent place of habitation for the 12 consecutive months preceding the semester of registration; or
- The student is not a "minor" and is a full-time employee (not temporary) of the University of South Alabama or is the spouse of such an employee; or
- The student is able to verify full-time permanent employment within the state of Alabama and shall commence said employment not more than 90 days after registration (first day of classes) with the institution, or is the spouse of such an employee; or
- The student is a member or the spouse of a member of the United States military on full-time active duty stationed in Alabama under orders for duties other than attending school; or
- The student is a recipient of the Alabama G.I. Dependents' Scholarship administered through the Alabama Department of Veterans Affairs; or

- The student is a resident of any county within the University of South Alabama's Service Area and has been a resident of that county for at least one year immediately preceding the date of registration; or
- The student has been a member of the Alabama National Guard for a period of at least two years immediately preceding the student qualifying for resident tuition and continues to be a member of the Alabama National Guard while enrolled at the public institution of higher education; or
- The student is in a program or takes courses within an interstate consortium of colleges or universities that either offers reciprocal resident student tuition to residents of Alabama in the program or courses offered by colleges or universities not within Alabama, or is enrolled in a program or courses through an interstate consortium of colleges or universities that assesses tuition at a uniform rate for all students enrolled in that course or program; or
- The student is an accredited member of or the spouse of an accredited member of a consular staff assigned to duties in Alabama.

If the student is a minor, then the minors "supporting person," as that term is defined in the Non-resident Tuition Policy statement, must meet similar tests which are described in the Non-resident Tuition Policy.

In determining whether a student has a residence in Alabama, the University will evaluate the presence or absence of connections with the state of Alabama including, but not limited to, the following:

- Continuous physical presence in the state for a purpose other than attending school except for temporary absences for travel, military service, temporary employment, etc.
- Payment of income tax to the State of Alabama or Service Area in the previous calendar year.
- Voter registration in the State of Alabama or Service Area; more significantly certification of voting in the State of Alabama or Service Area that initially occurred at least 12 months prior to the initial registration of the student in Alabama at a public institution of higher education.
- Evidence of employment in the State of Alabama or Service Area for the 12 consecutive months prior to the semester of registration.
- In-state address and date shown on selective service registration, driver's license, automobile title registration, hunting and fishing license, insurance policies, stock and bond registrations, last will and testament, annuities, or retirement plans.
- Ownership of personal property in the state and payment of state taxes thereon (e.g. automobile, boat, etc.) and possession of state license plates.
- Ownership of a residence or other real property in the state and payment of state ad valorem taxes thereon; more significantly ownership of a residence other than the place where the student resides while in school.
- Residence in the state of a spouse, parents, or children.
- Transfer of all banking services to Alabama, such as "checking and savings" accounts, safe deposit boxes, and/or investment accounts.
- Financial transactions in the state or Service Area.
- Previous periods of residency in the state continuing for 12 months or more.
- Possession of state or local licenses to do business or practice a profession in the state.
- Membership in religious, professional, business, civic, or social organizations in the state not connected to their status as a student.
- Location within the state of the high school from which the individual graduated.
- Financial independence from non-Alabama resident parents or other relatives.
- Military records, such as Leave & Earning Statements, showing an in-state address. CO Letter indicating date of Assignment in Alabama or Service Area (for Active Duty Military).
- Documentation that Alabama is home state of record for returning military personnel.

This list is not meant to be all inclusive and merely describes examples of supporting evidence which may be considered in the determination of whether a student has more substantial

connections with the state of Alabama than any other state. Supplying such supporting evidence does not guarantee classification as a resident.

