

UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES

MINUTES

SEPTEMBER 3, 2015

HEALTH AFFAIRS COMMITTEE

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

BUDGET AND FINANCE COMMITTEE

AUDIT COMMITTEE

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

COMPENSATION COMMITTEE

SEPTEMBER 4, 2015

BOARD OF TRUSTEES

- 1 Approve: Minutes  
Announcement: Board of Trustees Scholar, 2015-2016
- 2 Report: President's Report  
Report: International Programs

*HEALTH AFFAIRS COMMITTEE*

- Report: Chandra Brown Stewart on behalf of Dr. Steve Stokes, Chair
- 3 Approve: USA Hospitals Credentials – May, June and July 2015

*ACADEMIC AND STUDENT AFFAIRS COMMITTEE*

- Report: Mike Windom on behalf of Bettye Maye, Chair  
Report: Academic Affairs
- 5 Approve: Professors Emeritus
  - 6 Approve: Distinguished Professor  
Report: Research and Economic Development

*BUDGET AND FINANCE COMMITTEE*

- Report: Tom Corcoran, Chair
- 11 Approve: Implementation of Infrastructure Upgrade and Improvement Project
  - 12 Approve: Architect for Residential Building
  - 13 Approve: University Total Budget, 2015-2016

*AUDIT COMMITTEE*

Report: John Peek, Chair

*DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE*

Report: Jim Yance, Chair

*COMPENSATION COMMITTEE*

Report: Jimmy Shumock, Chair

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**September 4, 2015  
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 4, 2015, at 10:30 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

**Members Present:** Chandra Brown Stewart, Tom Corcoran, Steve Furr, John Peek, Jimmy Shumock, Ken Simon, Sandy Stimpson, Mike Windom and Jim Yance.

**Members Absent:** Robert Bentley, Scott Charlton, Ron Jenkins, Bettye Maye, Arlene Mitchell, Bryant Mixon and Steve Stokes.

**Administration and Others:** Isaiah Alton, Beth Anderson, Joe Busta, Micah Calhoun, Lynne Chronister, Reid Cummings, Monica Curtis, Brandi DePineuil, Joel Erdmann, Mike Finan, Stan Hammack, Mike Haskins, Brenda Hinson, Emily Hudson, Holly Hudson, David Johnson, Andi Kent, Don Langham, Abe Mitchell, Mike Mitchell, Randy Moon, Kit Outlaw, Patricia and Steve Picou, Ravi Rajendra (SGA), Barbara Shirvanian, John Smith, Dan Smithson, Polly Stokley, Sam Strada, Carl Thomas (AASA), Andrew Tindell, Ben Tipton, Jean Tucker, Tony Waldrop, Kevin West and Kelly Woodford (Faculty Senate).

**Press:** Modupe Idowu and Stephen Smith (Local 15), and Alyssa Newton (*Vanguard*).

The meeting was called to order and the attendance roll was called. Chairman Furr called for consideration of **ITEM 1**, the minutes of the Board of Trustees meeting held on June 5, 2015. On motion by Mr. Windom, seconded by Mr. Shumock, the minutes were approved unanimously. Chairman Furr called for adoption of the revised agenda. On motion by Mr. Corcoran, seconded by Mr. Shumock, the revised agenda was adopted unanimously.

At Chairman Furr's request, Mayor Stimpson shared details on a new contract between the city of Mobile and Carnival Cruise Lines.

Chairman Furr gave background on the USA Board of Trustees Scholarship program created the previous year and recognized Mr. Jeffrey Hamilton, the inaugural recipient for 2014-2015, and his mother, Ms. Joanne Hamilton. He introduced Ms. Shirley Zhang as the Board of Trustees Scholar for 2015-2016, as well as her father, Mr. Rusheng Zhang, both of whom joined Chairman Furr and President Waldrop for the presentation of a commemorative plaque to Ms. Zhang. Ms. Zhang thanked the Board of Trustees. Mr. Hamilton and Ms. Zhang made brief comments about their academic pursuits.

Chairman Furr called for presentation of ITEM 2, the President's Report. President Waldrop welcomed Trustee *emeritus* Mr. Don Langham, Honorary Trustee Mr. Abe Mitchell, Faculty Senate President Dr. Kevin West, SGA President Mr. Ravi Rajendra, and African-American Student Association representative Mr. Carl Thomas. He called on Dr. Smith, who recognized new retiree Mr. Ben Tipton, who served the University for 27 years, most recently as Executive Director of the Office of Internal Audit and Chief Financial Compliance Officer (CFCO). Mr. Peek described Mr. Tipton as a consummate professional and conveyed gratitude for his service. Mr. Tipton reflected on his tenure at South Alabama and thanked the Trustees and colleagues in the room for their support. Dr. Smith introduced Ms. Polly Stokley, who will oversee audit functions on an interim basis.

President Waldrop announced the NCAA's selection of Dr. Erdmann to chair its Division I Baseball Committee for 2015-2016. Among his responsibilities will be assisting with tournament site selection and management, as well as bracket development.

President Waldrop reported that nine electrical engineering majors were selected by the Tau Beta Pi Engineering Honor Society to receive \$2,000 senior scholarships.

President Waldrop called for remarks from Faculty Senate President Dr. Kevin West. Dr. West reported on expanded faculty lines. He credited the success of fall convocation activities to Drs. Nicole Carr and Krista Harrell. He discussed priorities of the Faculty Senate, which include a faculty mentoring program and opportunities to engage with the Administration. Judge Simon asked about the balance between teaching loads and research. Dr. West said faculty responsibilities are reasonable, yet unique to the academic unit. He said processes for assessment and regulation of faculty loads continue to evolve.

President Waldrop introduced Mr. Ravi Rajendra, Student Government Association (SGA) President, who attributed his involvement with USA's First Year Council in sparking his interest in SGA. He gave insight into SGA's infrastructure needs, as well as current initiatives being promoted, including *Ticket Forgiveness Day* for students in November. He addressed student attendance at football games. Mr. Peek agreed that SGA leaders should seek ways to increase student engagement. Mr. Rajendra asked the Board to pose with him for an SGA social media "selfie" snapshot.

President Waldrop recognized Dr. Kit Outlaw, USA Medical Alumni Association President.

President Waldrop discussed USA's inaugural Week of Welcome (WOW) activities in August. Graphics featuring WOW highlights were viewed. Activities included a convocation program and Move-In Day at the residence halls. He said volunteers for Move-In Day included student athletes and the marching band. He and Dr. Smith recognized Ms. Barbara Shirvanian for her many years of service in coordinating Move-In Day. President Waldrop reminded the Board that the University became a tobacco/vapor-free campus on August 1.

President Waldrop called on Provost Johnson for an update on position searches. Provost Johnson reported that Dr. Rick Talbott had agreed to continue serving as Dean of the Pat Capps Covey College of Allied Health Professions for another year while the search committee pursues candidates. He introduced Dr. Andi Kent, Interim Dean for the College of Education. He said the search to fill the Director position for the Melton Center for Entrepreneurship and Innovation in the Mitchell College of Business continues. President Waldrop said a final recommendation is expected soon from the search committee for the position of Vice President for Finance and Administration. He said Dr. Finan would chair the search committee to seek candidates for the position of Vice President for Medical Affairs/Dean of the College of Medicine. Additionally, search activities will start soon to fill the Executive Director/CFCO position in the Office of Internal Audit.

