MINUTES OF THE NOVEMBER 8, 2013 MEETING
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA

The Board of Trustees of The University of Alabama met in Sellers Auditorium in the Bryant Conference Center on the campus of The University of Alabama on November 8, 2013. Trustee Paul W. Bryant, Jr., chaired the meeting. Michael A. Bownes served as Secretary.

On roll call, the following Trustees were present:

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

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

The Honorable Kenneth L. Vandervoort, M.D., Trustee from the Third Congressional District

The Honorable James W. Wilson III, 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 W. Gray, Trustee from the Fifth Congressional District

The Honorable William Britt Sexton, Trustee from the Fifth Congressional District
The Honorable John D. Johns, Trustee from the Sixth Congressional District

The Honorable Vanessa Leonard, 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

The Honorable Andria Scott Hurst, Trustee from the Seventh Congressional District

The following Trustees were unable to attend:

The Honorable Robert Bentley, Governor

The Honorable Thomas R. Bice, Ed.D., State Superintendent of Education

The meeting also was attended by UA System Chancellor Robert E. Witt; UA President Judy Bonner; UAB President Ray L. Watts; UAHuntsville President Robert A. Altenkirch; staff members from the Office of the Chancellor, the three campuses, and the UAB Health System. Also in attendance were Student Representatives to the Board Jimmy Taylor from UA, Amanda M. Plain from UAB and Nandish Dayal from UAHuntsville. Faculty Representatives to the Board in attendance were Professor Steven K. Miller from UA, Dr. Michael Froelich from UAB and Dr. Mitchell Berbrier from UAHuntsville.

Kellee Reinhart, Vice Chancellor for System Relations, introduced media representatives Lauren Ferguson from The Crimson White and Ed Enoch from The Tuscaloosa News.
Chairman Bryant said a draft of the September 13, 2013 minutes had been sent to all Trustees. After discussion, and on motion of Trustee Brooks, seconded by Trustee Vandervoort, the minutes were approved.

Chairman Bryant then recognized Chancellor Robert Witt for a report from The University of Alabama System.

Over the last five years, public universities in our country have had to deal with decreased state support and significant increases in operating expenses, which has led to a pattern of increased tuition. Those tuition increases are largely responsible for the fact that our students are graduating today with higher levels of debt.

While we will make every effort to grow our state appropriations and continue to minimize tuition increases, the financial wellbeing of our campuses and our students requires that we aggressively pursue two additional courses of action: look for every opportunity to increase non-tuition financial revenue and identify every possible strategy to reduce costs.

In terms of increasing non-tuition revenue, there are three basic sources: grants and contracts; philanthropy; and non-traditional sources of revenue. You have heard reports from all three campuses about the significant progress they are making in increasing grant and contract revenue. In the area of philanthropy, UAB has announced a $1 billion capital campaign; UA is moving aggressively to raise additional support for scholarships; and UAH has reorganized their advancement operations and will be producing significant progress in the near term.

As for non-traditional sources, we are talking about things like revenue that flows from patents, licenses, merchandising our brands, and on-line education. At The University of Alabama, for example, last year they enrolled 32,000 plus students in on-line courses. About 52 percent of those students were UA students who were also taking regular day classes. The ability to access on-line courses means that these young men and women, many of whom have to work part-time in order to be in school, were able to work and continue to make significant progress toward their degrees.
Forty-eight percent of those 32,000 students never set foot on campus. They took courses developed by tenure-track faculty and courses supported by lower cost adjunct faculty. The resulting revenue stream from the students at UA who took online courses passed the $19 million mark last fiscal year, giving President Bonner significant resources to invest in student and faculty support programs.

In terms of reducing costs, all three of our campuses and the Health System have been making consistent efforts to reduce costs. Our challenge now is to take that cost reduction strategy to the System level.

The first area we are addressing is purchasing. By leveraging our Systemwide purchasing power, we will create new opportunities for cost saving. The leadership of Ray Hayes and our campus CFOs has been extraordinary. We now have in place a computer contract that is producing savings of $5.1 million annually. We have hardware and software maintenance contracts in place that currently involve UA and UAH. When the contract is renewed, it will also involve UAB. That contract is already producing savings of $1.4 million annually, which will significantly increase when UAB comes on board.

