



MEMORANDUM

UNIVERSITY OF SOUTH ALABAMA

August 31, 2012

TO: USA Board of Trustees

FROM: Bettye R. Maye *BRM*
Secretary, USA Board of Trustees

Included herein are the unapproved minutes for the Board meetings held June 7 and 8, 2012. Please review these documents for amendment or approval at the September 10 Board meeting.

BRM:mgc

Enclosures

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES MEETING**

**June 8, 2012
10:30 a.m.**

A meeting of the University of South Alabama Board of Trustees was duly convened by Dr. Steve Furr, Vice Chair, on behalf of Chair *Pro Tempore* Jim Yance, on Friday, June 8, 2012, at 10:30 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Trustees Tom Corcoran, Steve Furr, Cecil Gardner, Sam Jones, Bettye Maye, Christie Miree, Arlene Mitchell, Bryant Mixon, John Peek, Jimmy Shumock and Steve Stokes.

Members Absent: Trustees Robert Bentley, Tommy Bice, Scott Charlton, Ken Simon and Jim Yance.

Administration and Others: President Gordon Moulton; Drs. Brenda Beverly, Joe Busta, Dennis Campbell, Phil Carr, Julie Estis and Doug Marshall (Faculty Senate), Joel Erdmann, Ron Franks, John Gamble, David Gremse, Heather Hall, John Smith, Haynes Swingle, David Stearns, Sam Strada and Kim Zlomke; Messrs. Zeke Aull, Owen Bailey, Parker Chastain (SGA), Stan Hammack, Jack Hirsch, Don Langham, Abe Mitchell and Nino Mole (AASA); Mss. Lynne Chronister, Lisa Furr, Penny Hatcher (USA National Alumni), Geri Moulton, Angelia Stokes, Rhonda Striplin and Jean Tucker.

Press: Messrs. Braden Cheek, Darwin Singleton and Michael Tartt, Jr., (WPML); and Mss. Renee Busby (*Press Register*) and Cassie Fambro (*The Vanguard*).

Dr. Furr convened the meeting, welcomed Trustees and guests, and called for consideration of **ITEM 1**, the minutes of the March 9, 2012, meeting of the Board of Trustees. On motion by Mr. Corcoran, seconded by Ms. Maye, the minutes were adopted by unanimous vote.

Dr. Furr called upon President Moulton for presentation of **ITEM 2**, the President's Report. President Moulton recognized Faculty Senate officers Drs. Phil Carr - President, Doug Marshall - President-elect, and Julie Estis - Secretary, and introduced Mr. Parker Chastain, SGA President. He talked about Spring Commencement held May 12, during which 1,347 degrees were conferred, bringing the number of degrees awarded during the 2011-2012 academic year to 2,795, and the University's historic total to 72,586. Congressman Jo Bonner addressed graduates as commencement speaker.

President Moulton discussed enrollment for fall, noting that participation in summer orientation programs and applications for campus housing have risen compared to last year – a positive sign that new student enrollment will see an increase for the 2012-2013 academic year. He noted that returning student enrollment is not as easy to predict, and projected a modest increase over last year's total.

President Moulton announced a record \$1 million in gifts made by faculty and staff to this year's Annual Fund drive, inclusive of matching funds. The campaign goal of \$575,156 was surpassed with 67 percent employee participation, including in excess of 120 "Leadership" gifts of \$1,000 or more. President Moulton recognized campaign co-chairs Dr. Joel Erdmann and Mr. Owen Bailey. He advised that USA ranks among the top five percent of universities nationwide relative to employee participation, and among the top 10 percent in the U.S. based upon total dollars raised. In addition, 2,477 faculty and staff pledged \$275,254 to United Way this year, making USA the United Way of Southwest Alabama's largest employee-funded campaign, and earning South Alabama the United Way's *Spirit of the Gulf Coast Award* for civic and philanthropic excellence. USA campaigns over the last decade have raised more than \$2.5 million in support of United Way initiatives. President Moulton conveyed gratitude to faculty and staff donors.

