MINUTES OF THE JUNE 14, 2013, MEETING
OF THE FINANCE COMMITTEE OF
THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA

The Finance Committee of The Board of Trustees of The University of Alabama met on Friday, June 14, 2013, in Sellers Auditorium at The University of Alabama. Trustee William Britt Sexton chaired the meeting. Michael A. Bownes served as Secretary.

On roll call, the following Committee members were present:

The Honorable Harris V. Morrissette, Trustee from the First Congressional District

The Honorable W. Davis Malone III, Trustee from the Second Congressional District

The Honorable James Wilson III, Trustee from the Third Congressional District

The Honorable William Britt Sexton Trustee from the Fifth Congressional District

The Honorable John J. McMahon, Jr., Trustee from the Sixth Congressional District

The Honorable Karen P. Brooks Trustee from the Seventh Congressional District

The Honorable John H. England, Jr., Trustee from the Seventh Congressional District

Other Trustees in attendance:

The Honorable Marietta M. Urquhart, Trustee from the First Congressional District

The Honorable Joseph C. Espy III, Trustee from the Second Congressional District

The Honorable Kenneth L. Vandervoort, Trustee from the Third Congressional District
The Honorable Paul W. Bryant, Jr., President pro tempore and Trustee from the Fourth Congressional District

The Honorable Finis E. St. John IV, Trustee from the Fourth Congressional District

The Honorable Ronald Gray, Trustee from the Fifth Congressional District

The meeting was also attended by Chancellor Robert E. Witt, Executive Vice Chancellor for Finance and Operations Ray Hayes, UA President Judy Bonner, UAB President Ray Watts, and UAHuntsville President Robert Altenkirch, as well as support staff from the UA System Office, UA, UAB, and UAHuntsville.

Kellee Reinhart introduced the press: Jennifer Edwards, Jerome Davis, and Sarah Macaluso from WVUA; Katherine Owen from The Crimson White; Stephanie Taylor from The Tuscaloosa News; Melissa Brown from Al.com; Kelvin Reynolds from Fox 6; Meredith Armstrong from Channel 13; Leigh Garner from Channel 42; and Isaiah Harper from ABC 33-40.

Chairman Sexton called for a motion to approve the minutes of the April 11, 2013, meeting. On motion of Trustee Malone, seconded by Trustee Brooks, the minutes were approved.

Chairman Sexton called on Executive Vice Chancellor for Finance and Operations Ray Hayes to introduce the resolution approving the Tuition and Fee Increase at UA, UAB, and UAHuntsville for 2013-2014. The resolution was sent under separate cover.

Mr. Hayes showed how we ended the year with State appropriations without earmarks for FY 2013 compared to FY 2014, for which we received a slight increase in state appropriations on all three campuses. The mandated increases in the employer match for Teachers’ Retirement System (TRS) and Public Education Employees’ Health Insurance (PEEHIP) are a significant expense for us. For example, in one tier of our employees, the employer match went from 10.8% in FY 2013 to 11.71% in FY 2014.

Mr. Hayes noted the cumulative loss of State funding since FY 2008 is in excess of $900 million.

Mr. Hayes used numbers from the audited financial statements for 2008 and 2012 to show how State appropriations have decreased and tuition has increased proportionally at UA, UAB, and UAHuntsville. Between 2008 and 2012, tuition has become the predominant funding source for UA. In 2008, UAB’s State funding was 74% and by 2012 it had decreased to 57%, with tuition increasing from 26% to 43% of the budget. Even with tuition increases, UAB’s overall funding from State appropriations and tuition
was down by $8.8 million and UAHuntsville’s budget only grew by $11.8 million in five years. State funding decreased by $14.8 million and dropped to 39% for UAHuntsville.

Mr. Hayes then presented the recommendations for tuition increases for FY 2014 (based on resident undergraduate students taking 15 hours per semester): UA $125 per semester increase to $4,725; UAB $252 per semester increase to $4,452; UAHuntsville $199 per semester increase to $4,596. Mr. Hayes said the campus Presidents have outlined their needs to the Chancellor and they believe these tuition recommendations are the best they can propose and still maintain the quality that is expected on our campuses. Comparatively in the Southern University Group (SUG), our tuition falls in the middle of the SUG range and will continue to do so with these proposed 2014 increases. Trustee Wilson asked how much the System pays annually to PEEHIP. Mr. Hayes said the total PEEHIP employer contribution will be $26.1 million and total TRS will be $142 million.

The proposed non-resident undergraduate tuition increases for the campuses are: UA $500 per semester; UAB $582 per semester; UAHuntsville $199 per semester.

Mr. Hayes emphasized that we have doubled total financial aid being awarded to our students, ranging from $254 million in 2008 to $508 million in 2012.

Chairman Sexton called for a motion to approve the resolution. On motion of Trustee Wilson, seconded by Trustee Morrissette, the resolution was approved. (See Exhibit A)

Chairman Sexton called on Vice President for Financial Affairs and Administration Richard Margison to introduce the resolution authorizing the issuance of The University of Alabama at Birmingham General Revenue Bonds. The resolution is found on pages 5-13 of the Finance Book.