A Systemwide office supply contract is producing savings of $220,000 a year. Something as straightforward as negotiating with UPS on a Systemwide basis has produced a contract that is saving $110,000 annually across our campuses. We have a Systemwide furniture contract in place that is producing savings of $470,000 a year.

To date, we have generated over $7.5 million of annual savings. I believe that by next Fall, with programs we are currently already working on, we will be able to exceed the $10 million mark. Every dollar we can take out of our operating expenses is a dollar less we have to have to increase tuition and a dollar more that we can invest in faculty and staff and facilities.

The next two areas we need to address are shared faculty and combining our library resources. As you know, we have in place a video conferencing system. We will be taking a hard look at what we need to invest in it to expand its capacity and, effective in the Fall of 2014, we will be taking significant steps to share faculty. Faculty can be teaching on one campus and students on another of our campuses can be accessing that course. As we grow our enrollment on all three campuses, sharing faculty provides a mechanism that will allow us to absorb growth without having to significantly increase the headcount faculty. It will also bring a significant
percentage of the incremental tuition revenue down to the bottom line and allow us to invest those dollars in student and faculty support.

In the weeks ahead we will send a team to visit two other large state university systems that have found a way to combine their libraries. Instead of three separate libraries, we can begin to work toward having one library, in effect, with three branches. From the perspective of the campuses, nothing will change. In terms of being able to share resources and costs and reduce the fees for access to electronic journals, there will be significant cost savings.

Significant change does not come easily to large organizations. Significant change, in particular, does not come easily to universities. The reason we are able to embrace this effort to reduce our operating costs is because of the three strong Presidents this System is fortunate to have. They are committed to change and to working together. They are committed to enhancing System efficiency and they are committed to constructive compromise. By constructive compromise, I mean we have three campus leaders who are prepared to do business differently as long as they can see significant benefit to their individual campuses. I am confident that, as we look ahead to the next three to four years, you will be receiving reports each year that indicate The University of Alabama System is operating far more efficiently.

Mr. Chairman, that concludes my comments.

Chairman Bryant thanked Chancellor Witt for his report and thanked UA President Judy. Bonner for hosting a wonderful evening for the Trustees at the President’s Mansion. He said he always enjoys the President’s Mansion because he has many memories of being there going back to his high school days. Everyone enjoyed the evening with the wonderful meal and entertainment from the talented students.

Chairman Bryant recognized Dr. Bonner for any further remarks and asked her to introduce her Faculty and Student Representatives to the Board for their reports. Dr. Bonner said she did not have anything further to report. (UA Institutional Report, Exhibit J) She said it was her pleasure to introduce Professor Steve Miller, who is head of UA’s
Book Arts Program in the School of Library and Information Sciences. Professor Miller is in his second term as President of the Faculty Senate. The Student Representative to the Board is SGA President Jimmy Taylor from Fairhope, Alabama. Jimmy is in the University Scholar’s Program, which means that he has already started working on his Master’s Degree in Finance while he is completing his undergraduate degree in Finance. That says to you that he is a top student.

UA Faculty Rep to the Board Professor Steven K. Miller

I appreciate being here. That was a great presentation, Dr. Bonner, and it made us proud.

I want to take a few minutes to tell you what the Faculty Senate does, in case you don’t know. There are 62 Senators spread throughout our University representing all areas of the University. The conversation comes in from the faculty and it goes out from the Faculty Senate. We try to keep our eyes and ears open to everything happening on our campus to see in what areas faculty governance can have an effect.

We have committees much like you do: Academic Affairs; Faculty Life; Faculty Incented Governance; Financial Affairs (our Financial Affairs Committee met just this last week with Lynda Gilbert for a really thorough look at the budget so we can understand what is happening and have input, if possible); Information Technology; Legislative Agenda (it is important for us to know what is going on at the State level and our Steering Committee and Provosts will meet with Mr. Bonner soon to welcome him to our campus); Research and Service; and Student Affairs. All of this is important to the Faculty Senate as we move together with students and the administration to make this an even better place.