President Moulton and Dr. Erdmann detailed developments involving the Sun Belt Conference membership, naming the schools that have moved out of the league, and those joining Sun Belt. President Moulton reported on an aggressive search for the position of Vice President for Research following the departure of Dr. Russ Lea, and announced the appointment of Ms. Lynne Chronister. He shared highlights of Ms. Chronister's education and career, including receipt of an MPA degree from USA and prior service as Associate Director of USA's Office of Sponsored Programs. He introduced Ms. Chronister, who thanked the Board for the opportunity to return to USA and recognized the University's impressive growth.

President Moulton talked about events on the forefront, including USA's first football game of the upcoming fourth season against the University of Texas - San Antonio on Thursday, August 30; the next home game against Nicholls State game on Saturday, September 8; the dedication of Shelby Hall on Sunday, September 9, at 3:00 p.m.; and the next Board meeting on Monday, September 10, provided that **ITEM 3**, a resolution authorizing the Board meeting schedule for 2012-2013, is approved. President Moulton noted that the dedication of Shelby Hall will officially kick-off a year of celebration commemorating the University's 50th anniversary.

Following a brief report on recent legislation that allows USA Board members to meet and vote by telephone, President Moulton provided an update on construction projects, including Shelby Hall, the campus portals, the specialized lab facility, student housing and Children's and Women's Hospital. Photos and drawings showing the progress were viewed. President Moulton emphasized that no "green space" was sacrificed despite the construction under way, nor have asphalt parking lots been added. He credited Mr. Gary Carley, Manager of USA's Landscaping/Grounds Department on the main campus, and staff for the visual impact created with the installation of vibrant plant beds. He reported the expansion of the Children's and Women's Hospital is on schedule to be completed early in Spring 2013. He called upon Mr. Owen Bailey, Hospital Administrator, for additional remarks.

Dr. Furr called for consideration of **ITEM 3** as follows. On motion by Ms. Miree, seconded by Ms. Maye, the resolution was approved unanimously:

RESOLUTION
BOARD MEETING SCHEDULE, 2012-2013

WHEREAS, Article II, Section 1, of the Bylaws provides that the Board shall schedule annually, in advance, regular meetings of the Board to be held during the ensuing year, and may designate one of such meetings as the annual meeting of the Board,

THEREFORE, BE IT RESOLVED that the regular meetings of the University of South Alabama Board of Trustees shall be held on the following dates:

Monday, September 10, 2012
Thursday, December 6, 2012
Friday, March 8, 2013
Friday, June 7, 2013

FURTHER, BE IT RESOLVED that the date of June 7, 2013, be designated as the annual meeting of the University of South Alabama Board of Trustees for 2012-2013.

Dr. Furr, as Chair of the Health Affairs Committee, moved approval of **ITEM 4** as follows.
Dr. Stokes seconded and the resolution was approved unanimously:

RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS FOR MARCH, APRIL AND MAY 2012

WHEREAS, the Medical Staff appointments and reappointments for March, April and May 2012 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, the Board of Trustees of the University of South Alabama approves the appointments and reappointments as submitted.

Dr. Furr called upon Dr. Franks for presentation of **ITEM 5** as follows. On motion by Dr. Stokes, seconded by Ms. Miree, the resolution was approved unanimously:

RESOLUTION
PROFESSORS EMERITUS

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

James Downey, Ph.D., Professor, Physiology
Michael Harpen, M.D., Professor, Radiology
James Parker, Ph.D., Professor, Physiology

and,

WHEREAS, the Dean of the College of Medicine and the Vice President for Health Sciences duly recommend them,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama hereby appoints the aforementioned individuals to the rank of Emeritus Professor 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 noteworthy accomplishments and dedicated service to the University of South Alabama, wishes to convey its deep appreciation to these individuals.

