

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

FREDERICK P. WHIDDON ADMINISTRATION BUILDING
SUITE 130, BOARD ROOM

COMMITTEE OF THE WHOLE

JUNE 5, 2014
2:15 P.M.

BOARD OF TRUSTEES

JUNE 6, 2014
10:30 A.M.

REVISED AGENDA

ITEM

- * Approve: Revised Agenda
- * 1 Approve: [Minutes](#)
- 2 Report: President's Report
- 3 Approve: [Board Meeting Schedule, 2014-2015](#)
- 4 Approve: [Amendments to Bylaws of the Board of Trustees](#)
- 5 Approve: [Amendments to Presidential Search Guidelines](#)

HEALTH AFFAIRS:

- 6 Approve: [USA Hospitals Credentials – February, March and April 2014](#)
- 7 Approve: [USA Hospitals Medical Staff Bylaws, and Rules and Regulations, Revisions of April 23, 2014](#)
- 8 Report: Health System and Health Sciences
- 9 Report: USA Mitchell Cancer Institute

ACADEMIC AND STUDENT AFFAIRS:

- * 10 Report: [Academic Affairs](#)
- 11 Approve: [Tenure and Promotion](#)
- 12 Report: Student Affairs
- 13 Approve: [Tuition, Housing and Fees Schedules, 2014-2015](#)

BUDGET AND FINANCE:

- 14 Report: [Quarterly Financial Statements, Six Months ended March 2014](#)
- 15 Approve: [Banking Resolution](#)
- * 16 Approve: [Sale of Property](#)
- * 16.A Approve: [Purchase of Property](#)
- 17 Approve: [University Infrastructure Study](#)

AUDIT:

- 18 Report: [Alabama Department of Examiners of Public Accounts Compliance Report, October 1, 2011, through September 30, 2012](#)

DEVELOPMENT, ENDOWMENT AND INVESTMENTS:

- 19 Report: Endowment and Investments
- 20 Approve: [Jaguar Athletic Fund Directors](#)
- 21 Report: Development and Alumni Relations

OTHER:

- 22 Approve: [Commendation of Dr. John W. Smith](#)
- 23 Approve: [Commendation of Mr. M. Wayne Davis](#)
- * 24 Approve: [Commendation of Mrs. Christie D. Miree](#)
- * 25 Approve: [Commendation of Mr. J. Cecil Gardner](#)
- * 26 Approve: [Commendation of Mr. Samuel L. Jones](#)
- * 27 Special Announcement(s)
Approve: [Recognition of Mr. Abraham A. Mitchell as Honorary Trustee](#)

* *Items added or revised*

UNIVERSITY OF SOUTH ALABAMA BOARD OF TRUSTEES



THURSDAY, JUNE 5, 2014:

2:15 P.M. COMMITTEE OF THE WHOLE MEETING ADMINISTRATION BLDG., ROOM 130

FRIDAY, JUNE 6, 2014:

10:30 A.M. ANNUAL MEETING FOLLOWED BY LUNCH ADMINISTRATION BLDG., ROOM 130




MEMORANDUM

UNIVERSITY OF SOUTH ALABAMA

May 27, 2014

TO: USA Board of Trustees

FROM: James H. Shumock 
Secretary, Board of Trustees

Included herein are the unapproved minutes of the Board meeting held on March 7. Please review this document for amendment or approval at the June 6 Annual Meeting of the Board of Trustees.

JHS:mgc

Enclosures

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

**March 7, 2014
10:30 a.m.**

A meeting of the University of South Alabama Board of Trustees was duly convened by Dr. Steve Furr, Chair *pro tempore*, on Friday, March 7, 2014, at 10:34 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

- Trustees Present: Drs. Steve Furr and Steve Stokes; Messrs. Cecil Gardner, Bryant Mixon, John Peek, Jimmy Shumock and Ken Simon; and Mss. Bettie Maye and Christie Miree.
- Trustees Absent: Drs. Robert Bentley, Tommy Bice and Scott Charlton; Messrs. Tom Corcoran, Sam Jones and Jim Yance; and Ms. Arlene Mitchell.
- Administration and Others: Acting President Dr. John Smith; Drs. Joe Busta, Phil Carr/Julie Estis/Doug Marshall/ Kelly Woodford (Faculty Senate), Joel Erdmann, Ron Franks, Roma Hanks, David Johnson, Clara Massey, Mike Mitchell, Deidra Suwanee Dees, Sam Strada, Julee Waldrop, Tony Waldrop, Kevin White and Andzrej Wierzbicki; Messrs. Terry Albano, Owen Bailey, Bradley Byrne, Louis Cardinal (Thornton Parish), Joshua Cogswell, Wayne Davis, Happy Fulford, Rod Kanter (Bradley Arant Boult Cummings), Henehv Douglas Kelly, Don Langham, Robert McGhee, Abe Mitchell, Norman Pitman, Buford Rolin, Steve Simmons and Robert Thrower; and Mss. Jessica Callahan, Lynne Chronister, Riley Davis (SGA), Sharon Delmar, Gayle Johnson and Jean Tucker.
- Press: Messrs. Gary Arnold (WKRG), Jason Johnson (*Lagniappe*) and Melvin Todd (WPMI); and Mss. Sally Ericson (*Press-Register/al.com*) and Samantha Andrews (*Vanguard*).

Upon the call to order, Chairman Furr called for adoption of the revised agenda, noting that presentation of **ITEM 15** would take place following the President's Report, **ITEM 2**. On motion by Ms. Miree, seconded by Ms. Maye, the revised agenda was approved unanimously. Chairman Furr called for approval of **ITEM 1**, the minutes of the Board of Trustees meetings held on December 6, 2013, and January 27 and February 6, 2014, as well as the minutes of meetings of the Committee of the Whole and the Development, Endowment and Investments Committee held on December 5, 2013. On motion by Ms. Miree, seconded by Mr. Shumock, the minutes were approved unanimously.

Chairman Furr called upon President Smith for presentation of **ITEM 2**, the President's Report. President Smith recognized Mr. Don Langham, Trustee *Emeritus*. He conveyed appreciation to Dr. Doug Marshall, Faculty Senate President, and to Ms. Riley Davis, Student Government Association President, for serving in these roles during the 2013-2014 academic year, and he

recognized Dr. Julie Estis, 2014-2015 Faculty Senate President, and Kelly Woodford, Faculty Senate Secretary. Judge Simon remarked on the positive relationship between the Faculty leadership and the Board.

President Smith detailed upcoming events, including the Distinguished Alumni and Services Awards Program that would be held later at the Mitchell Center; the Spring Football Game on March 29; Spring Commencement on May 10, featuring keynote speaker Dr. Jean Botti, Airbus North America Chief Innovation and Technology Officer; the Sun Belt Baseball Tournament to be hosted at USA May 12 through 15; and the Annual Meeting of the Board of Trustees on June 6.

President Smith reported that USA students, faculty and staff gathered at the state capitol for Higher Education Day on February 27. Photos of the activities were shown. He introduced Ms. Jessica Callahan, Assistant Director of the Office of Alumni Relations, who, on behalf of Ms. Ann Sirmon, President of the USA National Alumni Association (NAA) Board of Directors, talked about the *JaguarsCare National Day of Service* project being sponsored by the NAA to promote April 26, 2014, as a day for all alumni to volunteer in their respective hometowns to make a positive impact in the community, an effort that will also serve to increase USA awareness. President Smith remarked that the process for reaffirmation of the University's accreditation was complete. He said the final report from the Southern Association of Colleges and Schools (SACS) did not recommend further action by the University.

President Smith reported a record 2014 spring enrollment of 14,279 students, which follows a record 2013 fall enrollment of 15,311 students. He stated the University would host the 59th Mobile Regional Science and Engineering Fair over the next couple of days, a competition attended by more than 500 middle and high school students from southwest Alabama. He encouraged Trustees and guests to log onto the redesigned Web site. A graphic featuring the new design was shown.

As photos were viewed, President Smith gave an update on construction projects, including the renovation of the softball stadium, home of the Lady Jags who are ranked 14th in the nation. He described features of the new grandstand, dugouts and batting facility. He stated a grand opening of the Student Center is being planned for the fall, and he detailed attributes and services that the renovated facility would offer. He said a request for construction bids for the proposed physician office building, slated to be built adjacent to USA Children's and Women's Hospital (CWH), would be disseminated in April. He added that construction is expected to be complete in one and one-half years.

President Smith called upon Ms. Tucker, who discussed revision of the University's Affirmative Action Plan in compliance with the Americans with Disabilities Act, and efforts to increase the number of employees with disabilities to seven percent of the University's workforce. She said the University will have measures in place to assess progress.

President Smith called for a report from Dr. David Johnson, as Chair of the Presidential Transition Team. Dr. Johnson advised that Dr. Debra Davis, Dean of the College of Nursing, will serve as

Chair of the Presidential Inauguration Committee. Plans are being made for an installation ceremony for incoming President Dr. Tony Waldrop that will coincide with the Board meeting to be held in the 2014 fall semester. He identified various groups for which introductory meetings with Dr. Waldrop would be scheduled, including community, Chamber of Commerce and state political leaders, as well as the colleges, and faculty and student groups.

President Smith recognized Judge Simon for his feature article published in *Profiles in Diversity Journal*. He said DVD recordings were available of the historic February 6 Board meeting at which Dr. Waldrop accepted appointment as USA's third President.

Relative to **ITEM 2.A** as follows(for copies of policies and other authorized documents, refer to **APPENDIX A**), a photo was shown of Chairman Furr, Dr. Smith and Mr. Fulford with Governor Bentley, Alabama Speaker *pro tem* Victor Gaston and Representative Rusty Glover for the signing into law of revisions to the Code of Alabama statute governing the University, revisions which are consistent with proposed bylaws revisions that include a revision of Trustee representation, a reduction in the terms of Trustees from 12 to six years and the extension of authority to the Chair *pro tempore* to call special meetings. On motion by Mr. Shumock, seconded by Ms. Miree, the resolution was approved unanimously:

**RESOLUTION
AMENDMENTS TO BYLAWS OF THE BOARD OF TRUSTEES**

WHEREAS, Article VIII of the Bylaws of the University of South Alabama Board of Trustees provides that the bylaws may be amended or repealed at any meeting of the Board by eight members of the Board voting in favor of same, but no such action shall be taken unless notice of the substance of such proposed adoption, amendment or repeal shall have been given at a previous meeting or notice in writing of the substance of the proposed change shall have been served upon each member of the Board at least thirty (30) days in advance of the final vote upon such change, and

WHEREAS, a copy of proposed amended bylaws outlining the substance of the proposed amendment to the Bylaws of the University of South Alabama Board of Trustees, attached hereto as Exhibit A and incorporated herein by reference, was mailed or hand delivered to each member of the Board on November 6, 2013, and

WHEREAS, the substance of the proposed amended bylaws having been presented for the consideration with the above-referenced mailing, and presented for deliberation and vote of the Board at its meeting on December 6, 2013, a vote of eight members being necessary to adopt such amendments, and

WHEREAS, the Board of Trustees approved the substance of the amendments as set forth on the attached Exhibit A and authorized the request to the Legislature of the State of Alabama that amendment to Chapter 55 of the Code of Alabama be made consistent with same, and

WHEREAS, such amendments were made to Chapter 55 by the Alabama legislature as evidenced by the legislation attached hereto as Exhibit B, and

WHEREAS, consistent with the resolution for Item 4 of the Board meeting of December 6, 2013, the attached Bylaws of the University of South Alabama Board of Trustees, as amended, are hereby being brought before the Board for final approval at this, the earliest time practicable, and

WHEREAS, the foregoing actions comply with the requirements of Article VIII, pertaining to amendment of the bylaws,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama hereby approves and adopts the Bylaws of the Board of Trustees of the University of South Alabama as amended and attached hereto.

Chairman Furr called upon Dr. Busta for presentation of **ITEM 15** as follows. Dr. Busta discussed the significance of a gift totaling \$500,000 from the Poarch Band of Creek Indians to establish a Native American Studies program at South Alabama and an endowed professorship, and he introduced tribal council members Mr. Buford Rolin, Chairman; Mr. Robert McGhee, Treasurer; Ms. Sharon Delmar, Public Relations Officer; Dr. Deidra Suwanee Dees, Archivist; Mr. Hench Douglas Kelly; Ms. Gayle Johnson, Media Specialist; and Robert Thrower, Historic Preservation Officer. He noted the instrumental roles of NAA board members Dr. Suwanee Dees and Mr. McGhee in fostering the relationships that led to the gift. He recognized USA liaisons Dr. Phil Carr, Professor of Anthropology and Director of the USA Archaeology Museum; Dr. Andrzej Wierzbicki, Dean of the College of Arts and Sciences; Dr. Roma Hanks, Chair of the Department of Sociology, Anthropology and Social Work; and Mr. Joshua Cogswell, Director of University Development, for their coordination with tribal members. Dr. Carr discussed the importance of the program for students and the community, and thanked the tribal leaders for their gift. Messrs. Rolin and McGhee joined Chairman Furr, President Smith and Dr. Busta for presentation of the check. Each made brief remarks and Dr. Busta read the resolution. On motion by Ms. Miree, seconded by Mr. Peek, the resolution was approved unanimously. Judge Simon commended Dr. Carr for the excellence reflected by the Archaeology Museum:

**RESOLUTION
POARCH BAND OF CREEK INDIANS NATIVE AMERICAN STUDIES PROGRAM**

WHEREAS, the University of South Alabama has for fifty years vigorously pursued its mission of education, research, and service to the Gulf Coast region including scholarly exploration, preservation and dissemination of the history and culture of the region, and

WHEREAS, Native Americans within the state of Alabama and the nation as a whole have made significant contributions to our society and culture, many of which remain largely unacknowledged and underappreciated, and

WHEREAS, a Native American Studies program in the College of Arts and Sciences, with a focus on the history, culture and modern life of Native American groups in the region would offer generations of students, professionals, teachers, schoolchildren, and the public opportunities to learn from these rich and diverse cultures and world views, and

WHEREAS, the Poarch Band of Creek Indians has generously provided the resources to establish a program development fund for the Native American Studies program that will allow the program to have an immediate and tangible impact at the University and in the community through the support of educational programs, scholarly research, and outreach activities, and

WHEREAS, the Poarch Band of Creek Indians has generously provided funding to establish *The Chief Calvin McGhee Endowed Professorship in Native American Studies* to support a scholar who will

make important contributions in the field of Native American Studies, and who will be able to disseminate this work far beyond the walls of the University, and

WHEREAS, the Native American Studies Program and the *Chief Calvin McGhee Endowed Professorship in Native American Studies* represent vibrant additions to the academic programs of the University of South Alabama that will benefit the citizens of the state of Alabama and the Gulf Coast region for generations to come,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama expresses its deep gratitude to the Poarch Band of Creek Indians for its visionary partnership and profound generosity in establishing these endowed funds, and declares that the Native American Studies program at the University of South Alabama will hereafter be known as the *Poarch Band of Creek Indians Native American Studies Program*.

President Smith presented **ITEM 2.B** as follows. He noted that a Compensation Committee of the Board had been charged with exploring the specifics of a contract for the University's next president. On motion by Ms. Maye, seconded by Dr. Stokes, the resolution was approved unanimously:

**RESOLUTION
PRESIDENTIAL CONTRACT**

WHEREAS, the Board of Trustees of the University of South Alabama unanimously voted to hire Dr. Tony G. Waldrop as the next president of the University of South Alabama, and

WHEREAS, the Board of Trustees will offer Dr. Waldrop certain terms of employment in the form of a contract of employment, and

WHEREAS, terms are being discussed with Dr. Waldrop,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees delegates its authority to finalize the terms of Dr. Waldrop's employment as President of the University of South Alabama and to sign the contract evidencing such terms to its Chair *pro tempore*, Dr. Steve Furr, in consultation with the chair of the Compensation Committee.

Chairman Furr called for a report on health affairs items. Dr. Stokes, Chair of the Health Affairs Committee, moved approval of **ITEM 3** as follows. Mr. Shumock seconded and the resolution was approved unanimously:

**RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS
FOR NOVEMBER AND DECEMBER 2013, AND JANUARY 2014**

WHEREAS, the Medical Staff appointments and reappointments for November and December 2013, and January 2014 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. Stokes called for a report on the activities of the Division of Health Sciences and the USA Health System, **ITEM 4**. As photos were shown, Mr. Owen Bailey discussed the transition of patients to the new wing of Children's and Women's Hospital (CWH). He said phase II construction is under way, which includes expansion of the main entrance lobby and installation of a courtyard in front of the tower. Completion is anticipated by midsummer. Mr. Bailey announced that former CWH patient Miss Starla Chapman will represent Alabama as this year's Children's Miracle Network Hospitals' Champion, a role previously served by Miss Jenny Biggs. He gave details on *Local Goodness* – CWH's first signature fundraising event to be held on April 6. The event will feature a farm-to-table theme that correlates to the Hospital's mission of meeting the healthcare needs of local citizens. President Smith commended Mr. Bailey and the Hospital staff for a seamless move into the new facilities.

Dr. Franks reported on the relocation of the USA Physicians Group and the Center for Digestive Health into University Commons -- a shift indicative of a system-wide goal to provide a coordinated approach to healthcare, a concept whereby physicians come together and share expertise, assuring the best experience possible for patients. A prime example of coordinated care was presented in a promotional video featuring a team-led, evidence-based, patient-centered model developed by USA's cardiac team led by Dr. Clara Massey, Professor of Internal Medicine and Director of Cardiology at the Medical Center. Dr. Franks introduced Dr. Massey to share her perspective. President Smith attested to those in the room the program has benefitted.

Regarding **ITEM 5**, a report on the activities of the Mitchell Cancer Institute (MCI), Dr. Franks discussed the *Abraham A. Mitchell Cancer Research Fund*, designed to promote research across the disciplines. He cited the collaborative work of the colleges of Medicine, Engineering, and Arts and Sciences with MCI and UAB scientists, and said the first six grants totaling in excess of \$300,000 had been awarded in sophisticated areas of research. One such project relates to malignant melanoma and the development of a drug for the prevention of cancer cell metastasis. Dr. Franks commended Mr. Mitchell for his vision in establishing the initiative. He reported on an agreement with UAB to allow local candidates for bone marrow transplants to receive pretreatment at USA. He advised of interviews being held for position of MCI Director.

Chairman Furr called for consideration of academic and student affairs items. Ms. Miree, Chair of the Academic and Student Affairs Committee, called upon Dr. Johnson who, relative to **ITEM 7** as follows, detailed the credentials of spring commencement speaker Dr. Jean Botti of Airbus. He stated the standing committee on honorary doctorate degrees supported awarding an honorary degree to Dr. Botti. On motion by Ms. Miree, seconded by Ms. Maye, the resolution was approved unanimously:

**RESOLUTION
HONORARY DOCTORATE DEGREE FOR DR. JEAN J. BOTTI**

WHEREAS, the University of South Alabama seeks to honor exceptional individuals who have given a substantial part of their lives to serving others and who have distinguished themselves throughout their professional careers, and

WHEREAS, Dr. Jean J. Botti has served with distinction in leadership positions since 1978 with international companies such as Renault, General Motors, Delphi Corporation, and the European Aeronautic Defence and Space Company, and

WHEREAS, Dr. Botti serves as Chief Technical Officer (CTO) of Airbus Group and a member of the Airbus Group Executive Committee, and

WHEREAS, Dr. Botti has served as chair of the EADS Corporate Foundation which sponsors international research projects of widely recognized import and provides doctoral and post-doctoral scholarships for studies, and

WHEREAS, Dr. Botti holds 24 patents and has made numerous other innovative technical contributions in a variety of fields over the course of his career to the benefit of the general prosperity and well-being of humankind, and

WHEREAS, Dr. Botti is an active member of the National Academy of Technologies of France where he is regularly involved in discussions on better ways to put technology to use for the benefit of humankind, and

WHEREAS, Dr. Botti has been recognized by honorary doctorates from Bath University and Cardiff University in the United Kingdom and serves with distinction on the board, as a fellow, or on technical committees of numerous industrial, governmental, or non-profit organizations, and

WHEREAS, Dr. Botti has been instrumental in building a mutually beneficial relationship with the University of South Alabama and Airbus, and this would appear to have special importance to the future education of USA students in engineering and computing in particular, and also be instrumental to a variety of research opportunities that will engage USA faculty,

THEREFORE, BE IT RESOLVED, for his commitment to serving the citizens of the state of Alabama, the United States of America, and indeed the citizens of the world and for his dedication to furthering the use of technology to the benefit of humankind, the University of South Alabama is pleased to bestow upon Dr. Jean J. Botti, this day, the degree of Doctor of Humane Letters (L.H.D.), *honoris causa*.

Dr. Johnson presented **ITEM 6**, a report on the activities of the Division of Academic Affairs. He advised of the formation of the Office of Post-Doctoral Education to be led by Ms. Chronister and Dr. Keith Harrison, Dean of the Graduate School and Associate Vice President for Academic Affairs. The office will work to engage recent doctoral graduates in additional training to assure career success. Currently, 45 doctorates are meeting at the Mitchell Cancer Institute. The offering, which employs existing staff, signifies the importance of research at South Alabama. Judge Simon asked if those enrolled were graduates of USA. Dr. Johnson said most participants graduated from other institutions, which broadens the University's reach and brings additional talent to campus.

Ms. Chronister introduced Dr. Kevin White, Chair of Civil Engineering, to discuss the contributions of Dr. Andrew Whelton, Assistant Professor of Civil Engineering, in helping West Virginia officials with restoration of clean drinking water following a high-profile chemical spill in the Elk River. Ms. Chronister distributed packages of licorice candy to Board members to simulate the bad smell that emanated from contaminated tap water that affected 300,000 residents, forcing them to drive long distances for water. Exposure caused short-term symptoms such as rashes, allergic reactions and watering eyes. A graphic presentation was shown, which included a

photo of Dr. Whelton speaking at a press conference with West Virginia Governor Earl Tomlin. Coverage of the incident was reported by a number of media outlets, including CBS News and National Public Radio. Outreach projects like this increase the University's visibility nationally and internationally, further grant opportunities and illustrate South Alabama's commitment to increased research activity.

ITEM 8, a report on the Division of Student Affairs, was not presented.

Chairman Furr called for consideration of budget and finance items. On behalf of Mr. Corcoran, Budget and Finance Committee Chair, Mr. Simmons addressed **ITEM 9**, a report on the quarterly financial statements three months ended December 2013. He said state funding is level with that during the previous year, and the University's contributions for employee retirement and retiree insurance had not increased. President Smith added that Governor Bentley had recommended a two percent appropriation increase, which legislators declined.

Mr. Simmons recommended approval of **ITEM 9.A** as follows. With reference to USA's guidelines that govern real property transactions, he stated the Administration agrees it is in the University's best interest to engage the services of a real estate broker. President Smith gave a description of the property and called attention to the *Declaration of Best Interest* that is required of the University President. On motion by Judge Simon, seconded by Mr. Shumock, the resolution was approved unanimously:

**RESOLUTION
SALE OF REAL PROPERTY**

WHEREAS, the University of South Alabama owns real property in Montrose, Alabama, consisting of 12.37 acres, this gift of the land was made to the University in 2004 by Jack and Courtney Hays, and

WHEREAS, the property is remote to the campus and due to the nature of this property, that being residential lots, it is deemed economically justified and in the best interest of the state and the University of South Alabama to sell such property through a listing with a duly licensed real estate broker and utilize the proceeds of the sale to further the mission of the University (see *Declaration of Best Interest* attached hereto),

THEREFORE, BE IT RESOLVED, the Board of Trustees authorizes the President of the University of South Alabama and the Vice President for Financial Affairs to place the property on the market through the process outlined in the *Policy and Procedure By Which The University of South Alabama Would Sell or Lease Real Property or Interest Owned by The University of South Alabama*, as approved by this Board on March 9, 2006.

Concerning **ITEM 9.B** as follows, Ms. Chronister stated that, at the inaugural Foundation for Research and Commercialization (FRAC) Board meeting, directors adopted an affiliation agreement which allows for the conducting of business with the University of South Alabama. President Smith said SACS recommends institutions have affiliation agreements in place. On motion by Ms. Miree, seconded by Dr. Stokes, the resolution was approved unanimously:

RESOLUTION
ADOPTION OF AFFILIATION AGREEMENT BETWEEN THE UNIVERSITY OF SOUTH ALABAMA
AND THE UNIVERSITY OF SOUTH ALABAMA
FOUNDATION FOR RESEARCH AND COMMERCIALIZATION

WHEREAS, the University of South Alabama Foundation for Research and Commercialization ("the Foundation") was established as a non-profit, educational and charitable organization for the purposes of serving the University of South Alabama ("the University") and promoting the mission of the University pursuant to its Articles of Incorporation, by furthering the educational and scientific mission of the University through support of its academic programs, scientific research and development initiatives, and enhancement of the University's educational and training opportunities through, among other things, promotion of development, growth, and furtherance of the scientific research activities of the University, and

WHEREAS, the University and the Foundation anticipate that the University will provide the Foundation with specified services and facilities with which to carry out its responsibilities in exchange for the development, financial, and other service, support and assistance the Foundation shall provide the University, and

WHEREAS, the Board of Trustees of the University wishes to define the arrangements concerning services, facilities, premises, and activities as set forth in the Affiliation Agreement between the University of South Alabama and the University of South Alabama Foundation for Research and Commercialization, attached hereto,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama does hereby approve and adopt the attached Affiliation Agreement between the University of South Alabama and the University of South Alabama Foundation for Research and Commercialization.

Mr. Simmons introduced **ITEM 10** as follows, asserting that the refunding proposal is the best option for dealing with the bonds as currently structured. He introduced Mr. Louis Cardinal of Thornton Farish, who reported that, of the eight national banks considering bids, three responded and PNC Bank was the successful bidder, offering a favorable rate of .83 of one percent, or 83 basis points. He called for comments from Mr. Rod Kanter of Bradley Arant Boult Cummings, bond counsel to the University, who discussed the resolution. Mr. Simmons stated the transaction would not impact the budget. He said reissuance of the bonds would give greater stability. Mr. Cardinal discussed private placement for minimizing risk. Mr. Kanter said that a closing is set for March 14, and he discussed the bond process and credited University staff for their good work on the transaction. He added that the USA Administration is consistent in exercising sound fiduciary judgment. On motion by Ms. Maye, seconded by Mr. Shumock, the resolution was approved unanimously:

RESOLUTION
A RESOLUTION AUTHORIZING THE ISSUANCE OF THE
\$41,245,000 UNIVERSITY FACILITIES REVENUE REFUNDING BOND
SERIES 2014-A

BE IT RESOLVED by the Board of Trustees (herein called the "Board") of the **UNIVERSITY OF SOUTH ALABAMA** (herein called the "University") as follows:

Section 1. (a) Findings. The Board has determined and hereby finds and declares that the following facts are true and correct:

(1) The University has heretofore issued its \$51,080,000 initial principal amount Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, dated March 15, 2004, presently outstanding in the aggregate principal amount of \$41,690,000 (the "Series 2004 Bonds") and maturing on March 15 of the following years and in the following amounts:

Year	Principal Amount Maturing
2014	\$ 445,000
2015	470,000
2016	490,000
2017	615,000
2018	640,000
2019	665,000
2020	6,925,000
2021	7,280,000
2022	7,655,000
2023	8,050,000
2024	8,455,000

(2) The University has determined it is necessary, wise and in the best interest of the University and the public to redeem and retire those of the Series 2004 Bonds scheduled to mature in 2015 and thereafter (herein called the "Called Series 2004 Bonds") on April 16, 2014; and

(3) The Called Series 2004 Bonds are outstanding in the aggregate principal amount of \$41,245,000; and

(4) the University has undertaken a competitive bidding process for a loan to refinance the Called Series 2004 Bonds, and in connection therewith received bids on February 3, 2013 from various financial institutions including Regions Bank, SunTrust Bank, and PNC Bank, National Association.

(5) The Vice President for Financial Affairs of the University has reported that the bid submitted by PNC Bank, National Association (herein called "PNC") presents the lowest proposed rate of interest and cost of funds to the University for the refinancing of the Called Series 2004 Bonds and, accordingly, is the winning bid.

(6) It is necessary, advisable, in the best interest of the University to accept the bid of PNC and sell and deliver to PNC the University's \$41,245,000 University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014 (herein called the "Series 2014-A Bond") to pay the principal portion of the redemption price of the Called Series 2004 Bonds.

(b) Series 2014-A Bond to be Issued as an Additional Parity Bond Under the Indenture; Special Findings Under Section 8.2(b) of the Indenture. The Series 2014-A Bond shall be issued as an additional parity bond under Article VIII of the Indenture hereinafter referred to. In accordance with the provisions of Section 8.2(b) of the Indenture, the Board hereby finds and declares as follows:

- (1) the University is not now in default under the Indenture and no such default is imminent;
- (2) the Series 2014-A Bond shall be designated Series 2014-A;
- (3) PNC is the person or entity to whom the Series 2014-A Bond is to be delivered;

(4) the Series 2014-A Bond is to be issued by sale in accordance with Section 6 hereof;

(5) the sale price of the Series 2014-A Bond shall be the initial face or par amount thereof (\$41,245,000);

(6) (a) in addition to the Series 2004 Bonds, the only bonds that have previously been issued by the University under the Indenture are its (i) \$31,680,000 original principal amount of University Tuition Revenue Refunding and Capital Improvement Bonds, Series 1996, dated February 15, 1996 (herein called the "Series 1996 Bonds"), which were issued under and pursuant to the Trust Indenture dated as of February 15, 1996 further described in Section 2 hereof, (ii) \$7,055,000 original principal amount of University Tuition Revenue Refunding Bonds, Series 1996B, dated October 15, 1996 (herein called the "Series 1996B Bonds"), which were issued under and pursuant to the First Supplemental Trust Indenture dated as of October 15, 1996, (iii) \$40,130,000.70 original principal amount of University Tuition Revenue Bonds, Series 1999, dated March 1, 1999 (herein called the "Series 1999 Bonds"), which were issued under and pursuant to the Second Supplemental Trust Indenture dated as of October 15, 1996, (iv) \$100,000,000 original principal amount University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006 (herein called the "Series 2006 Bonds"), which were issued under and pursuant to the Fifth Supplemental Trust Indenture dated as of December 1, 2006, (v) \$112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008 (herein called the "Series 2008 Bonds"), which were issued under and pursuant to the Sixth Supplemental University Facilities Revenue Trust Indenture dated as of September 1, 2008, (vi) \$29,750,000 University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010 (herein called the "Series 2010 Bond"), which was issued under and pursuant to the Seventh Supplemental University Facilities Revenue Trust Indenture dated as of June 16, 2010, (vii) \$25,000,000 University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012 (herein called the "Series 2012-A Bond"), which was issued under an Eighth Supplemental University Facilities Revenue Trust Indenture dated as of January 4, 2012 (herein called the "Eighth Supplemental Indenture"), (viii) \$7,740,000 University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012 (herein called the "Series 2012-B Bond"), which was issued under and pursuant to the Eighth Supplemental Indenture, (ix) \$32,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013 (herein called the "Series 2013-A Bond"), which was issued under and pursuant to the Ninth Supplemental University Facilities Revenue Trust Indenture dated June 28, 2013 (herein called the "Ninth Supplemental Indenture"), (x) \$8,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013 (herein called the "Series 2013-B Bond"), which was issued under and pursuant to the Ninth Supplemental Indenture, and (xi) \$10,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013 (herein called the "Series 2013-C Bond" and, together with the Series 1999 Bonds, the Series 2006 Bonds, the Series 2008 Bonds, the Series 2010 Bond, the Series 2012-A Bond, the Series 2012-B Bond, the Series 2013-A Bond, and the Series 2013-B Bond, the "Outstanding Bonds"), which was issued under and pursuant to the Ninth Supplemental Indenture; and (b) in Article VIII of the Indenture, the University has reserved the right to issue additional bonds, secured by a pledge of the Pledged Revenues on a parity with the Outstanding Bonds and with such additional bonds as shall have thereafter been issued thereunder, upon compliance with the applicable provisions of said Article VIII;

(7) the Outstanding Bonds, together with the Series 2004 Bonds, are the only bonds heretofore issued under the Indenture that are at this time outstanding under the Indenture; and

(8) the Series 2014-A Bond will be issued for the purposes described in Section 8 hereof.

The Trustee is hereby requested to authenticate and deliver the Series 2014-A Bond to PNC.

Section 2. Authorization of the Series 2014-A Bond. For the purposes specified in Section 1 of this resolution, the University does hereby sell its University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014, in a principal amount of \$41,245,000, to PNC, under the terms, conditions and provisions set out in the Tenth Supplemental University Facilities Revenue Trust Indenture dated March 14, 2014, between the University and The Bank of New York Mellon Trust Company, N.A., as trustee (herein called the "Trustee"), which is supplemental to the University Facilities Revenue Trust Indenture between the University and the Trustee dated as of February 15, 1996 (the said Trust Indenture, as heretofore supplemented and amended and as further supplemented and amended by the said Tenth Supplemental University Facilities Revenue Trust Indenture, herein called the "Indenture"). All the provisions of the Indenture respecting the Series 2014-A Bond are hereby adopted as a part of this resolution as fully as if set out at length herein.

Section 3. Source of Payment of the Series 2014-A Bond. The principal of and the interest on the Series 2014-A Bond shall be payable solely from the Pledged Revenues as defined in the Indenture. Nothing contained in this resolution, in the Series 2014-A Bond or in the Indenture shall be deemed to impose any obligation on the University to pay the principal of or the interest on the Series 2014-A Bond except from and to the extent of the Pledged Revenues. The Series 2014-A Bond shall not represent or constitute an obligation of any nature whatsoever of the State of Alabama (the "State") and shall not be payable out of moneys appropriated to the University by the State. The agreements, covenants and representations contained in this resolution, in the Series 2014-A Bond and in the Indenture do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the University, and in the event of a breach of any such agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the University shall arise therefrom. Neither the Series 2014-A Bond nor the pledge or any agreement contained in the Indenture or in this resolution shall be or constitute an obligation of any nature whatsoever of the State, and neither the Series 2014-A Bond nor any obligation arising from the aforesaid pledge or agreements shall be payable out of any moneys appropriated to the University by the State. Nothing contained in this section shall, however, relieve the University from the observance and performance of the several covenants and agreements on its part herein contained and contained in the Indenture.