In a sense, we are engaged in a push-and-pull. You know what faculty governance is? It is a push-and-a-pull with the administration and with the students. It sometimes gets a little bit messy but, in the end, we all stand up and we all move this place forward.

I would like to briefly address what has happened over the last couple of months here on campus. Alabama tends to be a target for
anything racial that happens. It can blow up in our faces. It is partly our history but we are also an easy target for the media.

When the recent events happened, the faculty was really upset. We live here, we love this institution. I have been here for 25 years and I love this place. We want this to be a place where other young faculty members want to come. So, it was in our interest to take the energy that first expressed itself in an overflowing room filled with faculty members from all over campus who wanted answers, who wanted to be helpful, and who wanted to take out their frustration of the moment. As a result, a week later we came back to the Faculty Senate with a really fine idea for a task force and all of that wild energy, that was circulating through our campus, was funneled and shaped into a task force that is now meeting. Administrators, students and faculty members are meeting once a week, at night, after their regular jobs, going overtime, to try to come up with even more solutions for anything that smacks of inequality among our students, faculty and staff.

One of our Senators said, “If we don’t get going pretty quickly on this task force, Dr. Bonner is going to solve all of these problems.” So we got going because we feel that we have a perspective that will be valuable in helping us positively move forward.

Dr. Witt was on national TV this last week and said something that I kind of laughed about afterwards. He said that maybe the greatest financial decision he made was to hire Coach Saban. I was just interviewed by the press about that. I think it was a great, great decision. It has ramped up everything at the University. But I would say to you that I think the greatest decision that has been made for a long time on this campus was your choosing Dr. Bonner to be our President. It has been absolutely wonderful to watch her emerge as the leader of this great institution. I want to thank you for that.

We stand as a faculty with our administration and with our students and we are going to march into the future together, making this place an even greater place than we all know it is already. Roll Tide! Thank you.

UA Student Rep to the Board Mr. Jimmy Taylor III

Good morning. I want to thank the Board for allowing me to come and speak today and for allowing the SGA to continue to affect the lives of students. This coming March we will have been doing so for 100 years. I
could not be more blessed to be in a position to carry on that tradition of serving our students.

I have tasked my administration with focusing on accomplishing goals that have a tangible impact on our student body and enhance the students’ experience here. I am extremely excited about everything we have accomplished thus far.

One of the focal points of our mission is to ease the financial burden on students. In August alone, we were able to raise $10,000 for our need-based scholarship program, which allows us to allocate scholarships to students every month who may be struggling financially. This coming Tuesday, we will hold our Annual Date Auction, which has already raised $5,000, and could raise another $14,000-$16,000. Those funds will go to our SGA endowed scholarship as well as to our need-based scholarship fund.

None of this would be possible without the work of our student leaders who give so much to our University and our community. Many of these same student leaders have been faced with difficult situations this year, and time and again have shown that they are truly leaders who echo the championship mentality that has shaped our campus -- the very same championship mentality that consistently makes us a stronger University academically, athletically, and philanthropically.

This mentality is not about awards, trophies, or recognition. These are simply by-products of a greater purpose, a purpose that drives us to always be better, to always work harder, and to always do the right thing, not when it is the easy thing to do, but when it is the hardest thing to do. Without the support of Dr. Witt, Dr. Bonner, and the members of the Board we, as student leaders, would not have these opportunities to grow as people and to show that we are more than capable of making the right decisions even in the most challenging of times. It is your examples that have provided a path for us to succeed as students, as leaders, and as people. I could not be more proud to have the opportunity to work alongside these leaders.

As members of The University of Alabama family, we are accustomed to success, but we must always remember the hard work and long hours that it took. You should never take being a champion for granted but you should always take it with you wherever you go.

Thank you and Roll Tide.
Chairman Bryant thanked Professor Miller and Mr. Taylor for their remarks.