Dr. Franks presented **ITEM 6**, a report on the activities of the USA Health System and the Division of Health Sciences. He reported on a \$9.2 million competitive research grant awarded by the National Institutes of Health to the University's Center for Lung Biology, one of the largest in USA history. The grant will fund a study of the causes and effects of pneumonia, as featured in the morning edition of the *Press-Register*, which was provided to Board members. Dr. Franks said a thorough presentation will be given at a future meeting.

Dr. Franks introduced Dr. Hanes Swingle, Associate Professor in the College of Medicine and Coordinator of USA's Behavior and Developmental Clinic, to discuss the University's multi-disciplinary approach to autism treatment. Dr. Swingle clarified characteristics of the disorder and provided narrative to video clips depicting children with classic autistic behavior. He introduced fellow clinicians Drs. Brenda Beverly - Department of Speech Pathology and Audiology, Dennis Campbell - Department of Leadership and Teacher Education, Kim Zlompke - Department of Psychology, and Heather Hall - Department of Maternal/Child Nursing, and spoke about insurance reform. Dr. Franks thanked Dr. Swingle for his presentation. Ms. Miree reiterated that one in 88 children is diagnosed with autism, as is one in 54 boys. She expressed heartfelt appreciation to Dr. Swingle and the clinical staff for their valuable contributions to the field.

Dr. Strada announced the appointment of Dr. David Gremse as Chair of the Department of Pediatrics, and shared biographic highlights. Mr. Bailey conveyed enthusiasm for the tremendous team of Drs. Gremse and David Lewis, Chair of the Department of Obstetrics and Gynecology, now engaged to administer women's services at Children's and Women's Hospital. Upon introduction, Dr. Gremse shared gratitude for the quality medical education and experience he received at South Alabama, and for the chance to return to USA and serve. Dr. Furr commented on Dr. Gremse's distinguished standing in the community.

Concerning **ITEM 7**, a report on the Mitchell Cancer Institute (MCI), President Moulton discussed the designation of additional state appropriations totaling \$3 million. Of this, a \$2 million continuing allocation will come from the Alabama Special Education Trust Fund, and \$1 million was included in Governor Bentley's budget recommendation for the 2012-2013 fiscal year. President Moulton recognized the efforts of Alabama Representative and USA alumnus Jim Barton, Chair of the Alabama Ways and Means General Fund Committee, in securing the extra money. He said these funds will provide valuable seed money for projects, thus elevating USA's profile when competing for research grants. He noted that \$8 million in additional appropriations is designated for UAB.

Dr. Furr called for consideration of academic and student affairs items. Ms. Miree, Chair of the Academic and Student Affairs Committee, moved approval of **ITEM 9** as follows. Mr. Corcoran seconded and the resolution was approved unanimously:

RESOLUTION
TENURE AND PROMOTION

WHEREAS, in accordance with University policy, faculty applications for tenure and promotion have been reviewed by the respective faculty peers, Departmental Chair, College Dean, and by the Senior Vice President for Academic Affairs or the Vice President for Medical Affairs, and the President, and of those faculty considered, the following individuals are hereby recommended for tenure and/or promotion,

THEREFORE, BE IT RESOLVED, that the University of South Alabama Board of Trustees approves and grants tenure and/or promotion to those individuals whose names are listed below to be effective August 15, 2012.

PAT CAPPS COVEY COLLEGE OF ALLIED HEALTH PROFESSIONS:

Tenure:

Elizabeth M. Adams
Elizabeth T. Kennedy

Promotion to Professor:

Dennis W. Fell
Glenn L. Irion

Promotion to Associate Professor:

Elizabeth M. Adams
Elizabeth T. Kennedy
Daniel T. Vetrosky
Donna A. Wooster

COLLEGE OF ARTS AND SCIENCES:

Tenure:

Robert E. Barletta
Joshua B. Barnard
David Benko
Iain Moffatt
Ted L. Poston
Christopher T. Raczkowski

