

MINUTES  
BOARD OF TRUSTEES' CALLED MEETING  
May 14, 2013, 9:30 a.m.  
Lamar P. Higgins Conference Room

The Troy University Board of Trustees convened in a called meeting at 9:30 a.m. on May 14, 2014, in the Lamar P. Higgins Conference Room on the Troy University Montgomery Campus, Montgomery, Alabama

**I. Call to Order**

Senator Gerald Dial, President pro tempore of the Board, called the meeting to order. Senator Dial stated that upon the recommendation of the Troy University attorney, Nick Cervera, a Waiver of Notice stating that the Board did not give 10 days' advance notice of the meeting, should be signed by the majority of the Board. This was accomplished.

**II. Roll Call**

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

Senator Dial thanked the Board members for participating in this special called meeting. He then called upon the Chairman of the Finance Committee, Mr. John Harrison.

Mr. Harrison called on the Chancellor to make a report.

**III. Business**

**a. Setting Tuition Schedule for 2014-2015 AY**

Dr. Hawkins gave a brief statement concerning notification of committee meetings in the future. He stated that all committee meetings will be made known to all Board members here forward. He commented that the committee chairs will coordinate with the SVCs and Tom Davis to ensure that everyone is notified. Senator Dial posed the question if all Board members were comfortable with getting the notifications by email. Board members Dr. Doug Hawkins and Mr. Roy Drinkard indicated they would prefer a phone call.

Dr. Hawkins commented on the rationale of the recommendation of a tuition increase:

- 1) The Board and the University is committed to good stewardship.
- 2) Right-sizing will continue as we have eliminated 52 unfilled vacant positions since January. This will continue. This is a savings of \$4.3 million in operation costs in the next budget cycle.
- 3) Our budget has been reduced by \$28 million over the last four years which is clearly a financial challenge which we have dealt with well.
- 4) We have further reviewed our earlier recommendation on tuition increase and also the financial picture. Based on all of the above considerations, our recommendation is an undergraduate increase of 3% which is a reduction from 3.4% and a reduction in graduate tuition from 8.3% to 8%. This brings the recommendation well below a 4% increase in undergraduate tuition. The reduction will require an offset of \$252,000 from Reserve funds.

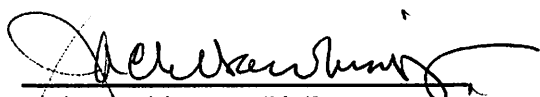
Following the Chancellor's comments, Senator Dial called for any comments or questions.

**ACTION: MR. HARRISON MOVED THAT THE RECOMMENDATION ON THE TUITION INCREASE BY DR. HAWKINS BE APPROVED. A SECOND TO THE MOTION WAS MADE BY MR. HIGGINS. DISCUSSION WAS HELD WITH MR. LATTA EXPRESSING HIS CONCERNS ON THE TUITION INCREASE AND ASKED THE QUESTION, WHAT ALTERNATIVES DO WE HAVE OTHER THAN AN INCREASE IN TUITION. AS CHAIRMAN OF THE FINANCE COMMITTEE, MR. HARRISON ADDRESSED THE QUESTION AND STATED THAT THE FINANCE COMMITTEE CHALLENGED DR. HAWKINS' AND DR. BOOKOUT'S INITIAL REPORT IN GREAT DEPTH IN AN EFFORT**