Section 4. Series 2014-A Bond Payable at Par. All remittances of principal of and interest on the Series 2014-A Bond to the holder thereof shall be made at par without any deduction for exchange or other cost, fees or expenses. The bank at which the Series 2014-A Bond shall at any time be payable shall be considered by acceptance of its duties under the Indenture to have agreed that it will make or cause to be made remittances of principal of and interest on the Series 2014-A Bond, out of the moneys provided for that purpose, in bankable funds at par without any deduction for exchange or other cost, fees or expenses. The University will pay to such bank all reasonable charges made and expenses incurred by it in making such remittances in bankable funds at par.

Section 5. Authorization of Tenth Supplemental University Facilities Revenue Trust Indenture. The Board does hereby authorize and direct the Acting President of the University to execute and deliver, for and in the name and behalf of the University, to The Bank of New York Mellon Trust Company, N.A., as Trustee under the aforesaid Indenture, a Tenth Supplemental University Facilities Revenue Trust Indenture dated March 14, 2014, in substantially the form presented to the meeting at which this resolution is adopted and attached as Exhibit I to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution), and does hereby authorize and direct the Secretary of the Board to affix to the Tenth Supplemental University Facilities Revenue Trust Indenture the corporate seal of the University and to attest the same.

Section 6. Sale of the Series 2014-A Bond. The University does hereby sell to PNC the Series 2014-A Bond at and for a price equal to the face amount of such bond (\$41,245,000). The Series 2014-A Bond shall bear such date, shall mature in annual installments at such times and in such manner, shall

bear such rate of interest, shall be payable at such place, shall be in such denomination, and shall be in such form and contain such provisions as are set out in the Tenth Supplemental University Facilities Revenue Trust Indenture authorized in Section 5 above.

Section 7. Execution and Delivery of the Series 2014-A Bond. The Board does hereby authorize the Acting President of the University to execute the Series 2014-A Bond, in the name and on behalf of the University, by causing a manual or facsimile of his signature to be imprinted thereon, and does hereby authorize the Secretary of the Board to cause the corporate seal of the University to be imprinted or impressed on the Series 2014-A Bond and to attest the same by causing a manual or facsimile of his signature to be imprinted thereon, all in the manner provided in the Indenture, and the Acting President of the University is hereby authorized to deliver the Series 2014-A Bond, subsequent to its execution as provided herein and in the Indenture, to the Trustee under the Indenture, and to direct the Trustee to authenticate the Series 2014-A Bond and to deliver it to PNC (as purchaser thereof).

Section 8. Application of Proceeds. The entire proceeds derived from the sale of the Series 2014-A Bond shall be deposited by the University into a special fund or account established in the name of the University with PNC (the "2014-A Bond Proceeds Account"). On or before the Redemption Date (defined below), the University shall liquidate and withdraw all amounts in the 2014-A Bond Proceeds Account and remit the same to the Trustee for deposit into the Bond Fund of the Indenture. The University shall also remit and pay to the Trustee such amount as shall be necessary to cover accrued interest on the Called Series 2004 Bonds to the Redemption Date and any other amounts necessary to cause sufficient funds to be on deposit in the said Bond Fund to redeem and pay the Called Series 2004 Bonds on the Redemption Date.

Section 9. Redemption and Payment of the Called Series 2004 Bonds; Related Actions.
(a) The University does hereby elect to redeem and pay, and does hereby call for redemption and payment, on April 16, 2014 (the "Redemption Date") the Called Series 2004 Bonds, the redemption of the Called Series 2004 Bonds to be effected at and for a redemption price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date.

(b) The Trustee is hereby authorized and directed to cause written notice of the redemption and payment of the Called Series 2004 Bonds to be given in the manner and at the times and to the persons required pursuant to the Indenture, and to take all such other actions as shall be necessary or desirable in order to cause the Called Series 2004 Bonds to be redeemed and paid on the Redemption Date.

(c) The Acting President and the Vice President for Financial Affairs of the University are hereby authorized and directed to take or cause to be taken, in the name and behalf of the University, all of the actions that may be necessary or desirable to effect the redemption and payment of the Called Series 2004 Bonds on the Redemption Date including, without limitation, to direct the Trustee on the proper disposition of all funds on deposit in the funds and accounts established pursuant to the Indenture and referable to the Called Series 2004 Bonds. The Acting President and the Vice President for Financial Affairs of the University are further authorized and directed to execute and deliver such notices, directions, consents, agreements, certificates, instruments or other documents as shall be necessary or desirable to effectuate the transactions contemplated by this resolution.

Section 10. Resolution Constitutes Contract; Severability. The provisions of this resolution shall constitute a contract between the University and the holder of the Series 2014-A Bond. The various provisions of this resolution are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this resolution.

Section 11. General Authorization. The Acting President of the University, the Vice President of Financial Affairs of the University, and the Secretary of the Board are hereby authorized to execute such further agreements, certifications, instruments or other documents, and to take such other actions as any of

them may deem appropriate or necessary, for the consummation of the transactions covered by this resolution, to the end that the Series 2014-A Bond may be executed and delivered as promptly as practicable.

Chairman Furr called for a report on audit items. On behalf of Mr. Corcoran, Chair of the Audit Committee, President Smith called upon Mr. Simmons to address the KPMG Report on USA Intercollegiate Athletics for the year ended September 30, 2013, **ITEM 11**. Mr. Simmons said the examination of USA's athletics procedures yielded a clean report without findings.

Chairman Furr called for a report on development, endowment and investments items. On behalf of Mr. Yance, Chair of the Development, Endowment and Investments Committee, President Smith called upon Dr. Erdmann to discuss **ITEM 13** as follows. Dr. Erdmann said the amendment of the bylaws of the Jaguar Athletic Fund (JAF) is subject to the approval of the USA Board of Trustees, which aligns with SACS recommendations. On motion by Dr. Stokes, seconded by Ms. Miree, the resolution was approved unanimously:

**RESOLUTION
AMENDED BYLAWS OF THE JAGUAR ATHLETIC FUND, INC.**

WHEREAS, the Jaguar Athletic Fund, Inc. (JAF), in furtherance of the Southern Association of Colleges and Schools' (SACS) recommendations pertaining to supporting organizations of universities and schools, has proposed to amend its bylaws to include the following:

- A nominating committee will choose a slate of Officers and Directors of JAF which will be presented to the Board of Trustees of the University for approval; and
- A Director or Officer of JAF may be removed at any time by a majority vote of the Board of Trustees of the University; and,
- Amendments to the Bylaws of JAF must be ratified by the Board of Trustees of the University;

and,

WHEREAS, the JAF Board of Directors approved these amended bylaws, as attached hereto, on January 23, 2014, and,

WHEREAS, the Board of Trustees of the University believes it to be in the best interests of the University of South Alabama and the JAF to amend the bylaws as attached,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama hereby approves and ratifies the amended bylaws of the Jaguar Athletic Fund, Inc., attached hereto and incorporated herein.

With reference to materials distributed, Dr. Busta presented **ITEM 14**, a report on the Mitchell-Moulton Scholarship Initiative. He directed attention to a list of committee members who, led by Campaign Chairman Mr. Mark Hoffman, will work to secure \$25 million in gifts to fund undergraduate scholarships. Contributions up to \$25 million will qualify for matching funds. The public phase of the campaign began on January 16. To date, 591 gifts and pledges, totaling \$1.4 million, have been received and matched. Through this drive, 119 new donors have

been identified, 55 new scholarships have been created, and 123 existing scholarships have been enhanced. Dr. Busta said 23 proposals totaling another \$1.9 million are pending. He said many individuals giving within their means would make the difference in achieving the campaign goal, and added every volunteer has at least one high-profile prospect.

Dr. Busta reported on the recognition received by Mr. Abe Mitchell in a *Chronicle of Philanthropy* article in February, which ranked him 41 out of the 50 top donors in the nation in 2013. The Mitchell family was honored in a subsequent article, in which a message encouraging compassion and making a difference was conveyed. The article named the University of South Alabama as the Mitchell family's designee for making an impact.

Messrs. Albano and Pitman presented **ITEM 13**, a report on endowment and investment performance. Mr. Albano advised that the return outperformed the relative index by .95 percent. The return from October 1, 2013, through December 31, 2013, was 5.47 percent versus a relative index of 4.52 percent. Mr. Pitman discussed the reasons for the outperformance and Mr. Albano reviewed asset allocation for the 2013 fiscal year. He pointed out that the allocations are within the parameters outlined in the University's investment policy. He discussed endowment results since inception, noting a performance of 5.17 percent versus an index of 4.43 percent, an outperformance of .74 percent. He compared USA's endowment performance to the average reported by the National Association of College and University Business Officers (NACUBO). The one-year return from June 1, 2012, through June 30, 2013, was 14.71 percent versus 11.70 percent; the three-year return was 11.25 percent versus 10.20 percent; and the five-year return was 4.59 percent versus 4 percent – results that put USA's portfolio among the top performers in the NACUBO endowment study.

Recently-elected U. S. Congressman Bradley Byrne and incoming President Dr. Tony Waldrop were introduced. Each made brief remarks.

There being no further business, the meeting was adjourned at 12:13 p.m.

Attest to:

Respectfully submitted:

James H. Shumock, Secretary

Steven P. Furr, M.D., Chair *pro tempore*

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

EXECUTIVE COMMITTEE

**May 9, 2014
12:00 p.m.**

A meeting of the Executive Committee of the University of South Alabama Board of Trustees was duly convened by Dr. Steve Furr, Chair *Pro Tempore*, on Friday, May 9, 2014, at 12:03 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Trustees Present: Dr. Steve Furr (phone); Messrs. Tom Corcoran (phone), John Peek (phone), Jimmy Shumock, Ken Simon (phone) and Jim Yance; and Ms. Arlene Mitchell.

Administration Others: Drs. Doug Marshall (Faculty Senate) and John Smith; Messrs. Ken Davis and Steve Simmons; Mss. Monica Curtis and Jean Tucker.

Press: Messrs. Peter Albrecht (WKRK) and Stephen Quinn (WPMI); and Ms. Sally Ericson (Press-Register/al.com).

Chairman Furr called the meeting to order and thanked everyone for joining. For the benefit of the Trustees participating by phone, he asked Ms. Curtis to identify the individuals present. He called upon Dr. Smith for presentation of the following resolution. Dr. Smith discussed the process which led to the selection of a home for the University President, and he described the attributes of the dwelling, as well as the current renovation needs. He said the cost for immediate renovations would be paid by a private donor. Mr. Yance stated the residence is in a prime location that is convenient to campus. He said acquisition, from an investment standpoint, would be positive for the University. Ms. Mitchell added that the layout is conducive for entertainment purposes. Mr. Ken Davis discussed the tax implications for use of the property. Questions concerning value relative to the neighborhood and future maintenance were addressed. Chairman Furr agreed that moving forward on the transaction would be prudent. On motion by Mr. Peek, seconded by Mr. Corcoran, the resolution was approved unanimously:

**RESOLUTION
PRESIDENTIAL RESIDENCE**

WHEREAS, the Board of Trustees of the University of South Alabama has historically provided a housing allowance to the sitting university president, and

WHEREAS, the Board believes the purchase of a house as the residence for the current and future presidents of the University is in the best interest of the University, and

WHEREAS, the Board has determined that the house located at 26 Oakland Avenue is suitable for the afore-described use as the inspections and the appraisal have been done and are acceptable to the Board, and

WHEREAS, while the house and grounds are in excellent condition, some renovation will be required, and

WHEREAS, the survey of the property remains outstanding as do closing requirements, such as the provision of a title insurance policy,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees by and through its Executive Committee authorizes the purchase of 26 Oakland Avenue, Mobile, Alabama, as the residence for the Presidents of the University of South Alabama for the price of \$1,040,000 and hereby delegates the authority to finalize the purchase of 26 Oakland Avenue for that amount to the Vice President for Financial Affairs pending his acceptance of the survey and the compliance by the seller with any outstanding requirements of the Purchase Contract, and

BE IT FURTHER RESOLVED, the University of South Alabama Board of Trustees by and through its Executive Committee authorizes the Vice President for Student Affairs to approve, oversee, and coordinate any renovations to 26 Oakland Avenue.

There being no further business, the meeting was adjourned at 12:13 p.m.

Attest to:

Respectfully Submitted:

James H. Shumock, Secretary

Steven P. Furr, M.D., Chair *Pro Tempore*

RESOLUTION

BOARD MEETING SCHEDULE
2014-2015

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:

Friday, September 12, 2014

Friday, December 5, 2014

Friday, March 6, 2015

Friday, June 5, 2015

FURTHER, BE IT RESOLVED that the date of June 5, 2015, be designated as the annual meeting of the University of South Alabama Board of Trustees for 2014-2015.

RESOLUTION
AMENDMENTS TO BYLAWS OF THE BOARD OF TRUSTEES

WHEREAS, Article VIII of the Bylaws of the University of South Alabama Board of Trustees provides that “the bylaws may be amended or repealed at any meeting of the Board by eight members of the Board voting in favor of same, but no such action shall be taken unless notice of the substance of such proposed adoption, amendment or repeal shall have been given at a previous meeting or notice in writing of the substance of the proposed change shall have been served upon each member of the Board at least thirty (30) days in advance of the final vote upon such change. However, by unanimous consent of the entire Board, the requirements for such notice may be waived,” and

WHEREAS, a copy of the proposed amended bylaws was mailed to each member of the Board on May 7, 2014, and

WHEREAS, the proposed amended bylaws (a copy of which is attached hereto and incorporated by reference herein) are presented for the Board’s consideration of approval, a vote of eight members being necessary to adopt such amendments, and

WHEREAS, the foregoing actions comply with the notice requirements of Article VIII, pertaining to amendment of the bylaws, and

WHEREAS, the Board, after due consideration and deliberation, has determined that the proposed amendments are in the best interest of the efficient operation of the Board in carrying out its role and responsibilities to the University,

THEREFORE, BE IT RESOLVED, the Board of Trustees approves and adopts the Bylaws of the Board of Trustees as amended.

B Y L A W S
OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF SOUTH ALABAMA

PREAMBLE

The Legislature of the State of Alabama vested full management and control over the University of South Alabama in a Board of Trustees pursuant to Act No. 157, Acts of Alabama, 1963, Secondary Extraordinary Session, stating at that time: "The Governor and the State Superintendent of Education, by virtue of their respective offices, and the [T]rustees appointed from the senatorial districts of the state, enumerated in Section 16-55-2, are constituted a public body corporate under the name of the University of South Alabama to carry into effect the purposes expressed in this article and to establish a state institution of higher learning."(Code of Alabama, 1975, Section 16-55-1). For the purpose of providing a definitive and orderly form of governance, and in order to continue to carry out the purposes required of the Board of Trustees of the University of South Alabama, in the establishment and continuation of a state institution of higher learning, the Board of Trustees hereby does promulgate and adopt these Bylaws.

ARTICLE I
THE BOARD OF TRUSTEES

The entire management and control over the University of South Alabama (hereinafter referred to as the "University") shall be vested in the Board of Trustees of the University of South Alabama (hereinafter referred to as the "Board"); however, upon general or specific authorization or delegation made or provided for in these Bylaws, the Board may exercise such management and control through the officers, officials, committees and agents as it may deem fit and appropriate, all in accordance with state law. The Board acts as a body politic and no individual member of the Board shall have the authority to act for the Board or for the University.

Section 1. **Composition of Board.** Consistent with the 2014 amendatory language to Sections 16-55-2 , Code of Alabama 1975, the Board shall consist of **three** members from Mobile County; **five** members from the state at large; **two** members from the United States at large; the Governor, who shall be *ex officio* President of the Board; and **one** each from each of the following state senatorial districts, or combinations thereof, as those districts existed in 1963: (1) Sixteenth and Seventeenth Districts comprising Monroe and Wilcox Counties, and Butler, Conecuh, and Covington Counties, respectively; (2) Nineteenth and Twentieth Districts comprising Choctaw, Clark, and Washington Counties, and Marengo and Sumter Counties, respectively; (3) Twenty-first District comprising Baldwin and Escambia Counties; (4) Twenty-third, Twenty fifth, and Thirtieth Districts comprising Dale and Geneva Counties, Coffee and Crenshaw Counties, and Dallas and Lowndes Counties, respectively; and (5) Thirty-fifth District comprising Henry and Houston Counties.

Section 2. **Election and Term of Office.** The Governor, as an *ex officio* Trustee, serves his or her term of office in correspondence with his or her term of office as Governor of the State of Alabama. In accordance with the statute regarding the University of South Alabama, the Trustees are appointed by the Governor, by and with the advice and consent of the State Senate, and, for those appointed or reappointed after the effective date of the 2014 amendment to said statute, hold office for a term of six years, and until their successors shall be appointed and qualified. Any Trustee appointed to serve a twelve-year term before the effective date of the 2014 amendment will continue to serve for the remainder of that term. As terms expire after that date, appointments to fill positions on the Board shall be for six-year terms. There are three classes of

board members, so that, after the transition to all Trustees serving six-year terms, one-third of the members of the Board is appointed every two years. Vacancies occurring in the office of Trustee, from death or resignation, and the vacancies regularly occurring by expiration of the term shall be filled by the Governor, and the appointee holds office until the next meeting of the Legislature. Successors to those Trustees whose terms expire during an interim shall hold office for a full term, unless they are rejected by the Senate. Neither the existence nor continuation of a vacancy in the office of the Trustee shall serve to impair or hinder any provisions of these Bylaws or the validity of the operation and actions by the Board by virtue of that vacancy alone.

Section 3. **Compensation of Trustees.** No Trustee shall receive any pay or emolument other than his or her actual expenses incurred in the discharge of duties as a Trustee; such expenses shall be paid or reimbursed from university funds, upon the authorization of the President of the University (hereinafter referred to as the "President").

Section 4. **Primary Functions of the Board.** The Board acts as a public body corporate, and no individual member of the Board has the authority to act for the Board or the University. Communications to the Board shall be directed to the Board through the President or Chair *pro tempore*, except as otherwise provided herein. The Board of Trustees, as a public body corporate, has all rights, privileges, and authority necessary to promote the purpose of its creation, which is to establish and provide for the maintenance and operation of a state university in Mobile County. In accordance with such powers, the Board of Trustees shall have the power to organize the institution by appointment of instructors and faculty members, and such executive and administrative officers and employees, as may be necessary to operate the University, which the Board hereby delegates to the President; the Board may remove any faculty members or employees in its discretion, and shall have the power and authority to fix salaries or compensation, increase or reduce same at its discretion, all of which duty the Board hereby delegates to the President. The Board may prescribe courses of instruction, rates of tuition and fees, confer such academic and honorary degrees as are usually conferred by institutions of like character, and may do all else necessary and considered in the best interest of the institution to carry out the purposes of the institution.

Section 5. **Emeritus Status.** The Board, in its sole discretion, may recognize any Trustee who has served with distinction as Trustee Emeritus following said Trustee's term of

service. The Trustee must have provided distinguished and meritorious service, outstanding leadership, and exceptional contributions to the University over a period of years. Any Trustee so recognized as Trustee Emeritus shall have no voting rights and will remain Trustee Emeritus at the pleasure of the Board of Trustees. Such designation shall confer no responsibilities, duties, rights, privileges, or benefits, but shall constitute recognition of service and experience and will publicly acknowledge that person as particularly suited for counsel and advice to the Board. The Board encourages the availability of those who have been awarded Trustee Emeritus status for such counsel and advice and may request special services of them.

Section 6. **Honorary Trustee.** The Board, in its sole discretion, may recognize as an Honorary Trustee any individual who has demonstrated a sustained and extraordinary commitment to the mission of the University. Election of an Honorary Trustee shall occur at any regular meeting of the Board and, because of the prestige of this position, shall occur on very rare occasions. Honorary Trustees shall have no voting rights and will maintain this designation at the pleasure of the Board. Such designation shall confer no responsibilities, duties, rights, privileges, or benefits, but shall constitute recognition of service with distinction to the University. It will also publicly acknowledge that person as particularly suited for counsel and advice to the Board.

Section 7. **Removal of a Trustee.** Under the laws of the State of Alabama, the Board of Trustees has no power to remove one of its members. Section 60 of the Constitution of Alabama, which provides that “[no] person convicted of embezzlement of the public money, bribery, perjury, or other infamous crime, shall be eligible to the legislature, or capable of holding any office of trust or profit in this state” sets forth the constitutional grounds and procedure for removing a Trustee.

ARTICLE II

MEETINGS OF THE BOARD OF TRUSTEES

Section 1. **Annual and Regular Meetings.** The Board shall hold a regular annual meeting each year at the University on the first Monday in June, unless the Board, in regular session, shall determine to hold its annual meeting at some other time and place. Each year at the annual meeting, the Board shall schedule its regular meetings to be held during the ensuing year, and may designate one such meeting as the annual meeting of the Board. This schedule of

meetings then will be recommended to the Governor for approval. The Chair *pro tempore* may cancel or change the date, place or time of a scheduled regular or annual meeting. The President will provide advance notice of such changes or cancellation. In any event, the Board shall meet at least once in each year.

Section 2. **Special Meetings.** In addition, other than the annual and regularly scheduled meetings of the Board, special meetings of the Board may be assembled, as follows: Special meetings may be called by the Chair *pro tempore* of the Board or the Governor by written notice mailed to each Trustee at least ten (10) days in advance of the date of the meeting; a special meeting shall be called by the Chair *pro tempore* or the Governor upon application in writing of any three or more members of the board. No special meeting shall be held on a date less than ten (10) days subsequent to the Chair *pro tempore*'s or Governor's notice of the meeting, except in case of an emergency, which the Chair *pro tempore* or Governor shall specify in his or her notice to the Board of Trustees.

Section 3. **Adjourned Meetings.** At any meeting, the Board may continue in session as long as it may deem proper for the welfare of the institution. Any session may be adjourned, as provided in *Roberts Rules of Order*, as last revised, and continued at a future time with proper notice to all members.

Section 4. **Quorum.** Seven members of the Board of Trustees shall constitute a quorum, but a smaller number may adjourn from day to day until a quorum is present. A majority of those present shall govern unless a greater number is required hereunder. Members of the Board of Trustees may participate in a meeting of the Board or committee by means of telephone conference, video conference, or similar communications equipment by means of which all persons participating in the meeting may hear each other at the same time. Participation by such means shall constitute presence in person at a meeting for all purposes. However, a majority of a quorum of the members of the Board of Trustees, or, in the event of a meeting of only the executive committee, a majority of a quorum of the executive committee of the Board of Trustees, must be physically present at the location noticed and called for the meeting in order to conduct any business or deliberation. Members of the Board of Trustees and any committees of the board may not utilize electronic communications or otherwise conduct meetings except as in compliance

with the Alabama Open Meetings Act. No Trustee for whom a conflict of interest exists shall vote on such matter before the Board.

Section 5. **Agenda.** The President shall mail to each member of the Board notice of the time and place of any meeting, which shall include an agenda for the meeting, at least ten (10) days prior to the time of meeting. The development and preparation of the agenda for Board meetings shall be vested in the President, who shall place such items on the agenda as are needed for the ongoing operation of the institution and/or that require the approval of the Board. Members of the Board desiring to place any item or items on the agenda for meetings shall inform the President in writing not less than fifteen (15) days prior to the meeting concerning such items, and the President shall include the items in the agenda to be mailed out to the members of the Board in accordance with the foregoing. Any item not included on the agenda mailed to members prior to a meeting may be considered upon the approval of a majority of those present and voting; provided, however, that any discussion or action upon the election of officers of the Board and/or the appointment and/or termination, including a contract renewal, of the President of the University, must be specifically identified on the agenda that was mailed at least ten (10) days prior to the time of meeting. The agenda that is approved by the Board at the commencement of the Board meeting shall be considered the official agenda. The omission of an item from the official agenda shall not invalidate otherwise valid actions by the Board.

Section 6. **Minutes.** Minutes of all meetings of the Board and its committees shall be prepared and distributed promptly to all members of the Board under the direction of the Secretary of the Board. Upon approval by the Board or committee, such minutes shall be recorded in substantially bound books retained in the Office of the President under the direction of the Secretary of the Board.

Section 7. **Public Admission to Meetings.** All meetings of the Board of Trustees shall be open to the public, except that the Board may declare an executive session as authorized by law. Formal action by the Board resulting from any executive session discussions shall be taken by the Board in an open meeting and made a part of the official minutes.

Section 8. **Rules of Order.** Rules of order shall be in accordance with *Robert's Rules of Order*, as last revised, which are the normal governing parliamentary procedure rules. The Chair of the meeting will determine all questions concerning such rules.

Section 9. **Meeting Attendance.** Inasmuch as the Board of Trustees has determined that meeting attendance is crucial to the most efficient management of the University and operation of the Board, the names of all Trustees who do not attend at least half the meetings scheduled each Board year will be reported to the Chair *pro tempore* at the next annual meeting of the Board, and the Chair *pro tempore* will then take the actions he or she deems appropriate.

ARTICLE III OFFICERS

The Board shall have the following officers and any other officers it may elect from time to time. Such officers shall have the powers and shall perform the duties as are set forth herein, together with those which may be authorized and delegated by the Board from time to time. The terms of office for the Chair *pro tempore*, Vice Chair, and Secretary will be three years, with elections held at the annual meeting of the Board corresponding with the expiration of those terms. If a vacancy occurs during the term of any such office, an election to complete the term of that office will be held at the next meeting of the Board.

Section 1. **Chair of the Board.** The Governor of the State of Alabama shall be *ex officio* President of the Board as well as *ex officio* Chair of the Board. The Chair shall preside at all Board meetings which he or she attends and shall call special meetings of the Board upon the conditions set forth herein.

Section 2. **Chair Pro Tempore.** Upon adoption of these Bylaws and thereafter, the Board of Trustees shall elect from its membership a Chair *pro tempore* for a three-year term, commencing immediately following the annual meeting at which the election is held. Such officer may not be elected for successive terms. He or she shall preside at all Board meetings in the absence of the Governor and call special meetings of the Board upon the conditions set forth herein. The Chair *pro tempore* shall serve as chair of the Executive Committee, and shall appoint such committees as may be authorized by the Board, or as he or she may deem desirable, fill

vacancies which will occur on such committees, and give final approval to the agenda for the Board meeting.

Section 3. **Vice Chair.** Concurrent with the time of election of the Chair *pro tempore* for the term set forth for the Chair *pro tempore* in Section 2, the Board shall elect from its membership a Vice Chair. In the absence of both the Governor and the Chair *pro tempore*, the Vice Chair shall assume those duties. The Vice Chair shall serve on the Executive Committee.

Section 4. **The Secretary.** Concurrent with the time of election of the Chair *pro tempore* and for the term set forth for the Chair *pro tempore* in Section 2, the Board shall elect a Secretary. Through the Office of the President of the University, the Secretary shall be responsible for the preparation and distribution of notices of Board meetings and agendas. In addition, he or she shall attend Board meetings and make, record, and retain complete records and minutes of all official actions of the Board and its committees. The Secretary shall be the custodian of the corporate seal and affix the seal to documents as executed on behalf of the Board and shall attest to the same and certify any action of the Board. The Secretary shall serve on the Executive Committee.

Section 5. **Removal from Office.** Any officer of the Board may be removed from his or her office for cause by a two-thirds vote of the full Board of Trustees.

ARTICLE IV COMMITTEES

Organization. The Board may create such committees as it deems proper, and may assign to such committees any authority, duty or responsibility desired by the Board; provided, however, that all committees, except the Executive Committee, are advisory to the full Board. The committees of the Board shall consist of the standing committees created herein and other committees created by the Board from time to time. The standing committees shall have the powers, duties and responsibilities set forth herein, or subsequently assigned by the Board through adoption and approval of amendments to these Bylaws. Vacancies in committee memberships shall be filled in the same manner as when appointments originally were made. Committee

members and the chair and the vice chair of the committees shall be appointed by the Chair *pro tempore* for terms concurrent with the term of the Chair *pro tempore*.

Method of Operation. The committees and subcommittees shall meet upon the call of the President, the Chair *pro tempore*, or the chair of the committee or subcommittee. Unless otherwise provided, actions taken by such committees are not binding upon the Board, but shall be advisory, except those actions undertaken by the Executive Committee, as authorized in Article IV, Section I, herein. All recommendations and actions of the committees shall be reported to the Board of Trustees.

Committee Participation. The President of the University is vested with the responsibility of providing notice of all committee meetings to the members of the committees. The Chair *pro tempore* will serve as an *ex officio* member on each committee. The President and the Chair *pro tempore* may participate in all meetings but shall have no vote, except that the Chair *pro tempore* shall have a vote when he or she is a member of the committee. All committees assist and support the Board, President, faculty, and staff in carrying out their responsibilities. Committees may request through the Office of the President any information necessary or appropriate to their deliberations. All committee reports and recommendations shall be submitted for consideration and are advisory in nature until they have been approved by the full Board. Any Board member may attend any committee meeting.

Section 1. **Executive Committee.** The Chair *pro tempore* shall appoint an Executive Committee consisting of seven (7) members of the Board, subject to the approval of the Board, with terms concurrent with the term of the Chair *pro tempore*, who serves as chair of the Executive Committee. The majority of the Executive Committee constitutes a quorum. With notice from the President or the Chair *pro tempore*, the Executive Committee may meet at any time. The Executive Committee has the power to transact all business of the Board in the interim between meetings of the Board and may perform all duties and transact all business necessary for the well-being of the University, including, but not limited to, matters related to real estate, personnel, investments and athletics. However, action by the full Board is required to amend these Bylaws, remove officers of the Board, select or remove the President of the University, issue bonded indebtedness on behalf of the University, or as otherwise determined by the full Board. The Executive Committee shall serve a dual role as Governance Committee responsible for trustee

matters including, but not limited to, service, honorary designations, efficiency, educational development, and travel. Minutes of the Executive Committee shall be submitted to all members of the Board.

Section 2. **Budget and Finance Committee.** The Budget and Finance Committee shall be responsible for the review and study of budget requests; recommending comprehensive budgets; review and study of real estate transactions and matters related to facilities construction and infrastructure maintenance; and submitting such reports and recommendations to the Executive Committee of the Board and/or the full Board, as deemed necessary and appropriate.

Section 3. **Audit Committee.** The Audit Committee shall be responsible for the oversight and integrity of the financial statements and other financial reports; performance of the University's internal and external audit functions; selection of an external auditor; assurance that the University is performing self-assessment of operating risks and evaluations of internal controls on a regular basis; the study and review of all reports and other correspondence from external auditors; and the submission of audit reports and recommendations to the Board of Trustees. The Executive Director of Internal Audit shall be accountable to the Board of Trustees through the Audit Committee, and shall make reports to the Audit Committee as appropriate.

Section 4. **Long Range Planning Committee.** The Long Range Planning Committee shall be responsible for long range plan recommendations; review of new and existing academic programs; academic planning and organization; mission statement and statements of role and scope; review of planning for new facilities; and other matters which may be referred to it by the President or the Board.

Section 5. **Health Affairs Committee.** The Health Affairs Committee shall be responsible for providing guidance to and receiving reports from staff and administrative personnel responsible for the University of South Alabama Hospitals and Clinics. It will consider and make recommendations requiring Board action relating to the Hospitals and Clinics and the College of Medicine. In addition to committee members designated as provided in these Bylaws, the committee includes, as non-voting *ex officio* members, the President, the Vice President for Health Sciences, Dean of the College of Medicine, the President of the Medical Staff of the University of South Alabama Medical Center and the Vice President for Health Systems.

Section 6. **Academic and Student Affairs Committee.** The Academic and Student Affairs Committee shall be responsible for receiving and reviewing information relevant to issues involving academic affairs and student affairs at the University.

Section 7. **Development, Endowment and Investments Committee.** The Development, Endowment and Investments Committee shall be responsible for establishing policies and guidelines to oversee the University's Development and Alumni Relations programs, invest and manage the University's endowment and other investment funds, and for submitting such reports and recommendations to the Executive Committee of the Board and/or the full Board of Trustees, as deemed necessary and appropriate.

ARTICLE V PRESIDENT AND DUTIES

Appointment of the President of the University as Chief Executive Officer of the Institution. The President shall be selected by the Board of Trustees and serve at the pleasure of the Board but may be removed only by a vote of eight members of the Board. The Board of Trustees is responsible for conducting periodic evaluations of the performance of the President.

The President is the chief educational and administrative officer of the University. Unless excused by the Chair, he or she shall attend and participate in all meetings of the Board and may make recommendations on matters before the Board. The President does not vote on Board matters. The President shall be responsible for the execution of the policies of the Board and the Executive Committee and performing all those matters necessary to carry out the ends and purposes for which the University was established. The President shall have all authority necessary to conduct the programs of the University, including the authority to award degrees, add officers to the University which he or she deems necessary, delegate authority among subordinates and all other authority which shall, from time to time, be delegated by the Board of Trustees to the President. Prior to appointment of vice presidents, the President shall notify the Board of his or her intention to appoint such officers to the University. The President reports to the Board on the current operations of the University and directs, coordinates and implements the planning, development and appraisal of all activities of the University of South Alabama.

ARTICLE VI CONFLICT OF INTEREST

Members of the Board of Trustees (“Trustees”) of the University of South Alabama have an affirmative obligation to act at all times in the best interests of the University. This policy serves to define the term “conflict of interest” to assist members of the Board in identifying and disclosing such conflicts, and to minimize the impact of such conflicts on the actions of the University whenever possible.

Fiduciary duty. Each Trustee has a fiduciary duty to conduct himself or herself without conflict to the interests of the University. When acting within his or her capacity as a Trustee, he or she must subordinate personal, business, third-party, and other interests to the welfare and best interests of the University.

Conflict of interest. A “conflict of interest” is any transaction or relationship which presents, or may present, a conflict between a Trustee’s obligations to the University and his or her personal, business, or other interests. A conflict of interest may arise in any circumstance that may compromise the ability of a Trustee to make unbiased and impartial decisions on behalf of the University. Such circumstances may involve family relationships,¹ business transactions, professional activities, or personal affiliations.

Further, Alabama Code §13A-10-62 (1975) provides:

- (a) A public servant commits the crime of failing to disclose a conflict of interest if he exercises any substantial discretionary function in connection with a government contract, purchase, payment or other pecuniary transaction without advance public disclosure of a known potential conflicting interest in the transaction.
- (b) A “potential conflicting interest” exists, but is not limited to, when the public servant is a director, president, general manager or similar executive officer, or owns directly or indirectly a substantial portion of any non-governmental entity participating in the transaction.

¹Family relationships include spouse, child, grandchild, parent, grandparent, sibling, niece, nephew, aunt, uncle, cousin, in-laws and step relations, as well as any person living in the household of a Trustee.