President Waldrop asked Mr. Shumock for an update on consideration of a football stadium on campus. Mr. Shumock reported that meetings with consulting firms had taken place to learn about options. He said the next step forward is to hire one of the firms to conduct a feasibility study. He said the information will be shared as developments progress.

President Waldrop called on Provost Johnson for a report on international engagement, an area the University seeks to expand as one of five institutional priorities adopted in 2014. Provost Johnson discussed a leadership trip made by the Waldrops, Lynne Chronister and himself to the Galapagos Islands in July. The purpose of the trip was to promote study abroad programs for students, as well as foster a partnership with the Galapagos Science Center and the Universidad of San Francisco de Quito to make research opportunities possible for faculty. Photos were viewed of the Galapagos wildlife known to have inspired Charles Darwin's theory of natural selection and modern evolution. Provost Johnson credited President Waldrop for the venture, noting his involvement in the development of the Galapagos Science Center during his tenure at the University of North Carolina Chapel Hill.

Provost Johnson introduced Ms. Holly Hudson, Director of International Education, and Ms. Brenda Hinson, Director of International Student Services/Admissions, describing them as individuals who have made great strides in the field international engagement abroad. Ms. Hudson presented an overview detailing goals for the Study Abroad program, which include growing the enrollment and increasing funding for the program, as well as collaborative opportunities with other universities. Charts with comparative data showed how the program has gained momentum in recent years. Ms. Hudson introduced students Mr. Isaiah Alton and Ms. Emily Hudson, and each addressed the Board about their Study Abroad experiences.

Chairman Furr called for a report from the Health Affairs Committee. [With quorum requirements not met on September 3, the Health Affairs Committee meeting was adjourned immediately following roll call.] On behalf of Dr. Stokes, Committee Chair, Ms. Brown Stewart reported that USA Health System leaders delivered informative presentations to the Trustees and

guests assembled on September 3. These reports included an update from Ms. Tate on the USA Physicians Group professional office building that is under construction; a report from Ms. Anderson on a collaboration with the Mitchell College of Business to offer leadership training for Health System professionals; the introduction of Dr. Suzy Figarola, Professor and Chair of the Department of Radiology, by Dr. Strada; a report from Mr. Bailey on promotion of the unique services offered by USA Children's and Women's Hospital (CWH) via televised and social media video posts; and a report from Dr. Finan on the expansion of Mitchell Cancer Institute (MCI) services in Baldwin County and upgrades to radiation oncology services and facilities at the MCI.

Chairman Furr called for consideration of **ITEM 3** as follows. Judge Simon inquired about the credentials process. Mr. Hammack and Ms. Anderson gave assurances as to the thorough measures employed for verification of physicians and allied health professionals' credentials. On motion by Mr. Yance, seconded by Judge Simon, the resolution was approved unanimously:

**RESOLUTION**

**USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS FOR MAY, JUNE AND JULY 2015**

**WHEREAS**, the Medical Staff appointments and reappointments for May, June and July 2015 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.

Chairman Furr called for a report from the Academic and Student Affairs Committee. [With quorum requirements not met on September 3, the Academic and Student Affairs Committee meeting was adjourned immediately following roll call.] On behalf of Ms. Maye, Committee Chair, Mr. Windom said informative presentations were delivered to the Trustees and guests in attendance on September 3. These reports included a presentation by Mr. Lynch on fall enrollment records; a presentation by Dr. Nicole Carr on the services offered to students at USA's new Academic Support Center; and the introduction of Title IX Educational Specialist Ms. Courtney Diener by Dr. Harrell. Additionally on September 3, Ms. Chronister reported on Alabama Innovation Fund grant awards to Engineering faculty Drs. K. T. Hsiao and Mohammed Alam; USA's representation at the annual Farnborough Air Show in Paris; and the success of two teams of USA students representing the College of Engineering, the School of Computing and the Mitchell College of Business who placed first and second out of four teams nationwide who were invited by Airbus to participate in its *Innovation Showdown* scholarship competition.

Mr. Windom called upon Provost Johnson, who introduced Mr. Reid Cummings, Director of the University's Center for Real Estate and Economic Development. Provost Johnson shared background information on Mr. Cummings.

Provost Johnson presented **ITEM 5** as follows. On motion by Mayor Stimpson, seconded by Mr. Shumock, the resolution was approved unanimously:

**RESOLUTION  
PROFESSORS EMERITUS**

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

**ACADEMIC AFFAIRS:**

Jerry Alan Bush, Ph.D., Professor of Music  
Raymond Kent Clark, Ph.D., Professor of Physics  
Scott L. Douglass, Ph.D., Professor of Civil Engineering  
Ellwood B. Hannum, Ph.D., Professor of History and Interdisciplinary Studies  
Joseph Timothy Holston, Au.D., Assistant Professor of Audiology  
Michael L. Monheit, Ph.D., Associate Professor of History  
Arifur Rahman, Ph.D., Professor of Electrical Engineering  
Robert A. Shearer, J.D., Professor of Management  
Joan Marie Sinnott, Ph.D., Associate Professor of Research in Psychology  
Xin-Min Zhang, Ph.D., Professor of Mathematics

**COLLEGE OF MEDICINE:**

Stephen T. Ballard, Ph.D., Professor of Physiology and Cell Biology  
Stephen G. Kayes, Ph.D., Professor of Medical Education  
Stephen W. Schaffer, Ph.D., Professor of Pharmacology

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, the Provost and Senior Vice President for Academic Affairs, 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, Associate Professor Emeritus, or Assistant 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.

As to **ITEM 6** as follows, Provost Johnson introduced and discussed the credentials of Dr. Steven Picou, describing him as a mentor of undergraduate, graduate and doctoral students and a foremost expert on disasters, particularly those created by humans. Dr. Picou and his wife, Patricia, joined Chairman Furr and President Waldrop for the reading of the resolution by Mr. Windom. On motion by Mr. Peek, seconded by Mayor Stimpson, the resolution was approved unanimously:

**RESOLUTION  
DISTINGUISHED PROFESSOR**

**WHEREAS**, the University of South Alabama seeks to honor exceptional faculty who have distinguished themselves in scholarly productivity throughout their professional careers, and

**WHEREAS**, Dr. J. Steven Picou is a full professor and accomplished researcher, and

**WHEREAS**, Dr. Picou has published over 150 peer-reviewed articles, book chapters, and research monographs in the areas of environmental sociology, disasters, applied sociology, social stratification, and social theory, and

**WHEREAS**, Dr. Picou has established himself, beginning with his pioneering research and original publications on the impact of the Exxon Valdez oil spill disaster in Prince William Sound, Alaska, as a world leader in the research of man-made disasters and environmental resiliency, and

**WHEREAS**, Dr. Picou was instrumental in securing funding for the Coastal Resource and Resiliency Center (CRRC) that was established in the aftermath of the 2010 Deepwater Horizon oil spill in the Gulf of Mexico and now serves as its director, and

**WHEREAS**, Dr. Picou has received over \$9 million in external funding for disaster/environmental research, and

**WHEREAS**, Dr. Picou remains an undisputed leader in his field both nationally and internationally,

**THEREFORE, BE IT RESOLVED** that the Board of Trustees of the University of South Alabama recognizes Dr. J. Steven Picou for his scholarship and bestows upon him the rank of *Distinguished Professor* for the 2015-2016 academic year.