Mr. Margison said UAB was seeking approval to proceed to issue approximately $99 million of bonds for three student housing facilities. One facility is the new student residence hall that will be under construction by the end of 2013, and the other two are existing facilities, Blount Hall and Blazer Hall, which were built as privatized housing and financed through short term variable rate bonds by a local public authority. UAB proposed a structure that will have two series: Series 1 of approximately $21.5 million with a maturity of years 1-10; Series 2 of approximately $77.54 million with a maturity of years 11-30. They will use the same public bid process used earlier this year where all bids will be taken at the same time; if a financial institution qualifies their bid with special covenants or restrictions, it will be viewed as non-responsive. The same professional team of Rory Hartley, Protective Securities; and Hobby Presley, Counsel, will be used. A tentative bid date of July 18 was set.
RESOLUTION

BE IT RESOLVED by the Board of Trustees of The University of Alabama as follows:

I. The following scale of tuition and fees for students attending The University of Alabama; The University of Alabama at Birmingham; and The University of Alabama in Huntsville is hereby established, effective on the dates indicated, and the said tuition and fees at the rates hereunder prescribed are hereby levied against and ordered collected from each such student. The President of each campus is authorized to promulgate regulations for deferral or adjustment of tuition and fees but in no event shall students be allowed to receive credit for courses taken in the term for which tuition and fees are billed or attend classes in any subsequent term without payment.

A. The University of Alabama

1. Tuition and fees for each fall or spring semester, effective with the Fall Semester, 2013 (except for the College of Community Health Sciences):

   a. A general tuition payable by each in-state undergraduate main campus student:

   (1) University tuition for each student taking 1 semester hour* $ 715.00

   (2) University tuition for each student taking 2 semester hours* 1,110.00

   (3) University tuition for each student taking 3 semester hours* 1,505.00

   (4) University tuition for each student taking 4 semester hours* 1,900.00

   (5) University tuition for each student taking 5 semester hours 2,750.00

   (6) University tuition for each student taking 6 semester hours 3,145.00
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<tr>
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<th>University tuition for each student taking</th>
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<tr>
<td>7</td>
<td>7 semester hours</td>
<td>$ 3,525.00</td>
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<tr>
<td>8</td>
<td>8 semester hours</td>
<td>3,915.00</td>
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<td>9</td>
<td>9 semester hours</td>
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<td>10</td>
<td>10 semester hours</td>
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<td>11</td>
<td>11 semester hours</td>
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<td>12</td>
<td>12 thru 16 semester hours</td>
<td>4,725.00</td>
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<td>13</td>
<td>additional hour in excess of 16 semester hours</td>
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b. A general tuition payable by each out-of-state undergraduate main campus student:

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<th>University tuition for each student taking</th>
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<tr>
<td>1</td>
<td>1 semester hour*</td>
<td>1,315.00</td>
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<tr>
<td>2</td>
<td>2 semester hours*</td>
<td>2,320.00</td>
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<td>3</td>
<td>3 semester hours*</td>
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<td>4</td>
<td>4 semester hours*</td>
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<tr>
<td>5</td>
<td>5 semester hours</td>
<td>5,800.00</td>
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<tr>
<td>6</td>
<td>6 semester hours</td>
<td>6,820.00</td>
</tr>
</tbody>
</table>
(7) University tuition for each student taking 7 semester hour $ 7,830.00
(8) University tuition for each student taking 8 semester hours 8,845.00
(9) University tuition for each student taking 9 semester hours 9,850.00
(10) University tuition for each student taking 10 semester hours 10,875.00
(11) University tuition for each student taking 11 semester hour 11,765.00
(12) University tuition for each student taking 12 thru 16 semester hours 11,975.00
(13) University tuition for each additional hour in excess of 16 semester hours 1,010.00

c. A general tuition payable by each in-state graduate main campus student:

(1) University tuition for each student taking 1 semester hour* 740.00
(2) University tuition for each student taking 2 semester hours* 1,160.00
(3) University tuition for each student taking 3 semester hours* 1,565.00
(4) University tuition for each student taking 4 semester hours* 1,975.00
(5) University tuition for each student taking 5 semester hours 2,855.00
(6) University tuition for each student taking 6 semester hours 3,280.00
(7) University tuition for each student taking 7 semester hours $3,675.00

(8) University tuition for each student taking 8 semester hours 4,095.00

(9) University tuition for each student taking 9 thru 15 semester hours 4,725.00

(10) University tuition for each additional hour in excess of 15 semester hours 410.00

d. A general tuition payable by each out-of-state main campus graduate student:

(1) University tuition for each student taking 1 semester hour* 1,405.00

(2) University tuition for each student taking 2 semester hours* 2,525.00

(3) University tuition for each student taking 3 semester hours* 3,630.00

(4) University tuition for each student taking 4 semester hours* 4,755.00

(5) University tuition for each student taking 5 semester hours 6,280.00

(6) University tuition for each student taking 6 semester hours 7,395.00

(7) University tuition for each student taking 7 semester hour 8,505.00

(8) University tuition for each student taking 8 semester hours 9,610.00

(9) University tuition for each student taking 9 thru 15 semester hours 11,975.00
(10) University tuition for each additional hour in excess of 15 semester hours $ 1,110.00

e. A general tuition payable by each in-state main campus law student:

(1) University tuition for each student taking 1 semester hour* 1,095.00

(2) University tuition for each student taking 2 semester hours* 1,860.00

(3) University tuition for each student taking 3 semester hours* 2,620.00

(4) University tuition for each student taking 4 semester hours* 3,390.00

(5) University tuition for each student taking 5 semester hours 4,620.00

(6) University tuition for each student taking 6 semester hours 5,385.00

(7) University tuition for each student taking 7 semester hours 6,145.00

(8) University tuition for each student taking 8 semester hours 6,915.00

(9) University tuition for each student Taking 9 semester hours 9,270.00

(10) University tuition for each student taking 10 to 16 semester hours 10,385.00

(11) University tuition for each additional hour in excess of 16 semester hours 555.00

f. A general tuition payable by each out-of-state main campus law student:
(1) University tuition for each student taking 1 semester hour* $1,730.00
(2) University tuition for each student taking 2 semester hours* 3,185.00
(3) University tuition for each student taking 3 semester hours* 4,635.00
(4) University tuition for each student taking 4 semester hours* 6,080.00
(5) University tuition for each student taking 5 semester hours 7,935.00
(6) University tuition for each student taking 6 semester hours 9,380.00
(7) University tuition for each student taking 7 semester hours 10,835.00
(8) University tuition for each student taking 8 semester hours 12,280.00
(9) University tuition for each student taking 9 semester hours 16,215.00
(10) University tuition for each student taking 10 to 16 semester hours 17,420.00
(11) University tuition for each additional hour in excess of 16 semester hours 1,165.00

g. Undergraduate main campus students enrolled for nine or more semester hours:

Minimum Food Buy-In - per semester 300.00

h. A general tuition payable by each Gadsden campus student:
(1) for in-state undergraduate student - per hour $320.00

(2) for out-of-state undergraduate student – per hour 880.00

(3) for in-state graduate student - per hour 340.00

(4) for out-of-state graduate student - per hour 960.00

i. A general tuition payable by each distance degree student:

(1) for undergraduate student – per hour 320.00

(2) for graduate student – per hour 340.00

2. College of Community Health Sciences, effective July 1, 2013

a. Tuition for in-state student to be paid in two equal installments with the first due on or before August 9, and the second and final due on or before December 13 24,510.00

b. Tuition for out-of-state student to be paid in two equal installments with the first due on or before August 9, and the second and final due on or before December 13 58,590.00

3. Summer term, effective upon the beginning of the 2014 Summer School Term (except for the College of Community Health Sciences):

a. Tuition – main campus

(1) for in-state undergraduate student – per hour 395.00
(2) for in-state graduate student - per hour $ 430.00
(3) for in-state law student - per hour $ 805.00
(4) for out-of state undergraduate student -- per hour $ 1,000.00
(5) for out-of-state graduate student - per hour $ 1,105.00
(6) for out-of-state law student – per hour $ 1,410.00

b. Dining Dollars amount for undergraduate main campus students, enrolled 5 or more Summer term hours $100.00

4. An equipment college fee for all courses in the College of Engineering - per hour $ 10.00

5. A communication college fee for all courses in the School of Communication - per hour $ 10.00

6. A human environmental sciences college fee for all courses in the School of Human Environmental Sciences - per hour $ 10.00

7. A nursing college fee for all courses in the School of Nursing – per hour $ 20.00

8. A commerce and business administration college fee for all undergraduate commerce and business administration courses – per course $ 30.00

9. A commerce and business administration college fee for all graduate commerce and business administration courses except for EMBA courses – per course $ 250.00

10. An arts and sciences college fee for all arts and sciences courses – per hour $ 10.00
11. An education college fee for all courses in the College of Education – per hour $ 10.00

12. A facilities fee charged on each course within a college, per college – per hour:

   Arts & Sciences, Human Environmental Science, Social Work, Education, Law, Honors 4.25
   Commerce & Business, Communication 5.25
   Engineering, Community Health, Nursing 6.25

13. A technology fee charged on each course within a college, per college – per hour:

   Arts & Sciences, Human Environmental Science, Social Work, Education, Law, Honors Colleges 5.25
   Commerce & Business, Communication, Engineering, Community Health, Nursing 6.25

* Tuition for undergraduate, graduate, and law main campus students enrolled for less than 5 hours in a Fall or Spring semester does not include activity privileges or health services. Students may purchase these services for an additional charge.

B. The University of Alabama at Birmingham

1. Students attending the School of Medicine, effective for the 2013-2014 academic year:

   a. A general tuition to be paid by each student other than an out-of-state student in two installments with the first payment ($12,255.00) due on or before September 1 and the second, and final payment ($12,255.00), due on or before January 1 $ 24,510.00*