Chairman Bryant said the Administrative Report has been distributed to all Trustees. After discussion, and on motion of Trustee Wilson, seconded by Trustee England, the Board accepted the Administrative Report. (Exhibit B)

Chairman Bryant recognized Judge John England, Jr., for a report from the Academic Affairs, Student Affairs, and Planning Committee. After Trustee England’s report, if anyone wishes to speak to any of these items, please feel free to do so.

Trustee England said the Academic Affairs, Student Affairs, and Planning Committee met this morning at 9 a.m., with other Trustees present. The Committee considered 14 items for consideration for recommendation to the Board for action, three individual action items, and 11 administrative action items.

The Committee recommends approval of the items identified on your Board Agenda as Items E.1. through E.4.k., pages 51-78 in the Board book and also on DirectorPoint.

After discussion, and on motion of Trustee England, seconded by Trustee Wilson, the Board adopted the following resolutions, separately and severally:

(Insert Resolutions)

Chairman Bryant thanked Trustee England for his report and recognized Trustee Britt Sexton for a report from the Finance Committee. Trustee Sexton said the Finance Committee of the Board of Trustees met today with other Trustees in attendance. The Committee reviewed and approved three action items and three administrative items.
The items are in the Board Book on pages 80-105. The Committee recommends these items for approval.

Trustee Finis St. John IV was recognized and asked Dr. Witt to comment on our State Appropriations Request, which would return our funding to where it was five years ago. He said we heard Dr. Witt talk today about the successes we have been able to achieve despite the drastically reduced State funding and those are very impressive. That said, he would like to ask Dr. Witt to describe to the public, and hopefully to the leaders in Montgomery, what we could do to benefit the citizens of Alabama if this funding level was returned.

Dr. Witt said he does not believe that there is a better investment the State of Alabama could make than to return the approximately $170 million that has been removed from our budget. He said you heard President Bonner talk today about the extraordinary record of our College of Engineering and our College of Business; the ability of UA, UAB and UAH to produce the kinds of highly qualified graduates that would make our State increasingly attractive as an economic development location; the ability to produce more graduates that would produce a larger tax base because the relationship between higher education and lifetime earnings is very clear; and, equally important, the ability to allow us to graduate young men and women without having to increase tuition to a point where they leave our campuses with significant debt. He said he could not think of a better investment than to allow these young men and women to graduate with less debt.
After discussion, and on motion of Trustee Sexton, seconded by Trustee Vandervoort, the Board adopted the following resolutions, separately and severally:

MINUTES OF THE SEPTEMBER 12, 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 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.

With scholarship support for students being a high priority, the campuses have increased that support from $122.9 million in FY 2008 to a projected $250.3 million in FY 2014, which is a 103% increase in support for our students. Each campus is committed to keeping and rewarding faculty and staff with a merit pay program. Approximately 11,299 on-campus student jobs are being provided across our three campuses. In summarizing revenue changes, Mr. Hayes noted that the sources of our revenue have changed with the largest shift being more dependent on tuition and less dependent on State funding. Mr. Hayes said the campus chief financial officers would present their budget recommendations.

Vice President for Financial Affairs Dr. Lynda Gilbert presented the 2014 budget recommendation for UA. Dr. Gilbert discussed funding required to meet the needs of students and faculty. Those needs include: compensation increases for employees; increasing the number of faculty; new graduate assistants; scholarship funding; and the increased TRS employer cost. Dr. Gilbert showed the change in the total budget from FY 2013 to FY 2014 with revenues increasing under $36 million and expenses increasing by $33.4 million. The State appropriations portion of the UA budget remains stable at 18% of the total funding and tuition continues to be a major component of the budget at 43%. There were no questions.

Vice President for Financial Affairs and Administration Richard Margison presented the 2014 budget recommendation for UAB. Mr. Margison said this fall UAB will have a record enrollment of 18,500 students, with increases in freshmen class enrollment of 5% and 9% for the masters’ degree program. Priorities identified by the campus leadership include maintaining student enrollment without compromising quality; retaining and recruiting funded faculty investigators; launching a major capital campaign; and covering mandated cost increases. UAB’s proposed operating budget shows a decrease over the approved 2013 budget due to a change in the origin of funds that flow from the clinical enterprise to support programs in the School of Medicine. Funds formerly called “Other Operating Revenues” will be called “Intergovernmental Transfers” in the FY 2014 budget. UAB anticipates their State appropriation will be 23% and the remaining 77% will come from funds that are self-generating activities. There were no questions.