Dr. Picou presented a visual overview of his research spanning 33 years and his involvement with disaster recovery following the Exxon-Valdez oil spill in Alaska in 1989, Hurricane Katrina in 2005, and the Deepwater Horizon oil spill in 2010. He described his current work through USA's Coastal Resource & Resiliency Center to build social capital through community intervention training initiatives which focus on improving health outcomes primarily among disadvantaged and under-served populations. Dr. Picou shared words of appreciation for the individuals who have supported his life's work.

Chairman Furr called for a report from the Budget and Finance Committee. Mr. Corcoran, Committee Chair, stated that, on September 3, the Budget and Finance Committee heard presentations covering the quarterly financial statements for the nine months ended June 30, 2015, and results and recommendations relative to an information technology assessment of the main campus and USA Health System networks conducted by an independent contractor.

Mr. Corcoran stated the Committee voted unanimously to recommend approval of **ITEM 11** as follows. Chairman Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION  
IMPLEMENTATION OF INFRASTRUCTURE UPGRADE AND IMPROVEMENT PROJECT**

**WHEREAS**, the University of South Alabama was established in 1963, and

**WHEREAS**, many of the critical roofing and utility infrastructure systems, including electrical power, hot and chilled water, communication, potable water, sanitary sewer, storm drainage and natural gas are either over or approaching fifty years in age, and

**WHEREAS**, University administration recognized the need to ensure the campus roofing and utility infrastructure systems could appropriately support both existing needs and future growth on its main campus, and

**WHEREAS**, Krebs Engineering; Burns & McDonnell; Hays Cheatwood Consulting; and Goodwyn, Mills and Cawood were retained to provide engineering services related to the development of a coordinated master plan for the University's primary utility and roofing systems on the basis of their knowledge of the University's existing systems and experience in the planning and design of utility systems for other universities, and

**WHEREAS**, the utility systems included in the master plan were: hot and chilled water, electrical power, communications, potable water, sanitary sewer, storm drainage, natural gas and roofing, and

**WHEREAS**, the University's facilities staff provided these consultants copious amounts of detailed information about both the existing utility systems and anticipated future University facilities to use in the technical analysis required during the planning effort, and

**WHEREAS**, the University's facilities staff also responded to inquiries from the consultants and provided regular input and guidance to assure the finished master plan was consistent with the University's overall direction and purpose, and

**WHEREAS**, the completed plan provided the basis for the identification of improvements to each utility system required to correct existing deficiencies, as well as, utility improvements which will be necessary to support anticipated new and expanded facilities at the University's main campus, and

**WHEREAS**, University administration has recognized the need, both from a logistical and a financial standpoint, to develop a schedule to implement Phase I of the overall plan over a four- to five-year period in a fiscally responsible manner, and

**WHEREAS**, University administration has developed such a plan, Phase I, that would utilize a combination of current budgeted funding and bonded debt and would be implemented over a four- to five-year period at an estimated total cost of approximately \$25 million,

**THEREFORE, BE IT RESOLVED**, the University of South Alabama Board of Trustees, authorizes University administration to begin Phase I of the infrastructure upgrade and improvement project to begin immediately and extend through the 2019 fiscal year. It is anticipated that Phase I of the project will be funded by a combination of approximately \$5 million in budgeted funds and bonded indebtedness up to \$20 million which would be formally presented to the Board for approval in September 2016.

Mr. Corcoran reported the Committee's unanimous recommendation for approval of **ITEM 12** as follows. Chairman Furr called for a vote and the resolution was approved unanimously:



**RESOLUTION  
ARCHITECT FOR RESIDENTIAL BUILDING**

**WHEREAS**, the University of South Alabama has a growing enrollment, and the recruitment and retention of students as well as the quality of student life are strongly enhanced by excellent residential facilities, and

**WHEREAS**, the number of students seeking residence on campus has grown significantly over the past five years, and providing additional residential buildings is most beneficial at the beginning of fall semester, and

**WHEREAS**, the fall of 2017 is the target date for a new residential building, and

**WHEREAS**, it is important to continue the architectural style initiated by the design of the two previous residence halls by the firm Williams Blackstock, and there are efficiencies to be achieved in both time and costs by continuing with the same architectural firm,

**THEREFORE, BE IT RESOLVED** that the Board of Trustees of the University of South Alabama authorizes the President to engage the firm of Williams Blackstock to design and bid this project.

Mr. Corcoran said the Committee voted unanimously to recommend approval of **ITEM 13** as follows (for copies of policies and other authorized documents, refer to **APPENDIX A**), noting that the proposal provides for a balanced budget for 2015-2016. Chairman Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION  
UNIVERSITY BUDGET FOR 2015-2016**

**BE IT RESOLVED**, the University of South Alabama Board of Trustees approves the 2015–2016 University of South Alabama Budget, and

**BE IT FURTHER RESOLVED**, the University of South Alabama Board of Trustees approves the 2015–2016 Budget as a continuation budget for 2016–2017 in order to be in compliance with bond trust indenture requirements if the budget process cannot be completed prior to beginning the 2016–2017 fiscal year.

Chairman Furr called for a report from the Audit Committee. Mr. Peek, Committee Chair, reported that, despite the lack of a quorum on September 3, which prompted adjournment of the Audit Committee meeting, Mr. Mark Peach, KPMG partner, discussed expectations for the 2014-2015 compliance audit with the Trustees who were present.

Chairman Furr called for a report from the Development, Endowment and Investments Committee. Mr. Yance, Committee Chair, shared endowment performance results that were delivered to the Committee on September 3. He indicated that quarterly performance was positive as compared to the relative index. Fiscal year performance through June 30, 2015, was 3.42 percent versus the index of 2.89 percent, an outperformance of .53 percent. Mr. Yance said asset allocation continues to meet guideline parameters. He reported the annualized performance

since inception at 5.18 percent versus the index at 4.42 percent through June 30, 2015. He reported that, amid a recent downturn, \$5 million in accumulated cash had been reinvested into the endowment.

Chairman Furr called for a report from the Compensation Committee. Mr. Shumock, Committee Chair, discussed that a review of President Waldrop's performance for 2014-2015 had been conducted in recent weeks, with input solicited from a myriad of internal and external constituencies. The review was based on strides towards achieving the five institutional priorities, execution of duties as set forth by the Board of Trustees and its bylaws, and an evaluation of leadership acumen. Mr. Shumock expressed that the overwhelming consensus was that President Waldrop had consistently demonstrated abilities that meet or exceed expectations.