Promotion to Associate Professor:

Robert E. Barletta
Joshua B. Barnard
David Benko
C. Diane Gibbs
Matthew A. Johnson
Iain Moffatt
Ted L. Poston
Christopher T. Raczkowski

Promotion to Senior Instructor

Sonna C. Farmer
Karen J. Jordan

Promotion to Professor

Philip J. Carr
Kyeong Park

MITCHELL COLLEGE OF BUSINESS:

Tenure:

Thomas G. Noland

Promotion to Professor:

R. Zachary Finney
Thomas G. Noland

COLLEGE OF EDUCATION:

Tenure:

Andre' M. Green
Joe'l P. Lewis

Promotion to Associate Professor:

Andre' M. Green
Joe'l P. Lewis

Promotion to Senior Instructor:

Jennifer L. Simpson

Promotion to Professor:

Abigail Baxter

COLLEGE OF MEDICINE:

Tenure:

Trey Lemley

Promotion to Professor:

Michael Linder
Felicia Wilson

Promotion to Associate Librarian:

Trey Lemley

Promotion to Associate Professor:

Craig Sherman
Amy Morris (Adjunct)

COLLEGE OF NURSING:

Promotion to Senior Instructor:

Stacey L. Bertolla
Loretta Jones
Susan G. Williams

Promotion to Professor:

Robin M. Lawson
Sara C. Majors
Joyce M. Varner

Promotion to Associate Professor:

Sharon M. Fruh

MITCHELL CANCER INSTITUTE:

Promotion to Assistant Professor:

Seema Singh

Relative to **ITEM 8**, a report on the activities of the Division of Academic Affairs, Dr. Johnson detailed grant awards to Drs. Steven Picou, Professor of Sociology, and Jennifer Langhinrichsen Rohling, Professor of Psychology, totaling \$12.3 million, the largest received at USA in conjunction with the BP oil spill in the Gulf of Mexico in April 2010. Both projects, funded through a court settlement, will concentrate on the development of health outreach programs to benefit disaster victims.

Dr. Johnson introduced Dr. John Gamble, Professor of Management and Director of Graduate Studies for the Mitchell College of Business, who discussed enhancements to USA's MBA program. Dr. Gamble reported that 2012 graduates scored in the 97th percentile on a national exit exam. He introduced Mr. Jack Hirsch ('03, '12), who thanked the Board of Trustees for the high-caliber educational experience gained by USA students. Mr. Hirsch said the University's positive image in the community attracted him to return for an MBA degree.

Ms. Miree called upon Dr. Smith for presentation of **ITEM 10**, a report on the activities of the Division of Student Affairs. Dr. Smith introduced Mr. Zeke Aull, Chief of University Police, who discussed crisis protocols and notification methods enacted for emergency situations. He said emergency information would soon be available through the social media Web site Facebook, a favorite resource among students. Brief discussion took place about the use and effectiveness of security cameras on campus. President Moulton said a combination of means is beneficial for maintaining a safe environment for students and personnel. Dr. Smith added that the Administration works hard to promote safety awareness.

Ms. Miree addressed **ITEM 11** as follows, noting that a thorough discussion had taken place during the Committee of the Whole meeting held June 7 (for copies of policies and other authorized documents, refer to **APPENDIX A**). On motion by Ms. Miree, seconded by Ms. Mitchell, the resolution was approved unanimously:

RESOLUTION

TUITION, HOUSING AND FEE SCHEDULES, 2012-2013

WHEREAS, the University of South Alabama is committed to maintaining high-quality educational and student services programs, and

WHEREAS, in the face of the global economic recession that has continued to diminish state revenues, the Alabama Legislature has approved a 2012-2013 education budget that reduces USA's state funding by \$4.1 million, or 4 percent, from last year and \$41.4 million, or 30 percent, from the 2007-2008 fiscal year, and

WHEREAS, USA has faced accumulated reductions in state appropriations of \$194.8 million since the 2007-2008 fiscal year, and