Chief Financial Officer John Faulstich presented the 2014 budget recommendation for University Hospital. Mr. Faulstich said health care is going through rapid changes in delivery and in funding. The most significant change is the implementation of a new funds flow system, which is a continuation of how UAB supports faculty and clinical missions. While quality and patient safety are always areas of major concern,
reimbursement is becoming more significantly impacted on how those objectives are achieved. University Hospital is challenged to see the number of patients who are trying to enter the hospital and is working on initiatives to be able to intake more patients. Average bed capacity will increase to 4.8% with about 1109 beds; volumes will increase 4% on the inpatient level, and increase 10% on the outpatient level. There were no questions.

Vice President for Finance and Administration Ray Pinner presented the 2014 budget recommendation for UAH. Mr. Pinner showed key areas of their new strategic plan, some of which included enrollment growth, diverse student body, outstanding and diverse faculty and staff, and leadership in selected areas of education and research. Mr. Pinner said major initiatives that most directly impact their students are: scholarships; health and wellness programs; IT infrastructure and wireless system; the new Charger Union Student Center; website redesign; and joining the WCHA Hockey Conference. Their 2014 budget priorities are: renovating the Nursing Building; new faculty positions; a faculty early retirement program; expanding the distance learning program; continuing UAH’s growth trend; and a merit-based salary pool for faculty and staff. The categories of revenue remain stable with State appropriation at 22%; grant and contracts at 42%; tuition and fees at 28%; and auxiliary and others at 8%. There were no questions.

Executive Vice Chancellor Ray Hayes presented the 2014 budget recommendation for the UA System. Mr. Hayes said the System developed a three-year operating budget plan and they are in year two of that plan. There is a 3% merit pool for employees. There were no questions.

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

RESOLUTION

WHEREAS, The Board of Trustees of The University of Alabama has reviewed the proposed operating budget for The University of Alabama System and each of its units: The University of Alabama, The University of Alabama at Birmingham, The University of Alabama Hospital, The University of Alabama in Huntsville, and The University of Alabama System Office, for the fiscal year 2013-2014;

NOW, THEREFORE, BE IT RESOLVED by The Board of Trustees of The University of Alabama that the proposed Operating Budgets for FY 2013-2014 for all units of The University of Alabama System, presented to the Finance Committee and distributed to all Board members, and to be
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 2013423, 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 change the name from Wachovia Bank to Wells Fargo Bank, N.A. on Exhibit C; and

WHEREAS, since Compass Bank has been acquired by Banco Bilbo Vizcaya Argentaria, The University of Alabama at Birmingham desires to change the name from Compass Bank to BBVA Compass Bank on Exhibit C; and

WHEREAS, The University of Alabama at Birmingham desires to create, maintain, and establish an account with The PNC Financial Services Group for the deposit of certain funds under its control; and

WHEREAS, it is desired that The PNC Financial Services Group be approved as a depository for University funds by resolution of The Board of Trustees of The University of Alabama and, as such approved depository, agrees to and accepts the creation, maintenance, and administration of the account described in Exhibit B, attached, upon the terms and conditions therein specified; and

WHEREAS, The University of Alabama at Birmingham maintains with the approved depositories designated in Exhibit C (which consists of 17 pages), those accounts identified therein; and

WHEREAS, Board Rule 406 requires that each University official authorized to effect transactions involving those accounts, including those authorized to sign checks, initiate wire and automatic transfers, or otherwise withdraw funds from these authorized depositories, must be designated by Resolution of the Board; and

WHEREAS, Board Rule 406 further requires that such authority to effect transactions may not be delegated by the persons so authorized; and

WHEREAS, Board Rule 406 further requires that, for each division of the University, all individuals with authority to effect such transactions be identified in a single Resolution, which shall be revised in its entirety when any change in persons so authorized is made so that the most current
Resolution listing those persons so authorized can be readily verified by the Secretary of the Board;

NOW, THEREFORE, BE IT RESOLVED that The Board of Trustees of The University of Alabama does hereby authorize the opening and closing of the accounts listed in Exhibit B, attached.

