THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA

September 13, 2013 - 11:15 a.m.
Sellers Auditorium, Bryant Conference Center
Tuscaloosa

AGENDA

A. Roll Call
B. Consideration of approval of minutes of June 14, 2013

C. Executive Committee Report
D. Report of Chancellor Robert E. Witt

E. Administrative Report
F. Finance Committee Report

1. Consideration of Resolution approving Operating Budgets for UA, UAB, University Hospital, UAHuntsville and UA System for FY 2013-2014

2. Consideration of Resolution approving Revisions to Board Rule 202. Non-resident Tuition Policy

3. Administrative Action Item

a. Consideration of Resolution approving closing several Cash Accounts related to the Center for Infectious Diseases Research in Zambia; updating bank names for all accounts at Wells Fargo Bank, N.A., and BBVA Compass Bank; opening a cash account at The PNC Financial Services Group, and authorizing individuals to transact business with approved Depositaries for UAB

G. Academic Affairs, Student Affairs, and Planning Committee Report

1. Consideration of Resolution granting initial Approval of and Submission to the Alabama Commission on Higher Education (ACHE) the proposed Bachelor of Science (B.S.) Degree in Architectural Engineering (C.I.P. Code 14.0401) at UA
The Finance Committee of The Board of Trustees of The University of Alabama met on Thursday, September 12, 2013, in Sellers Auditorium in the Bryant Conference Center on the campus of 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 Vanessa Leonard, Trustee from the Sixth 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 Honorable Andria Scott Hurst, Trustee from the Seventh 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 and Jerome Davis from WVUA; Lauren Ferguson from The Crimson White; Ed Enoch from The Tuscaloosa News; Melissa Brown from Al.com; and Meredith Armstrong from Channel 13.

Chairman Sexton called for a motion to approve the minutes of the June 14, 2013 meeting. On motion of Trustee Malone, seconded by Trustee England, the minutes were approved.

Chairman Sexton called on Executive Vice Chancellor for Finance and Operations Ray Hayes to introduce the resolution approving Operating Budgets for UA, UAB, University Hospital, UAHuntsville, and UA System for 2013-2014. The resolution was sent under separate cover.

Mr. Hayes showed strategic budget goals that the Board had seen since 2008, but were still valid. He said they would be looking at a multi-year budget tuition strategy. A five-year change in State appropriations for higher education (FY 2008-2013) yielded a 28.4% loss for Alabama which is in the bottom 10% of the change in State funding.

Mr. Hayes said that State appropriations increased by $7.476 million from FY 2013. The Teachers Retirement System employer costs are increasing by $26.877 million and PEEHIP costs for retirees are increasing by $1.563 million.
Chairman Sexton called on General Counsel Cooper Shattuck to introduce the resolution approving Revisions to Board Rule 202. Non-resident Tuition Policy. The resolution is found on pages 5-22 of the Finance Book.

Mr. Shattuck said the last legislative session created House Bill 424 which became Act 2013-423, creating different categories for non-resident tuition, particularly for veterans. The proposed changes to Board Rule 202 will mirror those changes in House Bill 424.

Chairman Sexton called for a motion to approve the resolution. On motion of Trustee Malone, seconded by Trustee England, the resolution was approved.

RESOLUTION

WHEREAS, proposed changes to Board Rule 202. Non-resident Tuition Policy is necessitated by Act 2013-423 (HB424) which was passed by the Alabama Legislature and signed into law in 2013;

NOW, THEREFORE, BE IT RESOLVED by The Board of Trustees of The University of Alabama that it approves the revisions to Board Rule 202. Non-resident Tuition Policy. (Exhibit A)

Chairman Sexton called on Executive Vice Chancellor Hayes to introduce the administrative item found on pages 23-49 of the Finance Book.

Mr. Hayes said that the administrative item updates all of the depositories for UAB and the Hospital. He recommended approval.

Chairman Sexton called for a motion to approve the resolution. On motion of Trustee Brooks, seconded by Trustee Malone, the resolution was approved.

RESOLUTION

WHEREAS, The University of Alabama at Birmingham desires to close four (4) accounts for certain funds under its control, as hereinafter described in Exhibit B; and

WHEREAS, since Wachovia Bank has been acquired by Wells Fargo Bank, N.A., The University of Alabama at Birmingham desires to
Non-resident Tuition Policy

I. Non-resident Tuition Fee

A. All students registering at The University of Alabama, The University of Alabama at Birmingham, or The University of Alabama in Huntsville who do not establish that they are "resident students" shall pay a "non-resident student" tuition, which shall be at least twice that of "resident student" tuition.

B. Classification of students as "non-resident students" or "resident students" shall be made at the time of their initial registration and shall continue unchanged through all subsequent registrations at that institution until satisfactory evidence to the contrary is submitted at the time of any subsequent registration.

II. Definitions

A. Minor

An individual who, because of age, lacks the capacity to contract under Alabama law. Under current law, this means a single individual under nineteen (19) and a married individual under eighteen (18), but excludes an individual whose disabilities of non-age have been removed by a court of competent jurisdiction for a reason other than establishing a legal residence in Alabama.

B. Supporting person

Either or both of the parents of the student (if they are living together) or if they are divorced or living separate, then either the parent having legal custody or, if different, the parent providing the greater amount of financial support of the two. If both parents are deceased or if neither had legal custody, then supporting person shall mean, in the following order: legal custodian of the student, and, if none, the guardian, and, if none, the conservator.