For a student who is not a minor, factors which may show more connections with a state other than Alabama include, but are not limited to, the following:

- Student maintains ties with another state such as maintaining a driver's license in another state, or owning a house in another state.
- Student begins living in Alabama shortly before or only after being admitted to attend school in an Alabama university.
- Student lives in Alabama only while in school and returns repeatedly to another state during summer term, vacations, and holidays.
- A parent or other person who is not an Alabama resident provides more than minimal or occasional financial support.
- Student leaves personal possessions in another state and only brings to Alabama what is necessary for temporary stay.
- Student receives PLUS loan money from parents who are not Alabama residents.
- Student receives personal loans other than from a financial institution.
- Student obtains loans with co-borrowers who are non-Alabama residents.
- Student receives financial aid that requires the student to be a resident of another state.

Online Programs

Tuition and fees for programs delivered in a distance format are assessed based on a separate schedule approved by the Board of Trustees.

International Student Residency Status

In general, international students may apply for residence reclassification but must have the ability to remain indefinitely in the United States and otherwise meet the requirements of the Alabama Code and Board Rule 202. More specifically, a person must be a Permanent Resident Alien, Political Asylee, Political Refugee, or hold an A, E, G, H, I, L, O, P, R, TC, TD or TN visa to be eligible for review as an in-state resident for tuition purposes. Students who hold a B, F, J, or M visa are not eligible to establish Alabama residency unless their supporting person is an Alabama resident or is a full-time employee of a company party to an Alabama Free Trade Agreement.

Academic Common Market Non-Resident Tuition Remission

Academic Common Market (ACM) non-resident tuition remission (exemption) is available to students from certain states for specific academic programs. Application must be made first with the awarding state. The student must be a legal resident of that state and approved for a specific major at the University of South Alabama. Both undergraduate and graduate students are eligible to apply. The waiver is 100 percent of the non-resident tuition remission and will remain at this level unless the student's field of study changes, or a student no longer has full-time status.

A qualified student must maintain full-time status, remain in academic good standing and comply with all the requirements of the degree program. If a student changes their major from the approved ACM certified major, then they must inform the Office of the Registrar at USA of the change of status. The student will be responsible for the non-resident tuition for the remaining semesters at the University of South Alabama. To be eligible for the non-resident tuition remission during the first semester of enrollment, applications and resident verification must be submitted to and approved by the Office of the Registrar prior to the first day of class.

For more information about submission and deadlines, please contact the Office of the Registrar at (251) 460-6251. Students seeking information on the Academic Common Market waiver should contact the Academic Common Market at:

Southern Regional Education Board
592 10th St. N.W.
Atlanta, GA 30318-5776

Main phone: (404) 875-9211

Main fax: (404) 872-1477

[http://www.sreb.org/page/1304/academic common market.html](http://www.sreb.org/page/1304/academic%20common%20market.html)



**UNIVERSITY OF SOUTH ALABAMA
BUDGET
2014-2015**

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UNIVERSITY OF SOUTH ALABAMA
2014-2015 BUDGET SUMMARY
TOTAL CURRENT FUNDS