- (c) Public disclosure includes public announcement or notification to a superior officer or the attorney general.
- (d) Failing to disclose a conflict of interest is a Class A misdemeanor.

Disclosure. The Board of Trustees recognizes that conflicts of interest are not uncommon, and that not all conflicts of interest are necessarily harmful to the University. However, the Board requires full disclosure of all actual and potential conflicts of interest. Each Trustee shall disclose any and all facts that may be construed as a conflict of interest, both through an annual completion of a Statement of Disclosure, and completion of an amended Statement of Disclosure whenever such actual or potential conflict occurs.

Process. Any actual or potential conflicts which are presented in a Statement of Disclosure or amended Statement of Disclosure will be evaluated for action, as needed, by the Chair *pro tempore* of the Board of Trustees. The Chair *pro tempore*, or Vice Chair if evaluating a possible conflict of the Chair *pro tempore*, of the Board may either handle the evaluation on his or her own or refer it to the Board for further consideration. Additional information from a Trustee may be sought at any time. A Trustee whose potential conflict is under review may not debate, vote, or otherwise participate in the evaluation of the conflict. If a conflict is being evaluated or has been found to exist, the Trustee shall recuse himself or herself from any discussion or voting regarding transactions involving the area of conflict.

Resolution. If it is determined that an actual or potential conflict of interest does exist, an appropriate remedy shall be determined. Such remedy may include, but is not limited to, the following:

- Waive the conflict of interest as unlikely to affect the Trustee's ability to act in the best interests of the organization.
- Determine that the Trustee should be recused from all deliberation and decision-making related to the particular transaction or relationship that gives rise to the conflict of interest.

Policy regarding Trustees doing business with the University. A conflict of interest exists any time a Trustee seeks to enter into a business relationship with the University. Similar

conflicts may arise through family members or through organizations in which a Trustee serves in a leadership, employment, or ownership capacity.

Such conflicts do not necessarily preclude business relationships with the University. The following procedure is designed to resolve conflicts of interest whenever a Trustee or a member of his or her family (see footnote number 1) has an ownership interest in, is a director, officer, or key individual of an entity which intends to enter into a business relationship with the University:

- The Trustee must promptly disclose the intent to enter into a business relationship with the University to the Chair *pro tempore* of the Board of Trustees.
- The Trustee must recuse himself or herself from all deliberation, debate and voting related to the contemplated business relationship.
- The Chair *pro tempore* or the Board if the issue is referred by the Chair, must determine without the presence or participation of the Trustee under review that the transaction is fair and in the best interest of the University.
- If the business relationship under consideration is approved, the Trustee may not participate in any process by which his or her performance as a vendor or recipient is evaluated, or in any such evaluation of a related party.

Notwithstanding the foregoing, contracts, or proposals for purchases of goods, property, or services will not be awarded to organizations in which a Trustee either:

- 1) holds an interest of ten percent (10%) or greater, or
- 2) serves as a director or senior executive officer,

if a substantial part of the contract or proposal involves the quality of performance (i.e. possibly requiring enforcement of a performance bond or filing suit for non-performance). Also, no Trustee shall advocate or attempt to influence the employment by the University of any member of his or her family.

ARTICLE VII
SEAL

Section 1. **Official Corporate Seal.** The official corporate seal of the University of South Alabama shall be circular in form, encircled as follows:



ARTICLE VIII
AMENDMENT OR REPEAL OF BYLAWS

After the adoption of these Bylaws, they may be amended or repealed at any meeting of the Board by eight members of the Board voting in favor of same, but no such action shall be taken unless notice of the substance of such proposed adoption, amendment or repeal was given at a previous meeting or notice in writing of the substance of the proposed change was served upon each member of the Board at least thirty (30) days in advance of the final vote upon such change. However, by unanimous consent of the entire Board, the requirements for such notice may be waived. The Chair *pro tempore* may appoint an ad hoc committee which may meet from time to time to consider Bylaw amendments.

12th Edition, June 6, 2014

RESOLUTION

AMENDMENTS TO *PRESIDENTIAL SEARCH GUIDELINES*

WHEREAS, a committee composed of representatives of the University of South Alabama Board of Trustees, Faculty, Student Government Association, Administration, National Alumni Association, and Mobile community developed recommended guidelines to be followed in searches for presidents of the University, and

WHEREAS, at a regular meeting of the Board on August 24, 2000, the *Presidential Search Guidelines* ("*Guidelines*") were adopted, and a revision of same adopted by the Board on August 27, 2001, and

WHEREAS, said *Guidelines* were utilized in the presidential search which USA undertook beginning in 2013, and

WHEREAS, in an effort to address issues which arose during the above referenced use of the *Guidelines*, the Board desires to amend the *Guidelines* as indicated,

NOW, THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby adopts the University of South Alabama *Presidential Search Guidelines* as amended and in the form attached hereto and incorporated herein by reference.

UNIVERSITY OF SOUTH ALABAMA PRESIDENTIAL SEARCH GUIDELINES

(First Adopted August 2000; Amended August 2001; Amended March 2014)

I. LEADERSHIP STATEMENT

UNIVERSITY'S MISSION AND GOALS

The Mission and Goals of the University of South Alabama are set forth in official university documents, including the current Undergraduate and Graduate Bulletin, and are incorporated by reference herein.

PRESIDENTIAL EXPECTATIONS

This section will be reviewed, revised, and updated by the Presidential Search Committee. The intent of this section is to highlight expected qualifications for prospective candidates and the University's constituents. It will be the duty of the Search Committee to identify candidates who best demonstrate these qualifications and present them to the Board of Trustees for consideration.

PREFERRED CREDENTIALS

- Demonstrated ability to lead a large, complex educational institution.
- Proven ability to set a clear, positive agenda for the organization and to achieve excellent results.
- An earned doctorate in an appropriate discipline. In lieu of an earned doctorate, must possess outstanding training and exemplary record of success in the administration of a large educational organization.
- Proven ability to comprehend and deal with the distinct needs and interests of a complex, comprehensive institution that includes undergraduate and graduate programs, as well as a medical college and hospitals.

CHARACTER

- Demonstrates integrity in all situations; takes clear and consistent positions on important issues; and demonstrates intellectual honesty.

- Possesses self-discipline and a high-energy level focused toward the University's goals.
- Exemplifies the role of a Servant Leader and believes that those served should grow as persons by becoming healthier, wiser, freer, and more autonomous, thereby more likely themselves to become servants.
- Demonstrates respect for others; recognizes the strengths and contributions of university faculty, staff, students, alumni, and supporters, and demonstrates a consistent and sincere concern for them and their feelings; and practices a high degree of objectivity and fairness in all situations.
- Demonstrates a commitment to enhancing racial, gender, and ethnic diversity and equal opportunities throughout the institution.

LEADERSHIP BEHAVIOR

- Articulates a clear vision and leads the organization toward it.
- Demonstrates passion, conviction, and commitment to making a positive difference.
- Clearly communicates performance expectations.
- Holds people accountable for their professional commitments.
- Is willing to share power and influence to benefit the organization.
- Is willing to gather constituent input without compromising timely decision-making.
- Has effective interpersonal skills for coaching and managing, and is capable of gently but relentlessly enforcing the organization's standards of performance.
- Recognizes a need for a strong executive leadership team to assist with organizational success.

COMMUNICATION

- Excellent ability to communicate, both verbally and in writing.
- Committed to open and timely communication throughout the organization.
- Is an effective listener, gives feedback, asks questions, and summarizes.
- Encourages the free exchange of ideas and opinions in a collegial manner regardless of job level, age, gender, race, or economic status.
- Asks students, staff, faculty, alumni, and others for input and makes time available for them.
- Works to establish and enrich communication opportunities with key constituents.
- Can effectively articulate the many needs of the University to governmental and resource-providing bodies.

FINANCIAL MANAGEMENT

- Has significant experience in planning and managing large budgets and a comprehensive understanding of all financial operations and issues in a large, complex public institution.

RESOURCE DEVELOPMENT

- Demonstrates substantial prior experience and success with fundraising and resources acquisition.
- Fully understands the University's vision, mission, and development plan.
- Is motivated and willing to devote a high degree of personal involvement and commitment to leading and directing resources efforts.
- Possesses ability to work effectively with government funding entities at all levels to secure an equitable share of resources for the institution.

II. SEARCH PROCESS

At such time as there is a vacancy in the presidency of the University, a nationally recognized search firm will be engaged to work in concert with the appointed Search Committee, utilizing appropriate national standards and procedures, to provide a slate of candidates. The search consultant will be responsible for conducting background investigations and securing additional information on all candidates, and shall maintain the confidentiality of the files of all candidates. Within six months from the date the list of finalists is submitted, the Board will select the new president.

Any provision of these Guidelines inconsistent with the foregoing hereby is deemed amended to conform herewith.

BOARD OF TRUSTEES ACTIONS

The following procedures are for the Board's consideration at the outset of the search process:

- Discuss issues of confidentiality and openness in the search process.
- Resolve how to handle potential candidacy of any interim or acting president.
- Decide when the next president should assume office.
- Set a preliminary budget for the search.
- Set the range of compensation for the next president.
- Review and modify, as necessary, policies on presidential performance reviews and contracts.
- Consider the role of the outgoing president.
- Identify the tasks the Search Committee must perform and approve a written charge to identify and recommend to the Board an appropriate pool of qualified finalists.
- Review the Board's role in the course of the search.

- Appoint a Search Committee representing the institution's major constituencies, including the Board of Trustees, faculty, staff, students, alumni, and the community. Care shall be taken to appoint a Search Committee that, in its totality, gives due weight to the gender, racial, and ethnic diversity of the student body and the community.

SEARCH COMMITTEE COMPOSITION

- Three (3) Trustees appointed by the Chair *pro tempore*- one to be designated by the Chair as chair of the Search Committee, another as vice chair, and the third as a member of the committee.
- Four (4) faculty members - the President of the Faculty Senate and three (3) full-time, tenured faculty members appointed by the Chair *pro tempore* of the Board, at least one of whom represents the Division of Health Sciences.
- Two (2) students - the President of the Student Government Association (SGA) and one (1) student from the student body at large appointed by the Chair *pro tempore*.
- Four (4) University administrators- Three (3) non-academic administrators, including at least one (1) from the University Hospitals, and one (1) academic administrator at the rank of dean or higher, all appointed by the Chair *pro tempore* of the Board.
- One (1) member of the USA National Alumni Association Board of Directors, appointed by the Chair *pro tempore* of the Board.
- The Chair *pro tempore* of the Board of Trustees, or the Vice Chair in the absence of the Chair (or, in the absence of both, a Trustee appointed by the Chair) serves *ex officio* on the Search Committee with full voting rights.
- One (1) community representative from the region primarily served by the University of South Alabama, appointed by the Chair *pro tempore* of the Board.

- The Secretary of the Board of Trustees, who shall be a voting member and act as secretary for the Search Committee and will work with the search consultant to coordinate all search efforts. The secretary of the Search Committee may engage university staff to assist in any of the above-described duties as appropriate.
 - The Chair *pro tempore* of the Board shall appoint a non-committee member to assist the secretary in carrying out his/her responsibilities and in the coordination of the search, and to serve as liaison with any professional search consultant engaged pursuant to these guidelines.
 - The President or Acting President shall not be involved in matters related to the Search Committee process.
- The Board shall use one or more search organizations to help generate a pool of candidates.
 - The Board shall otherwise participate in the search process as it sees fit.
 - Upon receipt of the Search Committee's list of finalists, the Board of Trustees will vote to accept or reject the slate of candidates for on-campus interviews and arrange for Board members' participation in interviews.
 - The Board will coordinate and conduct finalist interviews by Board members.
 - Upon completion of all interviews, the Board will evaluate the respective qualifications of the finalists and obtain input from appropriate constituent groups and individuals.
 - Selection of the President shall be majority vote of the Board.

SEARCH COMMITTEE ACTIONS

- Review relevant passages in bylaws, codes, and state regulations.
- Set up a tentative schedule for the search process.
- Update Leadership Statement.

- Communicate timely news about the structure, timing, process, and progress of the search to the major constituents.
- Recommend a search firm to the Board of Trustees to increase the pool of candidates and assist with identifying those candidates who would otherwise not apply.
- Prepare an announcement/advertisement for the position to include:
 - Position
 - Minimal Credentials required
 - Website address directly to Leadership Statement
 - Closing date for applications
 - Equal Opportunity Employer – Minorities/Females/Veterans/Disabled statement.
- Advertise in appropriate and diverse national publications.
- After interviewing all of the semifinalists, the committee selects a candidate or candidates to recommend to the Board as finalist(s) to be invited for campus interviews. These selections should be by consensus if possible, but if not, then by any means determined appropriate by the chair of the committee.
- After forwarding its recommendations to the Board of Trustees, the Search Committee will continue to play an active role in the search process by helping to coordinate campus visits and interviews.

APPENDIX A
Search Committee Code of Ethics

Presidential Search Committee Members:

1. Accept their responsibility to protect the integrity of the institution, as well as the integrity of all prospective candidates, semi-final candidates, and finalists.
2. Acknowledge that only the Chair *pro tempore* of the Board of Trustees is authorized to speak to the news media on behalf of the Board, and only the chair of the Search Committee is authorized to speak to the news media on behalf of the Search Committee.
3. Certify that they are not candidates for the position.
4. Agree to disclose promptly to the committee any appearance of real or potential conflict of interest in a relationship with a prospect or candidate.
5. Acknowledge that information management is a crucial component of the search committee's work. This work includes information developed and received about prospects, candidates, and their employing institutions. Specifically, committee members will adhere to the following principles:
 - Respect the absolute confidentiality of all prospects and candidates by not revealing the identity of or any other information about prospects and candidates before or after the committee completes its work.
 - Be fair, accurate, honest, and responsible in managing information related to the search.
 - Guard against inaccuracies, carelessness, bias, and distortion made by either emphasis or omission of information.
 - Strive to treat issues impartially and handle controversial subjects dispassionately, understanding that prospects and candidates who have held executive positions and made difficult decisions have not been in positions to win popularity contests.
 - Give accurate and complete reports on candidates to the search committee chair.
6. Place the best interests of the institution ahead of all special and personal interests and use common sense and good judgment in applying ethical principles to search work.

7. Consider the letter and spirit of this statement to be a matter of personal responsibility.

Adapted from the Illustrative Code of Ethics model presented in Presidential Search Guidelines and Directory, a publication of the Association of Governing Boards.

UNIVERSITY OF SOUTH ALABAMA
PRESIDENTIAL SEARCH GUIDELINES

(First Adopted August 2000; Amended August 2001; Amended March 2014)

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- Demonstrates integrity in all situations; takes clear and consistent positions on important issues; and demonstrates intellectual honesty.

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- Exemplifies the role of a Servant Leader and believes that those served should grow as persons by becoming healthier, wiser, freer, and more autonomous, thereby more likely themselves to become servants.
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- Recognizes a need for a strong executive leadership team to assist with organizational success.

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- Excellent ability to communicate, both verbally and in writing.
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- Asks students, staff, faculty, alumni, and others for input and makes time available for them.
- Works to establish and enrich communication opportunities with key constituents.
- Can effectively articulate the many needs of the [University](#) to governmental and resource-providing bodies.

FINANCIAL MANAGEMENT

- Has significant experience in planning and managing large budgets and a comprehensive understanding of all financial operations and issues in a large, complex, public institution.

RESOURCE DEVELOPMENT

- Demonstrates substantial prior experience and success with fundraising and resources acquisition.
- Fully understands the University's vision, mission, and development plan.
- Is motivated and willing to devote a high degree of personal involvement and commitment to leading and directing resources efforts.
- Possesses ability to work effectively with government funding entities at all levels to secure an equitable share of resources for the institution.

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BOARD OF TRUSTEES ACTIONS

The following procedures are for the Board's consideration at the outset of the search process:

- Discuss issues of confidentiality and openness in the search process. Formatted: Indent: Left: 1.25"
- Resolve how to handle potential candidacy of any interim or acting president. Formatted: Indent: Left: 1.25", Hanging: 0.25"
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- Decide when the next president should assume office. Formatted: Indent: Left: 1.25", Hanging: 0.25"
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- Set a preliminary budget for the search. Formatted: Indent: Left: 1.25", Hanging: 0.25"
- Set the range of compensation for the next president. Formatted: Indent: Left: 1.25", Hanging: 0.25"
- Review and modify, as necessary, policies on presidential performance reviews and contracts. Formatted: Indent: Left: 1.25"
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- Consider the role of the outgoing president. Formatted: Indent: Left: 1.25", Hanging: 0.25"
- Identify the tasks the sSearch eCommittee must perform (See Appendix A) and approve a written charge to identify and recommend to the Board an appropriate pool of qualified finalists. Formatted: Indent: Left: 1.25"
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- Review the Board's role in the course of the search. Formatted: Indent: Left: 1.25", Hanging: 0.25"
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- Appoint a ~~s~~Search ~~e~~Committee representing the institution's major constituencies, including the Board of Trustees, faculty, staff, students, alumni, and the community. Care shall be taken to appoint a ~~s~~Search ~~e~~Committee that, in its totality, gives due weight to the gender, racial, and ethnic diversity of the student body and the community.

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SEARCH COMMITTEE COMPOSITION

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- Three (3) Trustees appointed by the Chair ~~Pro-Tempore~~pro tempore; one to be designated by the Chair as chair of the Search Committee, another as vice chair, and the third as a member of the committee.

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- Four (4) faculty members - the PresidentChair of the Faculty Senate and three (3) full-time, tenured faculty members appointed by the Chair ~~Pro-Tempore~~pro tempore of the Board, at least one of whom represents the Division of Health Sciences.

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- ~~Two (2) One (1)~~ students - the President of the Student Government Association (SGA) and one (1) student from the student body at large appointed by the Chair pro tempore.

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- Four (4) University administrators; ~~Three (3) non-academic administrators~~, including ~~two (2) employees of at least one (1) from~~ the University Hospitals, and ~~at least one (1) academic administrator at the rank of dean or higher~~, all appointed by the Chair ~~Pro-Tempore~~pro tempore of the Board.

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- One (1) member of the USA National Alumni Association Board of Directors, appointed by the Chair ~~Pro-Tempore~~pro tempore of the Board.

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- The Chair ~~Pro-Tempore~~pro tempore of the Board of Trustees, or the Vice Chair in the absence of the Chair (or, in the absence of both, a Trustee appointed by the Chair) serves *ex officio* on the ~~s~~Search ~~e~~Committee with full voting rights.

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- One (1) community representative from the region primarily served by the University of South Alabama, appointed by the Chair ~~Pro-Tempore~~pro tempore of the Board.

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- The Secretary of the Board of Trustees, who shall be a voting member and act as secretary for the Search Committee and will work with the search consultant to coordinate all search efforts, including the conduct of background investigations and securing of additional information on candidates, and shall maintain the safekeeping and confidentiality of the files of all candidates. The Secretary will not be a member of the committee. The secretary of the Search Committee may engage university staff to assist in any of the above-described duties as appropriate.

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- The Chair ~~Pro Tempore~~ pro tempore of the Board shall appoint a non-committee member to assist the secretary in carrying out his/her responsibilities and in the coordination of the search, and to serve as liaison with any professional search consultant engaged pursuant to these guidelines.

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- The President or Acting President shall not be involved in matters related to the Search Committee process.

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- The Board shall use one or more ~~professional national~~ search organizations to help generate a pool of candidates.

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- The Board shall otherwise participate in the search process as it sees fit.

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- Upon receipt of the Search Committee's list of finalists, the Board of Trustees will vote to accept or reject the slate of candidates for on-campus interviews and arrange for Board members' participation in interviews.

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- The Board will coordinate and conduct finalist interviews by Board members.

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- Upon completion of all interviews, the Board will evaluate the respective qualifications of the finalists and obtain input from appropriate constituent groups and individuals, taking into account constituency evaluations submitted by the Search Committee.

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- Selection of the President shall be majority vote of the Board.

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SEARCH COMMITTEE ACTIONS

- Review relevant passages in bylaws, codes, and state regulations.
- Set up a tentative schedule for the search process.
- Update Leadership Statement.
- Communicate timely news about the structure, timing, process, and progress of the search to the major constituents.
- Recommend a search firm to the Board of Trustees ~~a professional national search organization~~ to increase the pool of candidates and assist with identifying those candidates who would otherwise not apply.
- Prepare an announcement/advertisement for the position to include:
 - Position
 - Minimal Credentials required
 - Website address directly to Leadership Statement
 - Closing date for applications
 - AA/EEO/M/F/DEqual Opportunity Employer – Minorities/Females/Veterans/Disabled statement.
- Advertise in various appropriate and diverse national publications, journals such as:
 - ~~Chronicle of Higher Education~~
 - ~~Black Issues in Higher Education~~
 - ~~HACU Voice~~
 - ~~Affirmative Action Register.~~
- After interviewing all of the semifinalists, the committee selects a candidate or candidates to recommend to the Board as finalist(s) to be invited for campus interviews. These selections should be by consensus if possible, but if not, then by any ~~appropriate~~ means determined appropriate by the chair of the committee.
- After forwarding its recommendations to the Board of Trustees, the ~~s~~Search ~~e~~Committee will continue to play an active role in the search process by helping to coordinate campus visits and interviews, ~~and obtain input from appropriate constituent groups and individuals.~~

APPENDIX A
Search Committee Procedures

1. Maintain and continuously update a list of applicants/nominees with name, address, and telephone number as applications/nominations are received.
2. Create individual files immediately upon receipt of applications/nominations. These files will be retained for at least three years.
3. Send an acknowledgment letter from the search committee accompanied by a copy of the leadership statement, a summary of the search process, and invitation to write a more thorough letter responding to the statement's points, and basic informational materials about the University, including access to the USA Internet site.
4. Search committee members should read candidates' files at one sitting over two days, if possible. On the first day, members should strive to reduce the pool to 20 or 30 candidates. On the second day, the pool should be reduced to eight to ten semi-finalists. Each committee member should have the leadership statement on hand during the screening process.
5. Avoid discussing the qualifications of any candidates during the process of reading files. Such discussion should occur after each member has thoroughly read each file.
6. In addition to requested written references, candidate references normally will be contacted by telephone. When making such contact, special care should be taken to keep all information confidential and used for administrative purposes only. The leadership statement should be used as a guide when discussing candidates with references.
7. **Semi-Finalist Interviews:**
 - The search committee conducts interviews with semi-finalists in the process of selecting finalists to be recommended to the Board.
 - Semi-finalist interviews should be conducted at an appropriate off-campus location and, to the extent possible, all interviews should be conducted at the same location and in the same basic format.
 - Reasonable effort should be made to ensure that the entire committee is present for the entire interview of each semi-finalist.

- Prior to each interview, results of reference checks should be reviewed briefly.
- Questions should focus on the key sections of the leadership statement and should be reasonably consistent for each candidate.
- Each interview should last approximately two hours, including an adequate amount time reserved for the candidate to ask questions of the committee members.
- Committee members should take notes that reflect objective observations about each candidate's qualifications.

APPENDIX BA
Search Committee Code of Ethics

Presidential Search Committee Members:

1. Accept their responsibility to protect the integrity of the institution, as well as the integrity of all prospective candidates, semi-final candidates, and finalists.
2. Acknowledge that only the Chair ~~Pro Tempore~~*pro tempore* of the Board of Trustees is authorized to speak to the news media on behalf of the Board, and only the chair of the sSearch eCommittee is authorized to speak to the news media on behalf of the sSearch eCommittee.
3. Certify that they are not candidates for the position.
4. Agree to disclose promptly to the committee any appearance of real or potential conflict of interest in a relationship with a prospect or candidate.
5. Acknowledge that information management is a crucial component of the search committee's work. This work includes information developed and received about prospects, candidates, and their employing institutions. Specifically, committee members will adhere to the following principles:
 - Respect the absolute confidentiality of all prospects and candidates by not revealing the identity of or any other information about prospects and candidates before or after the committee completes its work.
 - Be fair, accurate, honest, and responsible in managing information related to the search.
 - Guard against inaccuracies, carelessness, bias, and distortion made by either emphasis or omission of information.
 - Strive to treat issues impartially and handle controversial subjects dispassionately, understanding that prospects and candidates who have held executive positions and made difficult decisions have not been in positions to win popularity contests.
 - Give accurate and complete reports on candidates to the search committee chair.

6. Place the best interests of the institution ahead of all special and personal interests and use common sense and good judgment in applying ethical principles to search work.
7. Consider the letter and spirit of this statement to be a matter of personal responsibility.

Adapted from the Illustrative Code of Ethics model presented in Presidential Search Guidelines and Directory, a publication of the Association of Governing Boards.

RESOLUTION

**USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS
FOR FEBRUARY, MARCH AND APRIL 2014**

WHEREAS, the Medical Staff appointments and reappointments for February, March and April, 2014 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 that the Board of Trustees of the University of South Alabama approves the appointments and reappointments as submitted.

MAY 02 2014

UNIVERSITY OF SOUTH ALABAMA


STANLEY K. HAMMACK
VICE PRESIDENT
HEALTH SYSTEM



UNIVERSITY OF SOUTH ALABAMA
TELEPHONE: (251) 471-7118
2451 FILLINGIM STREET, SUITE 2110
MOBILE, ALABAMA 36617-2293
FAX: (251) 471-7751

MEMORANDUM

TO: Dr. Tony G. Waldrop
President

FROM: Stan Hammack 

DATE: May 2, 2014

Attached for review and approval by the Health Affairs Committee and the Board of Trustees are:

Resolution – University of South Alabama Hospitals Medical Staff Appointments and Reappointments for February, March and April, 2014

- Credentials Report – February, March and April, 2014

Resolution – University of South Alabama Hospitals Medical Staff Bylaws and Rules and Regulations Revisions of April 23, 2014

- Medical Staff Bylaws and Rules and Regulations - Summary and Revisions

SKH:kh

Attachments

UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
 MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
 FOR BOARD OF TRUSTEE APPROVAL
 February, March, April 2014

The following is a listing of recommendations for approval of new appointments, reappointments and other status changes of physicians and allied staff professionals. These have been reviewed and are recommended by the Medical Executive committee of the respective hospitals.

NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Bassam, Bassam A., MD	Reappt.	Active	Neurology	Reappt.	Active	Neurology	Reappt.	Active	Neurology
Bhadkamkar, Sanjot, CRNP	New Appt.	Allied	Internal Medicine	New Appt.	Allied	Internal Medicine	New Appt.	Allied	Internal Medicine
Bolton, III, Wilburn D., MD	N/A	N/A	N/A	Reappt.	Active	Emergency Med.	N/A	N/A	N/A
Bolton, III, Wilburn D., MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Borocky, David J., DPM	Reappt.	Allied	Orthopaedics	Reappt.	Allied	Orthopaedics	N/A	N/A	N/A
Boudreaux, Carole W., MD	Reappt.	Active	Pathology	Reappt.	Active	Pathology	Reappt.	Active	Pathology
Brown, Candra S., PCT	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	N/A	N/A	N/A
Catranis Theodore, MD	Reappt.	Courtesy	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Chason, Danielle Nikki, CNRP	New Appt.	Allied	Neurosurgery	New Appt.	Allied	Neurosurgery	New Appt.	Allied	Neurosurgery
Clarke, Ronald W., MD	Reappt.	Active	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Correa, Kristin E., DMD	Reappt.	Allied	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Courtney, James V., MD	Reappt.	Active	Radiology	Reappt.	Active	Radiology	Reappt.	Active	Radiology
Crotwell, William A., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	N/A	N/A	N/A
Cunningham, Jennifer A., MD	Reappt.	Active	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Cunningham, Theima D., RN	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	N/A	N/A	N/A
Damrich, Michael E., MD	Reappt.	Active	Surgery	Reappt.	Active	Surgery	N/A	N/A	N/A
Daugherty, Manuel P., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	N/A	N/A	N/A
Dees, Daniel D., MD	Reappt.	Active	Neurology	Reappt.	Active	Neurology	Reappt.	Active	Neurology
Duffy, Robert Lamar, MD	Reappt.	Active	Family Medicine	Reappt.	Active	Family Medicine	Reappt.	Active	Family Medicine
Ellingwood, Kenneth E., MD	Reappt.	Consulting	Radiology	Reappt.	Consulting	Radiology	N/A	N/A	N/A
Falkos, Sheryl A., MD	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics
Gaffin, Daniel S., DPM	Reappt.	Allied	Orthopaedics	Reappt.	Allied	Orthopaedics	N/A	N/A	N/A
Gallaspy, Jr., Glenn, MD	Reappt.	Courtesy	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Gosche, John R., MD	Reappt.	Active	Surgery	Reappt.	Active	Surgery	Reappt.	Active	Surgery
Goslings, Sophia, MD	Reappt.	Active	Pediatrics	N/A	N/A	N/A	Reappt.	Active	Pediatrics
Handwerker, Adam J., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	N/A	N/A	N/A
Holladay, Laurel Ashley, CRNP	New Appt.	Allied	Pediatrics	N/A	N/A	N/A	New Appt.	Allied	Pediatrics
Hudgens, Russell A., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	N/A	N/A	N/A
Hundley, Olivette Grace, MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Hundley, Olivette Grace, MD	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics
Huffman, Candace E., CRNP	N/A	N/A	N/A	New Appt.	Allied	Surgery	New Appt.	Allied	Surgery
Jardine, James Q., MD	Reappt.	Refer & Follow	OBGYN	Reappt.	Refer & Follow	OBGYN	N/A	N/A	N/A
Koulianos, George, MD	Reappt.	Courtesy	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Krolkowski, Francis J., MD	N/A	N/A	N/A	Reappt.	Active	Pathology/Forensic	N/A	N/A	N/A
Laurini, Javier A., MD	Reappt.	Active	Pathology	Reappt.	Active	Pathology	Reappt.	Active	Pathology
Liu, Gerald, MD	Reappt.	Active	Family Medicine	Reappt.	Active	Family Medicine	Reappt.	Active	Family Medicine
Lundy, Misty J., RDH	Reappt.	Allied	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
McClellan, Robert B., MD	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics
McDell, Angela, RN	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	N/A	N/A	N/A
Naman, Michelle K., MD	Reappt.	Active	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A

**UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
FOR BOARD OF TRUSTEE APPROVAL
February, March, April 2014**

NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Nicholson, Torrence L., MD	New Appt.	Refer & Follow	Family Medicine	New Appt.	Refer & Follow	Family Medicine	N/A	N/A	N/A
Ochoa, Juan, MD	Reappt.	Active	Neurology	Reappt.	Active	Neurology	Reappt.	Active	Neurology
Panayiotou, Hercules, MD	N/A	N/A	N/A	Reappt.	Active	Internal Medicine	N/A	N/A	N/A
Picou, Brian S., Neuro Tech	New Appt.	Allied	Neurosurgery	New Appt.	Allied	Neurosurgery	N/A	N/A	N/A
Plessala, Kirby, MD	Reappt.	Refer & Follow	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Revels, Tim S., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	N/A	N/A	N/A
Richerson, Jason M., MD	N/A	N/A	N/A	Reappt.	Active	Emergency Med.	N/A	N/A	N/A
Richerson, Jason M., MD	Reappt.	Active	Evaluation Center	N/A	N/A	N/A	N/A	N/A	N/A
Richerson, Jason M., MD	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics
Ringhoffer, Carolyn H., MD	Reappt.	Courtesy	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Rodriguez, Reynaldo, DO	N/A	N/A	N/A	Reappt.	Active	Emergency Med.	N/A	N/A	N/A
Rodriguez, Reynaldo, DO	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Rodriguez-Feo, John A., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	N/A	N/A	N/A
Rogers, Carey, RN	New Appt.	Allied	OBGYN	New Appt.	Allied	OBGYN	N/A	N/A	N/A
Russo, Suzanne M., MD	Reappt.	Active	Radiology	Reappt.	Active	Radiology	Reappt.	Active	Radiology
Sadler, Bradley J., MD	Reappt.	Consulting	Psychiatry	Reappt.	Consulting	Psychiatry	N/A	N/A	N/A
Sawyer, Emily C., CRNP	N/A	N/A	N/A	New Appt.	Allied	Internal Medicine	New Appt.	Allied	Internal Medicine
Scalici, Jennifer, MD	Reappt.	Active	Gynecology	Reappt.	Active	Gynecology	Reappt.	Active	Gynecology
Scott, Byron C., DMD	N/A	N/A	N/A	Reappt.	Allied	Surgery	N/A	N/A	N/A
Scruggs, Cailev M., CRNA	New Appt.	Allied	Anesthesiology	New Appt.	Allied	Anesthesiology	N/A	N/A	N/A
Siddiqui, Abdul, MD	Reappt.	Active	Pediatrics	N/A	N/A	N/A	Reappt.	Active	Pediatrics
Siegel, Jonathan, MD	Reappt.	Courtesy	Internal Medicine	Reappt.	Courtesy	Internal Medicine	N/A	N/A	N/A
Sivanandam, Hari K., MD	Reappt.	Active	Evaluation Center	N/A	N/A	N/A	N/A	N/A	N/A
Smith, Dusty F., MD	N/A	N/A	N/A	Reappt.	Refer & Follow	Surgery	N/A	N/A	N/A
Speirs, Lauren, CRNP	Reappt.	Allied	Pediatrics	N/A	N/A	N/A	Reappt.	Allied	Pediatrics
Stauffer, Robert A., MD	Reappt.	Active	OBGYN	Reappt.	Active	OBGYN	Reappt.	Active	OBGYN
Strong, Yolanda A., Neuro Tech	New Appt.	Allied	Neurosurgery	New Appt.	Allied	Neurosurgery	N/A	N/A	N/A
Trimmi, Riley F., MD	Reappt.	Active	Pediatrics	N/A	N/A	N/A	Reappt.	Active	Pediatrics
Urquhart, William J., MD	Reappt.	Courtesy	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Vance, Susan E., MD	Reappt.	Courtesy	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Vandewaa, John A., DO	Reappt.	Consulting	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active/Consult.	Internal Medicine
Varma, Jyotsna, MD	Reappt.	Active	Anesthesiology	Reappt.	Active	Anesthesiology	N/A	N/A	N/A
Vincent, Robert D., MD	Reappt.	Active	Anesthesiology	Reappt.	Active	Anesthesiology	N/A	N/A	N/A
Watson, Robert D., MD	Reappt.	Active	Anesthesiology	Reappt.	Active	Anesthesiology	N/A	N/A	N/A
West, James L., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	N/A	N/A	N/A
Williams, Amanda L., CRNP	Reappt.	Allied	Pediatrics	N/A	N/A	N/A	Reappt.	Allied	Pediatrics
Zloty, Peter, MD	Reappt.	Refer & Follow	Surgery	Reappt.	Refer & Follow	Surgery	N/A	N/A	N/A

UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
 MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
 FOR BOARD OF TRUSTEE APPROVAL
 February, March, April 2014

NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Change Requests									
Batten, Lynn A., MD	Now USA Staff	Active	Pediatrics	Now USA Staff	Active	Pediatrics	Now USA Staff	Active	Pediatrics
Cash, Brooks, MD	Added Priv.	Active	Internal Medicine	Added Priv.	Active	Internal Medicine	Added Priv.	Active	Internal Medicine
Cole, Kimberly A., DO	Added EC	Active	Evaluation Center	N/A	N/A	N/A	N/A	N/A	N/A
Gonner, Jacqueline, CRNP	Changed from EC	Allied	Pediatrics	N/A	N/A	N/A	Changed from EC	Allied	Pediatrics
Hancock, Mary Jane, CRNP	N/A	N/A	N/A	Chg from Surg.	Allied	Internal Medicine	Chg from Surgery	Allied	Internal Medicine
Kirk, Jessica, MD	Added EC	Active	Evaluation Center	N/A	N/A	N/A	N/A	N/A	N/A
Merritt, Brandy E., MD	Added Sedation	Active	Pediatrics	Added Sedation	Active	Pediatrics	Added Sedation	Active	Pediatrics
Parsell, Karen J., MD	Added EC	Active	Evaluation Center	N/A	N/A	N/A	N/A	N/A	N/A
Retired/Resigned									
Name	Reason	Date	Dept.	Reason	Date	Dept.	Reason	Date	Dept.
Allen, John M., PharmD	N/A	N/A	N/A	Resigned	2/12/2014	Surgery			
Brogdon, Byron G., MD	Deceased	3/28/2014	Radiology	Deceased	3/28/2014	Radiology			
Butt, Shera, CRNP	N/A	N/A	N/A	Resigned	3/15/2014	Surgery			
Fruh, Sharon, CRNP	N/A	N/A	N/A	Resigned	1/14/2014	Internal Medicine			
Hassell, David R., MD	N/A	N/A	N/A	Resigned	1/2/2014	Radiology			
Hoffman, Michael C., MD	Resigned	2/12/2014	Surgery	N/A	N/A	N/A			
Jacobs, Corey, MD	Resigned	2/11/2014	OBGYN	Resigned	2/11/2014	OBGYN			
Madison, Betty, CRNP	Resigned	1/22/2014	Pediatrics	N/A	N/A	N/A			
Madonia, Phillip, MD	Resigned	2/11/2014	OBGYN	N/A	N/A	N/A			
Sogorovic, Suzana, MD	N/A	N/A	N/A	Resigned	1/31/2014	Internal Medicine			
Zieman, Gregory, DMD	Resigned	2/10/2014	Surgery	N/A	N/A	N/A			

UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
FOR BOARD OF TRUSTEES APPROVAL

February, March, and April, 2014

LEGEND:

New Appt. New application for medical/allied staff privileges recommended for approval.
Reappt. Reappointment application for medical/ allied staff privileges recommended for approval.
N/A No privileges requested.
Change in Status Added privileges or changed department.
Retired Resigned Moved, retired or resigned.