TO AVOID A TUITION INCREASE. SENATOR DIAL INTERJECTED THAT HE HAS NO DOUBT THAT THERE IS NOT A BETTER MANAGED UNIVERSITY THAN TROY UNIVERSITY. HOWEVER, IT IS UNFORTUNATE THAT WE DON'T HAVE MORE APPROPRIATION MONEY. MR. HARRISON THEN ASKED DR. BOOKOUT TO COMMENT . DR. BOOKOUT RESPONDED THAT IN TERMS OF THE NEED TO RAISE TUITION, THE LAST PLACE THE COMMITTEE WANTED TO GO WAS AN INCREASE IN TUITION. THE NEED FOR THE INCREASE RELATES SPECIFICALLY TO ENROLLMENT TRENDS WHICH HAVE BEEN DECLINING FOR FOUR CONSECUTIVE YEARS AND ALSO A DECREASE IN APPROPRIATIONS. WE RESPONDED TO THESE ISSUES BY ESTABLISHING A RIGHT-SIZING COMMITTEE, LOOKING AT POSITIONS AND CREATING WAYS TO REDUCE THE BUDGET. AS A REACTION TO THE ENROLLMENT TRENDS OVER THE PAST FOUR YEARS, THE UNIVERSITY HAS REDUCED THE OPERATING BUDGET BY \$28 MILLION OVER THE LAST FOUR YEARS. MR. HARRISON SUGGESTED THAT THE UNIVERSITY ESTABLISH A 5-YEAR ENROLLMENT FORECASTING PLAN. DR. BOOKOUT STATED THAT WE HAVE A 2-YEAR PROJECTION PLAN, BUT A 5-YEAR PLAN WOULD BE A GOOD IDEA. DR. DOUG HAWKINS SHARED HIS CONCERNS REGARDING AN INCREASE IN TUITION FOR TROY UNIVERSITY. HE STATED THAT HIS OPTIONS WOULD BE FOR THE UNIVERSITY TO BORROW FROM THE CONTINGENCY FUND AND NOT EXPECT THE STUDENTS TO CARRY THE BURDEN OF A TUITION INCREASE. MR. HIGGINS ALSO STATED THAT HE VERY PASSIONATELY EXPRESSED HIS CONCERNS AT THE LAST MEETING CONCERNING A TUITION INCREASE AND THAT HIS MOTION AT THAT MEETING TO MOVE THE 4% INCREASE TO A 3% INCREASE WAS AN ATTEMPT AT A COMPROMISE AND HE SUPPORTS THE NEW MOTION. MR. NAILEN COMMENTED THAT DR. DOUG HAWKINS MADE SOME GREAT POINTS AND MR. LATTA HAD SOME OUTSTANDING COMMENTS AND HE APPRECIATES THE DIALOGUE AMONG THE BOARD MEMBERS. HE THANKED DR. HAWKINS AND DR. BOOKOUT AND CHAIRMAN HARRISON FOR RECONSIDERING THE INCREASE AS WAS REQUESTED AT THE MEETING ON FRIDAY. HE ALSO AGREED THAT THERE IS NOT A BETTER MANAGED UNIVERSITY THAN TROY. HE SHARED HIS CONCERNS IN REGARD TO SOME OF THE PRESENTATIONS ON FRIDAY REFERENCING TO NEW PROGRAMS AND THE NEED FOR INCREASED REVENUE TO COVER THE COSTS OF NEW PROGRAMS. HE THANKED EVERYONE FOR THE GREAT DIALOGUE WHICH CONTRIBUTED TO A GREAT DECISION ON THE MOTION. SENATOR DIAL CALLED FOR ANY FURTHER COMMENTS. THERE BEING NONE, HE THANKED THE FINANCE COMMITTEE FOR THEIR EFFORTS AND GREAT WORK. HE STATED THAT ONE OF THE MOST DIFFICULT TASKS OF THE BOARD IS DECIDING MONEY ISSUES AND HOW DOLLARS ARE SPENT. WITH THERE BEING NO FURTHER DISCUSSION SENATOR DIAL ASKED IF THE BOARD WANTED A ROLL CALL VOTE. THE CONSENSUS WAS YES. SENATOR DIAL THEN CALLED FOR A ROLL CALL VOTE ON THE MOTION TO ADOPT THE INCREASE AS PRESENTED BY CHANCELLOR HAWKINS. THE MOTION PASSED WITH ONE NO VOTE RECORDED FOR DR. DOUG HAWKINS.

b. Reserve Overview

Dr. Bookout provided a handout with detailed information on Reserve balances. He reported that the non-operating cash on hand is reduced by \$70 million, which is set aside for catastrophic interruption of service, and leaves a balance of \$62,565,246.00. Current on-going projects by campus total \$29, 957,228.00 and that brings the balance down to approximately \$32 million. He stated that deferred maintenance projects total \$27 million and that leaves a balance of \$5 million set aside for strategic initiatives that Dr. Hawkins uses for strategic planning activities.



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



Gerald Dial  
President pro tempore,  
Board of Trustees  
Troy University