	2014-2015 BUDGET			2013-2014 BUDGET
	UNRESTRICTED	RESTRICTED	TOTAL	
REVENUES:				
TUTION AND FEES	\$ 140,531,932	\$	\$ 140,531,932	\$ 129,155,907
STATE APPROPRIATIONS	103,973,584		103,973,584	102,695,500
FEDERAL GRANTS AND CONTRACTS	3,960,832	44,233,000	48,193,832	53,910,832
STATE AND LOCAL GRANTS AND CONTRACTS	626,938	6,641,000	7,267,938	7,053,938
PRIVATE GIFTS, GRANTS AND CONTRACTS	52,776,500	14,602,000	67,378,500	60,376,500
MOBILE RACING COMMISSION	50,000		50,000	75,000
ENDOWMENT INCOME	200,000		200,000	200,000
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	3,648,750		3,648,750	3,348,750
HOSPITALS	364,040,993		364,040,993	341,038,478
MITCHELL CANCER INSTITUTE	17,395,054		17,395,054	17,308,677
AUXILIARY ENTERPRISES	20,926,182		20,926,182	20,053,374
OTHER SOURCES	10,562,752	2,624,000	13,186,752	15,712,752
TOTAL REVENUES	718,693,517	68,100,000	786,793,517	750,929,708
EXPENDITURES AND MANDATORY TRANSFERS:				
EDUCATIONAL AND GENERAL				
INSTRUCTION	117,812,869	9,500,000	127,312,869	124,678,086
RESEARCH	4,736,709	16,300,000	21,036,709	21,450,106
PUBLIC SERVICE	40,485,053	15,000,000	55,485,053	50,702,472
ACADEMIC SUPPORT	20,544,077		20,544,077	19,982,683
STUDENT SERVICES	25,291,719	900,000	26,191,719	24,740,458
INSTITUTIONAL SUPPORT	29,732,139		29,732,139	28,201,087
OPERATION AND MAINTENANCE OF PLANT	27,906,914	700,000	28,606,914	28,345,865
SCHOLARSHIPS	20,245,839	25,700,000	45,945,839	43,371,802
EDUCATIONAL AND GENERAL EXPENDITURES	286,755,319	68,100,000	354,855,319	341,472,559
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	14,906,863		14,906,863	15,002,563
LOAN FUND MATCHING GRANTS	150,000		150,000	171,239
TOTAL EDUCATIONAL AND GENERAL	301,812,182	68,100,000	369,912,182	356,646,361
HOSPITALS (INCLUDING DEBT SERVICE OF \$7,929,421):	367,250,953		367,250,953	350,373,636
MITCHELL CANCER INSTITUTE (INCLUDING DEBT SERVICE OF \$622,307):	22,535,514		22,535,514	22,364,649
AUXILIARY ENTERPRISES:				
EXPENDITURES	16,540,653		16,540,653	15,704,297
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	4,213,495		4,213,495	4,131,446
TOTAL AUXILIARY ENTERPRISES	20,754,148		20,754,148	19,835,743
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	712,352,797	68,100,000	780,452,797	749,220,389
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):				
DEPRECIATION - RENEWALS AND REPLACEMENTS	(12,088,275)		(12,088,275)	(10,188,115)
OTHER TRANSFERS	5,797,555		5,797,555	4,553,796
MOBILE RACING COMMISSION	(50,000)		(50,000)	(75,000)
NET DECREASE IN FUND BALANCES				(4,000,000)
PROCEEDS FROM SALE OF BROOKLEY				4,000,000
NET AFTER TRANSFERS	\$	\$	\$	\$