C. Resident

One whose residence is in the State of Alabama. Residence means the single location at which a person resides with the intent of remaining there indefinitely as evidenced by more
substantial connections with that place than with any other place. Individuals carrying resident status under this policy shall certify under penalty for perjury that a specific address or location within the State of Alabama is their residence, that they intend to remain there indefinitely, and that they have more substantial connections with the State of Alabama than with any other state. Though certification of an address and an intent to remain in the state indefinitely are prerequisites to establishing status as a resident, ultimate determination of that status shall be made by the institution by its evaluation of the presence or absence of connections with the State of Alabama including the following:

1. Payment of Alabama state income taxes as a resident
2. Ownership of a residence or other real property in the state and payment of state ad valorem taxes thereon
3. Full-time employment (not temporary) in the state
4. Residence in the state of a spouse, parents, or children
5. Previous periods of residency in the state continuing for one year or more
6. Voter registration and voting in the state, more significantly, continuing voter registration in the state that initially occurred at least one year prior to the initial registration of the student in Alabama at a public institution of higher education
7. Possession of state or local licenses to do business or practice a profession in the state
8. Ownership of personal property in the state and payment of state taxes thereon (e.g. automobile, boat, etc.) and possession of state license plates
9. Continuous physical presence in the state for a purpose other than attending school and except for temporary absences for travel, military service, temporary employment, etc.
10. Membership in religious, professional, business, civic, or social organizations in the state
11. Maintenance in the state of checking and savings accounts, safe deposit boxes or investment accounts
12. In-state address shown on selective service registration, driver’s license, automobile title registration, hunting and fishing license, insurance policies, stock and bond registrations, last will and testament, annuities, or retirement plans
13. Location within the state of the high school from which the individual graduated

D. Resident Student

One who, at the time of registration:

1. Is not a “minor” and is a resident of the State of Alabama and has been a resident of the state for at least one year immediately preceding the date of registration; or

2. Is a “minor” and whose “supporting person(s)” is a resident of the State of Alabama and has been a resident of the state for at least one year immediately preceding the date of registration.

E. Non-Resident Student

One who, at the time of registration is not a resident student.

III. Authority to Expand the Definition of “Resident Student”

The President of each campus may recommend to the Chancellor for consideration by the Board of Trustees that the term “resident student” may include any one or more of the following categories, at that campus:

A. One who, at the time of registration, is not a “minor” and:

1. Is a full-time employee (not temporary) of the institution at which the student is registering or is the spouse of such an employee;

2. Is able to verify full-time permanent employment within the state of Alabama and shall commence said employment not more than ninety (90) days after registration with the institution, or is the spouse of such an employee;

3. Is employed as a graduate assistant or fellow by the institution at which the student is registering;

4. Is a resident of any county within fifty (50) miles of the campus of the institution at which the student is registering, and had been a resident of that county for at least one year immediately preceding the date of registration. “Resident” shall have the same meaning, as
to the relevant county, which it has as to the state of Alabama in the definition section of this policy statement; or

5. Is an out-of-state active duty or retired military veteran who is a resident of any county within ninety (90) miles of the campus of the institution at which the student is registering.

B. One who, at the time of registration, is a “minor” and whose “supporting person(s)”:

1. Is a full-time employee (not temporary) of the institution at which the student is registering;
2. Is able to verify full-time permanent employment within the state of Alabama and shall commence said employment not more than ninety (90) days after registration with the institution; or
3. Is a resident of any county within fifty (50) miles of the campus of the institution at which the student is registering, and has been a resident of that county for at least one year immediately preceding the date of registration. “Resident” shall have the same meaning, as to the relevant county, which it has as to the state of Alabama in the definitions’ section of this policy statement.

IV. Rules for Veterans and Members of the United States Armed Forces

For purposes of admission and tuition, all institutions in The University of Alabama System shall consider that the term “resident student” includes any of the following:

A. One who, at the time of registration, is not a “minor” and satisfies one of the following:

1. Is a member or the spouse of a member of the United States military on fulltime active duty stationed in Alabama under orders other than attending school;
2. Commencing on May 22, 2012, has been a member of the Alabama National Guard for a period of at least two years immediately preceding the student qualifying for resident tuition and continues to be a member of the Alabama
National Guard while enrolled at the public institution of higher education; or

3. Is a veteran of the Armed Forces of the United States, provided that the veteran has become a resident of Alabama, and satisfies at least one of the following conditions:
   a. The veteran has served on active duty for a continuous period of time, not less than two years, and has received an honorable discharge as verified by a United States Department of Defense Form 214 within five years of enrolling in an Alabama public institution of higher education;
   b. Is currently serving in a reserve component of the Armed Forces of the United States, as verified by a memorandum from his or her commanding officer;
   or
   c. The veteran has been assigned a service-connected disability by the United States Department of Veteran Affairs.

B. One who, at the time of registration, is a “minor” and whose “supporting person” is a member of the United States military on a fulltime active duty stationed in Alabama under orders for duties other than attending school.

V. Authority to Implement Policy

A. The Presidents are authorized (and authorized to delegate to admissions officers and others) and directed to implement this policy by appropriate written policies, guidelines, and procedures.

B. Such policy shall provide that classification as a “resident student” shall be based upon the required certificate and other written evidence to be filed in the admissions office and that any decision by an admissions officer may be appealed by the student to a review committee that shall be constituted, appointed, and operated as provided in such policy.

C. The decision of the review committee may be appealed to the President, or his or her designee, whose action thereon shall be final.
(Adopted as Resolution by Executive Committee on August 21, 1975; amended February 18, 1981, September 22, 1989, May 23, 1997; adopted as Board Rule December 5, 1997; amended November 14, 2008; September 13, 2013.)