WHEREAS, USA will receive the lowest combined state and federal appropriations, including 2010 and 2011 federal stimulus funding, since the recession began, and

WHEREAS, the University has responded to the recession by implementing numerous cost-cutting measures including aggressive reductions in hiring, even as enrollment has grown substantially, as well as new initiatives to maximize efficiency of the delivery of services, and

WHEREAS, increases in tuition and housing rates are necessary to maintain the standard of quality that USA students and their families desire and expect, and

WHEREAS, with the proposed tuition and housing rates for 2012-2013, as set forth in the attached schedules, such costs at the University would continue to be among the lowest in effect at peer public doctoral-level research institutions in the state of Alabama,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama approves the tuition, housing and required student fees for the 2012-2013, as set forth in the attached schedules.

Dr. Furr called for consideration of budget and finance items. Mr. Corcoran, Budget and Finance Committee Chair, acknowledged receipt of **ITEM 12** reports titled *Monthly Fund Financial Reports for January, February and March 2012*; *Quarterly GASB Financial Statement for the Six Months Ended March 2012*; and *Summary Comparison of Fund Financial Reports to GASB Financial Statements, March 31, 2012 and 2011*. There was no discussion.

Mr. Corcoran moved approval of **ITEM 13** as follows. Ms. Maye seconded and the resolution was approved unanimously:

RESOLUTION
SELECTION OF ARCHITECT FOR STUDENT HOUSING

WHEREAS, the University of South Alabama has a growing enrollment, and the recruitment 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 four years, and providing additional residential buildings is most beneficial at the beginning of a fall semester, and

WHEREAS, the fall of 2014 is the target date for another new residential building, and

WHEREAS, it is important to continue the architectural style initiated by the design of Stokes Hall 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, the Board of Trustees of the University of South Alabama authorizes the President to engage the firm of Williams Blackstock for this project.

Concerning a report on the University's endowment and investments, **ITEM 14**, there was no discussion.

Regarding **ITEM 15**, evaluation of the University President, Mr. Corcoran, as chair of the process, provided a summary, giving examples of the University's extraordinary growth under President Moulton's direction. He cited feedback from the Board of Trustees and leaders representing the University administration, faculty, students and alumni, as well as from members of the community and various levels of government. He reported that the overwhelming consensus is great satisfaction with President Moulton's leadership abilities, communication skills and passion for the University. He conveyed confidence that South Alabama is on a sound track and will continue to excel. President Moulton thanked Mr. Corcoran and the Board for their kind words. He attributed his success to the people represented in the room, others not present, and those preceding him. He emphasized the Administration's approach is to debate solutions and act in the University's best interest. He shared an appreciation for the University's harmonious environment, and commended Board members for their dedication and involvement. Following brief remarks by Trustees, Dr. Furr extended gratitude to Mr. Corcoran for his role in facilitating the evaluation and to President Moulton for his invaluable leadership.

Following brief reports by Dr. Erdmann on USA's softball program success and Dr. Busta on the progress of the 50th Anniversary Campaign, President Moulton presented **ITEM 16** as follows, remembering former USA Trustee Mr. Larry Striplin's wit and sense of humor. He recounted that Mr. Striplin's interests were many, and his philanthropic and civic involvement statewide – inspiring. He said Mr. Striplin was of great counsel and support to the Administration, and he asked Mrs. Rhonda Striplin to join him for the reading of the resolution. On motion by Dr. Stokes, seconded by Ms. Mitchell, the resolution was approved unanimously. Following brief comments from Mrs. Striplin, a video commemorating Mr. Striplin's life and USA service was viewed:

**RESOLUTION
TRIBUTE TO TRUSTEE LARRY D. STRIPLIN, JR.**

WHEREAS, Mr. Larry D. Striplin, Jr., served faithfully as a member of the Board of Trustees of the University of South Alabama from the time of his appointment in 1998 until his death on January 23, 2012, and