Chairman Furr asked President Waldrop to give details on the sports matches scheduled over the next days.

There being no further business, the meeting was adjourned at 11:59 a.m.

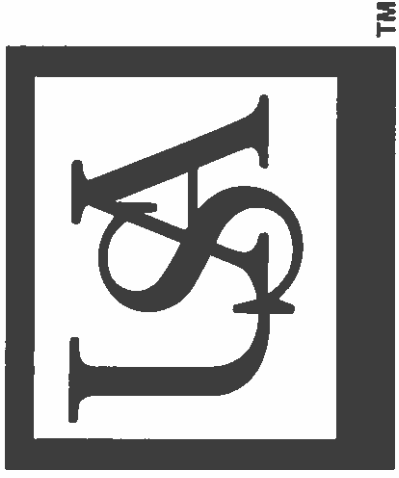
Attest to:

Respectfully submitted:

  
\_\_\_\_\_  
James H. Shumock, Secretary

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

# APPENDIX A



**UNIVERSITY OF SOUTH ALABAMA  
BUDGET  
2015-2016**

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**UNIVERSITY OF SOUTH ALABAMA  
2015-2016 BUDGET SUMMARY  
TOTAL CURRENT FUNDS**

	2015-2016 BUDGET		2014-2015 BUDGET
	UNRESTRICTED	RESTRICTED	TOTAL
<b>REVENUES:</b>			
TUITION AND FEES	\$ 148,897,898	\$	\$ 148,897,898
STATE APPROPRIATIONS	104,976,761		104,976,761
FEDERAL GRANTS AND CONTRACTS	3,835,832	36,400,000	42,235,832
STATE AND LOCAL GRANTS AND CONTRACTS	451,938	7,250,000	7,703,938
PRIVATE GIFTS, GRANTS AND CONTRACTS	9,715,000	12,450,000	22,165,000
MOBILE RACING COMMISSION	25,000		25,000
ENDOWMENT INCOME	200,000		200,000
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	4,198,750		4,198,750
HOSPITALS	421,614,525		421,614,525
MITCHELL CANCER INSTITUTE	16,172,894		16,172,894
AUXILIARY ENTERPRISES	28,622,966		28,622,966
OTHER SOURCES	11,982,002	5,700,000	17,682,002
<b>TOTAL REVENUES</b>	<b>750,695,566</b>	<b>63,800,000</b>	<b>814,495,566</b>
<b>EXPENDITURES AND MANDATORY TRANSFERS:</b>			
EDUCATIONAL AND GENERAL:			
INSTRUCTION	108,261,409	9,300,000	117,561,409
RESEARCH	4,868,286	14,100,000	18,968,286
PUBLIC SERVICE	9,445,255	12,800,000	22,245,255
ACADEMIC SUPPORT	20,804,230		20,804,230
STUDENT SERVICES	29,731,109	990,000	30,681,109
INSTITUTIONAL SUPPORT	30,286,440	400,000	30,686,440
OPERATION AND MAINTENANCE OF PLANT	29,358,371		29,358,371
SCHOLARSHIPS	20,448,867	26,250,000	46,698,867
EDUCATIONAL AND GENERAL EXPENDITURES	253,203,967	63,800,000	317,003,967
MANDATORY TRANSFERS FOR:			
PRINCIPAL AND INTEREST	15,336,508		15,336,508
LOAN FUND MATCHING GRANTS	171,239		171,239
TOTAL EDUCATIONAL AND GENERAL	268,711,714	63,800,000	332,511,714
HOSPITALS (INCLUDING DEBT SERVICE OF \$9,446,601):	433,787,916		433,787,916
MITCHELL CANCER INSTITUTE (INCLUDING DEBT SERVICE OF \$1,079,667):	25,108,148		25,108,148
AUXILIARY ENTERPRISES:			
EXPENDITURES	23,069,503		23,069,503
MANDATORY TRANSFERS FOR:			
PRINCIPAL AND INTEREST	4,488,061		4,488,061
TOTAL AUXILIARY ENTERPRISES	27,557,564		27,557,564
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	755,165,342	63,800,000	818,965,342
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):			
DEPRECIATION - RENEWALS AND REPLACEMENTS	(5,679,941)		(5,679,941)
TRANSFER FROM RESERVES	4,651,944		4,651,944
OTHER TRANSFERS	5,522,773		5,522,773
MOBILE RACING COMMISSION	(25,000)		(25,000)
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<b>0</b>	<b>0</b>	<b>0</b>



**UNIVERSITY OF SOUTH ALABAMA  
2015-2016 BUDGET SUMMARY  
RESTRICTED CURRENT FUNDS**

	<b>OPERATIONS AND MAINTENANCE</b>	<b>COLLEGE OF MEDICINE</b>	<b>MITCHELL CANCER INSTITUTE</b>	<b>2015-2016 BUDGET</b>	<b>2014-2015 BUDGET</b>
<b>REVENUES:</b>					
FEDERAL GRANTS AND CONTRACTS	\$ 28,500,000	\$ 7,500,000	\$ 2,400,000	\$ 38,400,000	\$ 44,233,000
STATE AND LOCAL GRANTS AND CONTRACTS	5,500,000	1,500,000	250,000	7,250,000	6,641,000
PRIVATE GIFTS, GRANTS AND CONTRACTS	10,400,000	1,700,000	350,000	12,450,000	14,602,000
OTHER	3,500,000	1,200,000	1,000,000	5,700,000	2,624,000
<b>TOTAL REVENUES</b>	<b>47,900,000</b>	<b>11,900,000</b>	<b>4,000,000</b>	<b>63,800,000</b>	<b>68,100,000</b>
<b>EXPENDITURES:</b>					
<b>EDUCATIONAL AND GENERAL:</b>					
INSTRUCTION	7,300,000	1,400,000	600,000	9,300,000	9,500,000
RESEARCH	4,600,000	6,600,000	2,900,000	14,100,000	16,300,000
PUBLIC SERVICE	8,900,000	3,400,000	500,000	12,800,000	15,000,000
STUDENT SERVICES	950,000			950,000	900,000
OPERATIONS AND MAINTENANCE OF PLANT	400,000			400,000	700,000
SCHOLARSHIPS	25,750,000	500,000		26,250,000	25,700,000
<b>TOTAL EXPENDITURES</b>	<b>47,900,000</b>	<b>11,900,000</b>	<b>4,000,000</b>	<b>63,800,000</b>	<b>68,100,000</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>