UNIVERSITY OF SOUTH ALABAMA
2014-2015 BUDGET SUMMARY
UNRESTRICTED CURRENT FUNDS

	OPERATIONS AND MAINTENANCE	COLLEGE OF MEDICINE	HOSPITALS	MITCHELL CANCER INSTITUTE	AUXILIARY ENTERPRISES	2014-2015 BUDGET	2013-2014 BUDGET
REVENUES:							
TUITION AND FEES	\$ 129,258,468	\$ 11,273,464	\$ 8,638,445	\$ 5,050,000	\$	\$ 140,531,932	\$ 129,155,907
STATE APPROPRIATIONS	62,869,452	27,415,687				103,973,584	102,695,500
FEDERAL GRANTS AND CONTRACTS	810,832	3,150,000				4,110,832	3,960,832
STATE AND LOCAL GRANTS AND CONTRACTS	441,349	185,589				626,938	353,938
PRIVATE GIFTS, GRANTS AND CONTRACTS	2,976,500	49,800,000				52,776,500	52,926,500
MOBILE RACING COMMISSION		50,000				50,000	75,000
ENDOWMENT INCOME		200,000				200,000	200,000
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	3,648,750					3,648,750	3,348,750
HOSPITALS			364,040,993			364,040,993	341,038,478
MITCHELL CANCER INSTITUTE				17,395,054		17,395,054	17,308,677
AUXILIARY ENTERPRISES - SALES AND SERVICES					20,926,182	20,926,182	20,053,374
OTHER SOURCES		1,500,000				10,562,752	10,412,752
TOTAL REVENUES	9,062,752	93,574,740	372,679,438	22,445,054	20,926,182	718,693,517	681,679,708
EDUCATIONAL AND GENERAL:							
INSTRUCTION	79,473,629	38,339,240				117,812,869	112,428,086
RESEARCH	2,576,709	2,160,000				4,736,709	4,550,106
PUBLIC SERVICE	3,466,377	37,018,676				40,485,053	40,802,472
ACADEMIC SUPPORT	15,779,890	4,764,187				20,544,077	19,982,683
STUDENT SERVICES	23,510,614	1,781,105				25,291,719	23,890,458
INSTITUTIONAL SUPPORT	26,347,386	3,384,753				29,732,139	28,201,087
OPERATION AND MAINTENANCE OF PLANT	22,265,578	5,641,336				27,906,914	26,845,865
SCHOLARSHIPS	19,010,839	1,235,000				20,245,839	15,521,802
EDUCATIONAL AND GENERAL EXPENDITURES	197,431,022	94,324,297				286,755,319	272,222,559
MANDATORY TRANSFERS FOR:							
PRINCIPAL AND INTEREST	14,506,420	400,443				14,906,863	15,002,563
LOAN FUND MATCHING GRANTS	150,000					150,000	171,239
TOTAL EDUCATIONAL AND GENERAL	207,087,442	94,724,740				301,812,182	287,396,361
HOSPITALS:							
EXPENDITURES AND MANDATORY TRANSFERS			367,250,953			367,250,953	350,373,636
MITCHELL CANCER INSTITUTE:							
EXPENDITURES AND MANDATORY TRANSFERS				22,535,514		22,535,514	22,364,649
AUXILIARY ENTERPRISES:							
EXPENDITURES					16,540,653	16,540,653	15,704,297
MANDATORY TRANSFERS FOR PRINCIPAL AND INTEREST					4,213,495	4,213,495	4,131,446
TOTAL AUXILIARY ENTERPRISES					20,754,148	20,754,148	19,835,743
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	207,087,442	94,724,740	367,250,953	22,535,514	20,754,148	712,352,797	679,970,389
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):							
DEPRECIATION - RENEWALS AND REPLACEMENTS	(4,764,519)		(5,386,485)	(1,765,217)	(172,034)	(12,088,275)	(10,188,115)
OTHER TRANSFERS	2,783,878	1,200,000	(42,000)	1,855,677		5,797,555	4,553,796
MOBILE RACING COMMISSION		(50,000)				(50,000)	(75,000)
NET INCREASE (DECREASE) IN FUND BALANCES						0	(4,000,000)
PROCEEDS FROM SALE OF BROOKLEY						0	4,000,000
NET AFTER TRANSFERS	\$	\$	\$	\$	\$	\$	\$