RECOMMENDED BY:



Donna Lynn Dyess M.D., Chair of Medical Executive Committee or Chair Elect.
USA Children's & Women's Hospital Charles E. McCallum, M.D.



William O. Richards, M.D., Chair of Medical Executive Committee or Chair Elect
USA Medical Center



Stanley K. Hammack
Vice President, USA Health Systems

RESOLUTION

**USA HOSPITALS
MEDICAL STAFF BYLAWS AND RULES AND REGULATIONS
REVISIONS OF APRIL 23, 2014**

WHEREAS, revisions to USA Hospitals Medical Staff Bylaws and Rules and Regulations, approved at the April 23, 2014, Medical Staff meeting and attached hereto, are recommended for approval by the Medical Staffs and the Executive Committee of the University of South Alabama Hospitals,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama approves the revisions as submitted.

RECOMMENDED TO BE EFFECTIVE June 6, 2014

MEDICAL STAFF BYLAWS

- 1) **ARTICLE XII – APPOINTMENTS---pages 1-2 in Handout**
Revised for CW to utilize Service Line chairs instead of Department Chairs
- 2) **ARTICLE XV-CORRECTIVE ACTION—pages 2-5 in Handout**
Revised for CW to utilize Service Line chairs instead of Department Chairs
- 3) **ARTICLE XIX-OFFICERS-pages 5-6 in Handout**
Revised the following:
Biannually changed to biennially, added chair of PI Council to CW and the Quality Director to the nomination committee, clarified slate of officers to have at least one candidate, added the ability of the medical staff to nominate by petition and email notification to do this step, changed the process to allow voting before sending thru the rest of the committee process and added clarification of the chair of the MEC's role as the President of the Medical Staff.
- 4) **ARTICLE XX-DEPARTMENT CHAIRS/CW COMMITTEE CHAIRS pages 6-8-in Handout**
Revised the CW section for the nominating, selecting and appointing process for Committee Chairs
- 5) **ARTICLE XXI-DEPARTMENTS/CW SERVICE LINES-page 8 in Handout**
Revised CW's Department Committees to Service Line committees.
- 6) **ARTICLE XXIII-MEDICAL EXECUTIVE COMMITTEE-page 9 in Handout**
Revised for CW to utilize Service Line chairs instead of Department Chairs and Biannually changed to Biennially
- 7) **ARTICLE XXV-MEDICAL STAFF DEPARTMENT (CW SERVICE LINE COMMITTEES-pages 9-10 in Handout**
Revised for CW to utilize Service Line chairs instead of Department Chairs and biannually changed to biennially and added analytic software to the peer review process
- 8) **ARTICLE XXVII-HOSPITAL COMMITTEES-page 10 in Handout**
Revised all hospital committees to be a 2 year term of service and changed the title of the CW Med. Use committee to Pharmacy and Therapeutics

RULES AND REGULATIONS

- 1) **Section 1.0 CLINICAL DEPARTMENTS-page 1-2 in Handout**
Deleted sections 1.2 thru 2.4.2 due to redundancy in the Bylaws
- 2) **Section 3.5.6 ADMIT ORDERS-page 3 in Handout**
Revised the following:
 - a. Added the requirement for initial orders to be co-signed by the attending physician
 - b. Deleted the CW section under transfers from other facilities
 - c. Revised MC transfer from other facilities section to include the clinical administrator
 - d. Revised MC Utilization Review to be administered by the MEC instead of the PI Council

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Revisions approved at the USA Hospitals General Medical Staff Meeting on April 23, 2014

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ARTICLE XII - APPOINTMENTS

Section 12.01 Request for Privileges

All requests for privileges must be directed to the MSO as soon as practicable. The Department Chair and/or CW Service Line Chair, Combined Credentials Committee, MEC, Executive Committee, and the BOT shall assess the appropriateness of the request, taking into account the needs of the Hospital and the community. Factors considered shall include, but not be limited to, department criteria; current and projected patient care, teaching and research needs; the ability to provide required support services and facilities; current and expected patient load; actual and planned allocations of physical, financial, and human resources to general and specialized clinical and support services; and long-and short-range development plans.

Temporary privileges for important patient care, only the department chair/designee/service line chair and the administrator/designee shall assess the appropriateness of the request and authorize the scope of practice.

Section 12.04 Processing of Application

- A. The information reported by the applicant shall be verified with primary source documentation or sources approved by accreditation bodies. References and other information shall be obtained as appropriate. In all cases, time-sensitive information (See Medical Staff Credentialing Office Policy 6.0) must be verified no more than 150 days prior to the credentialing decision by the BOT. It shall be the applicant's responsibility and burden of proof to provide information to support the requested status and privileges and to resolve any doubts that arise during the review of the application forms and related documents. An application shall be deemed complete when all information provided has been verified and all necessary documentation has been provided or obtained. The completed application shall be forwarded by the MSO to the appropriate Department Chair and/or CW Service Line Chair.
- B. After receipt of a completed application, the Department Chair and/or CW Service Line Chair shall review the application and related documentation and, taking into account relevant criteria, make a recommendation concerning the application. The Department Chair and/or CW Service Line Chair shall submit recommendations, together with the application and related documentation, to the MSO for transmittal to the Combined Credentials Committee.

Section 13.02 Processing of Application

- A. Upon receipt of a completed reappointment application, the MSO personnel shall review the application and obtain appropriate verifications and peer recommendations. It shall be the responsibility and burden of proof of the Medical Staff member requesting reappointment to demonstrate compliance with the requisite criteria for reappointment, as well as to resolve any doubts or inconsistencies. Failure of a Medical Staff member to facilitate the Hospital's receipt of any required documentation within thirty (30) days of the receipt of the completed application forms by the MSO may be deemed a voluntary resignation from the Medical Staff. The Hospital shall not be responsible for any delay in reappointment due to a Physician's failure to comply with this time frame.

If an applicant for reappointment holds delineated clinical privileges in more than one clinical service, reappointment review shall include attestation from each Department Chair and/or CW Service Line Chair of the applicant's satisfactory clinical performance and citizenship.

- B. The Department Chair and/or CW Service Line Chair shall review the application and make an appraisal of the individual's professional performance, judgment, and clinical and technical skills. Factors to be included on the evaluation include:
 - 1) Peer review of clinical performance;
 - 2) Professional liability claims filed against the Staff member;
 - 3) Utilization, risk management, and quality improvement data;
 - 4) Adherence to the Medical Staff Bylaws, Rules and Regulations, Hospital Policies and Procedures, including the Code of Conduct, and any applicable departmental and/or divisional criteria;
 - 5) Compliance with continuing medical education requirements;

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- 6) A review of current physical and mental health status as it impacts on the proper performance of applicant's duties and responsibilities;
 - 7) Attitude, cooperation, and ability to work with others; and
 - 8) Other reasonable indicators of continuing qualifications.
- C. No request for appointment shall be considered for approval by MEC until all information provided has been verified and documented and the application has been deemed complete.
- D. The Department Chair and/or CW Service Line Chair shall review the application and related documentation and, taking into account departmental/service line criteria and peer recommendations, make a recommendation concerning the applicant. The Department Chair and/or CW Service Line Chair shall submit his recommendation, together with the application, to the MSO for transmittal to the Combined Credentials Committee.

Section 13.03 Decision on Application

The remainder of the reappointment process is the same as for appointment procedures, including documentation of favorable or adverse recommendations with supporting rationales; however, when a Physician has been granted delineated clinical privileges in more than one clinical service, a recommendation for reappointment from both Department Chairs and/or CW Service Line Chair shall be held by the Combined Credentials Committee pending receipt of all such recommendations. The Combined Credentials Committee shall review all relevant documentation, including current licensure, relevant training and current competence, before making a recommendation to the MEC.

A final decision on reappointment must be made by the BOT, with notification of the decision provided to the practitioner within 150 days from receipt of the completed application packet or prior to expiration of current appointment, whichever comes first.

ARTICLE XV-CORRECTIVE ACTION

Section 15.01 Corrective Action

Initiation of a Concern

- A. Members/appointees of the Medical Staff, Contract Physician or Temporary appointees, and Allied Staff have the responsibility to report any Medical Staff, Contract Physician or Temporary appointees, and Allied Staff appointee whose activities or professional conduct are, or are reasonably likely to be, detrimental to patient safety or to the delivery of quality patient care, disruptive to Hospital operations, contrary to the Bylaws, or below applicable professional standards. A statement of such concern may be initiated in writing by any Medical Staff Member, describing the specific activities or conduct which gave rise to the concern. Concerns are automatically triggered by any action against a Medical Staff Member/appointee's license, DEA (Drug Enforcement Agency) or ACSC (Alabama Controlled Substances Certificate) registration, or OIG (Office of Inspector General) exclusion.

Additionally, statements submitted in compliance with the Hospital's Code of Conduct Policy, are considered an initiation of a concern.

- B. Concerns may be reported to one of the following:
- 1) the Chair of the MEC;
 - 2) the Department Chair and/or CW Service Line Chair; or
 - 3) the Hospital Administrator or designee.
- C. The recipient of the statement of concern as defined above shall immediately forward a copy of the written statement of concern to the remaining members defined above.
- D. The named Staff Member/appointee may be interviewed by the Chair of MEC, Department Chair and/or CW Service Line Chair, or Hospital Administrator or designee following receipt of the written statement of concern.
- 1) This interview is discretionary and shall not be considered a procedural right, shall not constitute a hearing as defined in the Fair Hearing and Appellate Review section, shall be preliminary in nature and none of the procedural rules provided in Article XVII shall apply.

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- 2) At such interview, the named Staff Member/appointee shall be informed of the general nature of the concern and shall be invited to discuss, explain or refute such concern.
A written record of such interview shall be made and maintained.
- 3) Potential Actions of the Chair of the MEC, Department Chair and/or CW Service Line Chair, and Hospital Administrator:
 1. If the Chair of MEC, Department Chair and/or CW Service Line Chair, and Hospital Administrator agree that no further action is warranted, the investigation is terminated.
 2. If the Chair of the MEC, Department Chair and/or CW Service Line Chair, and Hospital Administrator conclude that further action is warranted, the Chair of MEC shall convene an ad hoc Corrective Action Committee of the MEC (CAC) as provided herein and shall present the written statement of concern to the CAC. If the decision is to proceed with a CAC, the Chair of the MEC shall promptly notify the Vice President for Health Systems of the concern that has been received and shall continue to keep the Vice President for Health Systems fully informed of all decisions and actions taken.
- 4) The Chair of MEC shall promptly write to the named Staff Member/appointee regarding the reported concern and notify them whether the investigation is terminated or whether a CAC has been formed. If a CAC is formed, the notification to the named Staff Member/appointee shall be sent by certified mail and shall include a copy of Articles XV and XVI of these Bylaws.

Convening the CAC

- A. If the decision to convene a CAC is made, it shall be convened to begin the investigation within fifteen (15) business days of that decision.
- B. The membership shall be appointed by the Chair of MEC and shall consist of:
 1. the Chair of MEC
 2. Chair-elect of MEC
 3. Two (2) medical staff members
 4. Additional members as deemed necessary by the Chair of MEC.
- C. The Chair of MEC shall appoint the Chair of the CAC. There must be at least three (3) members of the CAC present at any meeting at which action will be taken or at which substantive investigation will be conducted. The membership shall not include the following: the Department Chair and/or CW Service Line Chair in which the named Staff Member/appointee has an appointment and/or delineated clinical privileges, anyone who has reported the concern for investigation, anyone involved in the situation to be investigated, or any other person who has a conflict of interest as determined by the Chair of MEC.

Investigation

- A. The investigation by the CAC shall include an interview with the named Staff Member/appointee and may include interviews with any other individuals who may have relevant information and appropriate consultants or persons with special relevant knowledge. Only those individuals with direct involvement with the interview shall be present. The interviews shall not constitute Fair Hearings as defined in Article XVII herein, shall be preliminary in nature, and none of the procedural rules provided in Article XVII shall apply. A record of all CAC meetings shall be maintained.

A CAC may request that the named Staff Member/appointee undergo a complete physical or mental health examination as outlined in Section 12.03, Conditions for Appointment. Failure to comply with such a request shall result in automatic termination of membership/appointment.

- B. The CAC shall prepare a written report of the investigation as expeditiously as possible, but no later than forty-five (45) business days after initial convening of the CAC. The report shall include a determination of whether the concern is founded or unfounded, and if deemed founded, shall recommend corrective action including but not limited to:
 - 1) issuance of a warning or formal letter of reprimand;
 - 2) imposition of mandatory education, counseling, or other action as deemed appropriate;

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- 3) imposition of a probationary period with requirements of consultation or supervision;
 - 4) reduction or suspension of delineated clinical privileges;
 - 5) revocation of Staff appointment/membership.
- C. At any time during the course of an investigation the named Staff Member/appointee may resign, however the investigation will continue. The Hospital shall report acceptance of the named Staff Member/appointee's resignation while under investigation as well as results of the investigation and actions taken, to the appropriate regulatory agencies as required by law. The MEC and Executive Committee shall be notified of such action.
- D. Upon request by the CAC, the Chair of MEC may extend any deadline for taking action under this Section 15.01 for a reasonable period of time.

Action of the MEC

- A. The MEC shall review the CAC's report and recommendations.
- B. The MEC shall vote to uphold, modify or reject the CAC's recommendations. None of the following shall participate in the voting: the Department Chair and/or CW Service Line Chair in which the Staff Member/appointee has an appointment and/or delineated clinical privileges, members of the CAC, anyone who has reported the concern for investigation, anyone involved in the situation to be investigated, or any other person who has a conflict of interest as determined by the Chair of MEC. If the decision is that the concern is unfounded, the Chair of MEC will notify the named Staff Member/appointee and the corrective action process is terminated.
- C. If the concern is determined to be founded by the MEC the recommended corrective action may be approved or modified.
- D. The Chair of MEC shall send notice of the recommended corrective action to the Department Chair and/or CW Service Line Chair in which the named Staff Member/appointee has an appointment and/or exercises delineated clinical privileges, Executive Committee, and Hospital Administrator. The MEC shall provide notice of the action and attendant procedural rights required by Article XVI herein to the named Staff Member.

Section 15.02 Summary Suspension

Criteria for Imposition

Whenever the conduct of a Medical, Contracted Physician, Temporary appointee or Allied Staff Member/appointee requires that immediate action be taken to protect the life of any patient or to reduce the substantial likelihood of imminent injury or damage to the health or safety of any patient, employee, or other person present in the Hospital, Summary Suspension of the Staff Member/appointee's appointment or any or all of the delineated clinical privileges may be imposed.

Imposition

- A. Summary suspension may be imposed by:
 - 1) Chair of MEC;
 - 2) Department Chair and/or CW Service Line Chair or CW Peer & Quality Review Chair in which the named Staff Member/appointee has an appointment and/or exercises delineated clinical privileges;
 - 3) Hospital Administrator or designee.
- B. The Staff Member/appointee must be notified verbally or in writing of the suspension and may be asked to leave the premises immediately and instructed not to return to the Hospital until further notification. Notification and method of notification must be documented.
- C. A summary suspension of a Staff Member/appointee's appointment or of all or any portion of the Staff Member/appointee's delineated clinical privileges shall become effective immediately upon imposition. When a Medical Staff Member/appointee is summarily suspended, immediate notification shall be made to the Chair of MEC, Department Chair and/or CW Service Line Chair in which the named Staff Member/appointee has an appointment and/or exercises delineated clinical privileges, and Hospital Administrator or designee by the person who summarily suspended the Staff Member/appointee.

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- D. The Chair of MEC shall convene an ad hoc committee consisting of the Chair of MEC, Chair-Elect/Secretary of MEC, Hospital Administrator and two (2) additional members of the MEC within three (3) business days of the suspension. None of the members shall be in the same department as the Staff Member/appointee under suspension. The Staff Member/appointee under suspension shall be afforded an opportunity to appear at this special meeting of the ad hoc committee and present oral argument in opposition to continuation of the summary suspension. However, the Staff Member/appointee under suspension has no right to be present during the ad hoc committee's deliberations.
- E. The ad hoc committee of the MEC may modify, continue, or lift the summary suspension. If the ad hoc committee modifies clinical privileges or continues the summary suspension, then a Staff Member under suspension is entitled to the procedural rights outlined in Article XVI herein. If the ad hoc committee lifts the summary suspension, the concern is forwarded to the full MEC for consideration of a CAC under Section 15.01.
- F. If the Chair of MEC or Hospital Administrator believes that continuation of suspension is necessary to protect patient safety, and the ad hoc committee recommends lifting the suspension, then a special meeting of the MEC shall be convened within three (3) business days, during which time the suspension continues. The decision of the MEC is final. The Hospital shall report the summary suspension to the appropriate regulatory agencies as required.

Notice

- A. When the ad hoc committee or MEC recommends an action which triggers procedural rights, the Staff Member under suspension shall be sent the notice required by Section 16.02 within five (5) business days of the recommendation of an action.
- B. All summary suspensions and actions or recommendations of the ad hoc committee shall be reported by the Chair of MEC to the MEC at its next scheduled meeting.

Care of Suspended Individual's Patients.

Immediately upon the imposition of a summary suspension, the appropriate Department Chair or designee and/or CW Service Line Chair shall assign to another member of the Staff with appropriate clinical privileges responsibility for care of the suspended Staff Member/appointee's patients still in the Hospital at the time of such suspension until such time as the patients are discharged.

ARTICLE XIX - OFFICERS

~~Biannually~~, **Biennially**, the Executive Committee, on recommendation of the MEC, shall appoint a Chair and Chair-Elect of the MEC to serve for two years beginning January 1.

Section 19.01 Chair of Medical Executive Committee

Qualifications:

The Chair of the MEC shall possess the following qualifications:

- A. Membership on the MEC;
- B. Active Staff member in good standing;
- C. Demonstrated executive and administrative ability through training and experience;
- D. Recognized high level of clinical competence; and
- E. Ability to work cooperatively with the other members of the MEC, Hospital Administration, and the Executive Committee.

Selection:

- A. ~~Biannually~~, **Biennially**, the Chair of MEC, Chair-Elect/Secretary of MEC, **Chair of the Performance Improvement Council, (CW only)** and Immediate past Chair of MEC in collaboration with the Hospital Administrator **and the Quality Director** ~~shall nominate Chair-Elect/Secretary, to serve for two years beginning January 1.~~ serve as the Nomination

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- Committee. The Nomination Committee shall nominate at least one candidate for the office of a Chair-Elect/Secretary, to serve for two years beginning January 1. The Chair-Elect is presented for approval in the Chair of MEC office at the end of the Chair-Elect term.
- B. The Medical Staff Office will also send an email to Active Medical Staff members notifying them that the officer selection is due to be an agenda item at the General Medical Staff meeting.
- C. Nominations may be made prior to the General Medical Staff meeting by petition signed by at least ten (10) voting members of the Active Medical Staff and filed with the Chair the Medical Executive Committee at least seven (7) days prior to the General Medical Staff meeting at which officers are to be elected.
- D. The slate of officers shall be presented to the General Medical Staff for approval. After the vote the Medical Executive Committee will forward the elected officer list to the Executive Committee for approval. If approved by the Executive Committee, the officer selection is forwarded to the BOT for approval.
- ~~E. The slate of officers shall be presented to the General Medical Staff for approval. Nominations from the floor shall be accepted for consideration. The resulting officer selection shall be forwarded to the Executive Committee for approval. If approved, the officer selection is forwarded to the BOT for approval.~~
- F. Term of Office. The Chair of MEC shall serve for two (2) years and is not eligible for consecutive reelection.
- G. Resignation. The Chair of MEC may submit a letter of resignation to the Hospital Administrator or Executive Committee.

Responsibility and Authority

- A. Transmit to the Executive Committee and to Hospital Administrator, the views and recommendations of the Medical Staff and the MEC on matters of Hospital policy, planning, operations, governance and relationships with external agencies, and transmit views and decisions of the Executive Committee and the Hospital Administrator to the MEC and to the Medical Staff.
- B. Preside at MEC and Medical Staff meetings. The Chair of the Medical Executive Committee serves as President of the Medical Staff and is one and the same.

ARTICLE XX-DEPARTMENT CHAIRS/CW COMMITTEE CHAIRS

Section 20.01 Nomination, Selection and Appointment Process

Children's and Women's Hospital

~~Biannually,~~ Biennially, the Chair of MEC, Chair-Elect/Secretary of MEC, and Immediate past Chair of MEC in collaboration with the Hospital Administrator and the Director of Quality shall appoint Department Chairs Medical Staff Committee Chairs to represent the organization's Medical Staff and operational service lines. The Academic Chairs serve as Departmental Chairs.

- A. When a vacancy occurs, the Chair of MEC, Chair-Elect/Secretary of MEC, and Immediate past Chair of MEC in collaboration with the Hospital Administrator shall appoint a candidate to serve the remainder of the current term.

Section 20.02 Qualifications

Department Chairs shall possess the following qualifications:

- A. Active staff membership in his clinical department;
- B. Demonstrated executive and administrative ability through training and experience;
- C. Current certification by an appropriate specialty board or affirmatively established comparable competence through the credentialing process; and

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- D. An expressed willingness to discharge faithfully the duties of the office and work cooperatively with other Medical Staff officers, Administration, and the Executive Committee.
- E. Appointment to faculty of the University of South Alabama College of Medicine.

CW Committee Chairs shall possess the following qualifications:

- A. **Active staff membership in his clinical department;**
- B. **Demonstrated executive and administrative ability through training and experience;**
- C. **Current certification by an appropriate specialty board or affirmatively established comparable competence through the credentialing process; and**
- D. **An expressed willingness to discharge faithfully the duties of the office and work cooperatively with other Medical Staff officers, Administration, and the Executive Committee.**

Section 20.03 Terms of Office

Children's and Women's

~~Department Chairs~~ **CW Committee Chairs** serve for two years beginning January 1. Department Chairs serve until resignation or termination of academic department chair appointment.

Section 20.04 Resignation

Children's and Women's

~~Department Chairs~~ **CW Committee Chairs** may proffer his **their** resignation to the Chair of MEC, Hospital Administrator, or Executive Committee. Department Chairs may proffer resignation to the Dean, College of Medicine.

Section 20.05 Removal from Office

Removal from office alone has no effect on Medical Staff appointment status or delineated clinical privileges.

Children's and Women's

- A. ~~Department Chairs~~ **CW Committee Chairs** may be removed from office by:
 - 1) The Executive Committee; or
 - 2) Two-thirds vote of the MEC; if ratified by the Executive Committee.
- B. Grounds for removal of Chairs of the Medical Staff Department Committees from office include, but are not limited to:
 - 1) Failure to perform the duties of the position in a timely and appropriate manner;
 - 2) Failure to support the Hospital's mission;
 - 3) Failure to maintain the qualifications for the position.

Medical Center/Children's and Women's

Chief of Service/**Department Chair** may be removed from office by the Dean, College of Medicine by termination of academic department chair appointment. Any conflict between the College of Medicine and the Hospital regarding the Chief of Service/**Department Chair** will be resolved by the Dean, College of Medicine, the Vice President of Health Systems, and the Vice President of Health Sciences.

Section 20.06 Responsibility and Authority

- A. Monitor and direct clinical activities of the department/**service line** within the hospital setting through cooperation and coordination with Hospital Administration.
- B. Manage departmental/**service line** administrative issues through cooperation and coordination with Hospital Administration.
- C. Facilitate monitoring of patient care and the professional performance of Physicians and affiliate staff with clinical privileges in the department via the peer process.

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- D. Monitor professional conduct in the department. Department Chairs/service line shall make Chair of MEC and Hospital Administrator aware of any impaired or disabled medical staff member in his department.
- E. Recommend to the medical staff the criteria for clinical privileges relevant to the care provided by the department/service line.
- F. Recommend clinical privileges for each member of the department/service line. Specifically, as required by the Bylaws, recommendations concerning appointment, reappointment, delineation of clinical privileges, competence, resignation and corrective action for Medical Staff and Affiliate Staff members in the department/service line.
- G. Recommend to Administrator, MEC, and/or Executive Committee off-site sources for needed patient care, treatment, and services not provided by the department/service line or the hospital.
- H. Integrate department/service line activities into the primary functions of the hospital as defined in the mission, vision, and value statements.
- I. Coordinate and integrate interdepartmental and intradepartmental services.
- J. Enforce and assist in revisions of the Medical Staff Bylaws and Rules and Regulations, Hospital and Medical Staff policies and procedures, and department/service line policies and procedures.
- K. Provide recommendations for sufficient number of qualified and competent persons to provide care, treatment, and services.
- L. Direct the development, implementation, and organization of the departmental/service line components of the quality improvement program in cooperation with the Chair of MEC, the MEC, other relevant Medical Staff committees, the Performance Improvement Council, and the Executive Committee.
- M. Maintains quality control programs as needed.
- N. Recommend programs for orientation and continuing education needs within the department/service line.
- O. Recommend space and other resources needed by the department/service line.
- P. Chair regularly scheduled Medical Staff department/service line meetings.
- Q. Serve on the MEC, give guidance on the overall medical policies of the Hospital, and make specific recommendations and suggestions regarding the department/service line to the MEC, Hospital administration, and the Executive Committee.
- R. Present written reports to the MEC and other Medical Staff and Hospital committees when appropriate or required.
- S. Communicate and implement within the department/service line actions taken by the MEC, the Performance Improvement Council, Hospital administration, and the Executive Committee.
- T. Coordinate department/service line patient safety and quality improvement activities including risk management concerns (adverse or Sentinel Events), medical record documentation, drug usage evaluation, infection control, surgical and invasive procedures reviews, blood usage evaluation, regulatory compliance issues, and utilization of care pathways.
- U. Serve as Physician Advisor for purposes of utilization review cases when indicated.
- V. Report to the MEC Chair or Hospital Administrator on matters of immediacy, whenever necessary or requested, especially where action to coordinate clinical services, to maintain quality, or to assure patient safety is indicated.
- W. Identify a designee to serve during absences.

ARTICLE XXI-DEPARTMENTS/ CW SERVICE LINES

The Medical Staff shall be organized in the following Hospital departments and/or service lines:

Children's and Women's Departments are as follows:

- A. Family Medicine and Internal Medicine
- B. Obstetrics and Gynecology
- C. Pediatrics and Neonatology
- D. Radiology
- E. Surgery

These departments are represented in the Women's and Children's service line committees.

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ARTICLE XXIII- MEDICAL EXECUTIVE COMMITTEE

Section 23.03 Membership

Members of the Organized Medical Staff may be appointed for service on the MEC. The membership of the MEC, the majority of which shall be Physicians, shall consist of no more than 22 voting members including the following:

- A. Chair
- B. Immediate Past Chair
- C. Chair-Elect/Secretary
- D. Department Chairs and/or CW Service Line Chair
- E. Elected At-Large Members of the Medical Staff

~~Annually,~~ Biennially, the Chair of MEC, Chair-Elect/Secretary of MEC, and Immediate Past Chair of MEC in collaboration with the Hospital Administrator shall appoint At-Large Members from the Organized Medical Staff.

- F. Chair of the Combined Credentials Committee
- G. Ex-Officio Members
 1. Hospital Administrator
 2. Assistant Administrator
 3. Chief Nursing Officer
 4. Quality Management Representatives

ARTICLE XXV-MEDICAL STAFF DEPARTMENT/CW SERVICES LINE COMMITTEES

Section 25.01 Membership

~~Annually,~~ Biennially, the Chair of MEC, Chair-Elect/Secretary of MEC, Immediate past Chair of MEC and the Chairs of the Department/Service Line Committees in collaboration with the Hospital Administrator and the Director of Quality appoints Organized Medical Staff members for service on Medical Staff Department/Service Line Committees. Appointments are for ~~one (1)~~ two (2) years and members may be reappointed.

When a vacancy occurs, the Chair of the Department/Service Line Committee ~~of MEC, Chair-Elect/Secretary of MEC, and Immediate past Chair of MEC~~ in collaboration with the Hospital Administrator nominates an Organized Medical Staff member to serve the remainder of the current term.

Section 25.02 Meetings

Medical Staff Department/Service Line Committees' meeting frequency is determined by the membership but no less than quarterly. Two voting (2) members must be in attendance in order to constitute a quorum and conduct committee business.

Section 25.03 Duties and Responsibilities

- A. Consider and make recommendations to the MEC on any matter relating to Medical Staff concerns, the care of patients or the relations of the professional staff to the community.
- B. Evaluate relevant reports from internal and external sources, including but not limited to patient care and satisfaction issues.
- C. Evaluate the quality and appropriateness of medical care in the Hospital; identify and review interdepartmental and Hospital-wide patient care issues.
- D. Assist in improvement of patient care through review, discussion and support of departmental quality improvement programs.
- E. Discuss, assess, and make recommendations regarding intradepartmental and interdepartmental problems in quality assessment/quality improvement, risk management, utilization management and credentialing.

Proposed Changes to University of South Alabama Hospitals Medical Staff Bylaws
Revisions approved at the USA Hospitals General Medical Staff Meeting on April 23, 2014

Underlines are additions - Strikethroughs are deletion

- F. Develop strategies to address quality improvement, medical staff monitoring functions, credentialing, medical record documentation, drug usage evaluation, infection control, blood usage evaluation, utilization reviews and utilization of critical pathways.
- G. Perform/ CW refer cases for peer review to the Physician/Allied Health Peer & Quality Review Committee or the Clinical Disciplines Peer & Quality Review Committee through evaluation of cases with the following properties:
 - 1) ~~Selected through random sampling process;~~Failed to meet committee defined screening criteria;
 - 2) **Analytic software**
 - 3) Referred through event reporting process;
 - 4) Referred by Risk Management Department;
 - 5) Referred through patient complaint process;
 - 6) Patient mortality, per committee criteria; and
 - 7) Screened surgical cases.
- H. Report peer review findings to MEC including identified system process problems requiring institutional or multidisciplinary alerts or actions.
- I. Report to the MEC.

ARTICLE XXVII- HOSPITAL COMMITTEES

Hospital committees recommended by Chair of MEC or Hospital Administrator and approved by the Executive Committee include Medical Staff representatives. ~~Annually~~ **Biennially**, the Chair of MEC, Chair-Elect/Secretary of MEC, and Immediate Past Chair of MEC in collaboration with the Hospital Administrator shall appointment Medical Staff representatives for each Hospital Committee to serve for ~~one year~~ **two years** beginning January 1. Members may be reappointed.