WHEREAS, Mr. Striplin was a tireless advocate for improving people's lives through education and provided his time, talent and resources as a supporter and valued trustee of the University, and

WHEREAS, Mr. Striplin was instrumental in the creation of a long-range facilities master plan at the University and, at the time of his death, served on the Board of Trustees Long-Range Planning Committee, having served previously on the Development, Endowment and Investments; Budget and Finance/Audit; and Health Affairs committees, and

WHEREAS, in addition to his service as trustee, Mr. Striplin was a highly successful businessman and community leader who was generous in his philanthropy to USA and supported numerous University projects, including: the *Larry D. Striplin, III, Basketball Practice Facility*, a gymnasium memorializing his late son, a former USA student and Jaguar basketball manager; philanthropic support for the *Joseph and Rebecca Mitchell Learning Resource Center* in the Mitchell College of Business; and the donation of several pieces of sculpture to *Geri Moulton Children's Park* at USA Children's and Women's Hospital, and

WHEREAS, Mr. Striplin was a well-known sports figure across the State of Alabama who was committed to building the character of young people through involvement in athletics and extracurricular activities, and who was particularly supportive in the successful development of USA's intercollegiate football and marching band programs, and

WHEREAS, Mr. Striplin's many good works will forever enhance the quality of life of countless citizens who benefit from USA's teaching, research and health care programs, and

WHEREAS, Mr. Striplin's insight, leadership, good humor and treasured friendship will be greatly missed by his many friends and colleagues at USA,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama acknowledges the legacy of Mr. Larry D. Striplin, Jr., and pays tribute to his memory for his many contributions and invaluable service to the Board, to the University of South Alabama community, and to the people of the State of Alabama, all of whom have benefitted from his wisdom, dedication, service, and generosity, and

BE IT FURTHER RESOLVED, the Board extends heartfelt sympathy to Mrs. Rhonda Striplin and to all members of the Striplin family.

There being no further business, the meeting was adjourned at 11:46 a.m.

Attest to:

Respectfully Submitted:

Bettye R. Maye, Secretary

Steven P. Furr, M.D., Vice Chair

On behalf of:

James A. Yance, Chair *Pro Tempore*

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

COMMITTEE OF THE WHOLE

**June 7, 2012
2:00 p.m.**

A meeting of the Committee of the Whole was duly convened by Dr. Steve Furr, Vice Chair, on behalf of Chair *Pro Tempore* Jim Yance, on Thursday, June 7, 2012, at 2:02 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Trustees Tom Corcoran, Steve Furr, Cecil Gardner, Bettye Maye, Christie Miree, Arlene Mitchell (via phone), Bryant Mixon, John Peek, Jimmy Shumock and Steve Stokes.

Members Absent: Trustees Robert Bentley, Tommy Bice, Scott Charlton, Sam Jones, Ken Simon and Jim Yance.

Administration and Others: President Gordon Moulton; Drs. Mike Boyd, Joe Busta, Phil Carr, Julie Estis and Doug Marshall (Faculty Senate), Ron Franks, David Johnson, John Smith and David Stearns; Messrs. Terry Albano, Parker Chastain (SGA), Stan Hammack and Norman Pitman; and Ms. Jean Tucker.

Press: Ms. Renee Busby (*Press-Register*).

Dr. Furr convened the meeting and called for a report of endowment and investments performance, **ITEM 14**. Mr. Albano reported the endowment return outperformed its relative index by .65 percent for the first six months of the 2012 fiscal year. From October 1, 2011, through April 30, 2012, the return was 11.89 percent vs. a relative index of 11.24 percent. Mr. Albano noted an endowment value of \$86,891,602 at the end of April 2012. This value included a net addition of new money totaling \$2 million. Mr. Albano reviewed asset allocation for the 2012 fiscal year, specifying accordance with the University's investment policy. He discussed how the new funds had been invested, as well as performance since inception, which saw a return of 4.10 percent vs. the relative index of 3.26 percent, an outperformance of .84 percent. He introduced Mr. Pitman, who provided information on an endowment study conducted by the National Association of College and University Business Officers (NACUBO). Mr. Pitman said the University's performance ranked above the average reported in the NACUBO study.