**UNIVERSITY OF SOUTH ALABAMA
2014-2015 BUDGET SUMMARY
RESTRICTED CURRENT FUNDS**

	OPERATIONS AND MAINTENANCE	COLLEGE OF MEDICINE	MITCHELL CANCER INSTITUTE	2014-2015 BUDGET	2013-2014 BUDGET
REVENUES:					
FEDERAL GRANTS AND CONTRACTS	\$ 30,672,000	\$ 10,934,000	\$ 2,627,000	\$ 44,233,000	\$ 49,800,000
STATE AND LOCAL GRANTS AND CONTRACTS	4,320,000	1,848,000	473,000	6,641,000	6,700,000
PRIVATE GIFTS, GRANTS AND CONTRACTS	8,708,000	5,494,000	400,000	14,602,000	7,450,000
OTHER	1,500,000	924,000	200,000	2,624,000	5,300,000
TOTAL REVENUES	45,200,000	19,200,000	3,700,000	68,100,000	69,250,000
EXPENDITURES:					
EDUCATIONAL AND GENERAL:					
INSTRUCTION	8,000,000	1,300,000	200,000	9,500,000	12,250,000
RESEARCH	3,500,000	10,800,000	2,000,000	16,300,000	16,900,000
PUBLIC SERVICE	7,500,000	6,000,000	1,500,000	15,000,000	9,900,000
STUDENT SERVICES	900,000			900,000	850,000
OPERATIONS AND MAINTENANCE OF PLANT	300,000	400,000		700,000	1,500,000
SCHOLARSHIPS	25,000,000	700,000		25,700,000	27,850,000
TOTAL EXPENDITURES	45,200,000	19,200,000	3,700,000	68,100,000	69,250,000
NET INCREASE (DECREASE) IN FUND BALANCES	\$	\$	\$	\$	\$

**UNIVERSITY OF SOUTH ALABAMA
OPERATIONS AND MAINTENANCE
2014-2015 BUDGET
UNRESTRICTED CURRENT FUNDS**

	2014-2015 BUDGET	2013-2014 BUDGET
REVENUES:		
TUITION AND FEES	\$ 129,258,468	\$ 118,175,125
ALLOCATION OF STATE APPROPRIATIONS	62,869,452	62,393,618
FEDERAL GRANTS AND CONTRACTS	810,832	960,832
STATE GRANTS AND CONTRACTS	441,349	166,349
PRIVATE GIFTS, GRANTS AND CONTRACTS	2,976,500	3,176,500
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	3,648,750	3,348,750
OTHER SOURCES	9,062,752	8,912,752
TOTAL REVENUES	209,068,103	197,133,926
EXPENDITURES AND MANDATORY TRANSFERS:		
EDUCATIONAL AND GENERAL:		
INSTRUCTION	79,473,629	75,451,517
RESEARCH	2,576,709	2,490,106
PUBLIC SERVICE	3,466,377	3,637,550
ACADEMIC SUPPORT	15,779,890	15,207,451
STUDENT SERVICES	23,510,614	22,029,134
INSTITUTIONAL SUPPORT	26,347,386	23,922,524
OPERATION AND MAINTENANCE OF PLANT	22,265,578	21,793,422
SCHOLARSHIPS	19,010,839	14,598,202
EDUCATIONAL AND GENERAL EXPENDITURES	192,431,022	179,129,906
MANDATORY TRANSFERS:		
PRINCIPAL AND INTEREST	14,506,420	14,602,120
LOAN FUND MATCHING GRANTS	150,000	171,239
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	207,087,442	193,903,265
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
OTHER TRANSFERS	2,783,878	1,183,878
DEPRECIATION - RENEWALS AND REPLACEMENTS	(4,764,539)	(4,414,539)
NET INCREASE (DECREASE) IN FUND BALANCES	\$	\$