UNIVERSITY OF SOUTH ALABAMA  
OPERATIONS AND MAINTENANCE  
2015-2016 BUDGET  
UNRESTRICTED CURRENT FUNDS

	<u>2015-2016</u>	<u>2014-2015</u>
	<u>BUDGET</u>	<u>BUDGET</u>
<b>REVENUES:</b>		
TUITION AND FEES	\$ 137,171,718	\$ 129,258,468
ALLOCATION OF STATE APPROPRIATIONS	63,861,395	62,869,452
FEDERAL GRANTS AND CONTRACTS	935,832	810,832
STATE GRANTS AND CONTRACTS	266,349	441,349
PRIVATE GIFTS, GRANTS AND CONTRACTS	2,665,000	2,976,500
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	4,198,750	3,648,750
OTHER SOURCES	<u>10,632,002</u>	<u>9,062,752</u>
<b>TOTAL REVENUES</b>	<u>219,731,046</u>	<u>209,068,103</u>
<b>EXPENDITURES AND MANDATORY TRANSFERS:</b>		
<b>EDUCATIONAL AND GENERAL:</b>		
INSTRUCTION	82,541,407	79,473,629
RESEARCH	2,758,286	2,576,709
PUBLIC SERVICE	3,564,121	3,466,377
ACADEMIC SUPPORT	15,969,139	15,779,890
STUDENT SERVICES	27,790,743	23,510,614
INSTITUTIONAL SUPPORT	27,078,901	26,347,386
OPERATION AND MAINTENANCE OF PLANT	23,633,617	22,265,578
SCHOLARSHIPS	<u>19,213,867</u>	<u>19,010,839</u>
<b>EDUCATIONAL AND GENERAL EXPENDITURES</b>	<u>202,550,081</u>	<u>192,431,022</u>
<b>MANDATORY TRANSFERS:</b>		
PRINCIPAL AND INTEREST	14,936,065	14,506,420
LOAN FUND MATCHING GRANTS	<u>171,239</u>	<u>150,000</u>
<b>TOTAL EXPENDITURES AND MANDATORY TRANSFERS</b>	<u>217,657,385</u>	<u>207,087,442</u>
<b>OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):</b>		
OTHER TRANSFERS	2,540,878	2,783,878
DEPRECIATION - RENEWALS AND REPLACEMENTS	<u>(4,614,539)</u>	<u>(4,764,539)</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<u>\$ 0</u>	<u>\$ 0</u>

UNIVERSITY OF SOUTH ALABAMA  
 COLLEGE OF MEDICINE  
 2015-2016 BUDGET  
 UNRESTRICTED CURRENT FUNDS

	<u>2015-2016</u>	<u>2014-2015</u>
	<u>BUDGET</u>	<u>BUDGET</u>
<b>REVENUES:</b>		
TUITION AND FEES	\$ 11,726,180	\$ 11,273,464
ALLOCATION OF STATE APPROPRIATIONS	27,340,560	27,415,687
FEDERAL GRANTS AND CONTRACTS	2,900,000	3,150,000
STATE GRANTS AND CONTRACTS	187,589	185,589
PRIVATE GIFTS, GRANTS AND CONTRACTS	7,050,000	49,800,000
MOBILE RACING COMMISSION	25,000	50,000
ENDOWMENT INCOME	200,000	200,000
OTHER SOURCES	<u>1,350,000</u>	<u>1,500,000</u>
<b>TOTAL REVENUES</b>	<u>50,779,329</u>	<u>93,574,740</u>
<b>EXPENDITURES AND MANDATORY TRANSFERS:</b>		
<b>EDUCATIONAL AND GENERAL:</b>		
INSTRUCTION	25,720,002	38,339,240
RESEARCH	2,110,000	2,160,000
PUBLIC SERVICE	5,881,134	37,018,676
ACADEMIC SUPPORT	4,835,091	4,764,187
STUDENT SERVICES	1,940,366	1,781,105
INSTITUTIONAL SUPPORT	3,207,539	3,384,753
OPERATION AND MAINTENANCE OF PLANT	5,724,754	5,641,336
SCHOLARSHIPS	<u>1,235,000</u>	<u>1,235,000</u>
<b>EDUCATIONAL AND GENERAL EXPENDITURES</b>	<u>50,653,886</u>	<u>94,324,297</u>
<b>MANDATORY TRANSFERS:</b>		
PRINCIPAL AND INTEREST	400,443	400,443
<b>TOTAL EXPENDITURES AND MANDATORY TRANSFERS</b>	<u>51,054,329</u>	<u>94,724,740</u>
<b>OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):</b>		
OTHER TRANSFERS	300,000	1,200,000
MOBILE RACING COMMISSION	<u>(25,000)</u>	<u>(50,000)</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<u>\$ 0</u>	<u>\$ 0</u>

UNIVERSITY OF SOUTH ALABAMA  
HOSPITALS  
2015-2016 BUDGET  
UNRESTRICTED CURRENT FUNDS

	2015-2016 BUDGET	2014-2015 BUDGET
REVENUES:		
GROSS PATIENT REVENUES	\$ 615,864,412	\$ 550,850,413
CONTRACTUAL ADJUSTMENTS	292,262,703	239,149,777
OTHER ADJUSTMENTS	2,364,010	2,066,394
OTHER MEDICAID ADJUSTMENTS	(15,444,761)	(15,444,761)
TOTAL DEDUCTIONS FROM REVENUES	<u>294,626,713</u>	<u>225,771,410</u>
NET PATIENT REVENUES	<u>321,237,699</u>	<u>325,079,003</u>
ALLOCATION OF STATE APPROPRIATIONS	8,774,806	8,638,445
MOBILE COUNTY HOSPITAL BOARD	15,400,000	15,307,500
MOBILE COUNTY INDIGENT CARE BOARD	533,004	533,000
MEDICAID DISPROPORTIONATE SHARE	20,921,773	8,896,462
OTHER REVENUES	<u>63,522,049</u>	<u>14,225,028</u>
TOTAL REVENUES	<u>430,389,331</u>	<u>372,679,438</u>
EXPENDITURES AND MANDATORY TRANSFERS:		
EXPENDITURES:		
NURSING SERVICES	106,029,799	97,639,504
PROFESSIONAL SERVICES	99,978,973	93,445,778
GENERAL DIVISION	21,469,282	19,739,615
ADMINISTRATIVE DIVISION	115,811,110	60,306,791
MEDICAL EDUCATION	18,639,121	17,810,558
PROVISION FOR UNCOLLECTIBLE ACCOUNTS (NET OF RECOVERIES)	<u>62,413,030</u>	<u>70,379,286</u>
TOTAL EXPENDITURES	<u>424,341,315</u>	<u>359,321,532</u>
MANDATORY TRANSFERS FOR:		
PRINCIPAL AND INTEREST	9,446,601	7,929,421
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>433,787,916</u>	<u>367,250,953</u>
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
TRANSFER FROM RESERVES	3,398,585	
DEPRECIATION - DISPROPORTIONATE SHARE		(5,386,485)
DEPRECIATION - RENEWALS AND REPLACEMENTS		<u>(42,000)</u>
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>