Hospital Committees (see Hospital's Performance Improvement Plan for detailed descriptions of committee functions) include, but are not limited to, the following:

Children's and Women's Hospital

- A. Performance Improvement Council*
- B. **Pharmacy & Therapeutics**/Medication Use Committee*
- C. Patient Safety and Medical Error Reduction Committee*
- D. ~~Information Management Committee*~~
- E. ~~Special Care Committee*~~
- F. Infection Control Combined Committee*, **
- G. Medical Ethics Committee*
- H. Emergency Care/Evaluation Center Committee*

**Proposed Changes to University of South Alabama Hospitals Medical Staff Rules and Regulations
Approved at the USA Hospitals General Medical Staff Meeting on April 23, 2014**

Underlines are additions - Strikethroughs are ~~deletion~~

Delete due to redundancy. Described in Bylaws, Article XXVII

~~1.0 Clinical Departments:~~

~~1.1 Departmental Organization~~

~~1.1.1 Departmental organization is commensurate with the Medical Staff Bylaws.~~

~~1.1.2 Children's and Women's~~

~~The structural organization of clinical departments of USACW is as follows:~~

~~Family Practice/Internal Medicine~~

~~OB/GYN~~

~~Pediatrics/Neonatology~~

~~Radiology~~

~~Surgery~~

~~1.1.3 Medical Center~~

~~The structural organization of clinical departments of USAMC is as follows:~~

~~Anesthesiology~~

~~Emergency Medicine~~

~~Family Practice~~

~~Internal Medicine~~

~~Medicine Surgery~~

~~Neurology Neurosurgery~~

~~Orthopedic Surgery~~

~~Obstetrics and Gynecology~~

~~Pathology~~

~~Pediatrics~~

~~Psychiatry~~

~~Radiology~~

~~Surgery~~

Delete due to redundancy. Described in Bylaws, Articles XXIX, XX, XXII, XXV, XXVI

~~1.2 Medical Staff Department Composition and Responsibilities:~~

~~The Medical Executive Committee (MEC) at both hospitals has responsibility for oversight of patient care, patient safety, and quality improvement activities. The Chair of the Medical Executive Committee serves as President of the Medical Staff and is one and the same. The Chair of the Medical Executive Committee acts as a liaison to other departmental committees for communication and clarification of issues.~~

~~1.2.1 Chairperson~~

~~1.2.1.1 Children's and Women's~~

~~Each department is chaired by a member of the medical staff practicing in the designated specialty. Chairpersons are appointed as outlined in the Medical Staff Bylaws.~~

~~1.2.1.2 Medical Center~~

~~Academic department chairs generally function as department chairs, with qualifications as outlined in the Medical Staff Bylaws. The chairperson of each academic department is appointed by the Dean of the College of Medicine. If there is any conflict between the College of Medicine and the Hospital departments, this will be resolved by the Dean of the College of Medicine, the Vice President for Health Sciences and the Vice President for the USA Health System. University of South Alabama Hospitals~~

~~Medical Staff Rules and Regulations 2 1.2.2 Meetings~~

Proposed Changes to University of South Alabama Hospitals Medical Staff Rules and Regulations Approved at the USA Hospitals General Medical Staff Meeting on April 23, 2014

Underlines are additions - Strikethroughs are ~~deletion~~

Meetings of each department are held at least quarterly, or as directed by the Chair of the Medical Executive Committee, for the purpose of conducting departmental business, reviewing quality of care delivered by departmental members, and receiving reports from hospital administration.

~~1.2.3 Quality Assurance Reports~~

~~Quality assurance activities and issues will be reported at least quarterly to the Medical Executive Committee.~~

~~1.2.4 Quorum~~

~~Attendance of two (2) medical staff committee members shall be considered a quorum.~~

~~1.3 Department Chairperson's Responsibilities:~~

~~The chairperson shall be responsible for fulfilling the functions of their Department as defined in the Medical Staff Bylaws.~~

~~2.0 Committee Structure:~~

~~The Medical Staff Bylaws allows the Medical Executive Committee to establish other committees to perform one or more of the required staff functions.~~

~~2.1 Special Committees:~~

~~Special committees shall be appointed as needed, to carry out the duties of the Medical Staff. If no committee is appointed, these functions will be performed by the Medical Executive Committee. Such committees shall confine their work to their designated purpose and shall report to the Medical Executive Committee or to the Chair of the Medical Executive Committee. They shall not have the power of action unless such is specifically granted by the motion that created the committee.~~

~~2.2 Hospital Committees~~

~~Hospital committees report to the Medical Executive Committee either directly or through the Performance Improvement Committee. Any information and/or activities that impact patient care or medical staff performance and are reported to the Medical Executive Committee on a quarterly basis or more frequently as appropriate. See the Medical Staff Bylaws for the list of committees for each hospital. (Reference: USAMC and USACW Performance Improvement Plans.)~~

~~2.3 Representation on Interdisciplinary Hospital Committees:~~

~~Staff functions and responsibilities relating to liaison with the governing body and/or Hospital Administrators may be discharged by the appointment of one or more medical staff appointees to the appropriate hospital committees. The appointment process is outlined in the Medical Staff Bylaws.~~

~~2.4 Combined Credentials Committee:~~

~~The Combined Credentials Committee reviews all applications for requested credentialing and privileging for both hospitals. Recommendations from the Combined Credentials Committee are University of South Alabama Hospitals forwarded to each individual hospital's Medical Executive Committee for final approval from both hospitals' MEC.~~

~~2.4.1 Composition:~~

~~The Combined Credentials Committee is composed of representatives from each clinical service, are appointed by the Chairs of the Medical Executive Committee, to serve a one (1) year term. The Chair is appointed for a two (2) year term. The Chair is rotated every two years between the two hospitals. Other voting members include the Hospital Administrators and the University Risk Manager. Quality Management and other Risk Management staff are considered ex-officio members, and are non-voting members.~~

~~2.4.2 Duties:~~

~~Duties are defined in the Medical Staff Bylaws.~~

3.5.6 Admit Orders

**Proposed Changes to University of South Alabama Hospitals Medical Staff Rules and Regulations
Approved at the USA Hospitals General Medical Staff Meeting on April 23, 2014**

Underlines are additions - Strikethroughs are ~~deletion~~

When required by federal or state law, guideline, or regulations, or when required by regulatory agencies, orders to “admit” the patient are written by the attending physician. If the initial orders are written by a resident, the orders are reviewed and co-signed by the attending physician.

3.5.6-7 Need for admitting diagnosis

Except in the case of emergency admission, no patient shall be admitted to the hospital without a provisional diagnosis or valid reason for admission. In the case of an emergency, such statement shall be recorded as soon as possible. A copy of the Emergency Department record shall accompany the patient to the nursing unit.

3.5.78 Transfers from other facilities

~~CW—During normal business hours, the nurse manager of the receiving unit is contacted about the transfer. After hours, the house supervisor will be contacted.~~

MC- All transfer requests are called to the admit nurse/clinical administrator 24/7. The admit nurse will connect the transferring physician to the accepting physician and will notify admitting of the impending transfer from another facility.

3.5.89 Appropriateness of admissions

Attending physicians shall abide by the hospital’s Utilization Plan to include the appropriateness and medical necessity of admission, continued stay, supportive services, and discharge planning.

3.5.9-10 Utilization review

~~3.5.9.1 USACW~~

~~The Medical Executive Committee administers the Utilization Review Program.~~

~~3.5.9.2 USAMC~~

~~The Performance Improvement Council administers the Utilization Review Program. Unjustified variations and recommended actions shall be reported to the Medical Executive Committee for appropriate action~~

UNIVERSITY OF SOUTH ALABAMA HOSPITALS
MEDICAL STAFF MEETING MINUTES
April 23, 2014

The quarterly meeting of the Medical Staff of the University of South Alabama Hospitals was held at USA Children's and Women's Hospital in the Atlantis Room on Wednesday, April 23, 2014. Mr. Stan Hammack, Vice President, for USA Health Systems, called the meeting to order at 7:00 p.m. A roster of attendees is available in the Medical Staff Credentials Office.

Mr. Hammack introduced William O. Richards, M.D., Chair of the Medical Executive Committee for USA Medical Center. Dr. Richards presented the Medical Staff Bylaws and Rules and Regulations revisions for discussion. (Revisions were made to Bylaws Articles XII, XV, XIX, XX, XXI, XXIII, XXV, and XXVII. Revisions were made to Rules and Regulations Section 1.0 and Section 3.5.6.) With no discussion, a motion was made, carried, and approved as presented with the effective date after approval at the June Board of Trustee Meeting.

Mr. Hammack introduced Ms. Beth Anderson, Administrator of USA Medical Center. Ms. Anderson reported on a USA Medical Center's latest accomplishments, which were formatted into a poster and displayed in various areas of the hospital. One of the focus points was on great clinical outcomes. Performance Improvement Committees at both hospitals are becoming more aligned. Information was given on the residency graduate education and training processes for quality and patient safety as is now required by many residency programs. The hospital and residency programs will be using the same training modules on quality as offered by the Institute on Healthcare Improvement (IHI). A letter was shared pertaining to IHI training modules and how to access those modules on line. Faculty and attendings were encouraged to take the modules as all residents and most staff will be required to do so as well. CME credit will be given for the modules. Department heads across the health system have convened to start working on the Product and Service Lines as care shifts from inpatient to the outpatient setting, better coordination and transition of the patient must occur. These product line teams will address those needs. The Burn Center will be officially named in honor of Arnold Luterman, MD during a ceremony planned for late summer. Also reported were the hospital contract negotiations with BCBS of Alabama which included reducing the NIMs markers (CW) and readmission rates (MC) in order to receive a higher per diem. It was shared that payers are moving rates to align with outcome measures similar to Medicare initiatives. In correlation with the College of Business, leadership courses for physicians and upper management will be available fall of 2014. The USA hospitals will be participating in the upcoming One Fit Mobile Kickoff Event on April 26, 2014.

Ms. Anderson introduced Mr. Owen Bailey, USA Children's and Women's Hospital Administrator. Mr. Bailey reported on one signature fundraising event called "Local Goodness" held to raise money for the renovation of the Evaluation Center. A new lighted lectern displaying the new logo was donated by David Smith, owner of Fabrication Specialist. Phase II of the building project is in the final months. This phase included the demolishing of the old cafeteria and dining room; enlarging the lobby and gift shop; and creating the courtyard between the towers along with the new entrance. Entering into Phase III with the architects working on the key areas such as Women's ICU and the Evaluation Center. Mr. Bailey expounded on the parking issues. When the Physician Office Building (POB) opens parking can be expanded in the front of the hospital. Thirty-three additional parking spaces have been added underground.

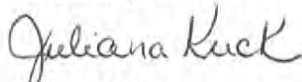
Mr. Bailey introduced Dr. Ronald Franks, Vice-President of Health Sciences. Dr. Franks reported that the POB is on schedule. The plans will be sent out for bids with hopes of opening them in May or June. Dr. Franks introduced and welcomed Mary Vu, MD, who comes from Vanderbilt. He stated that we are moving to adapting a Service Line/Product Line to soften boundaries between specialties and the inpatients/outpatients, moving from volume to value. Dr. Franks announced that he is President of the Medical Association of the State of Alabama and offered assistance.

Dr. Franks introduced Dr. Samuel Strada, Dean of the College of Medicine. Dr. Strada reported on the successful USA College of Medicine Match Day with 80% of residents matching with the first of their three choices. This is considerably above the national average. He spoke of curriculum changes to include more clinical experience during the first year of medical school. USA along with Mobile's Greek community broke ground recently for the construction of Hippocrates Park between the USA Medical Sciences and Health Sciences buildings. The statue will be 8 feet tall and weigh 5,000 pounds. Dr. Strada announced that Jack DiPalma, MD is chair of the search committee for a new leader in the Emergency Medicine Department.

Mr. Hammack spoke briefly about the Regional Care Organization and the Gulf Coast Committee Care Network.

With no further business, the meeting was adjourned at 7:32 p.m. by Mr. Stan Hammack.

Respectfully submitted,



Juliana Kuck
Medical Credentialing Coordinator



University of South Alabama Accountability Scorecard

The University of South Alabama publishes this annual scorecard as one way to use data to make informed decisions and to monitor progress and success on key priorities outlined in the University's 2014-2017 strategic plan.

This scorecard reports university-level data, but all academic and administrative units at USA engage in their own process of strategic planning and assessment that are aligned with the University's strategic plan. Units develop a plan, set performance targets, and subsequently assess the degree to which they are making progress in achieving the goals.

For more information about strategic planning and assessment at the University of South Alabama, please contact the Office of Institutional Effectiveness at 251.460.6261.

University of South Alabama Strategic Plan 2014-2017

The University of South Alabama, with a global reach and special focus on the Gulf Coast, strives to make a difference in the lives of those it serves through promoting discovery, health, and learning.

<p><i>Goal 1: Maintain and enhance an innovative and vibrant educational environment that supports teaching and promotes learning.</i></p>	1.1: Improve academic success among undergraduate and graduate students and promote student engagement with learning.
	1.2: Improve student learning outcomes.
	1.3: Recruit a diverse body of students who are well prepared for college study.
	1.4: Increase innovation, efficiency, and instructional resources for educational programs.
	1.5: Provide a welcoming and supportive environment for all members of the University community.
	1.6: Recruit, recognize, develop, and retain high quality faculty.
	1.7: Develop and maintain high-quality online and blended courses and programs to accommodate wide-ranging learner needs and experiences.
	1.8: Increase the incorporation of global perspectives into the educational environment.
<p><i>Goal 2: Advance the research, discovery, and creative activities of the University.</i></p>	2.1: Increase the opportunity and success for USA faculty, post-doctoral fellows, and students in seeking and carrying out transformative research, discovery, and creative activities.
	2.2: Advance entrepreneurial activities that support the development of new technologies.
	2.3: Increase the economic and societal impact of discovery produced by USA faculty, post-doctoral fellows, and students on the Gulf Coast region, nationally and internationally.

<p><i>Goal 3: Enrich the quality of student life and the living/learning environment.</i></p>	3.1: Increase student engagement in University activities by providing and promoting quality services and programs.
	3.2: Provide a safe, supportive, inclusive, and civil environment for all students that foster a sense of community within the University.
	3.3: Support and retain a diverse community of learners to enhance campus life and create opportunities to develop students as ethical and responsible leaders who make positive impacts in the community.
	3.4: Provide quality and accessible facilities to address the growing service and programmatic needs of the University.
	3.5: Increase faculty and staff participation with student organizations and activities.
	3.6: Increase connections between student and academic groups/activities/programs.
<p><i>Goal 4: Deliver high-quality health care programs that enhance the health and well-being of the community.</i></p>	4.1: Achieve exceptional patient quality outcomes for USA Hospitals, Clinics, and the Mitchell Cancer Institute in comparison to peer groups.
	4.2: Achieve exceptional patient satisfaction in USA Hospitals, Clinics, and the Mitchell Cancer Institute.
	4.3: Adapt to changes in reimbursement resulting from health care reform as evidenced by USA Hospitals, Clinics, and the Mitchell Cancer Institute being financially balanced.
<p><i>Goal 5: Strengthen the financial standing of the University using strategies that recognize and address financial and market realities in higher education.</i></p>	5.1: Reach the target level of student enrollment while balancing revenue generation with the resources necessary to strengthen academic quality.
	5.2: Maximize efforts to secure increased State appropriation funding.
	5.3: Increase extramural funding from grants and contracts.
	5.4: Continue to expand and strengthen the University's fund-raising programs.
	5.5: Collaborate with the USA Foundation to increase institutional support.
	5.6: Be fiscally prudent and pursue opportunities for gains in efficiency.
<p><i>Goal 6: Expand and extend the cultural, public service, athletic and economic development impacts of the University.</i></p>	6.1: Increase the number and variety of cultural programs and presentations.
	6.2: Increase the scope and impact of USA public service programs.
	6.3: Increase the number of attendees at University athletic and cultural events.
	6.4: Provide the most accurate, objective, and reliable data, impact analysis, and projections in the University service area.
	6.5: Develop strong partnerships with organizations directly involved in regional economic, civic, and cultural development.

Key Strategy: To reach an enrollment of 20,000 students within ten years in a fiscally responsible manner while strengthening high academic standards.

USA: Seven-Year Enrollment Trends

<u>Entering Cohort Year</u>	<u>Total Headcount</u>	<u>Race/Ethnicity</u>			<u>Gender</u>		<u>Enrollment Status</u>	
		<u>White</u>	<u>Black</u>	<u>All others</u>	<u>Male</u>	<u>Female</u>	<u>PT</u>	<u>FT</u>
2007	13,779	9,195	2,414	2,170	5,230	8,549	3,576	10,203
2008	14,064	9,355	2,460	2,249	5,407	8,657	3,666	10,398
2009	14,522	9,704	2,543	2,275	5,729	8,793	3,588	10,934
2010	14,776	9,753	2,650	2,373	5,854	8,922	3,576	11,200
2011	14,769	9,692	2,701	2,376	5,901	8,868	3,397	11,372
2012	14,636	9,749	2,790	2,097	5,781	8,855	3,176	11,460
2013	15,065	9,947	3,019	2,099	5,806	9,259	3,037	12,028
% change over six years	9%	8%	25%	-3%	11%	8%	-15%	18%

Full-time student - 12 or more credit hours for undergraduate students and 6 or more for graduate students
Source: Table 3.1 USA Factbook

USA: Undergraduate Seven-Year Enrollment Trends

<u>Entering Cohort Year</u>	<u>Total Headcount</u>	<u>% Increase</u>	<u>FTE</u>	<u>% Increase</u>	<u>Credit Hours</u>	<u>% Increase</u>
2007	10,459		8,819		132,289	
2008	10,701	2%	9,148	4%	137,219	4%
2009	11,250	5%	9,495	4%	142,419	4%
2010	11,536	3%	9,682	2%	145,223	2%
2011	11,403	-1%	9,728	0%	145,923	0%
2012	11,144	-2%	9,604	-1%	144,065	-1%
2013	11,224	1%	9,577	0%	143,661	0%

Source: Table 3.1 (headcount) and 3.12 (FTE/credit hour) USA Factbook

Key Strategy (Continued)

USA: Graduate Seven-Year Enrollment Trends

Entering Cohort Year	Total Headcount	% Increase	FTE	% Increase	Credit Hours	% Increase
2007	3,089		2,295		22,955	
2008	3,016	-2%	2,265	-1%	22,427	-2%
2009	3,114	3%	2,312	2%	22,945	2%
2010	3,118	0%	2,419	5%	23,886	4%
2011	3,191	2%	2,561	6%	25,331	6%
2012	3,321	4%	2,715	6%	26,605	5%
2013	3,758	13%	3,063	13%	30,641	15%

Source: Table 3.1 (headcount) and 3.12 (FTE/credit hour) USA Factbook

USA: New Student Seven-Year Enrollment Trends

Entering Cohort Year	FTFT	Freshman TR	Sophomore TR	Junior TR	Senior TR	Total TR	Total All
2007	1,418	334	488	245	106	1,173	2,591
2008	1,495	356	461	254	84	1,155	2,650
2009	1,711	362	467	274	83	1,186	2,897
2010	1,654	308	424	275	60	1,067	2,721
2011	1,826	283	439	296	84	1,102	2,928
2012	1,886	282	367	277	76	1,002	2,888
2013	1,825	200	343	302	107	952	2,777
% change over six years	29%	-40%	-30%	23%	1%	-19%	7%

FTFT=First-Time, Full-Time Freshman; TR=Transfer
Source: OIE Analysis of USA Census File

Key Strategy (Continued)

USA: Enrollment by Headcount for All Students by Division

	2007	2008	2009	2010	2011	2012	2013	% Change
Covey College of Allied Health Professions	1,472	1,669	1,803	1,898	2,011	2,048	2,123	44%
College of Arts and Sciences	3,961	4,121	4,147	4,200	4,053	3,917	3,772	-5%
College of Education	2,205	2,073	2,023	1,898	1,768	1,640	1,643	-25%
College of Engineering	1,093	1,042	1,189	1,226	1,198	1,230	1,267	16%
College of Medicine	321	333	342	353	357	352	346	8%
College of Nursing	2,184	2,305	2,556	2,782	3,010	3,175	3,575	64%
Graduate School	5	5	17	28	30	39	39	680%
Mitchell College of Business	1,807	1,857	1,730	1,578	1,559	1,438	1,453	-20%
School of Computing	399	403	443	496	480	507	572	43%
School of Continuing Education and Special Programs	332	256	272	317	303	290	275	-17%
University Total	13,779	14,064	14,522	14,776	14,769	14,636	15,065	9%

Source: Table 3.2 (Headcount) USA Factbook

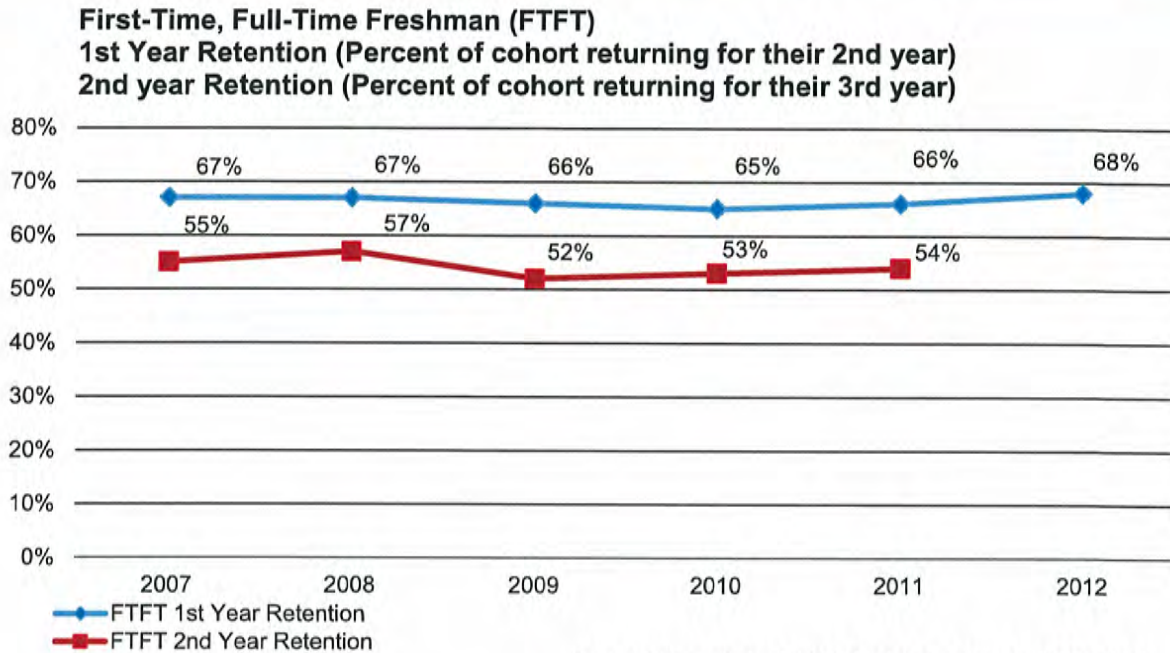
Key Strategy (Continued)

USA: Enrollment by Credit Hour for All Students by Division

	2007	2008	2009	2010	2011	2012	2013	% Change
Covey College of Allied Health Professions	12,964	14,184	14,567	15,845	15,918	17,247	17,545	26%
College of Arts and Sciences	78,440	81,146	85,157	86,562	86,503	85,932	85,705	8%
College of Education	14,387	14,094	13,068	12,685	12,280	11,866	11,717	-23%
College of Engineering	6,033	5,440	5,566	5,654	5,659	6,075	6,279	4%
College of Medicine	367	421	415	408	440	437	421	13%
College of Nursing	17,321	18,396	18,911	20,527	23,016	23,705	27,096	36%
Graduate School	31	18	94	206	230	266	291	89%
Mitchell College of Business	15,224	15,803	15,147	14,463	13,683	13,197	14,062	-8%
School of Computing	5,369	5,150	5,851	6,191	6,557	6,143	6,743	20%
School of Continuing Education and Special Programs	5,108	5,032	6,588	6,568	6,968	5,802	4,443	-15%
University Total	155,244	159,684	165,364	169,109	171,254	170,670	174,302	11%

Source: Table 3.14 (Credit Hour) USA Factbook

USA Objective 1.1: Improve academic success among undergraduate and graduate students and promote student engagement with learning.



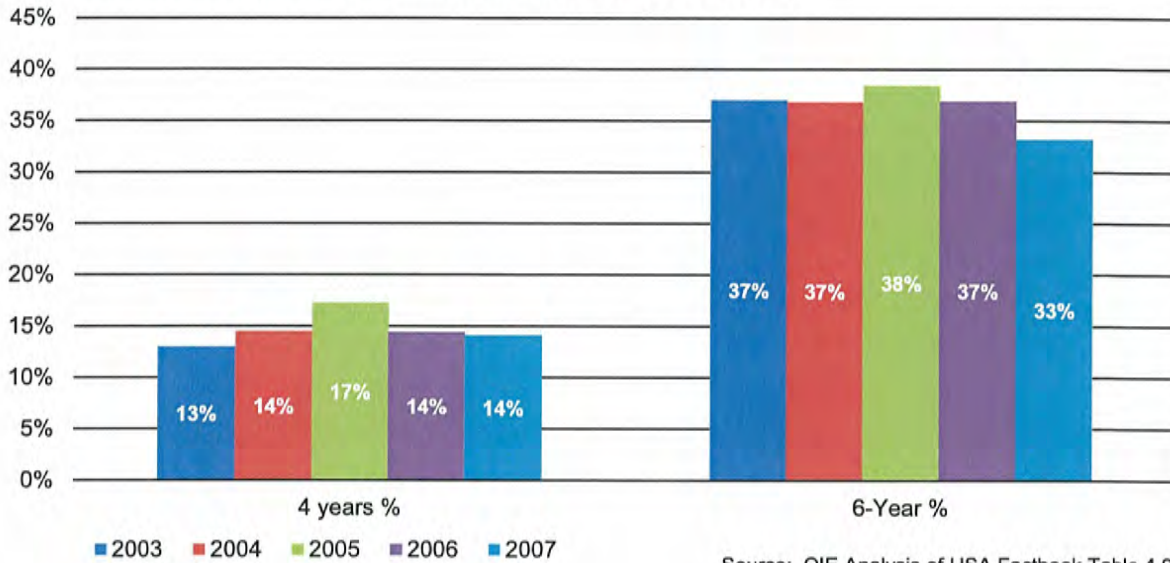
First-Time, Full-Time Freshmen: 1st Year Retention Rates by Race: Percent of the Cohort Returning for Their 2nd year

Entering Cohort Year	Black	White	Other minority	Overall
2007	54%	70%	71%	67%
2008	61%	68%	67%	67%
2009	59%	67%	73%	66%
2010	61%	66%	73%	65%
2011	63%	67%	67%	66%
2012	67%	69%	67%	68%

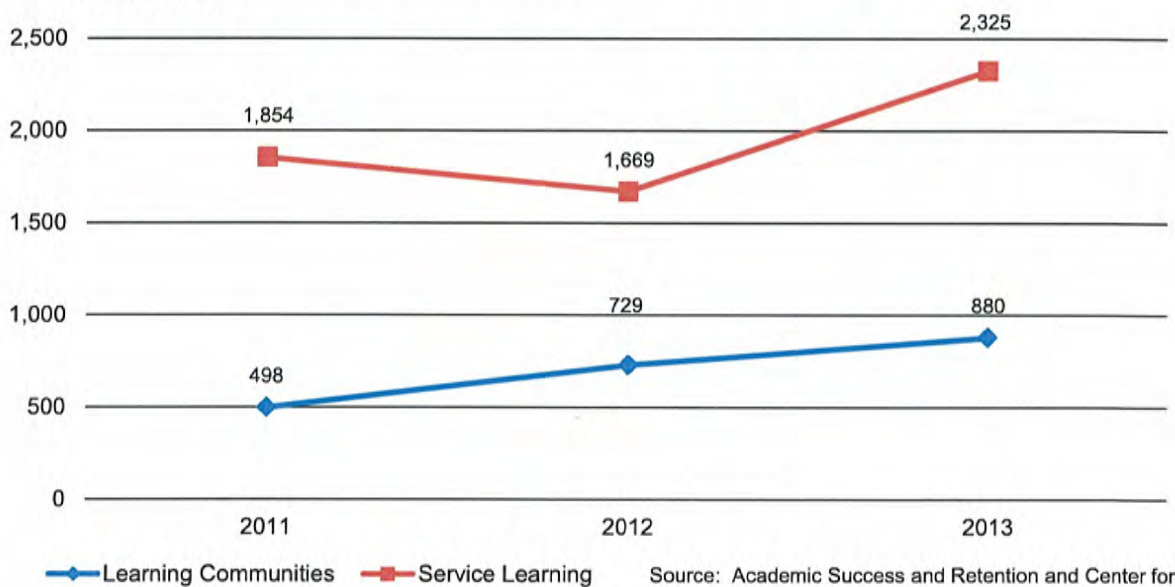
Source: OIE analysis of IRPA Persistence Reports (2008-2012)

Objective 1.1 (Continued)

**First-Time, Full Time Freshman
4- and 6-Year Graduation Rates by Cohort (2003-2007)**



**Number of Students Participating in High Impact Practices¹,
2011-2013**



¹Students at USA also engage in other high impact practices which include: undergraduate research programs, study abroad, first year experience, capstone courses and projects, writing-intensive courses, team-based learning and internships.

Objective 1.1 (Continued)

Comparison of National Survey of Student Engagement (NSSE) Results of USA Students to Comparison Groups on Key Indicators, 2011 and 2013.¹

Benchmarks: 2011² USA compared to Urban Institutions

	<u>First Year Students</u>		<u>Seniors</u>	
	USA	Urban Inst.	USA	Urban Inst.
Level of Academic Challenge	52.1	53.0	56.5	55.3*
Active and Collaborative Learning	39.8	42.0*	48.4	48.6
Student-Faculty Interaction	32.8	34.4	40.6	37.8***
Enriching Educational Experiences	26.0	26.6	35.6	36.6
Supportive Campus Environment	60.5	59.8	57.2	54.5***

Engagement Indicators: 2013³ USA compared to Southeast Public Institutions

	<u>First Year Students</u>		<u>Seniors</u>	
	USA	SE Public	USA	SE Public
<u>Academic Challenge</u>				
Higher-Order Learning	38.9	39.1	39.4	41.2**
Reflective and Integrative Learning	33.3	35.2**	36.6	38.3**
Learning Strategies	41.2	40.4	43.3	41.5**
Quantitative Reasoning	26.3	28.1	28.6	30.4*
<u>Learning Peers</u>				
Collaborative Learning	30.1	32.1**	32.9	33.0
Discussions with Diverse Others	42.3	41.4	41.4	43.0*
<u>Experiences with Faculty</u>				
Student-Faculty Interaction	17.6	19.9**	24.2	24.4
Effective Teaching Practices	41.7	40.2*	42.4	41.5
<u>Campus Environment</u>				
Quality of Interactions	40.6	41.0	42.8	42.4
Supportive Environment	38.0	38.0	31.6	34.6***

¹NSSE survey changed in 2013.

²In 2011, scores ranged from 0 to 100.

³In 2013, engagement indicators were scored on a 60 point scale where 0 = Never; 20 = Sometimes; 40 = Often; and 60 = Very often.

*p<.05; **p<.01; ***p<.001

USA Objective 1.2: Improve student learning outcomes

National Survey of Student Engagement (NSSE) Results: USA Students Compared to Peers at Southeast Public Institutions - Percent of Students Reporting 'Quite a Bit' or 'Very Much' Regarding USA's Institutional Contribution to Their Knowledge, Skills, and Personal Development.

Area	USA Freshmen	SE Public Freshmen	USA Seniors	SE Public Seniors
Writing clearly and effectively	74	66**	73	72
Speaking clearly and effectively	61	58*	66	70*
Thinking critically and analytically	77	77	81	86*
Analyzing numerical and statistical information	57	58	66	65
Acquiring job- or work-related knowledge and skills	53	55	68	69
Working effectively with others	66	64	70	73
Developing or clarifying a personal code of values and ethics	58	58	56	62***
Understanding people of other backgrounds	59	59	55	61***
Solving complex real-world problems	53	54	59	64*
Being an informed and active citizen	55	56	51	60***

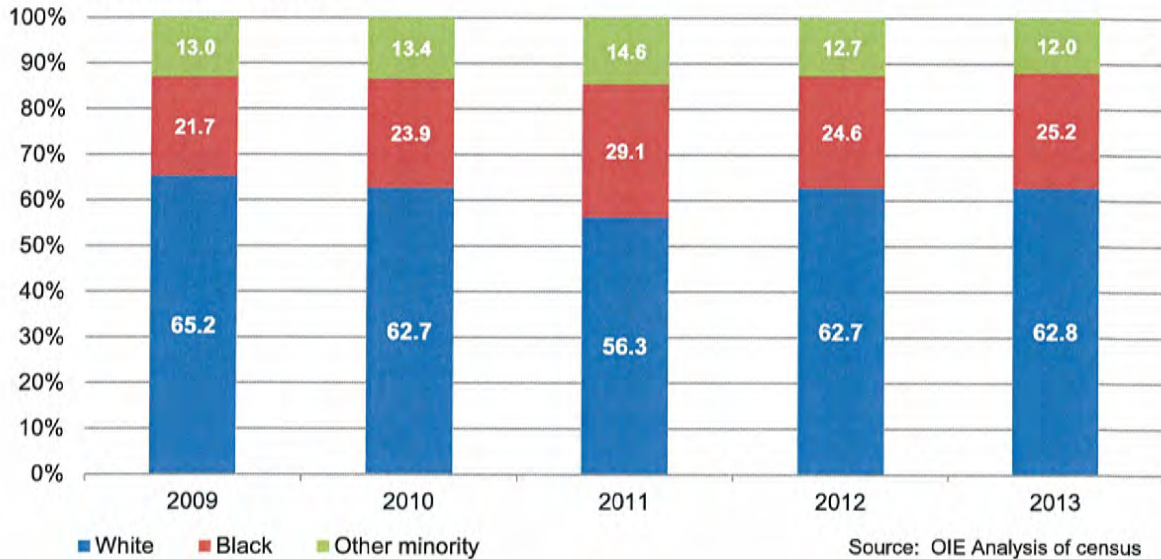
*p<.05 difference in the mean scores of USA NSSE participants compared to SE Public institutions NSSE participants;

**p<.01 difference in the mean scores of USA NSSE participants compared to SE Public institutions NSSE participants;

***p<.001 difference in the mean scores of USA NSSE participants compared to SE Public institutions NSSE participants.

Objective 1.3: Recruit a diverse body of students who are well prepared for college study.

Percent of First-Time Students' Enrollment by General Racial Categorization (2009-2013 Cohorts)



First-Time Students' ACT Scores as Compared to State and National Averages by Race (2009-2013 Cohorts)

Entering Cohort Year	Black	White	Other Minority	USA	Alabama*	National*
2009	18.9	22.8	22.4	21.9	20.3	21.1
2010	19.3	23.1	22.6	22.1	20.3	21.0
2011	19.5	23.4	22.5	22.2	20.3	21.1
2012	19.9	23.9	22.9	22.8	20.3	21.1
2013	20.2	23.9	23.4	22.9	20.4	20.9

*Mean Composite ACT Scores of high school graduates tested.
Source: OIE Analysis of census file and Table 2.3 USA Factbook.