UNIVERSITY OF SOUTH ALABAMA
COLLEGE OF MEDICINE
2014-2015 BUDGET
UNRESTRICTED CURRENT FUNDS

	2014-2015 BUDGET	2013-2014 BUDGET
REVENUES:		
TUITION AND FEES	\$ 11,273,464	\$ 10,980,782
ALLOCATION OF STATE APPROPRIATIONS	27,415,687	26,724,725
FEDERAL GRANTS AND CONTRACTS	3,150,000	3,150,000
STATE GRANTS AND CONTRACTS	185,589	187,589
PRIVATE GIFTS, GRANTS AND CONTRACTS	49,800,000	49,750,000
MOBILE RACING COMMISSION	50,000	75,000
ENDOWMENT INCOME	200,000	200,000
OTHER SOURCES	1,500,000	1,500,000
TOTAL REVENUES	93,574,740	92,568,096
EXPENDITURES AND MANDATORY TRANSFERS:		
EDUCATIONAL AND GENERAL:		
INSTRUCTION	38,339,240	36,976,569
RESEARCH	2,160,000	2,060,000
PUBLIC SERVICE	37,018,676	37,164,922
ACADEMIC SUPPORT	4,764,187	4,775,232
STUDENT SERVICES	1,781,105	1,861,324
INSTITUTIONAL SUPPORT	3,384,753	4,278,563
OPERATION AND MAINTENANCE OF PLANT	5,641,336	5,052,443
SCHOLARSHIPS	1,235,000	923,600
EDUCATIONAL AND GENERAL EXPENDITURES	94,324,297	93,092,653
MANDATORY TRANSFERS:		
PRINCIPAL AND INTEREST	400,443	400,443
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	94,724,740	93,493,096
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
OTHER TRANSFERS	1,200,000	1,000,000
MOBILE RACING COMMISSION	(50,000)	(75,000)
NET INCREASE (DECREASE) IN FUND BALANCES	\$	\$

**UNIVERSITY OF SOUTH ALABAMA
HOSPITALS
2014-2015 BUDGET
UNRESTRICTED CURRENT FUNDS**

REVENUES:			
GROSS PATIENT REVENUES	\$	2014-2015 BUDGET	2013-2014 BUDGET
		\$ 550,850,413	\$ 539,258,147
CONTRACTUAL ADJUSTMENTS		239,149,777	237,319,521
OTHER ADJUSTMENTS		2,066,394	2,753,047
OTHER MEDICAID ADJUSTMENTS		(15,444,761)	
TOTAL DEDUCTIONS FROM REVENUES		<u>225,771,410</u>	<u>240,072,568</u>
NET PATIENT REVENUES		325,079,003	299,185,579
ALLOCATION OF STATE APPROPRIATIONS		8,638,445	8,577,157
MOBILE COUNTY HOSPITAL BOARD		15,307,500	15,027,210
MOBILE COUNTY INDIGENT CARE BOARD		533,000	533,000
MEDICAID DISPROPORTIONATE SHARE		8,896,462	16,899,854
OTHER REVENUES		<u>14,225,028</u>	<u>9,392,835</u>
TOTAL REVENUES		<u>372,679,438</u>	<u>349,615,635</u>
EXPENDITURES AND MANDATORY TRANSFERS:			
EXPENDITURES:			
NURSING SERVICES		97,639,504	95,204,217
PROFESSIONAL SERVICES		93,445,778	92,017,657
GENERAL DIVISION		19,739,615	18,880,083
ADMINISTRATIVE DIVISION		60,306,791	51,795,569
MEDICAL EDUCATION		17,810,558	17,579,521
PROVISION FOR UNCOLLECTIBLE ACCOUNTS (NET OF RECOVERIES)		<u>70,379,286</u>	<u>68,544,567</u>
TOTAL EXPENDITURES		359,321,532	344,021,614
MANDATORY TRANSFERS FOR:			
PRINCIPAL AND INTEREST		<u>7,929,421</u>	<u>6,352,022</u>
TOTAL EXPENDITURES AND MANDATORY TRANSFERS		367,250,953	350,373,636
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):			
DEPRECIATION - DISPROPORTIONATE SHARE		(5,386,485)	(3,200,000)
DEPRECIATION - RENEWALS AND REPLACEMENTS		<u>(42,000)</u>	<u>(41,999)</u>
NET INCREASE (DECREASE) IN FUND BALANCES			<u>(4,000,000)</u>
PROCEEDS FROM SALE OF BROOKLEY			<u>4,000,000</u>
NET AFTER TRANSFERS	\$		\$