President Moulton introduced Drs. Phil Carr, Doug Marshall and Julie Estis, who recently took office as Faculty Senate President, President-elect and Secretary, respectively. He also recognized Mr. Parker Chastain, new President of the Student Government Association.

President Moulton discussed **ITEM 11**, a resolution authorizing new rates for tuition, fees and housing for the 2012-2013 academic year, as set forth in the appended schedules (for copies of resolutions, policies and other authorized documents, refer to the USA Board of Trustees meeting minutes dated June 8, 2012). In general, the recommendation calls for a 7.7 percent increase in tuition, inclusive of required student fees, and an average 7.3 percent increase in housing rates.

Detailed budget materials were distributed to the Committee, wherein were outlined assumptions relative to the 2012-2013 fiscal year. President Moulton noted ties between deteriorating state funding for higher education and the economic downturn, specifically due to shortages in tax revenue. With regard to the budget, he offered the following considerations. First, inasmuch as the University has had deficit budgets for four consecutive years, necessitating the use of reserves despite expenditure cuts totaling \$11.2 million, he asserted that reserve spending cannot continue, and stated a balanced budget proposal would be presented at the September Board meeting. Second, President Moulton recognized the faculty and staff, who, in spite of a considerable reduction in personnel, which accounts for much of the cost savings, have sacrificed to preserve the quality of the Institution. He stressed that the heart of the University is its people, recognized the cooperative spirit of USA personnel in dealing with the challenges, having done so without cost-of-living raises in four years, and advised that the 2012-2013 budget proposal would include a salary plan for faculty and staff. Third, he addressed the affordability of South Alabama as compared to the higher costs at Alabama peer institutions.

President Moulton talked about changing expectations for higher education in today's economy. He said emerging trends show tuition and fee costs now exceeding state appropriations. He gave data on scholarships and Pell Grants, as well as student loans and debt. He stated higher education provides the greatest return on one's investment, citing 75 percent more earnings over a lifetime with a baccalaureate degree than with a high school diploma.

A comparison of current and projected tuition, fee and housing costs for peer public doctoral research institutions in the state was reviewed. The data showed South Alabama students would continue to pay less than if enrolled at Auburn University, the University of Alabama, the University of Alabama at Birmingham, the University of Alabama at Huntsville, Troy University or Jacksonville State University. President Moulton expressed confidence in the Administration's recommendation, noting that USA tuition and fees will remain below the state average, thus preserving the University's competitive position as a top bargain in Alabama for a quality, well-rounded college education, while also generating the revenue needed for a balanced budget.

President Moulton called upon Mr. Chastain to comment on behalf of the student body. Mr. Chastain stated that, although increased tuition is not preferable, giving an adequate explanation of the justifying reasons will promote acceptance among students. Dr. Carr agreed that students often do not have a clear understanding as to the necessity of tuition increases, and he stressed the importance of faculty communication in the classroom.

President Moulton reported that among peer institutions in the state USA spends the highest percentage per student on instructional costs. He added the University maintains strict standards for producing a high-quality product, as well as for efficiency. On motion by Dr. Furr, seconded by Ms. Miree, the Committee voted unanimously to recommend Board approval of **ITEM 11**. President Moulton acknowledged Ms. Mitchell's vote via the phone, and discussed recent legislation that allows USA Trustees to cast their votes by phone.

There being no further business, the meeting was adjourned at 2:49 p.m.

Attest to:

Respectfully Submitted:

Bettye R. Maye, Secretary

Steven P. Furr, M.D., Vice Chair

On behalf of:

James A. Yance, Chair *Pro Tempore*