USA Objective 1.6: Recruit, recognize, develop, and retain high quality faculty.

Student to Faculty Ratio, 2012-13	Fall 2012	Fall 2013
Student to faculty ratio	19:1	19:1

Source: Institutional Research Common Dataset

Credit Hours Taught by Full-Time and Part-Time Faculty, 2011-13

	Total Hours	FT Total Hours	% FT Total Hours	PT Total Hour	% PT Total Hour
Fall 2011	163,252	124,650	76%	38,602	24%
Fall 2012 ¹	162,858	126,804	78%	36,054	22%
Fall 2013	165,961	131,009	79%	34,952	21%

¹Excludes 94 hours taught by staff.

Source: Institutional Research, BANNER Report: ZSGR4011

Objective 1.6 (Continued)

Distribution of Full-Time Faculty by College/School and Division, 2011-13.¹

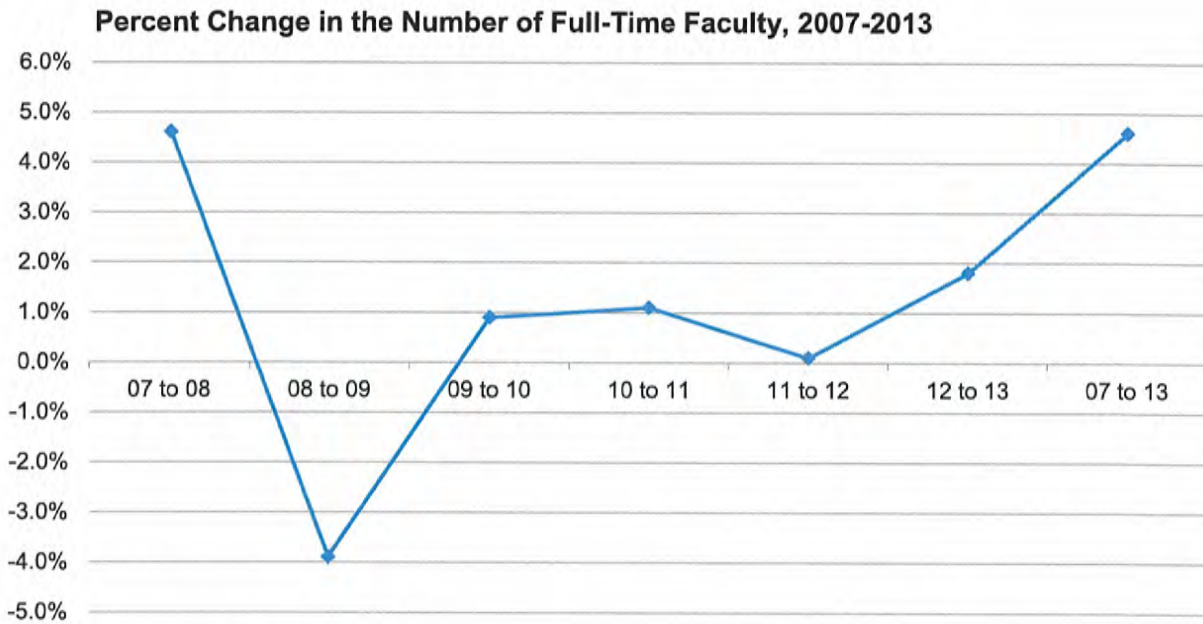
Academic Unit	2011		2012		2013		% change 2011-2013
	#	%	#	%	#	%	
<i>Academic Affairs</i>							
College of Arts & Sciences	228	30	230	30.3	235	30.4	3.1%
College of Education	58	7.6	58	7.6	52	6.7	-10.3%
College of Engineering	33	4.3	37	4.9	37	4.8	12.1%
Mitchell College of Business	43	5.7	42	5.5	38	4.9	-11.6%
School of Computing	20	2.6	20	2.6	19	2.5	-5.0%
School of Continuing Education and Special Programs	18	2.4	15	2	17	2.2	-5.6%
University Library	12	1.6	12	1.6	11	1.4	-8.3%
Total	412	54.2	414	54.5	409	52.9	-0.7%
<i>Health Sciences</i>							
College of Allied Health	50	6.6	50	6.6	62	8	24.0%
College of Medicine ²	204	26.9	194	25.5	195	25.2	-4.4%
College of Nursing	75	9.9	78	10.3	82	10.6	9.3%
Total	329	43.4	322	42.4	339	43.8	3.0%
Mitchell Cancer Institute	18	2.4	24	3.2	26	3.4	44.4%
Overall	759	100	760	100	774	100	2.0%

¹Deans and administrators holding faculty rank are excluded. Librarians holding faculty rank are included.

²College of Medicine includes librarians in the Biomedical Library holding faculty rank.

Source: ZPGR0091, Academic Affairs, Allied Health, and the College of Medicine

Objective 1.6 (Continued)



Source: Table 5.1 USA Factbook

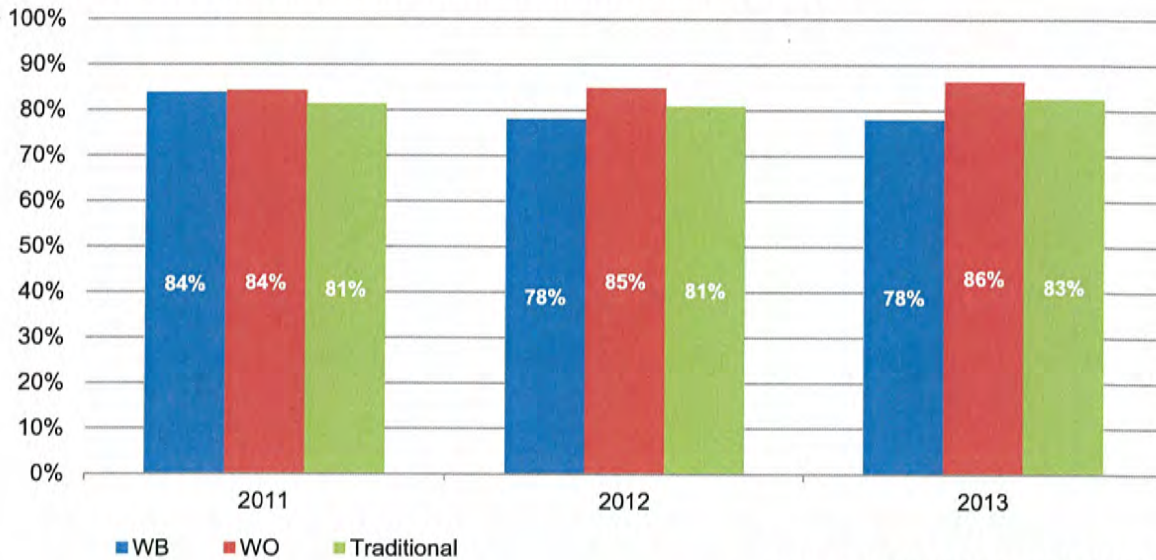
USA: Full-Time Faculty Totals, 2007-2013

	Number of Faculty	Changes in the Number of Faculty	Percent Change
Fall 2007	740		
Fall 2008	774	+34	4.6
Fall 2009	744	-30	-3.9
Fall 2010	751	+7	0.9
Fall 2011	759	+8	1.1
Fall 2012	760	1	0.1
Fall 2013	774	+14	1.8
Percent change from 2007-2013			4.6

Source: Table 5.1 USA Factbook and OIE analysis of Factbook data

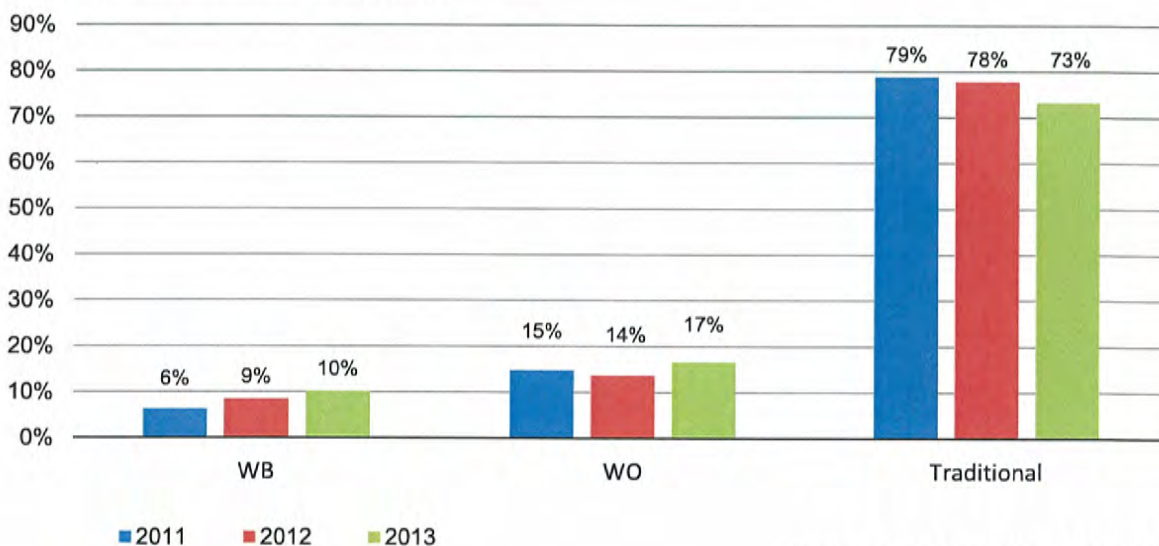
USA Objective 1.7: Develop and maintain high-quality online and blended courses and programs to accommodate wide-ranging learner needs and experiences.

Student Success Rate (grade of A, B, or C) in Course Sections Taught as Web-Blended (WB), Online (WO), and Traditional, 2011-2013



Source: ILC, BANNER Report ZSGR0086

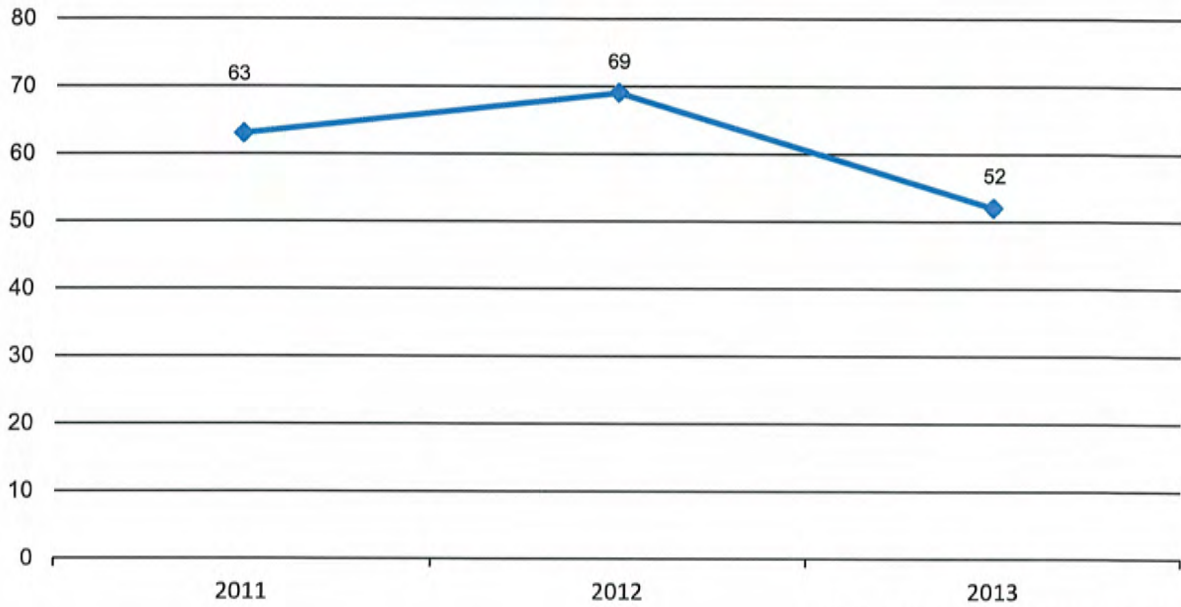
Percent of USA Course Sections Taught as Web-Blended (WB), Online (WO), or Traditional, 2011-2013



Source: ILC, BANNER Report ZSGR0086

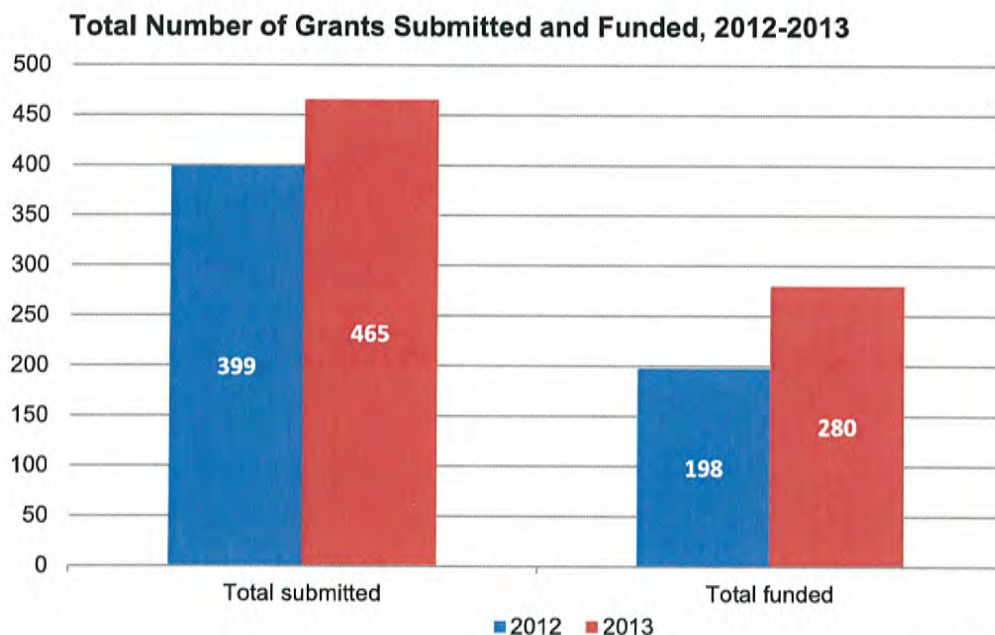
USA Objective 1.8: Increase the incorporation of global perspectives into the educational environment.

Number of Students Studying Abroad, 2011-13



Source: Office of International Education

USA Objective 2.1: Increase opportunity and success for USA faculty, post-doctoral fellows, and students in seeking and carrying out transformative research, discovery, and creative activities.



Source: Research and Economic Development Fiscal Year 2012 and 2013 Reports

USA Objective 2.2: Advance entrepreneurial activities that support the development of new technologies.

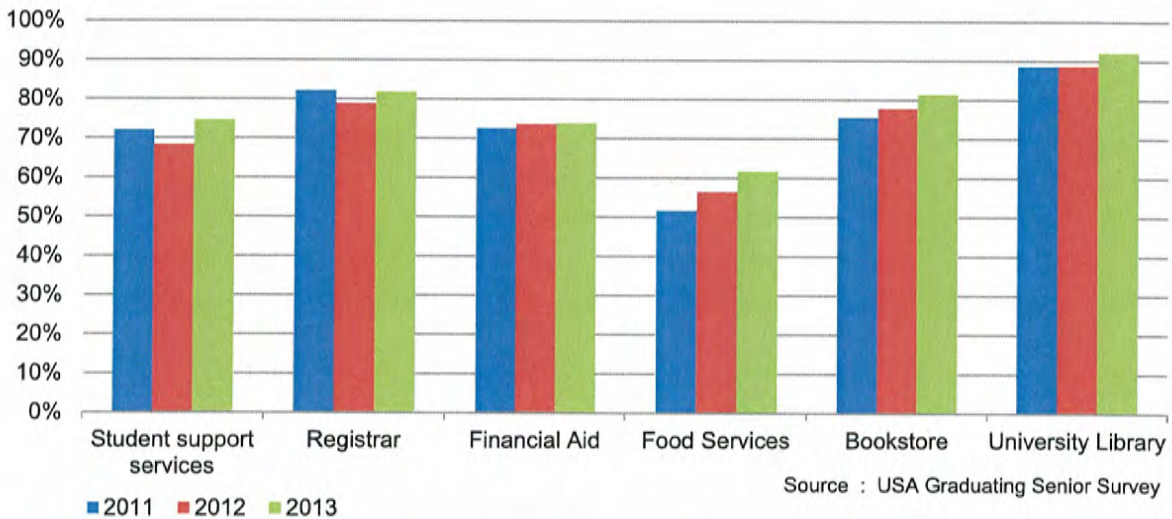
USA Entrepreneurial Activity	FY 2011	FY 2012	FY 2012
Gross Licensing Revenue (in thousands)	2,400	1,852	2,041
Number of Active Licenses	7	11	11
Number of Invention Disclosures	15	16	13
Number of Patents			
Filed	9	10	12
Issued	0	0	3
Number of New Start-Up Companies Formed	2	0	0

Source: Research and Economic Development Fiscal Year 2012 and 2013 Reports

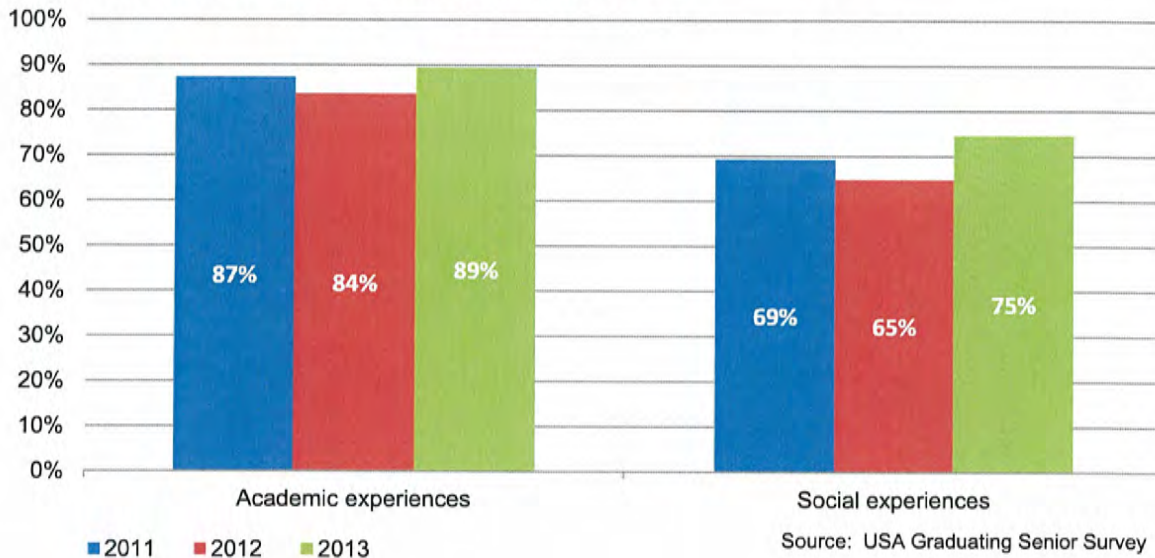
Source: Research and Economic Development Fiscal Year 2012 and 2013 Reports

USA Objective 3.1: Increase student engagement in University activities by providing and promoting quality services and programs.

Percent of Graduating Seniors Stating Their Experiences with Academic and Administrative Services were Excellent/Good, 2011-2013

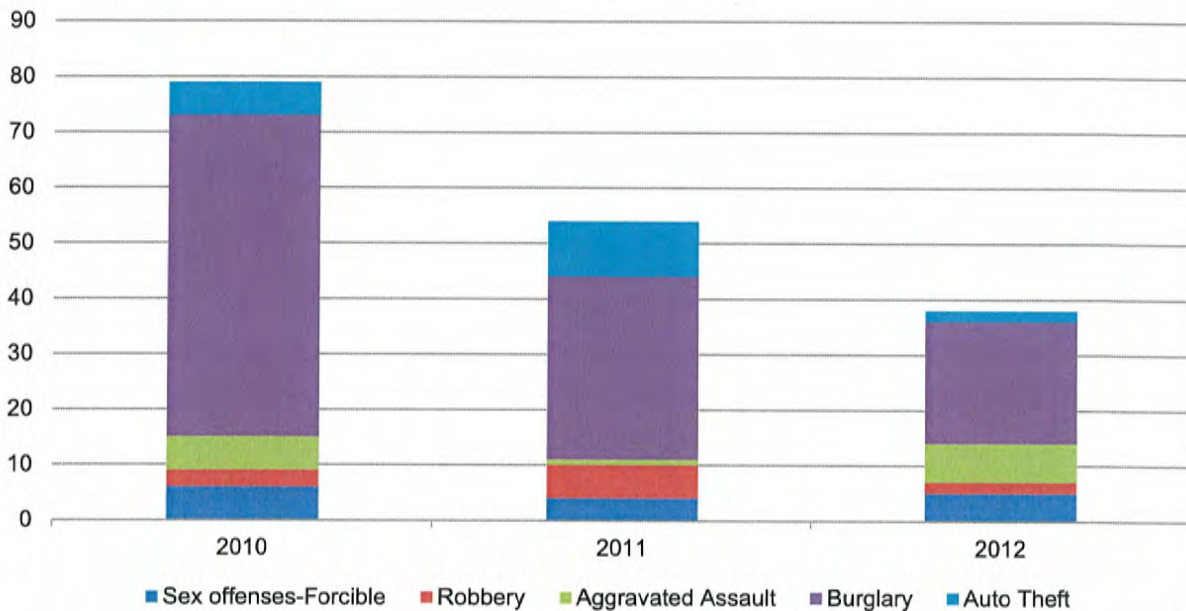


Percent of Graduating Seniors Stating Their Academic and Social Experiences were Excellent/Good, 2011-2013



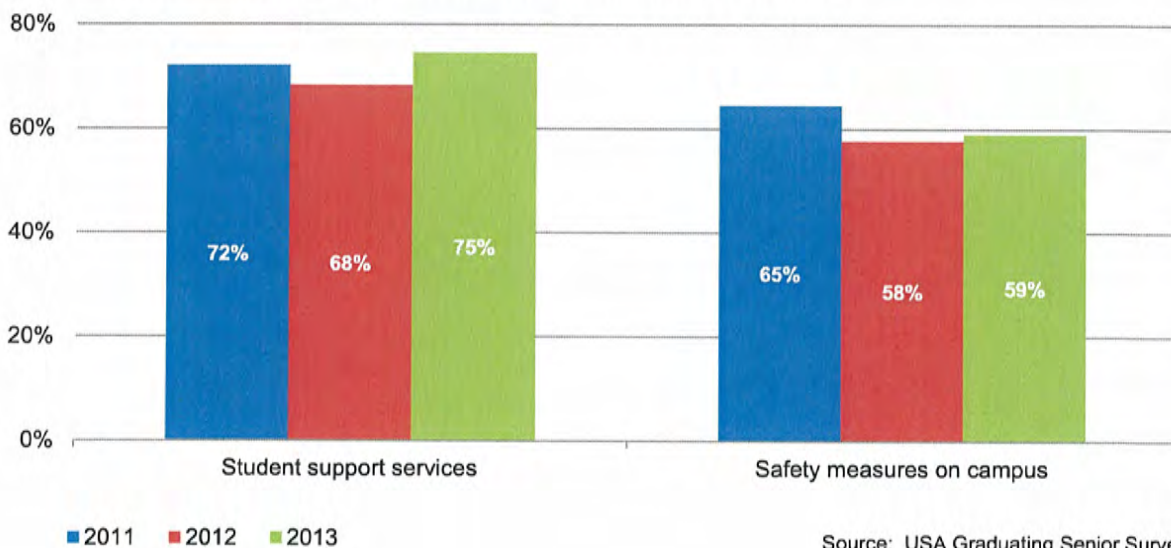
USA Objective 3.2: Provide a safe, supportive, inclusive, and civil environment for all students that foster a sense of community within the University.

Clery Crime Statistics: Offenses Reported 2010-2012



Source: USA Police

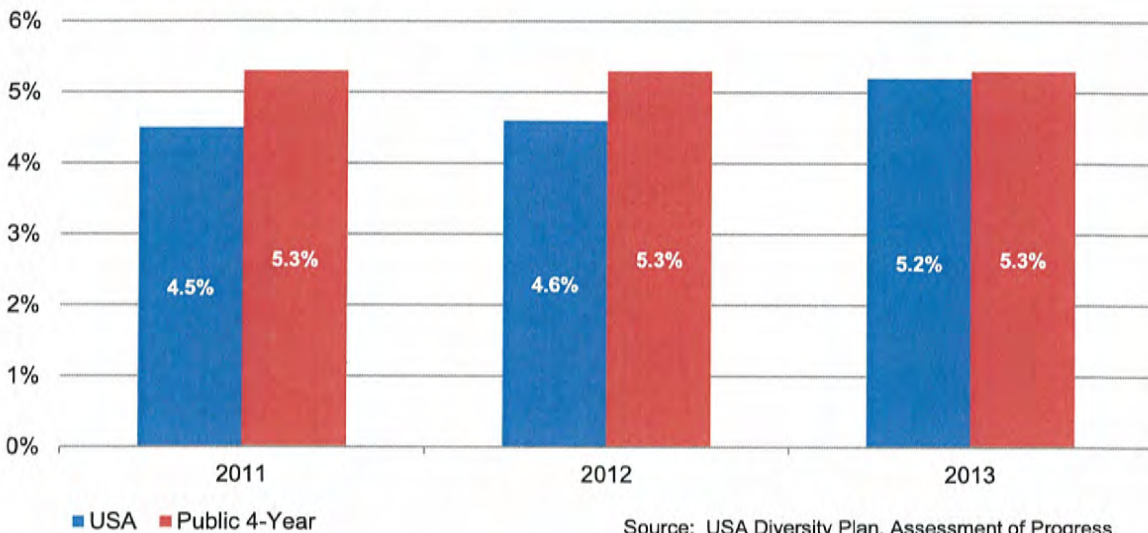
Percent of Graduating Seniors Stating Student Support Services and Campus Safety Measures were Excellent/Good, 2011-2013



Source: USA Graduating Senior Survey

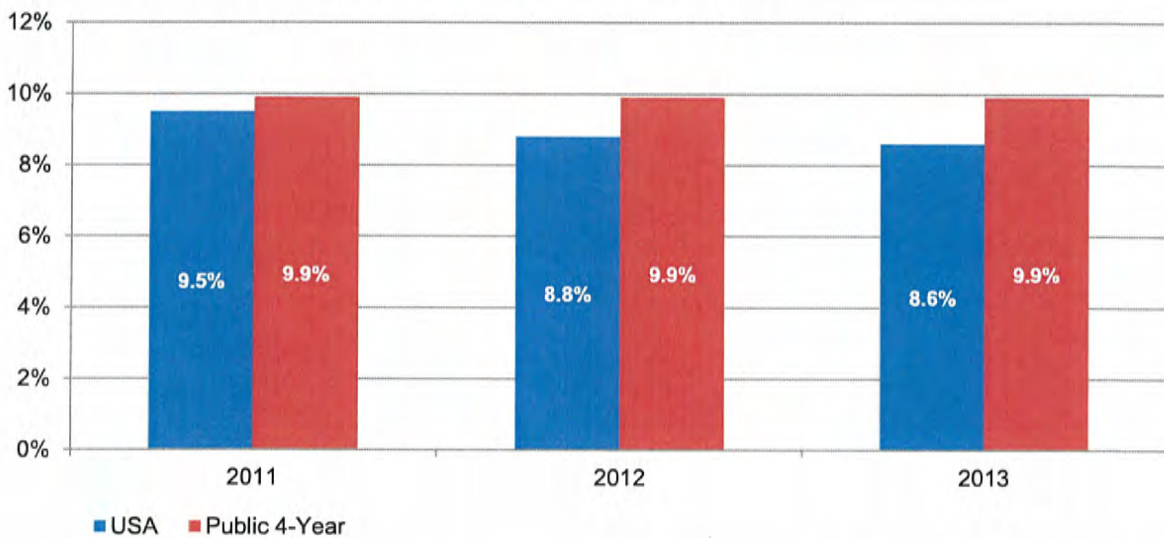
USA Objective 3.3: Support and retain a diverse community of learners to enhance campus life and create opportunities to develop students as ethical and responsible leaders who make positive impacts in the community.

Comparisons between USA and Public 4-Year Institutions: African-American Faculty, 2011-2013



Source: USA Diversity Plan, Assessment of Progress, 2011-2013

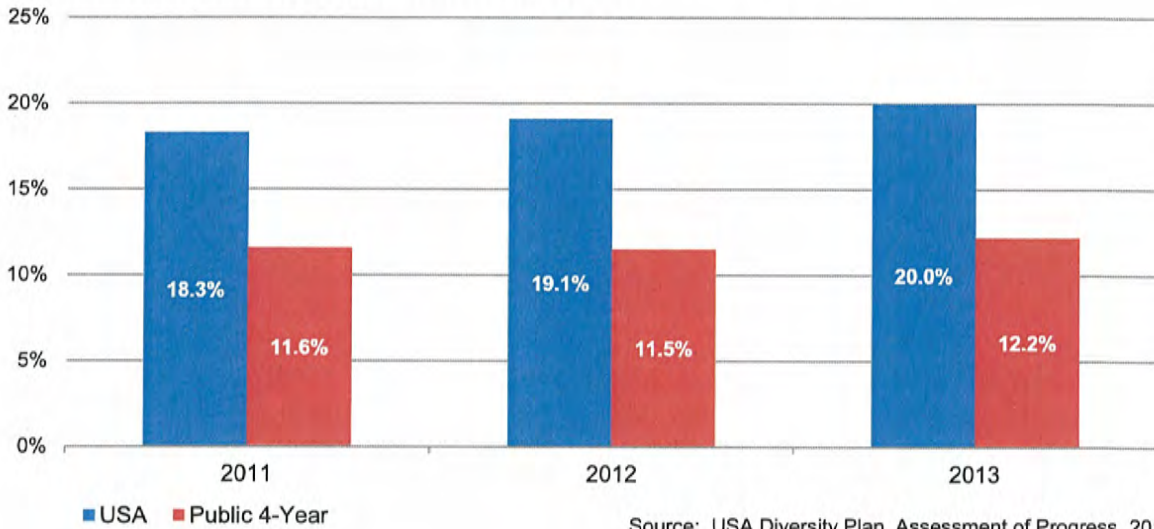
Comparisons between USA and Public 4-Year Institutions: African-American Administrative/Managerial Staff, 2011-2013



Source: USA Diversity Plan, Assessment of Progress, 2011-2013

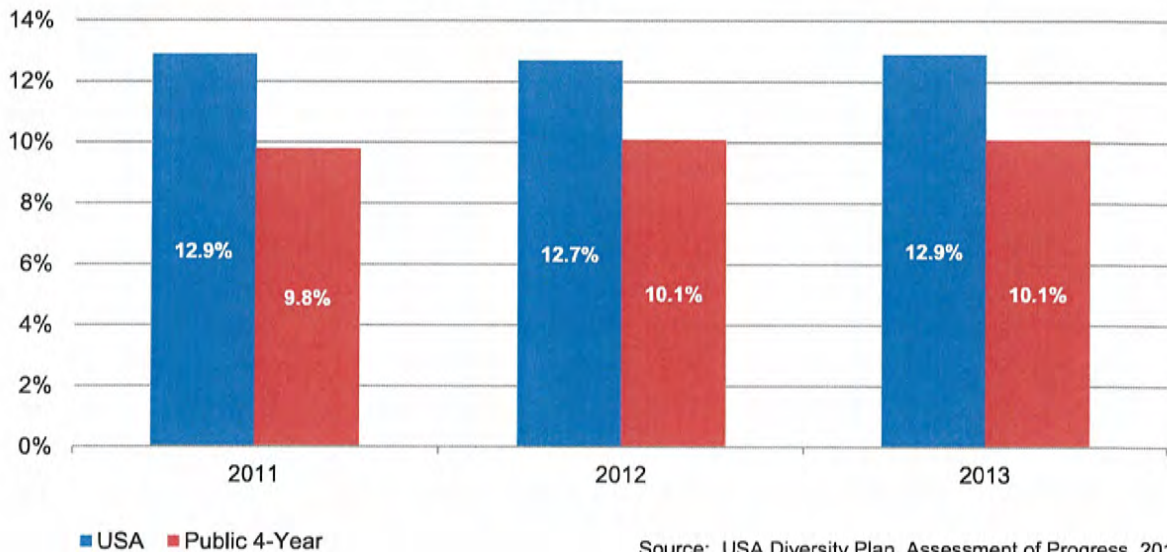
Objective 3.2 (Continued)

Comparisons between USA and Public 4-Year Institutions: African-American Student Enrollment, 2011-2013



Source: USA Diversity Plan, Assessment of Progress, 2011-2013

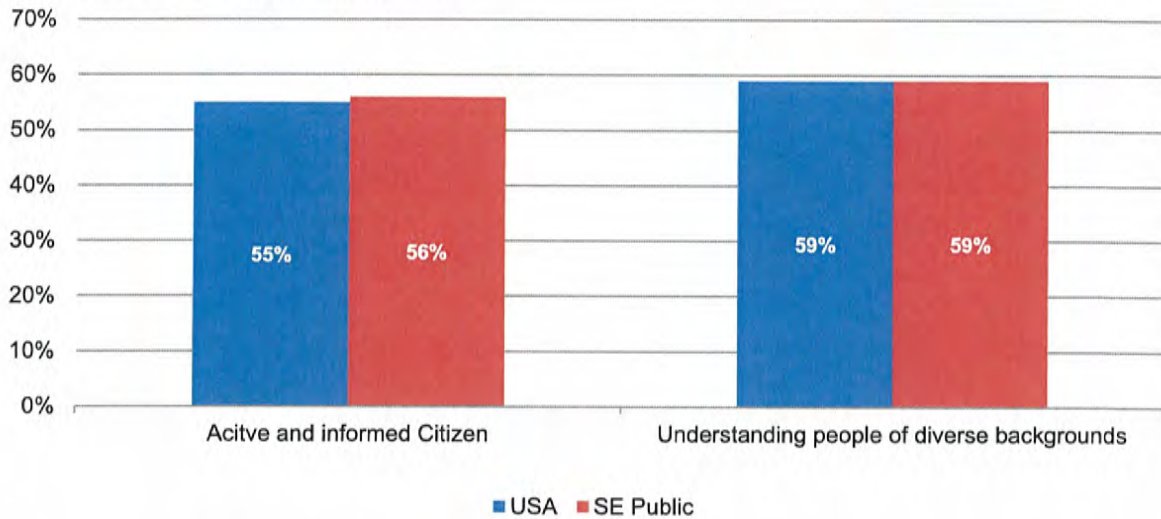
Comparisons between USA and Public 4-Year Institutions: Degrees Awarded to African-Americans 2011-2013