UNIVERSITY OF SOUTH ALABAMA
MITCHELL CANCER INSTITUTE
2014-2015 BUDGET
UNRESTRICTED CURRENT FUNDS

	2014-2015 BUDGET	2013-2014 BUDGET
REVENUES:		
GROSS PATIENT REVENUES	\$ 24,297,971	\$ 22,989,505
ALLOCATION OF STATE APPROPRIATIONS	5,050,000	5,000,000
OTHER REVENUES	4,282,589	2,879,217
TOTAL REVENUES	33,630,560	30,868,722
LESS: CONTRACTUAL ADJUSTMENTS	11,185,506	8,560,045
NET REVENUES	22,445,054	22,308,677
EXPENDITURES AND MANDATORY TRANSFERS:		
EXPENDITURES:		
PROFESSIONAL SERVICES	10,736,207	11,324,559
ADMINISTRATIVE DIVISION	10,161,248	8,818,819
FUNDED DEPRECIATION	1,765,216	2,355,946
PROVISION FOR UNCOLLECTIBLE ACCOUNTS (NET OF RECOVERIES)	1,015,752	1,588,335
TOTAL EXPENDITURES	23,678,423	24,087,659
MANDATORY TRANSFERS:		
PRINCIPAL AND INTEREST	622,307	632,936
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	24,300,730	24,720,595
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
OTHER TRANSFERS	1,855,676	2,411,918
NET INCREASE (DECREASE) IN FUND BALANCES	\$	\$

UNIVERSITY OF SOUTH ALABAMA
AUXILIARY ENTERPRISES
2014-2015 BUDGET
UNRESTRICTED CURRENT FUNDS

	HOUSING	FOOD SERVICES	BOOKSTORE	2014-2015 BUDGET	2013-2014 BUDGET
REVENUES:					
RENTAL INCOME	\$ 9,253,967	\$		\$ 9,253,967	\$ 9,063,317
SALES			10,260,000	10,260,000	9,589,000
COMMISSION INCOME		943,455		943,455	911,550
OTHER INCOME	250,760		218,000	468,760	489,507
TOTAL REVENUES	<u>9,504,727</u>	<u>943,455</u>	<u>10,478,000</u>	<u>20,926,182</u>	<u>20,053,374</u>
LESS: COST OF GOODS SOLD			7,812,635	7,812,635	7,155,060
NET REVENUES	<u>9,504,727</u>	<u>943,455</u>	<u>2,665,365</u>	<u>13,113,547</u>	<u>12,898,314</u>
EXPENDITURES:					
SALARIES AND WAGES	1,543,886		935,729	2,479,615	2,369,175
EMPLOYEE BENEFITS	304,239		314,400	618,639	572,766
OTHER EXPENDITURES	3,957,758	492,770	1,179,236	5,629,764	5,607,296
TOTAL EXPENDITURES	<u>5,805,883</u>	<u>492,770</u>	<u>2,429,365</u>	<u>8,728,018</u>	<u>8,549,237</u>
NET OPERATING INCOME	<u>3,698,844</u>	<u>450,685</u>	<u>236,000</u>	<u>4,385,529</u>	<u>4,349,077</u>
TRANSFERS AMONG FUNDS - ADDITIONS/(DEDUCTIONS):					
MANDATORY TRANSFERS:					
PRINCIPAL AND INTEREST	(3,526,810)	(450,685)	(236,000)	(4,213,495)	(4,131,446)
NON-MANDATORY TRANSFERS:					
RENEWALS AND REPLACEMENTS	(172,034)			(172,034)	(217,631)
TOTAL TRANSFERS	<u>(3,698,844)</u>	<u>(450,685)</u>	<u>(236,000)</u>	<u>(4,385,529)</u>	<u>(4,349,077)</u>
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**UNIVERSITY OF SOUTH ALABAMA
STATE APPROPRIATIONS**

	2014-2015 APPROPRIATIONS	2013-2014 APPROPRIATIONS
EDUCATION TRUST FUND	\$ 103,423,584	\$ 102,695,500
GENERAL FUND	550,000	1,000,000
TOTAL APPROPRIATIONS	<u>\$ 103,973,584</u>	<u>\$ 103,695,500</u>