BE IT FURTHER RESOLVED that the individuals identified on Exhibit C are authorized to effect the transactions specified therein on behalf of The University of Alabama at Birmingham until this authorization is removed by official action of the Board. This Resolution supersedes any prior Resolutions granting such authority to act on behalf of The University of Alabama at Birmingham to any individual or individuals.

There being no further business to come before the Committee, the meeting was adjourned.

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C. Ray Hayes                                      Michael A. Bownes
Executive Vice Chancellor                        Secretary of the Board of Trustees
for Finance and Operations
202. 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.

C. A “resident student” is one who, at the time of registration:

D. 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

E. 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.

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 a 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 a member or the spouse of a member of the United States military on full-time active duty stationed in Alabama under orders for duties other than attending school;
4. Is employed as a graduate assistant or fellow by the institution at which the student is registering;
5. 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 member of the United States military on full-time active duty stationed in Alabama under orders for duties other than attending school; or

4. 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 full-time 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.

IV. 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.)
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 Bryant thanked Trustee Sexton for his report and recognized Trustee Karen Brooks for a report from the Physical Properties Committee. Trustee Brooks said the Physical Properties Committee met yesterday and considered 28 resolutions for action by the Board, which are included in your Board Book on pages 106-234.

The Committee thoroughly reviewed and approved all 28 resolutions and now recommends the approval of these items identified on your Board Agenda as G.1.a.1) through G.5.a.1).

After discussion, and on motion of Trustee Brooks, seconded by Trustee Morrissette, the Board adopted the following resolutions, separately and severally:

(Insert Resolutions)

Chairman Bryant thanked Trustee Brooks for her report and recognized Trustee James Wilson III for a report from the UAB Health System Board Liaison Committee.
Trustee Wilson said the UAB Health System Board Liaison Committee met yesterday afternoon and considered one resolution for action by the Board, which is included in your Board book and on DirectorPoint on page 235. The Committee thoroughly reviewed and approved this resolution and now recommends the approval of this item identified on your Board Agenda as H.1.

After discussion, and on motion of Trustee Wilson, seconded by Trustee St. John, the Board adopted the following resolution:

(Insert Resolution)

Chairman Bryant thanked Trustee Wilson for his report and recognized Trustee Ronald Gray for a report from the Investment Committee. Trustee Gray said the Investment Committee of the Board of Trustees met on Thursday, November 7, 2013. The Committee approved an investment consulting resolution. This resolution does not require Board approval.

The Committee also heard a presentation by the Culverhouse Investment Management Group, a student-managed investment group at The University of Alabama.

Chairman Bryant thanked Trustee Gray for his report and recognized Trustee Andria Scott Hurst for a report from the Honorary Degrees and Recognition Committee. Trustee Hurst said the Honorary Degrees and Recognition Committee met yesterday afternoon. The Committee considered one proposed resolution: Consideration of Resolution accepting gifts and pledges from various donors, expressing appreciation, and establishing Naming Opportunities for the Men’s Basketball Locker Room in Bartow
Arena at UAB. The Committee approved this item and recommends it to the Board of Trustees.

After discussion, and on motion of Trustee Hurst, seconded by Trustee Urquhart, the Board adopted the following resolution:

(Insert Resolution)

Chairman Bryant thanked Trustee Hurst for her report and said the Administrative Action Items are normally acted upon as a unit, separately and severally. He said anyone who wished to speak to any of these items should feel free to do so.

After discussion, and on motion of Trustee Espy, seconded by Trustee England, the Board adopted the following resolutions, separately and severally:

(Insert Resolutions)

There being no further business to come before the Board, the meeting was adjourned subject to the call of the Chair.

_____________________________________
Michael A. Bownes, Secretary