**UNIVERSITY OF SOUTH ALABAMA**  
**MITCHELL CANCER INSTITUTE**  
**2015-2016 BUDGET**  
**UNRESTRICTED CURRENT FUNDS**

	<u>2015-2016</u>	<u>2014-2015</u>
	<u>BUDGET</u>	<u>BUDGET</u>
<b>REVENUES:</b>		
GROSS PATIENT REVENUES	\$ 18,969,285	\$ 24,297,971
ALLOCATION OF STATE APPROPRIATIONS	5,000,000	5,050,000
OTHER REVENUES	6,477,466	4,282,589
<b>TOTAL REVENUES</b>	<u>30,446,751</u>	<u>33,630,560</u>
<b>LESS: CONTRACTUAL ADJUSTMENTS</b>	<u>9,273,857</u>	<u>11,185,506</u>
<b>NET REVENUES</b>	<u>21,172,894</u>	<u>22,445,054</u>
<b>EXPENDITURES AND MANDATORY TRANSFERS:</b>		
<b>EXPENDITURES:</b>		
PROFESSIONAL SERVICES	7,692,637	10,736,207
ADMINISTRATIVE DIVISION	15,604,819	10,161,248
FUNDED DEPRECIATION	731,025	1,765,216
PROVISION FOR UNCOLLECTIBLE ACCOUNTS (NET OF RECOVERIES)	<u>731,025</u>	<u>1,015,752</u>
<b>TOTAL EXPENDITURES</b>	<u>24,028,481</u>	<u>23,678,423</u>
<b>MANDATORY TRANSFERS:</b>		
PRINCIPAL AND INTEREST	<u>1,079,667</u>	<u>622,307</u>
<b>TOTAL EXPENDITURES AND MANDATORY TRANSFERS</b>	<u>25,108,148</u>	<u>24,300,730</u>
<b>OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):</b>		
TRANSFER FROM RESERVES	1,253,359	
OTHER TRANSFERS	<u>2,681,895</u>	<u>1,855,676</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<u>\$ 0</u>	<u>\$ 0</u>

UNIVERSITY OF SOUTH ALABAMA  
 AUXILIARY ENTERPRISES  
 2015-2016 BUDGET  
 UNRESTRICTED CURRENT FUNDS

	<u>HOUSING</u>	<u>FOOD SERVICES</u>	<u>BOOKSTORE</u>	<u>2015-2016 BUDGET</u>	<u>2014-2015 BUDGET</u>
REVENUES:					
RENTAL INCOME	\$ 9,737,911	\$		\$ 9,737,911	\$ 9,253,967
SALES			10,745,000	10,745,000	10,260,000
COMMISSION INCOME		7,737,575		7,737,575	943,455
OTHER INCOME	252,480		150,000	402,480	468,760
<b>TOTAL REVENUES</b>	<u>9,990,391</u>	<u>7,737,575</u>	<u>10,895,000</u>	<u>28,622,966</u>	<u>20,926,182</u>
LESS: COST OF GOODS SOLD			8,084,062	8,084,062	7,812,635
<b>NET REVENUES</b>	<u>9,990,391</u>	<u>7,737,575</u>	<u>2,810,938</u>	<u>20,538,904</u>	<u>13,113,547</u>
EXPENDITURES:					
SALARIES AND WAGES	1,606,105	54,945	987,000	2,648,050	2,479,615
EMPLOYEE BENEFITS	329,347	21,978	345,695	697,020	618,639
OTHER EXPENDITURES	4,098,986	6,299,142	1,242,243	11,640,371	5,629,764
<b>TOTAL EXPENDITURES</b>	<u>6,034,438</u>	<u>6,376,065</u>	<u>2,574,938</u>	<u>14,985,441</u>	<u>8,728,018</u>
<b>NET OPERATING INCOME</b>	<u>3,955,953</u>	<u>1,361,510</u>	<u>236,000</u>	<u>5,553,463</u>	<u>4,385,529</u>
TRANSFERS AMONG FUNDS - ADDITIONS/(DEDUCTIONS):					
MANDATORY TRANSFERS:					
PRINCIPAL AND INTEREST	(3,801,376)	(450,685)	(236,000)	(4,488,061)	(4,213,495)
NON-MANDATORY TRANSFERS:					
RENEWALS AND REPLACEMENTS	(154,577)	(910,825)		(1,065,402)	(172,034)
<b>TOTAL TRANSFERS</b>	<u>(3,955,953)</u>	<u>(1,361,510)</u>	<u>(236,000)</u>	<u>(5,553,463)</u>	<u>(4,385,529)</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**UNIVERSITY OF SOUTH ALABAMA  
STATE APPROPRIATIONS**

	<u>2015-2016</u> <u>APPROPRIATIONS</u>	<u>2014-2015</u> <u>APPROPRIATIONS</u>
EDUCATION TRUST FUND	\$ 104,976,761	\$ 103,423,584
GENERAL FUND	0	550,000
TOTAL APPROPRIATIONS	<u>\$ 104,976,761</u>	<u>\$ 103,973,584</u>

# **COMMITTEE MINUTES**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**HEALTH AFFAIRS COMMITTEE**

**September 3, 2015  
2:00 p.m.**

A meeting of the Health Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Ms. Chandra Brown Stewart on behalf of Dr. Steve Stokes, Chair, on Thursday, September 3, 2015, at 2:00 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Chandra Brown Stewart and Scott Charlton (phone).

Members Absent: Bettye Maye, Arlene Mitchell, Ken Simon and Steve Stokes.

Other Trustees: Tom Corcoran, Steve Furr, John Peek, Jimmy Shumock, Sandy Stimpson, Mike Windom and Jim Yance.

Administration and Others: Beth Anderson, Owen Bailey, Joe Busta, Lynne Chronister, Monica Curtis, Mike Finan, Happy Fulford, Stan Hammack, Mike Haskins, David Johnson, Michael Mitchell, John Smith, Sam Strada, Becky Tate, Jean Tucker, Tony Waldrop, and Kevin West and Kelly Woodford (Faculty Senate).

Press: Josh Harland and Lee Peck (Fox 10), Bria Johnson and Alyssa Newton (*Vanguard*) and Jason Johnson (*Lagniappe*).

The meeting came to order and Chairman Furr asked Mayor Stimpson to comment on breaking news regarding a contract between the city of Mobile and Carnival Cruise Lines. The attendance roll was called and, without a quorum of the Committee members present, the meeting was adjourned at 2:03 p.m.

Respectfully submitted:



Chandra Brown Stewart

On behalf of:



Steven H. Stokes, M.D., Chair



UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

September 3, 2015  
2:26 p.m.

A meeting of the Academic and Student Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Mike Windom on behalf of Ms. Bettye Maye, Chair, on Thursday, September 3, 2015, at 2:26 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Chandra Brown Stewart, Scott Charlton (phone) and Mike Windom.

Members Absent: Ron Jenkins, Bettye Maye and Bryant Mixon.

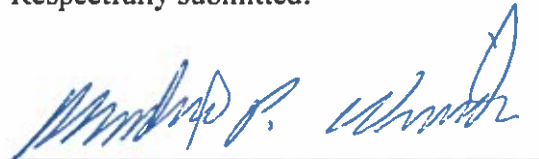
Other Trustees: Tom Corcoran, Steve Furr, John Peek, Jimmy Shumock, Ken Simon, Sandy Stimpson and Jim Yance.