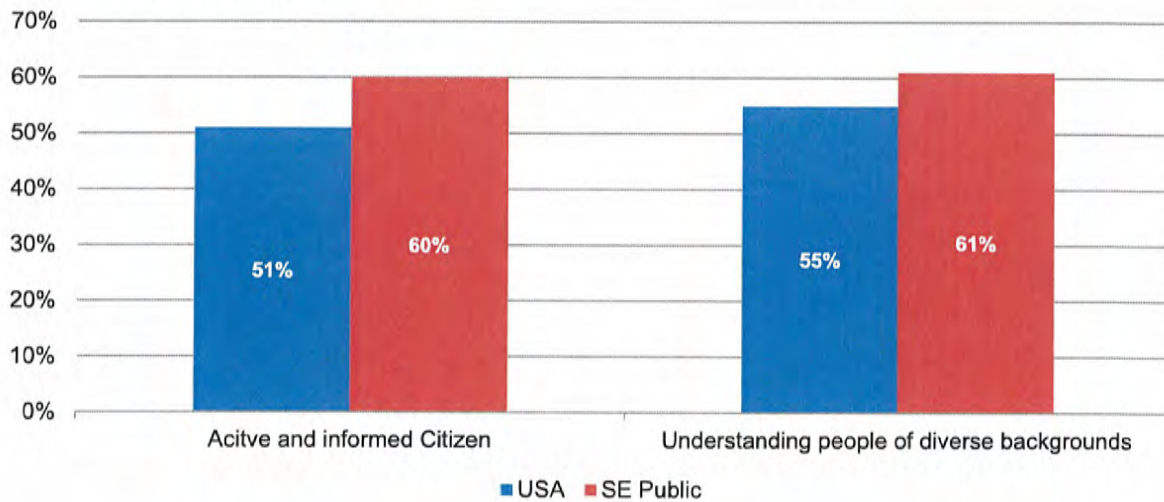
Source: USA Diversity Plan, Assessment of Progress, 2011-2013

Objective 3.2 (Continued)

Percent of National Survey of Student Engagement First Year Participants Stating USA Contributed Very Much/Quite a Bit to Their Being an Informed and Active Citizen and Understanding People of Diverse Backgrounds, 2013

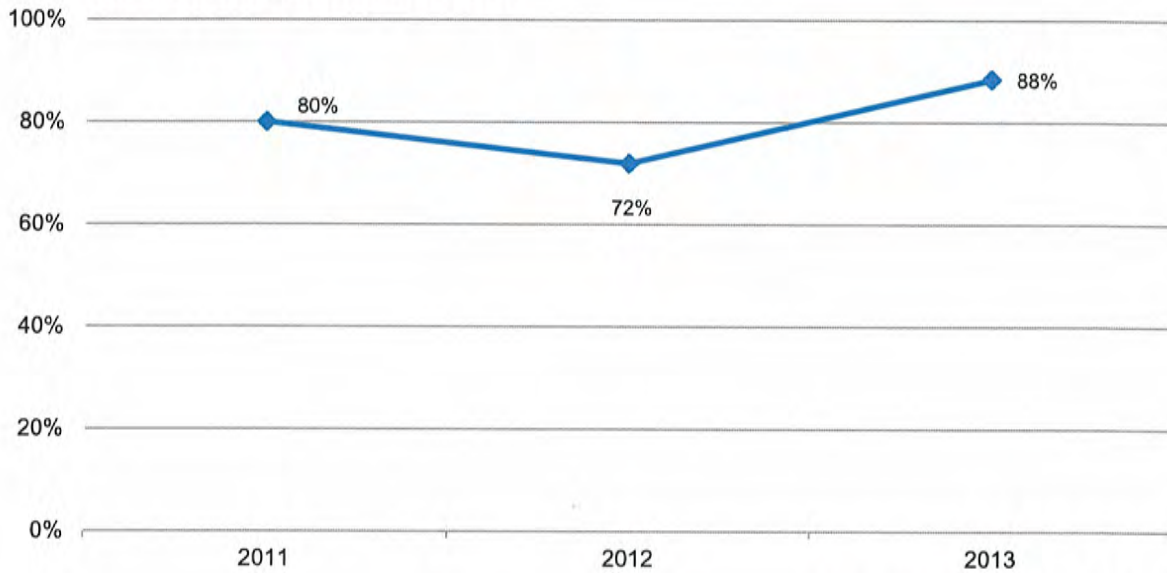


Percent of National Survey of Student Engagement Senior Participants Stating USA Contributed Very Much/Quite a Bit to Their Being an Informed and Active Citizen and Understanding People of Diverse Backgrounds, 2013



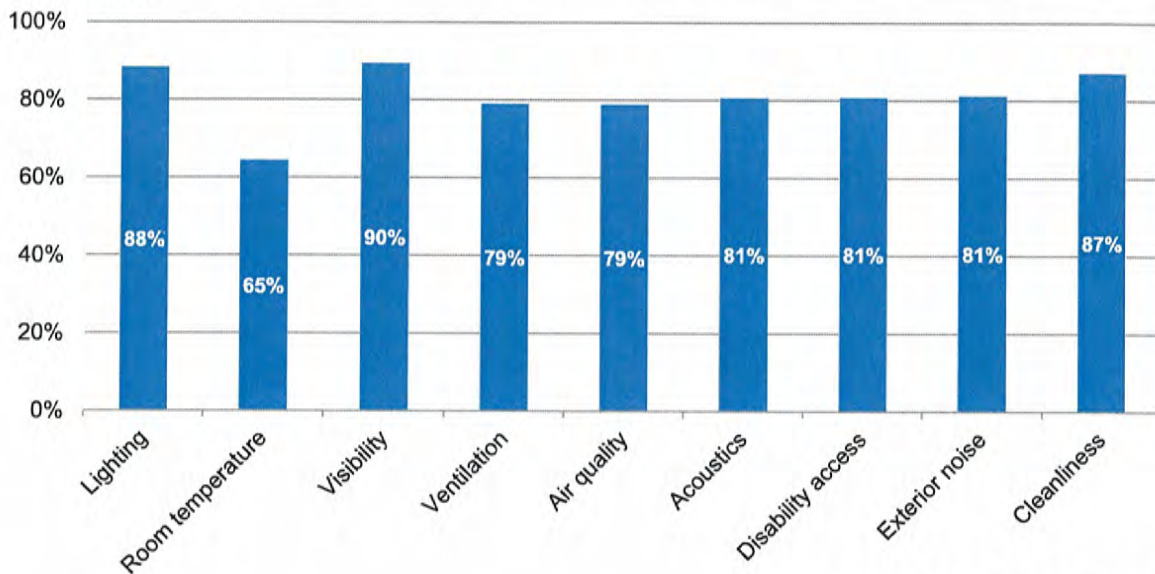
USA Objective 3.4: Provide quality and accessible facilities to address the growing service and programmatic needs of the University.

Percent of Graduating Seniors Stating the Maintenance of Facilities was Excellent/Good, 2011-2013



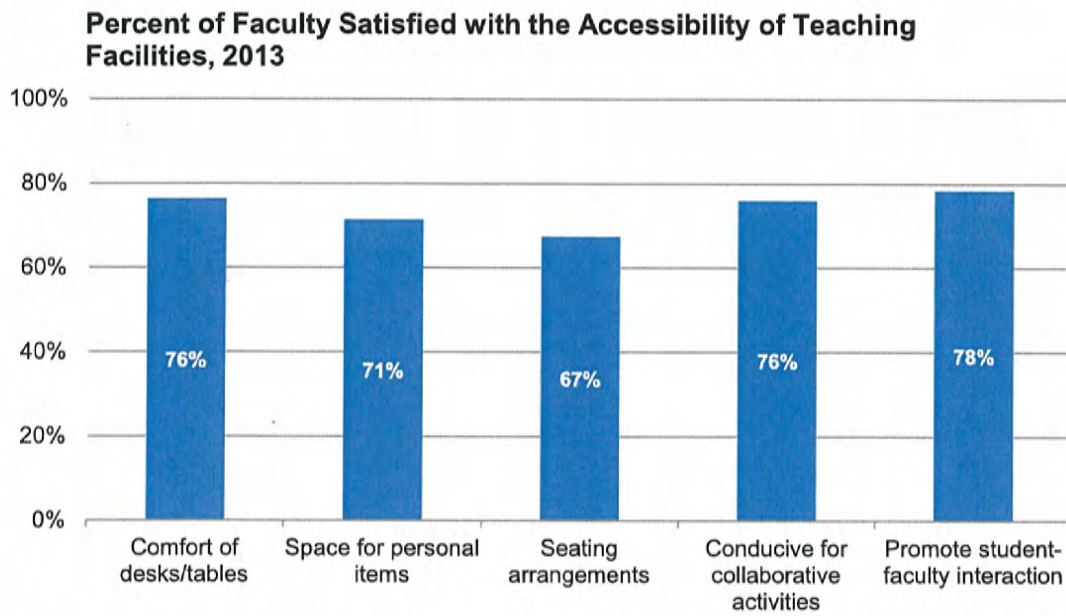
Source: USA Graduating Senior Survey

Percent of Faculty Satisfied with the Suitability of Teaching Facilities, 2013



Source: USA Faculty Facilities Survey

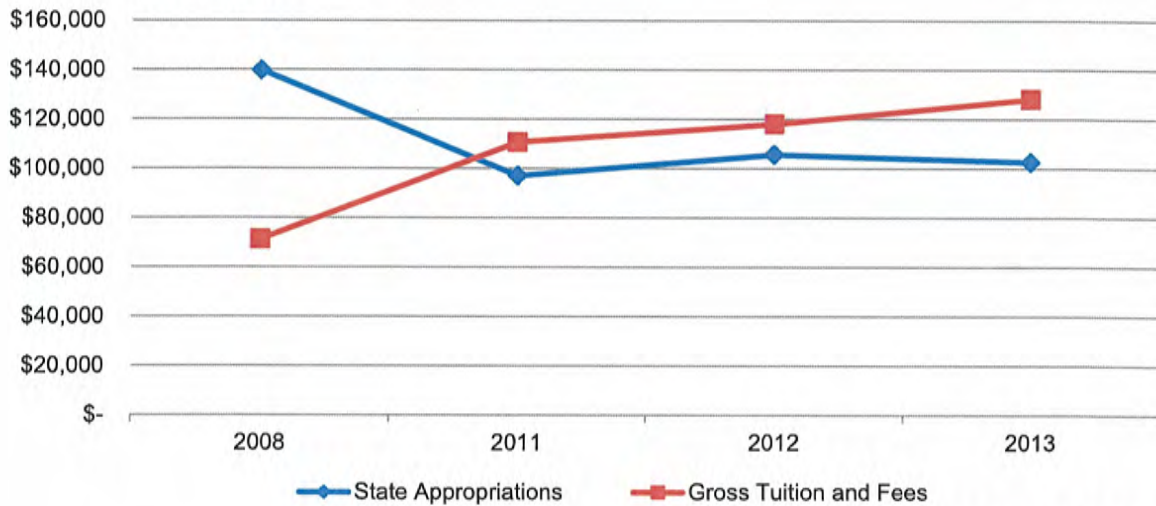
Objective 3.4 (Continued)



Source: USA Faculty Facilities Survey

USA Objective 5.1: Reach the target level of student enrollment while balancing revenue generation with the resources necessary to strengthen academic quality.

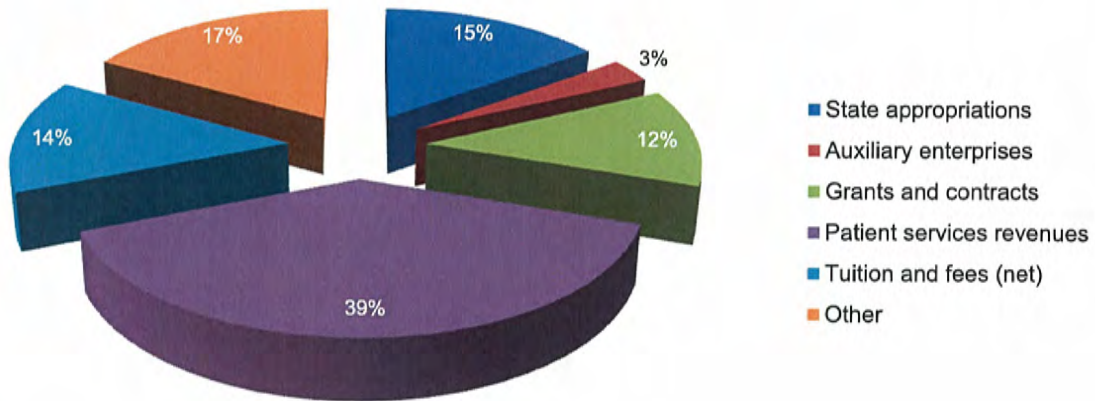
State Appropriations Compared to Revenues Generated from Tuition and Fees (Gross), 2011-13
(in thousands)



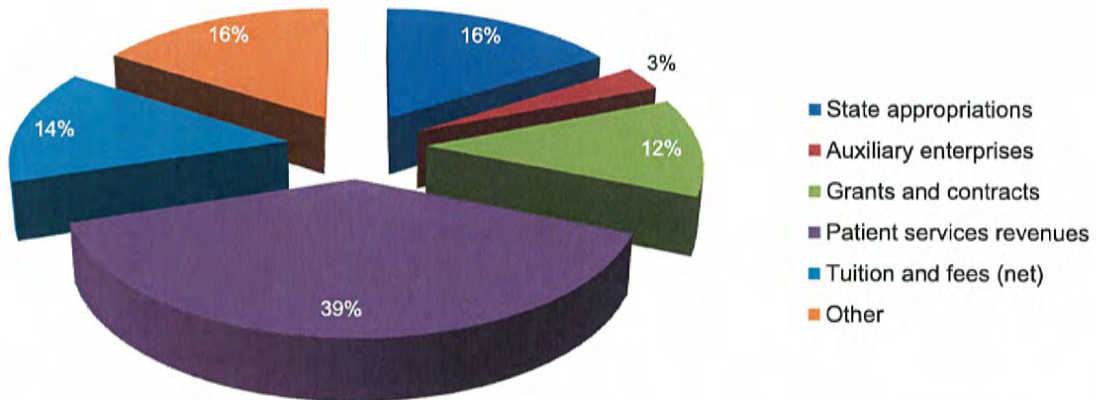
Source: University of South Alabama Annual Financial Report, Statements of Revenues, Expenses and Changes in Net Position

USA Objective 5.2: Maximize efforts to secure increase State appropriation funding

Revenue Sources, 2013

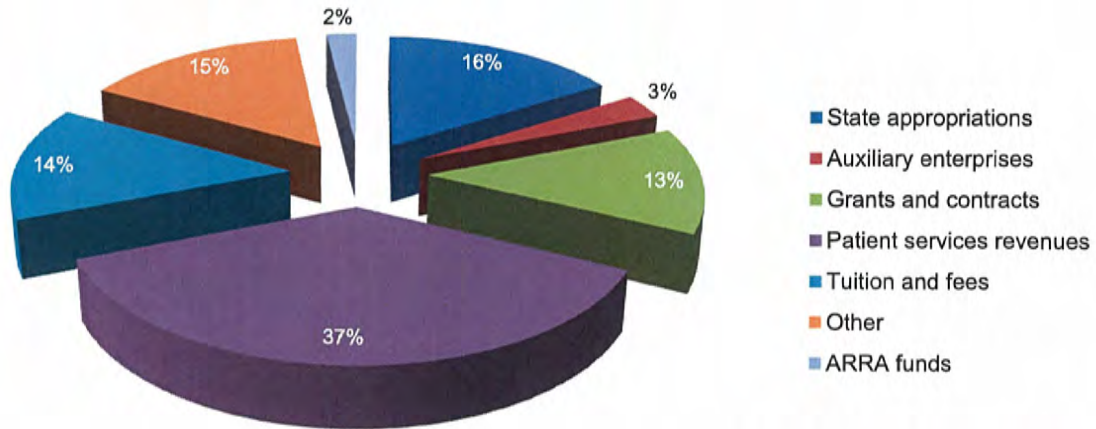


Revenue Sources, 2012



Objective 5.2 (Continued)

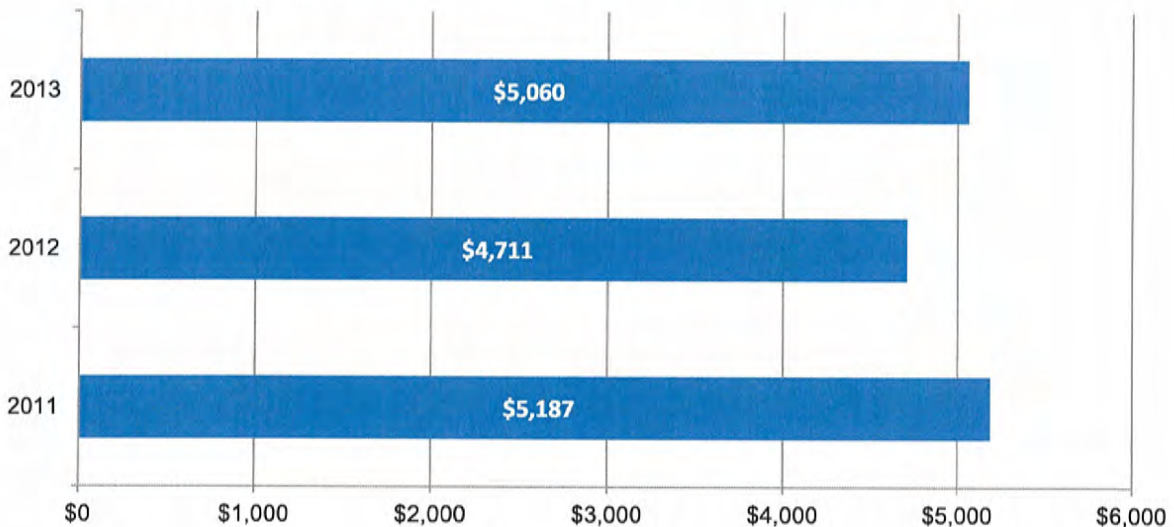
Revenue Sources, 2011



Source: University of South Alabama Annual Financial Report, Management's Discussion and Analysis (Unaudited).

USA Objective 5.3: Increase extramural funding from grants and contracts.

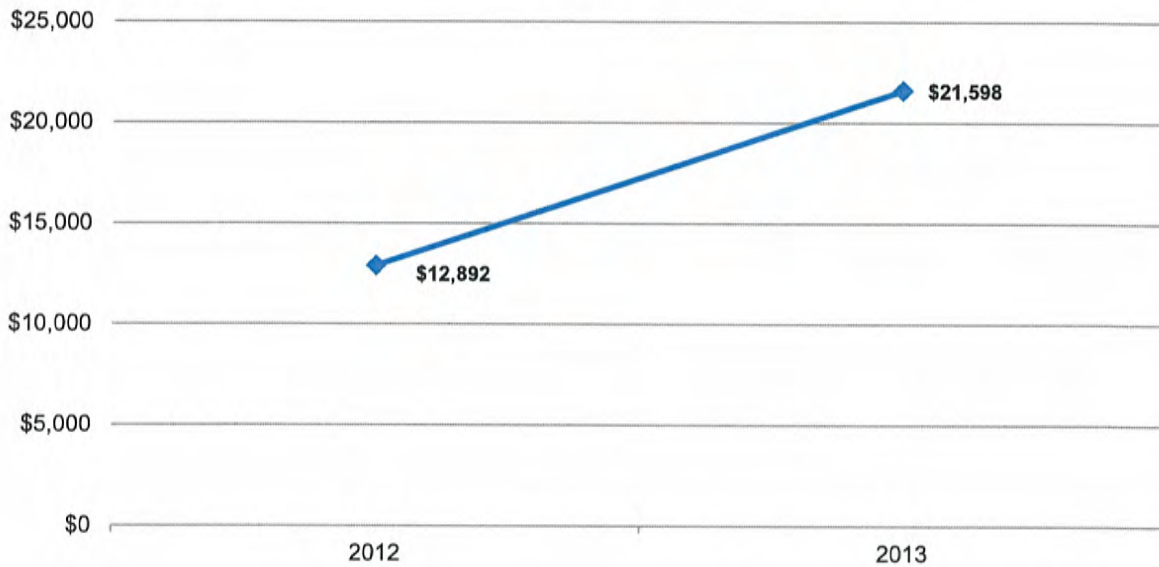
Facilities & Administrative Reimbursements (Indirect Costs), 2011-13 (in thousands)



Source: Grants and Contracts, Banner Report ZFGR0026

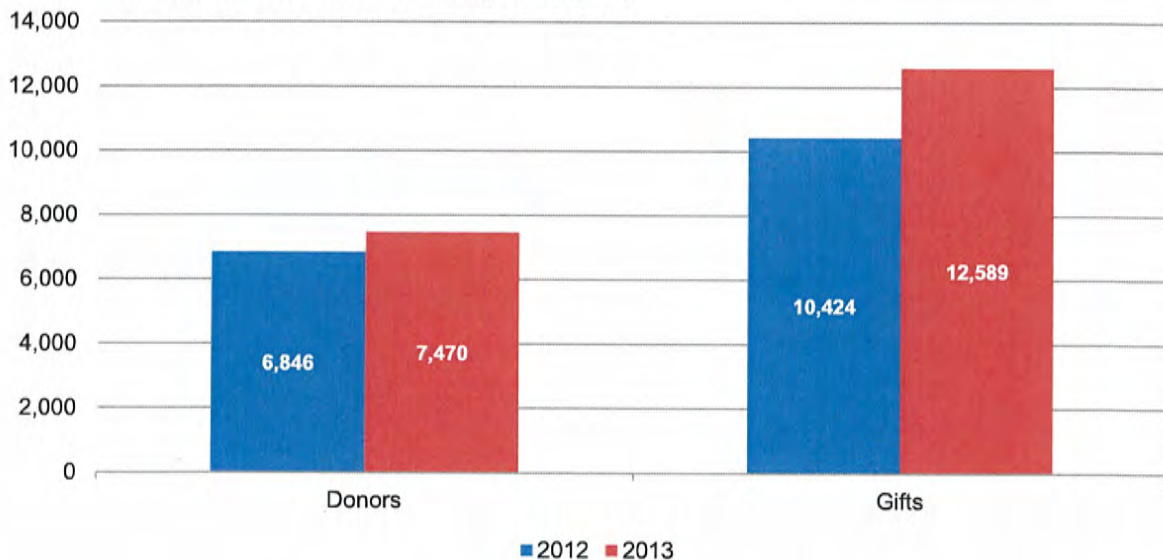
USA Objective 5.4: Continue to expand and strengthen the University's fund-raising programs.

Dollar Value of Gifts to the University, 2012-2013
(thousands)



Source: Office of Development and Alumni Relations

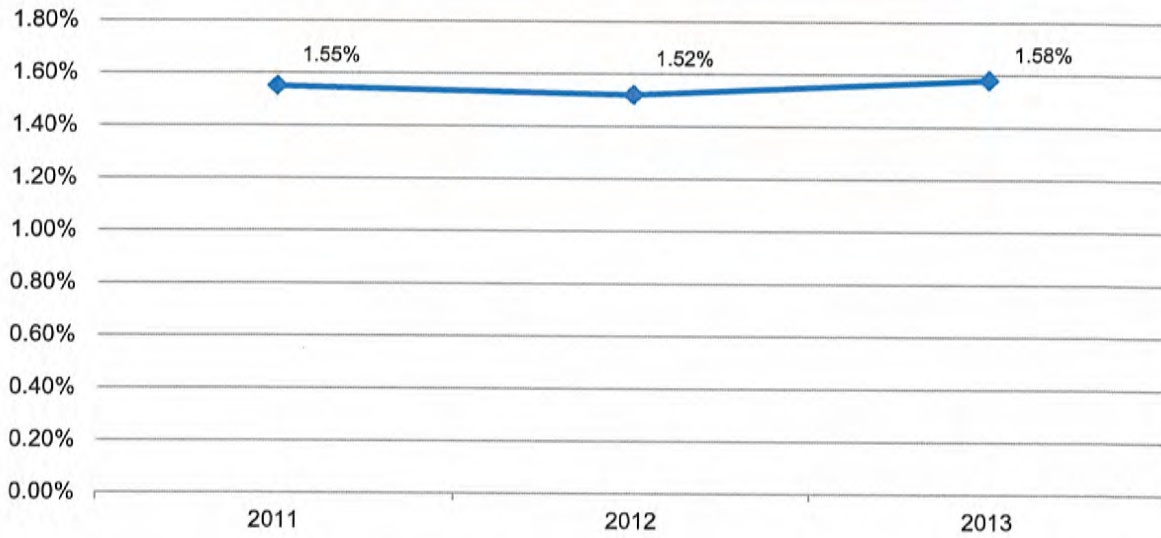
Number of Donors and Gifts, 2012-2013



Source: Office of Development and Alumni Relations

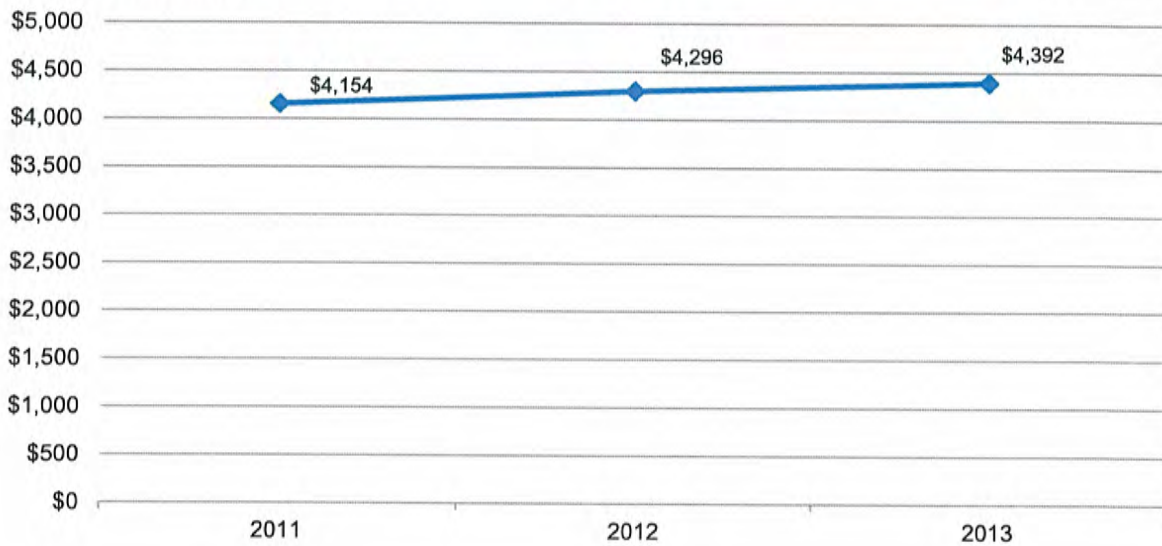
USA Objective 5.5: Collaborate with the USA Foundation to increase institutional support.

Distribution as a Percent of USA Foundation Assets, 2011-2013



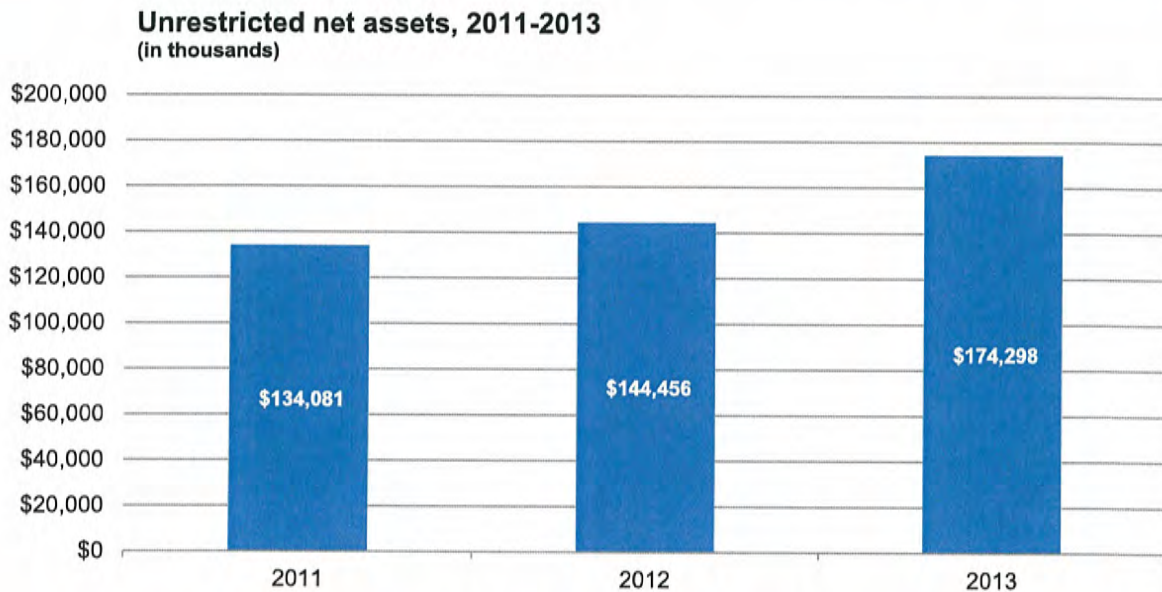
Source: USA, Division of Financial Affairs

Contributions by USA Foundation, 2011-2013 (in thousands)



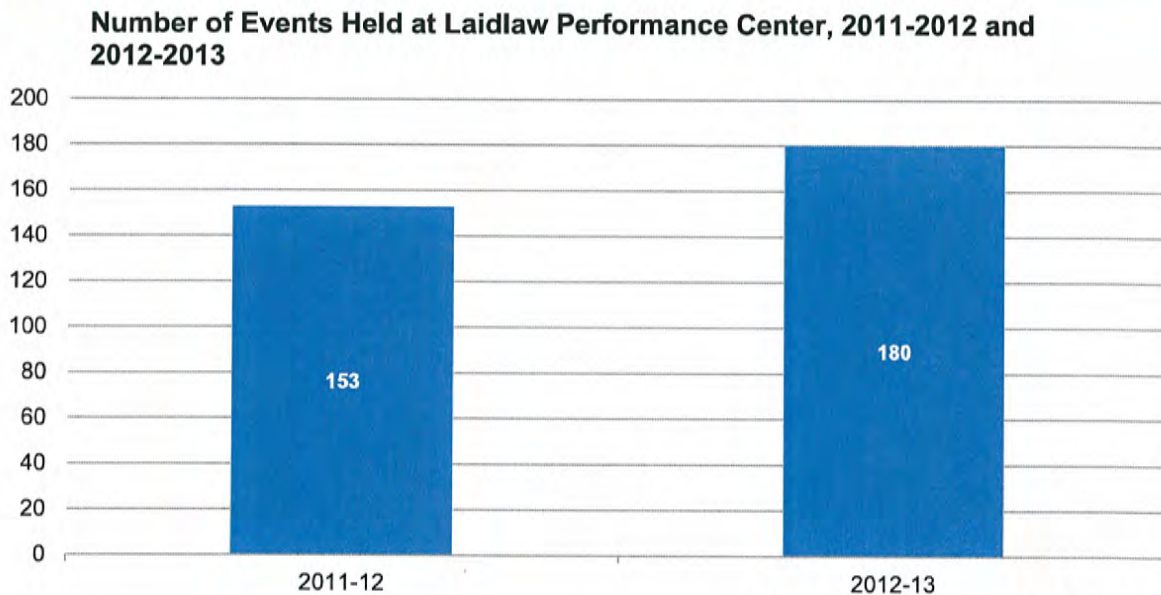
Source: USA, Division of Financial Affairs

USA Objective 5.6: Be fiscally prudent and pursue opportunities for gains in efficiency.



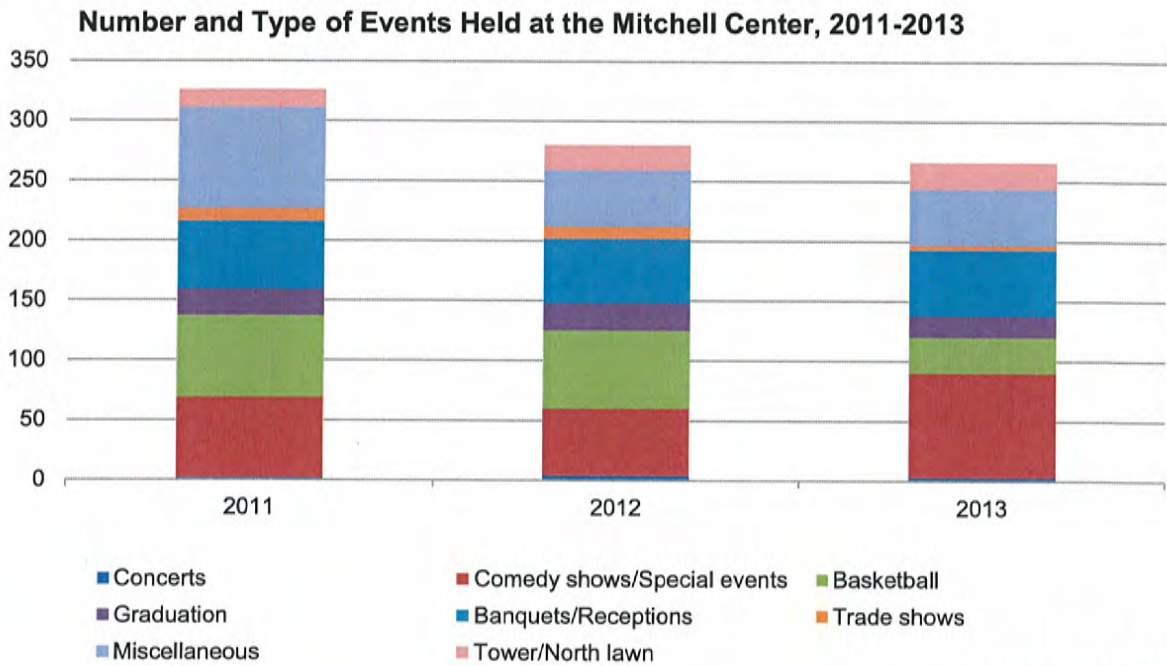
Source: University of South Alabama Audited Annual Financial Report, Statements of Net Position

USA Objective 6.1: Increase the number and variety of cultural programs and presentations.