Administration and Others: Joe Busta, Nicole Carr, Lynne Chronister, Monica Curtis, Courtney Diener, Mike Finan, Happy Fulford, Stan Hammack, Krista Harrell, Mike Haskins, David Johnson, Christopher Lynch, Michael Mitchell, John Smith, Sam Strada, Jean Tucker, Tony Waldrop, and Kevin West and Kelly Woodford (Faculty Senate).

Press: Josh Harland and Lee Peck (Fox 10), Bria Johnson and Alyssa Newton (*Vanguard*) and Jason Johnson (*Lagniappe*).

The meeting came to order and the attendance roll was called. Without a quorum of the Committee members present, the meeting was adjourned at 2:27 p.m.

Respectfully submitted:



Michael P. Windom

On behalf of:



Bettye R. Maye, Chair

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**BUDGET AND FINANCE COMMITTEE**

**September 3, 2015  
2:52 p.m.**

A meeting of the Budget and Finance Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Tom Corcoran, Chair, on Thursday, September 3, 2015, at 2:52 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Tom Corcoran, Jimmy Shumock, Sandy Stimpson and Jim Yance.

Members Absent: Arlene Mitchell and Steve Stokes.

Other Trustees: Chandra Brown Stewart, Steve Furr, John Peek, Ken Simon and Mike Windom.

Administration and Others: Joe Busta, Chris Cannon, Lynne Chronister, Monica Curtis, Mike Finan, Happy Fulford, Stan Hammack, Mike Haskins, David Johnson, Mark Lauteren, Michael Mitchell, Randy Moon, John Smith, Sam Strada, Jean Tucker, Tony Waldrop, Scott Weldon, and Kevin West and Kelly Woodford (Faculty Senate).

Press: Josh Harland and Lee Peck (Fox 10), Bria Johnson and Alyssa Newton (*Vanguard*) and Jason Johnson (*Lagniappe*).

The meeting came to order and the attendance roll was called. Mr. Corcoran called for adoption of the revised agenda. On motion by Mr. Shumock, seconded by Mr. Yance, the revised agenda was approved unanimously. Mr. Corcoran called for consideration of the minutes of the meeting held on June 4, 2015. On motion by Mr. Shumock, seconded by Mr. Yance, the minutes were approved unanimously.

Mr. Corcoran called on Mr. Weldon to comment on **ITEM 9**, the quarterly financial statements for the nine months ended June 30, 2015. Mr. Weldon said the statements did not contain anything unusual or unexpected that would cause concern.

Mr. Corcoran asked Dr. Smith to address **ITEM 10**, a report on information technology (IT). Dr. Smith advised that, in May, an independent consultant had conducted an assessment of the main campus and USA Health System information networks. He called upon Messrs. Chris Cannon, Executive Director – Information Technology, and Mark Lauteren, Chief Information Officer – USA Health System, to share results. As the Committee viewed materials, Messrs. Cannon and Lauteren described a comprehensive plan for enhancing IT capabilities and services through the oversight of an Information Services Strategic Governance Committee and

an Information Security Office, as well as the implementation of Cerner software, through which the Health System Information Services function would be improved. The role and scope of each element was explained. Mr. Peek inquired about hardware needs at the Hospitals. Mr. Lauteren discussed that the replacement of computers is ongoing. Judge Simon remarked on the prevalence of security threats. Mr. Lauteren acknowledged the challenges of maintaining network security and said preparedness is a top priority.

Mr. Corcoran called on Dr. Smith for presentation of **ITEM 11**, a resolution authorizing the Administration to begin Phase I of the infrastructure upgrade and improvement project effective immediately and extending through the 2019 fiscal year (for copies of resolutions, policies and other authorized documents, refer to the minutes of the September 4 Board of Trustees meeting). The resolution further proposes the funding of the project through a combination of approximately \$5 million in budgeted funds over the four-year period plus up to \$20 million in bonded indebtedness, which would be offered for the Board's consideration perhaps in September 2016. Dr. Smith reminded the Committee that, one year prior, an independent consultant had conducted an extensive analysis of infrastructure needs and Mr. Randy Moon, Associate Vice President – Facilities Management, was charged with prioritizing needs. Mr. Moon presented visual materials demonstrating priorities and projected costs. Mr. Weldon, Assistant Vice President for Finance and Administration, discussed budget implications as well as preliminary options for a bond issue to fund the project. The plan calls for establishing a maintenance fund with regular deposits until a balance of \$2.5 million is attained, which will eventually serve as the source for funding for deferred maintenance. Dr. Smith said most of the work would need to be accomplished during summer break. Judge Simon complimented the Administration for taking on this sweeping project. Dr. Smith stated the plan is intended to protect and fortify the Institution well into the future. On motion by Mr. Yance, seconded by Mayor Stimpson, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Corcoran asked Dr. Smith to discuss **ITEM 12**, a resolution authorizing the President to engage the architectural firm of Williams Blackstock to design and bid a new residential building. Dr. Smith called the need for additional housing a good problem for the University, in that it reflects steady enrollment growth. Attesting to the demand, he stated the residence halls were filled to capacity at the beginning of the 2015 fall semester and discussed the challenges associated with accommodating students on the wait list. He said alternate arrangements were possible by leasing beds from The Grove, a privately-owned apartment complex constructed on campus exclusively for USA students. He reminded the Committee of previous renovations to convert private dorm rooms into double-occupancy rooms as a way of alleviating housing constraints. He said a final proposal would be submitted for the Board's consideration in March 2016. On motion by Mr. Yance, seconded by Mr. Shumock, the Committee voted unanimously to recommend approval by the Board of Trustees.

As requested by Mr. Corcoran, Dr. Smith introduced **ITEM 13**, a resolution to adopt the University Total Budget for 2015-2016, which includes the University General Budget and the USA Health System Budget. The resolution further specifies that the 2015-2016 budget would serve as a continuation budget for 2016-2017 to comply with bond trust indenture requirements should the budget process not be completed prior to the 2016-2017 fiscal year. Dr. Smith guided the group through the budget materials and discussed how defining factors, such as fringe benefits changes and proceeds from increased enrollment, affect the bottom line. He said the proposal is a balanced budget in excess of \$800 million.

With reference to other institutions, Judge Simon asked how federal grant revenues could be improved. Citing resource limitations, Ms. Chronister shared ideas for increasing extramural dollars, such as investing in research faculty lines and industry outreach. She said USA is committed to the process of building relationships, which would prove beneficial over the long term. Mr. Yance asked about the possibility of proration in the 2015-2016 academic year. Mr. Fulford said proration is not likely unless the education budget experiences significant reductions. On motion by Mr. Shumock, seconded by Mr. Yance, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

There being no further business, the meeting was adjourned at 3:32 p.m.

Respectfully submitted:

  
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E. Thomas Corcoran, Chair

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**AUDIT COMMITTEE**

**September 3, 2015**

**3:32 p.m.**

A meeting of the Audit Committee of the University of South Alabama Board of Trustees was duly convened by Mr. John Peek, Chair, on Thursday, September 3, 2015, at 3:32 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Sandy Stimpson and John Peek.

Members Absent: Scott Charlton, Ron Jenkins and Bryant Mixon.

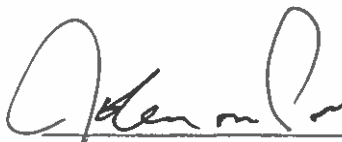
Other Trustees: Chandra Brown Stewart, Tom Corcoran, Steve Furr, Jimmy Shumock, Ken Simon, Mike Windom and Jim Yance.

Administration and Others: Joe Busta, Lynne Chronister, Monica Curtis, Mike Finan, Happy Fulford, Stan Hammack, Mike Haskins, David Johnson, Michael Mitchell, Mark Peach (KPMG), John Smith, Sam Strada, Jean Tucker, Tony Waldrop, and Kevin West and Kelly Woodford (Faculty Senate).

Press: Josh Harland and Lee Peck (Fox 10), Bria Johnson and Alyssa Newton (*Vanguard*) and Jason Johnson (*Lagniappe*).

The meeting came to order and the attendance roll was called. Without a quorum of the Committee members present, the meeting was adjourned at 3:32 p.m.

Respectfully submitted:



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John M. Peek, Chair

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE**

**September 3, 2015  
3:38 p.m.**

A meeting of the Development, Endowment and Investments Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jim Yance, Chair, on Thursday, September 3, 2015, at 3:38 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Tom Corcoran, Ken Simon, Mike Windom and Jim Yance.

Members Absent: Ron Jenkins and Steve Stokes.

Other Trustees: Chandra Brown Stewart, Steve Furr, John Peek, Sandy Stimpson, Jimmy Shumock.

Administration and Others: Terry Albano, Joe Busta, Lynne Chronister, Monica Curtis, Mike Finan, Happy Fulford, Stan Hammack, Mike Haskins, David Johnson, Michael Mitchell, Norman Pitman, John Smith, Sam Strada, Jean Tucker, Tony Waldrop, and Kevin West and Kelly Woodford (Faculty Senate).

Press: Josh Harland and Lee Peck (Fox 10), Bria Johnson and Alyssa Newton (*Vanguard*) and Jason Johnson (*Lagniappe*).

The meeting came to order and the attendance roll was called. Mr. Yance called for adoption of the revised agenda. On motion by Mr. Windom, seconded by Mr. Corcoran, the revised agenda was unanimously adopted. Mr. Yance called for consideration of the minutes of the meeting held on June 4, 2015. On motion by Mr. Corcoran, seconded by Mr. Windom, the minutes were approved unanimously.

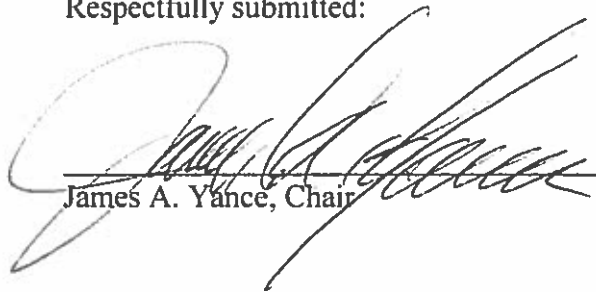
Mr. Yance introduced **ITEM 15**, a report on the performance of the University endowment. He said a recent decline in the stock market presented a window for considering the addition of cash to the portfolio. Mr. Albano agreed that the time was right to reinvest a portion of the \$10 million that was held aside previously when the market was at an all-time high. He presented a graphic overview of performance highlights, noting a 3.42 gain on investments for the period October 1, 2014, to June 30, 2015, a .53 percent outperformance of the relative index which yielded a 2.89 percent return. Mr. Pitman shared insight on manager underperformance and hedge projections, and Mr. Albano addressed asset distribution, noting that allocations are within the boundaries prescribed by endowment investment guidelines. As to the annualized performance since inception, Mr. Albano stated that the endowment outperformed the relative index by 76 basis points and ended with a \$140.8 million balance at the close of June 2015. He

Development, Endowment and Investments Committee  
September 3, 2015  
Page 2

added that the Administration would continue to look for opportunities in the market and suggested that the Committee could discuss ways to use the remaining endowment cash that is not currently invested. Chairman Furr asked for a prediction on fuel prices. Mr. Pitman said indications are that the cost of fuel may continue to be low for a good while. Mr. Yance stated that endowment managers would meet with the Committee in December for annual reports.

There being no further business, the meeting was adjourned at 3:46 p.m.

Respectfully submitted:



James A. Yance, Chair

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**COMPENSATION COMMITTEE**

**September 3, 2015  
3:46 p.m.**

A meeting of the Compensation Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock, Chair, on Thursday, September 3, 2015, at 3:46 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Tom Corcoran, Steve Furr, John Peek and Jimmy Shumock.

Member Absent: Arlene Mitchell.

Other Trustees: Chandra Brown Stewart, Ken Simon, Sandy Stimpson, Mike Windom and Jim Yance.

Administration and Others: Joe Busta, Lynne Chronister, Monica Curtis, Mike Finan, Happy Fulford, Stan Hammack, Mike Haskins, David Johnson, Michael Mitchell, John Smith, Sam Strada, Jean Tucker, Tony Waldrop, and Kevin West and Kelly Woodford (Faculty Senate).

Press: Josh Harland and Lee Peck (Fox 10), Bria Johnson and Alyssa Newton (*Vanguard*) and Jason Johnson (*Lagniappe*).

The meeting came to order and Chairman Furr congratulated Mr. Shumock on the awarding of the Mobile Bay bridge contract to his company, Thompson Engineering. The roll was called and Mr. Shumock called for consideration of the revised agenda. On motion by Mr. Corcoran, seconded by Mr. Peek, the revised agenda was adopted unanimously.

Mr. Shumock reported on the evaluation of the University President, **ITEM 16**, noting it as President Waldrop's first performance review since being appointed. He gave details about the collaborative, comprehensive process employed and credited Mr. Windom for a considerable portion of the work conducted. He said the broad consensus expressed among the internal and external constituency groups was that President Waldrop met or exceeded expectations for his position. He added that the individuals consulted were appreciative of the opportunity to be involved. He said completion of the evaluation not only served to satisfy a legal requirement stipulated by the Board of Trustees' bylaws, but also would provide a mechanism to guide future evaluations. Mr. Windom agreed that everyone who participated felt President Waldrop had done an excellent job in his first year at USA's helm and he described the undertaking as worthwhile. He said the Board would conduct presidential evaluations on an annual basis. Mr. Yance thanked Messrs. Shumock and Windom for their leadership. Judge Simon observed the significance of the positive feedback collected from faculty. Dr. Furr recognized

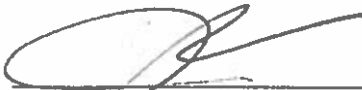


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Mr. Corcoran for establishing a framework in 2012 when he coordinated the previous presidential evaluation process.

There being no further business, the meeting was adjourned at 3:53 p.m.

Respectfully submitted:



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James H. Shumock, Chair