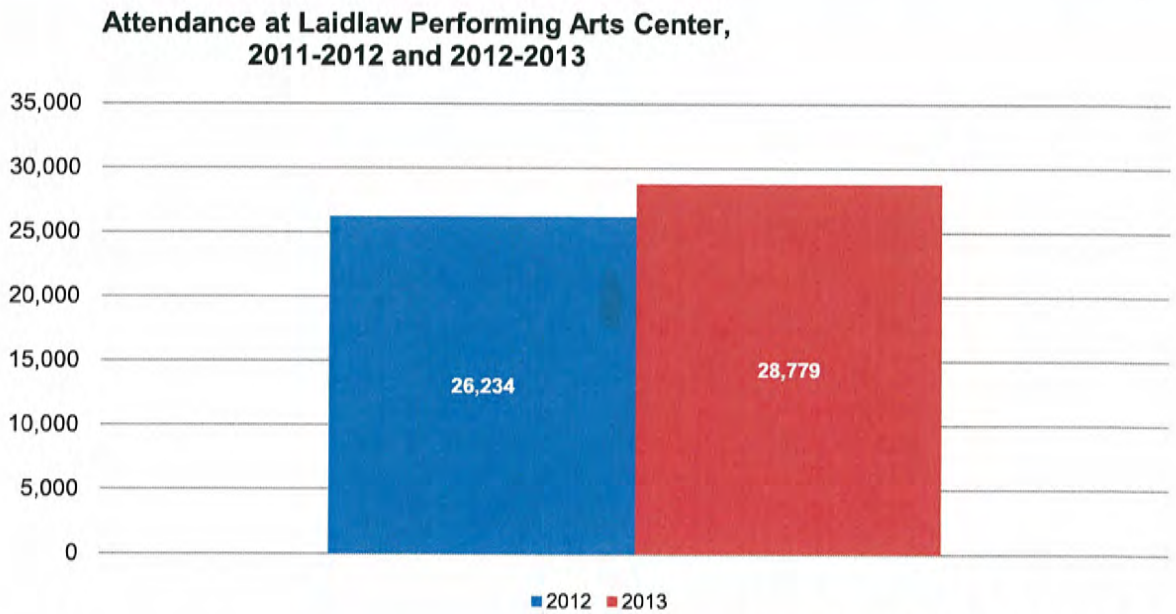


Source: Departments of Music and Dramatic Arts

Objective 6.1 (Continued)

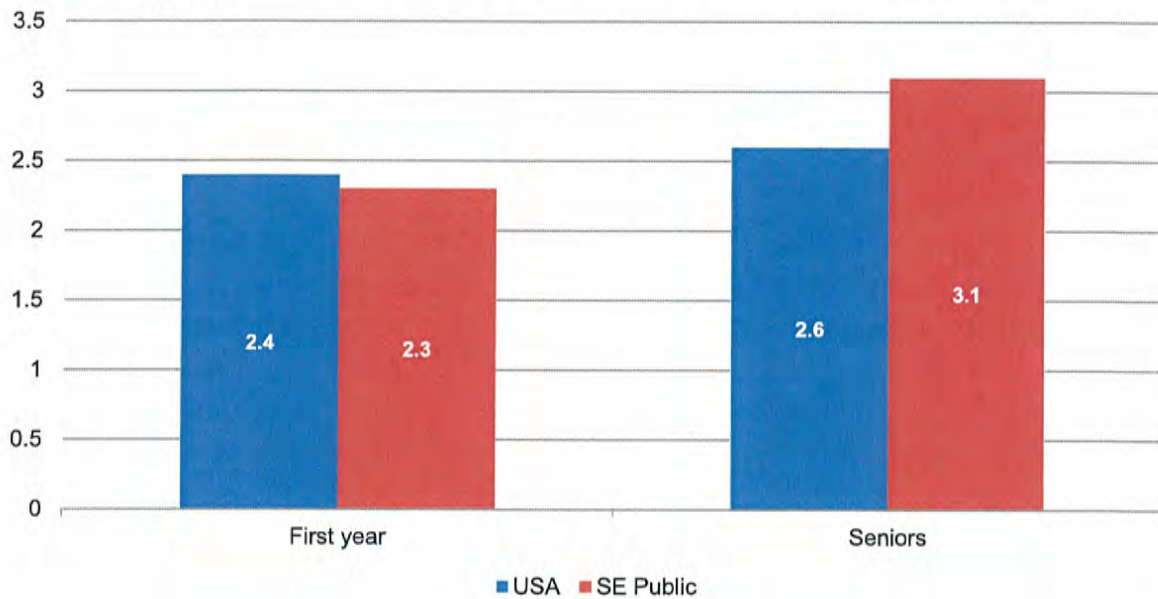


USA Objective 6.2: Increase the scope and impact of USA public service programs.

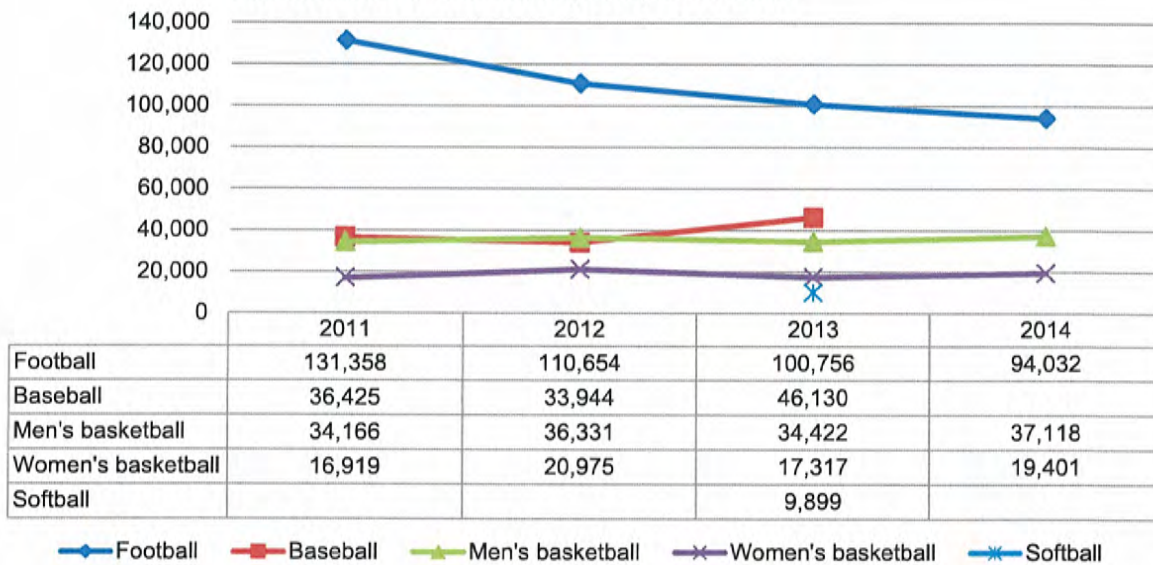


USA Objective 6.3: Increase the number of attendees at University athletic and cultural events.

Average Time National Survey of Student Engagement Participants Spent Doing Community Service or Volunteer Work in a Typical Week (hours), 2013



Attendance at Ticketed Sports, 2011-2014



Source: Athletics

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, 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, 2014.

PAT CAPPS COVEY COLLEGE OF ALLIED HEALTH PROFESSIONS:

Tenure:

Coral M. Gubler
Kelli J. Evans

Promotion to Associate Professor:

Coral M. Gubler
Ishara Ramkissoon
Kelli J. Evans

Promotion to Assistant Professor:

Cheryl L. Davis

Promotion to Senior Instructor:

Charles O. Erwin

COLLEGE OF ARTS AND SCIENCES:

Tenure:

Maria A. Byrne
Christine R. Eaton
Christopher R. Freed
T. Allan Hillman
Laura M. Moore
Sinead M. Ni Chadhain
Mollie E. Nouwen
William F. Patterson, III
Carol F. Sawyer
Corina S. Schulze
Wesley D. Terwey

Promotion to Associate Professor:

Maria A. Byrne
Christine R. Rinne Eaton
Christopher R. Freed
T. Allan Hillman
Laura M. Moore
Mollie E. Nouwen
Carol F. Sawyer
Corina S. Schulze

Promotion to Professor:

Nicole E. Amare
David Z. Durant
Harrison S. Miller
John F. Shelley-Tremblay
Richard E. Sykora
Peter J. Wood
Roger Anthony Wright

Promotion to Senior Instructor:

Nadia K. Bush
Megan S. Sparks

COLLEGE OF EDUCATION:

Tenure:

Wanda Maulding Green
Shelley L. Holden

Promotion to Associate Professor:

Shelley L. Holden

Promotion to Senior Instructor:

Randall J. Anastasio

Promotion to Professor:

Susan P. Santoli
Karyn W. Tunks

COLLEGE OF ENGINEERING:

Tenure:

M. Yousef El-Sharkh
Samantha Islam
Silas J. Leavesley
Bret M. Webb
Kevin N. West

Promotion to Associate Professor:

M. Yousef El-Sharkh
Samantha Islam
Silas J. Leavesley
Bret M. Webb
Kevin N. West

COLLEGE OF MEDICINE:

Tenure:

Paul Brett
Andrea Wright
Robert Britton

Promotion to Professor:

Brian Fouty
Hanes Swingle

Promotion to Associate Professor:

Diego Alvarez
Jonathan Audia
Ghulam Awan
Rosina Connelly

Promotion to Associate Librarian:

Andrea Wright
Robert Britton

COLLEGE OF NURSING:

Promotion to Professor:

Jennie A. Gunn
Kimberly A. Williams

Promotion to Associate Professor:

Christopher T. Harlan

Promotion to Senior Instructor:

Suzanne M. Bihan

MITCHELL CANCER INSTITUTE:

Tenure:

Ajay Singh
Yaguang Xi

Promotion to Associate Professor:

Ajay Singh
Yaguang Xi

MITCHELL COLLEGE OF BUSINESS:

Promotion to Senior Instructor:

Nancy J. Lambe
Ellen K. Madden

Promotion to Professor:

Treena L. Gillespie Finney
Kenneth J. Hunsader
Donald C. Mosley, Jr.

Promotion to Associate Professor:

Teresa G. Weldy

SCHOOL OF COMPUTING:

Tenure:

Jeffrey T. McDonald

Promotion to Professor:

Jeffrey T. McDonald

UNIVERSITY LIBRARY:

Tenure:

Angela M. Rand

Promotion to Associate Librarian:

Angela M. Rand




MEMORANDUM

UNIVERSITY OF SOUTH ALABAMA

OFFICE OF ACADEMIC AFFAIRS

April 21, 2014

TO: Tony G. Waldrop
President

FROM: G. David Johnson 

SUBJECT: Faculty Tenure and Promotion Recommendations, 2014

Given below are my recommendations for faculty tenure and promotions for 2014:

Recommend Awarding Tenure:

Maria A. Byrne – Department of Mathematics and Statistics
Christine R. Eaton – Department of Foreign Languages and Literatures
M. Yousef El-Sharkh – Department of Electrical and Computer Engineering
Christopher R. Freed – Department of Sociology, Anthropology and Social Work
Wanda Maulding Green – Department of Leadership and Teacher Education
T. Allan Hillman – Department of Philosophy
Shelley L. Holden – Department of Health, Physical Education and Leisure Studies
Samantha Islam – Department of Civil Engineering
Silas J. Leavesley – Department of Chemical and Biomolecular Engineering
Jeffrey T. McDonald – School of Computing
Laura M. Moore – Department of Music
Sinead M. Ni Chadhain – Department of Biology
Mollie E. Nouwen – Department of History
William F. Patterson, III – Department of Marine Sciences
Angela M. Rand – USABC Library
Carol F. Sawyer – Department of Earth Sciences
Corina S. Schulze – Department of Political Science and Criminal Justice
Wesley D. Terwey – Department of Earth Sciences
Bret M. Webb – Department of Civil Engineering
Kevin N. West – Department of Chemical and Biomolecular Engineering

Recommend Promotion to Senior Instructor:

Randall J. Anastasio – Department of Health, Physical Education and Leisure Studies
Nadia K. Bush – Department of Communication
Nancy J. Lambe – Department of Management
Ellen K. Madden – Department of Accounting
Megan S. Sparks – Department of Communication

Recommend Promotion to Associate Professor:

- Maria A. Byrne – Department of Mathematics and Statistics
- Christine R. Eaton – Department of Foreign Languages and Literatures
- M. Yousef El-Sharkh – Department of Electrical and Computer Engineering
- Christopher R. Freed – Department of Sociology, Anthropology and Social Work
- T. Allan Hillman – Department of Philosophy
- Shelley L. Holden – Department of Health, Physical Education and Leisure Studies
- Samantha Islam – Department of Civil Engineering
- Silas J. Leavesley – Department of Chemical and Biomolecular Engineering
- Laura M. Moore – Department of Music
- Mollie E. Nouwen – Department of History
- Carol F. Sawyer – Department of Earth Sciences
- Corina S. Schulze – Department of Political Science and Criminal Justice
- Bret M. Webb – Department of Civil Engineering
- Teresa G. Weldy – Department of Management
- Kevin N. West – Department of Chemical and Biomolecular Engineering

Recommend Promotion to Professor:

- Nicole E. Amare – Department of English
- David Z. Durant – Department of Music
- Treena L. Finney – Department of Management
- Kenneth J. Hunsader – Department of Economics and Finance
- Jeffrey T. McDonald – School of Computing
- Harrison S. Miller – Department of History
- Donald C. Mosley, Jr. – Department of Management
- Susan P. Santoli – Department of Leadership and Teacher Education
- John F. Shelley-Tremblay – Department of Psychology
- Richard E. Sykora – Department of Chemistry
- Karyn W. Tunks – Department of Leadership and Teacher Education
- Peter J. Wood – Department of Music
- Roger Anthony Wright – Department of Visual Arts

Recommend Promotion to Associate Librarian:

- Angela M. Rand – USABC Library

All portfolios and recommendations with accompanying rationales are available for your review in the Office of Academic Affairs. Upon your final action, a resolution for the Board of Trustees will be forwarded.

Approved *[Signature]* 4-22-14

Disapproved _____

GDJ/pbm

JUN 03 2014

OFFICE OF THE VICE PRESIDENT
FOR HEALTH SCIENCES



UNIVERSITY OF SOUTH ALABAMA
TELEPHONE: (251) 460-7189
MOBILE, ALABAMA 36688-0002
FAX: (251) 460-6073

TO: Dr. Tony G. Waldrop
President, University of South Alabama

FROM: Ronald D. Franks, M.D.
Vice President for Health Sciences

Date: June 3, 2014

SUBJECT: Health Sciences Division Faculty Promotion and Tenure
Recommendations, 2014

Below are my recommendations for the Health Sciences Division faculty promotion and tenure for 2014. These recommendations are being forwarded to you for your approval and for approval by the Board of Trustees.

RECOMMENDED:

COLLEGE OF ALLIED HEALTH PROFESSIONS:

Tenure:
Coral M. Gubler
Kelli J. Evans

Promotion to Assistant Professor:
Cheryl L. Davis

Promotion to Associate Professor:
Coral M. Gubler
Ishara Ramkissoon
Kelli J. Evans

Promotion to Senior Instructor:
Charles O. Erwin

COLLEGE OF MEDICINE:

Tenure:
Paul Brett
Andrea Wright
Robert Britton

Promotion to Professor:
Brian Fouty
Hanes Swingle

Promotion to Associate Professor:
Diego Alvarez
Ghulam Awan
Rosina Connelly
Jonathon Audia

Promotion to Associate Librarian:
Andrea Wright
Robert Britton

COLLEGE OF NURSING:

Promotion to Professor:
Jennie A. Gunn
Kimberly A. Williams

Promotion to Associate Professor:
Christopher T. Harlan

Promotion to Senior Instructor:
Suzanne M. Bihan

MITCHELL CANCER INSTITUTE:

Tenure:
Ajay Singh
Yaguang Xi

Promotion to Associate Professor:
Ajay Singh
Yaguang Xi

RESOLUTION

**TUITION, HOUSING AND FEES SCHEDULES
2014-2015**

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

WHEREAS, the Alabama Legislature has approved a 2014-2015 education budget that increases USA's state funding by only \$728,084 or .71 percent from last year, in the face of an increased PEEHIP cost of \$735,416, and

WHEREAS, USA has faced accumulated reductions in state appropriations of \$262.1 million since 2007-2008, and

WHEREAS, the University responded to the recession and reductions in state appropriations by implementing numerous cost-cutting measures that remain in place, and

WHEREAS, after extensive analysis of the University's financial needs for 2014-2015 and beyond, the University Administration and Budget Council have determined that increases in tuition and fees, housing, and meals are necessary to maintain the standard of quality that USA students and their families desire and expect, and

WHEREAS, with the proposed tuition, housing, and meal rates for 2014-2015, 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, that the Board of Trustees of the University of South Alabama approves the tuition, housing, meals, and required student fees for the 2014-2015 academic year as set forth in the attached schedules.

University of South Alabama

Tuition & Fees, 2014-2015

3.5% Increase

Student Classification	Current	Proposed	Change
	<u>2013-2014</u>	<u>2014-2015</u>	
Undergraduate In-State	\$277	\$287	\$10
Graduate In-State	\$374	\$387	\$13

Non-resident rate is twice the resident rate.

Student Classification	Current full academic year tuition plus fees	Proposed full academic year tuition & fees	Change in full academic year tuition
	<u>2013-2014</u>	<u>2014-2015</u>	
Undergraduate In-State	\$8,310	\$8,610	\$300
Graduate In-State	\$8,976	\$9,288	\$312

Note: Based on 30 undergraduate and 24 graduate hours over two semesters per academic year.

Non-resident rate is twice the resident rate.

Web Course per Hour Tuition

3.5% Increase

Undergraduate	\$365	\$378	\$13
Graduate	\$444	\$460	\$16

College of Medicine

4% Increase

College of Medicine	\$26,617	\$27,682	\$1,065
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UNIVERSITY OF SOUTH ALABAMA
2014-2015 Proposal

In-State Tuition Rate	Undergraduate		Graduate	
	Current Tuition	3.5% Increase	Current Tuition	3.5% Increase
Tuition Rate by College				
College of Arts and Sciences	\$277	\$287	\$374	\$387
College of Education				
School of Continuing Education				
Pat Capps Covey College of Allied Health Professions	\$292	\$302	\$394	\$408
Mitchell College of Business				
School of Computing*				
College of Nursing				
College of Engineering	\$296	\$306	\$398	\$412

Out-of-State Tuition Rate	Undergraduate		Graduate	
	Current Tuition	2 times the in-state rate	Current Tuition	2 times the in-state rate
Tuition Rate by College				
College of Arts and Sciences	\$554	\$574	\$748	\$774
College of Education				
School of Continuing Education				
Pat Capps Covey College of Allied Health Professions	\$584	\$604	\$788	\$816
Mitchell College of Business				
School of Computing*				
College of Nursing				
College of Engineering	\$592	\$612	\$796	\$824

Web Course Tuition Rate	Undergraduate		Graduate	
	Current Tuition	3.5% Increase	Current Tuition	3.5% Increase
Tuition Rate by College				
College of Arts and Sciences	\$365	\$378	\$444	\$460
College of Education				
School of Continuing Education				
Pat Capps Covey College of Allied Health Professions	\$379	\$392	\$465	\$481
Mitchell College of Business				
School of Computing*				
College of Nursing				
College of Engineering	\$384	\$397	\$469	\$485

*Prior to the 2014-15 Academic Year, School of Computing's tuition rate was the same as the College of Arts & Sciences.

2014-2015 Cost of Attendance

Full Time Undergraduate Resident (30 hours/year)
for a typical first-time Freshman Arts & Sciences Major

University of South Alabama @ 3.5% Increase

EXPENSE	2014-2015 COST
Tuition & Fees	\$8,610
Room*	\$4,600
Board**	\$3,300
Books	\$1,100
Parking Permit	Included in Tuition & Fees
TOTAL	\$17,610

*Room: New Hall two bed w/ private bath

**Board: Unlimited meals with \$175 bonus bucks

Auburn University @ 3.5% Increase

EXPENSE	2014-2015 COST
Tuition & Fees	\$10,200
Room*	\$8,400
Board**	\$3,612
Books	\$1,100
Parking Permit	\$60
TOTAL	\$23,372

*Room: The Village - 2 bedroom with bath

**Board: 15 meals per week

University of Alabama @ 3.5% Increase

EXPENSE	2014-2015 COST
Tuition & Fees	\$9,781
Room*	\$7,100
Board**	\$3,916
Books	\$1,100
Parking Permit	\$200
TOTAL	\$22,097

*Room: Blount Hall- 2 bed with private bath

**Board: ** Unlimited meals with required \$325 dining dollars

University of Alabama at Birmingham @ 3.5% Increase

EXPENSE	2014-2015 COST
Tuition & Fees	\$9,216
Room*	\$5,720
Board**	\$3,640
Books	\$1,100
Parking Permit	\$130
TOTAL	\$19,806

*Room: Blazer Hall - 2 bedroom with 2 bath suite

** Blazer 2 plan- 12 meals/week w/ \$300 flex dollars

Troy University @ 4% Increase.

EXPENSE	2014-2015 COST
Tuition & Fees	\$8,237
Room*	\$4,430
Board**	\$3,106
Books	\$1,100
Parking Permit	\$50
TOTAL	\$16,923

*Room: Newman Center 2 bed/2 person suite

**Board: 14 meals per week plus \$350 Flex Dollars

Jacksonville University @ 0% Increase

EXPENSE	2014-2015 COST
Tuition & Fees	\$8,490
Room*	\$4,210
Board (food)**	\$2,750
Books	\$1,100
Parking Permit	\$25
TOTAL	\$16,575

* Room: Logan 2 person w/private bath

** 14 meals a week w/125 flex dollars

2014-2015 Tuition & Fees Comparison @ 3.5% Increase

University of South Alabama		
EXPENSE	2014-2015 COST	Increase
Tuition & Fees	\$8,610	3.5%
Auburn University		
EXPENSE	2014-2015 COST	Increase
Tuition & Fees	\$10,200	3.5%
University of Alabama		
EXPENSE	2014-2015 COST	Increase
Tuition & Fees	\$9,781	3.5%
University of Alabama at Birmingham		
EXPENSE	2014-2015 COST	Increase
Tuition & Fees	\$9,216	3.5%
Troy University		
EXPENSE	2014-2015 COST	Increase
Tuition & Fees	\$8,237	4%
Jacksonville State University		
EXPENSE	2014-2015 COST	Increase
Tuition & Fees	\$8,490	0%

MAY 08 2014

UNIVERSITY OF SOUTH ALABAMA

VICE PRESIDENT FOR STUDENT AFFAIRS
AND SPECIAL ASSISTANT TO THE PRESIDENT



UNIVERSITY OF SOUTH ALABAMA
TELEPHONE: (251) 460-6171
307 UNIVERSITY BLVD, N., RM 130
MOBILE, ALABAMA 36688-0002

TO: Dr. Tony Waldrop
FROM: John Smith, ^{CA} Vice President for Student Affairs and
Special Assistant to the President
DATE: May 8, 2014
RE: ROOM AND BOARD RATES 2014-2015

Dr. Chris Vinet, Director of Housing, has proposed an average increase of 3% for student housing room rates and 2.5% for required meal plans for the 2014-2015 academic year. Even with these increases our rates are comparable to, or well below, other universities in the state (see attached). The meal plan adjustment is needed to meet rising food costs. The room rate adjustment is needed to fund the debt service for residence hall renovations that are being completed this summer, as well as increased operating costs.

I have discussed these proposals with Dr. Vinet and recommend them to you for approval. Please let me know if I can provide you with additional information.

JWS/bjs

cc: Mr. Steve Simmons, Vice President for Financial Affairs
Dr. David Johnson, Sr. Vice President for Academic Affairs

Approved
Tony Waldrop
5-9-14

UNIVERSITY OF SOUTH ALABAMA
Department of Housing & Residence Life
www.southalabama.edu/housing

251 Delta Loop
Mobile, AL 36688-0002



Telephone: (251) 460-6185
Fax: (251) 460-6143

TO: Mike Mitchell, Assistant Vice President for Student Affairs
FROM: Chris Vinet, Director of Housing *CV*
DATE: March 25, 2014
RE: Housing Rate Increase 2014-2015

Housing maintained a 90% annualized occupancy for 2013-2014 and current applications for 2014-2015 have increased more than 200 over last year at this same time.

Housing is anticipating increases in operating expenses in 2014-2015 and will continue to endeavor to increase reserves for future renovation and repairs. Renovation of Epsilon 2 and general improvements in various facilities are planned for the summer of 2014. These renovation projects will result in approximately \$2.5 million dollars of improvements to housing facilities.

Housing is proposing the following rate structure for 2014-2015 with an overall average increase of 3%. In an effort to keep rates as low as possible, we recommend no increase in the current summer sessions rate.

It appears that for 2014-2015, Auburn is proposing to their Board of Trustees an average of 10% increase in university housing rates and Alabama is not proposing an increase for the upcoming academic year. Neither Troy nor The University of Alabama at Birmingham have published their proposed rate increase for the upcoming year but their rate increase last year averaged between 3.3% at Troy and 3.2% at UAB for comparative unit types. With the proposed increase, USA would continue to remain very competitive for university housing within the state of Alabama and the Gulf Coast region.

I have attached the rate proposal and housing comparison for your review.

Please let me know if you would like more information regarding this proposal.

Approved
ML
4-4-14

2014 - 2015 Proposed Semester Room Rates

Residence Hall		2013-2014 Current Rate	2014-2015 Proposed Rate	Difference
BETA	Two Bedroom Apartment for Four	\$1,835	\$1,900	\$65
	Two Bedroom Apartment for Two	\$2,600	\$2,650	\$50
	Studio Apartment for Two	\$2,030	\$2,110	\$80
	Private Apartment	\$2,600	\$2,650	\$50
GAMMA	Suite for Two	\$2,470	\$2,485	\$15
	Two Bedroom Apartment for Two	\$2,600	\$2,650	\$50
	Studio Apartment for Two	\$2,030	\$2,110	\$80
	Private Apartment	\$2,600	\$2,650	\$50
DELTA	Two Person Room (D3-5)	\$1,835	\$1,900	\$65
	Large Private Room (D3-5)	\$2,470	\$2,485	\$15
	Private Room (D3-5)	\$2,195	\$2,250	\$55
	Two Person Room w/ kitchenette (D6)	\$2,030	\$2,110	\$80
	Private Room w/ kitchenette (D6)	\$2,470	\$2,485	\$15
EPSILON 1	Two Person Room	\$2,030	\$2,150	\$120
EPSILON 2	Two Person Room	\$1,835	\$2,150	\$315
NEW HALL	Two Person Room	\$2,300	\$2,300	\$0
STOKES	Suite for Two	\$2,600	\$2,650	\$50

Housing Comparison Semester Rates

USA (2013-2014)

Two person room	\$1,835 - \$2,300
Private room/suite	\$2,195 - \$2,600
Two person room with kitchenette	\$2,030
Private room with kitchenette	\$2,470
Two bedroom apartment	\$1,835 - \$2,600

USA (2014-2015 Proposed average increase - 3.0%)

Two person room	\$1,900 - \$2,300
Private room/suite	\$2,250 - \$2,650
Two person room with kitchenette	\$2,110
Private room with kitchenette	\$2,485
Two bedroom apartment	\$1,900 - \$2,650

Auburn University (2014-2015)

Two person room	\$2,750
Private room/suite	\$3,800 - \$4,200

University of Alabama (Anticipated 2014-2015)

Two person room	\$2,800
Private room/suite	\$3,250 - \$4,750
Private apartment	\$4,225

University of Alabama at Birmingham (2013-2014)

Two person room/quad suite	\$2,800
Private apartment	\$4,010

Troy University (2013-2014)

Two person room/quad suite	\$1,808
Private room	\$1,942
Private apartment	\$2,735

UNIVERSITY OF SOUTH ALABAMA
Department of Housing & Residence Life
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251 Delta Loop
Mobile, AL 36688-0002



Telephone: (251) 460-6185
Fax: (251) 460-6143

TO: John Smith, Vice President for Student Affairs and Special Assistant to the President
FROM: Chris Vinet, Director of Housing
DATE: May 2, 2014
RE: Resident Meal Plan Rate Increase 2014-2015

In response to students' feedback requesting additional access to campus retail dining locations, Dining Services has proposed the following changes to resident meal plans for the 2014-2015 academic year.

Three unlimited meal plans are currently offered to freshmen and sophomore residents which include \$150, \$250, or \$400 Bonus Bucks. The proposal includes keeping the unlimited dining portion of each plan and adding \$25 or \$50 to the Bonus Buck portion thus increasing the Bonus Buck portion to \$175, \$300, and \$450 respectively.

Three seven-meal-per week meal plans are currently offered to junior and senior residents which include \$100, \$425, or \$600 Bonus Bucks. The proposal includes removing availability of the plans with \$425 and \$600 Bonus Bucks and replacing them with higher value meal plans to reward loyalty of Junior and Senior residents.

The proposed overall average price increase for all meal plans is 2.5% with no meal plan exceeding an increase of 3.4%.

I have attached the rate proposal for your review.

Please let me know if you would like more information regarding this proposal.

Proposed 2014-2015 Semester Meal Plan Rates

Current 2013-2014	Proposed 2014-2015	Difference
All Access Jag Pass +150 Bonus Bucks	All Access Jag Pass +175 Bonus Bucks	\$1,650
All Access Jag Pass +250 Bonus Bucks	All Access Jag Pass +300 Bonus Bucks	\$1,715
All Access Jag Pass +400 Bonus Bucks	All Access Jag Pass +450 Bonus Bucks	\$1,850
USA 7 + 100 Bonus Bucks	USA 7 + 100 Bonus Bucks	\$0
USA 7 + 425 Bonus Bucks	Block 25 + \$1,000 Bonus Bucks	-\$160
USA 7 + 600 Bonus Bucks	Block 50 + \$1,300 Bonus Bucks	-\$10

University of South Alabama
Quarterly Financial Statements
(A Component Unit of the State of Alabama)
Six Months Ended March 31, 2014 and 2013

Unaudited

University of South Alabama
Quarterly Financial Statements
(A Component Unit of the State of Alabama)
Six Months Ended March 31, 2014 and 2013

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University of South Alabama
Management's Discussion and Analysis

Introduction

The following discussion presents an overview of the financial position and financial activities of the University of South Alabama (the University). This discussion was prepared by University management and should be read in conjunction with the financial statements and notes thereto, which follow.

Financial Highlights

At March 31, 2014, the University had total assets and deferred outflows of \$1,093,000,000 total liabilities of \$587,498,000 and net position of \$506,311,000. University net position increased \$13,321,000 for the six months ended March 31, 2014 compared to an increase of \$5,597,000 for the six months ended March 31, 2013. An overview of each statement is presented below along with a financial analysis of the transactions impacting the statement.

Condensed financial statements for the University at and for the six months ended March 31, 2014 and 2013 follow (in thousands):

Condensed Statements of Net Position

	2014	2013
<i>Assets and deferred outflows</i>		
Current	\$ 362,029	\$ 309,598
Capital and other noncurrent assets	722,642	648,754
Deferred outflows	9,138	-
	1,093,809	958,352
<i>Liabilities</i>		
Current	166,082	108,199
Noncurrent	421,416	391,046
	587,498	499,245
<i>Net Position</i>		
Net Investment in Capital Assets	225,413	232,596
Restricted, nonexpendable	38,310	35,340
Restricted, expendable	60,943	50,175
Unrestricted	181,645	140,996
	\$ 506,311	\$ 459,107

University of South Alabama

Management's Discussion and Analysis (continued)

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2014	2013
<i>Operating revenues</i>		
Tuition and fees	\$ 57,179	\$ 55,354
Hospital revenues, net	124,180	121,547
Other	63,129	62,936
	244,488	239,837
<i>Operating expenses</i>		
Salaries and benefits	210,619	203,928
Supplies and other services	71,757	71,270
Other	25,794	25,687
	308,170	300,885
Operating loss	(63,682)	(61,048)
<i>Nonoperating revenues (expenses)</i>		
State appropriations	51,348	50,693
Other, net	18,046	9,286
Net nonoperating revenues, net	69,394	59,979
Other revenues, expenses, gains or losses	7,609	6,666
Increase in net position	13,321	5,597
<i>Net Position</i>		
Beginning of period	492,990	453,510
End of period	\$ 506,311	\$ 459,107

Analysis of Financial Position and Results of Operations

Statements of Net Position

The statements of net position present the assets, liabilities and net position of the University as of the end of the current reporting period. The net position is displayed in three parts, net investment in capital assets net of related debt, restricted and unrestricted. Restricted net position may either be expendable or nonexpendable and are those assets that are restricted by law or by an external donor. Unrestricted net position, while it is generally designated for specific purposes, is available for use by the University to meet current expenses for any purposes. The statements of net position, along with all of the University's basic financial statements, are prepared under the accrual basis of

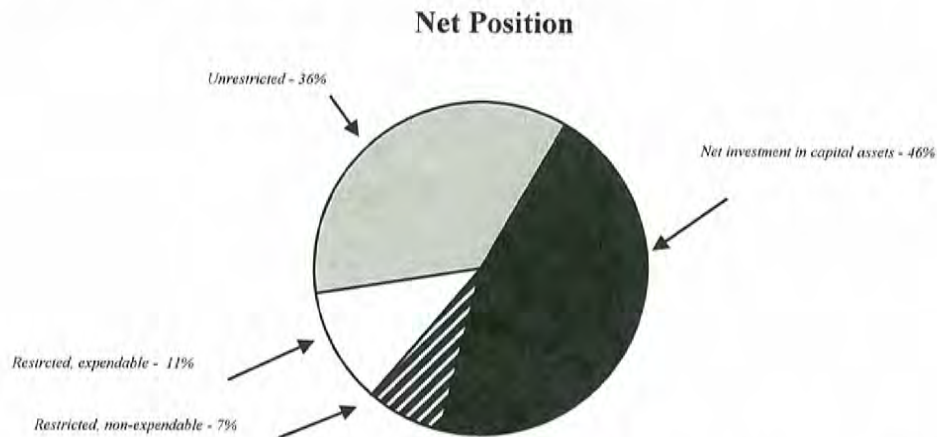
University of South Alabama

Management's Discussion and Analysis (continued)

accounting, whereby revenues are recognized when the goods or services are provided and expenses are recognized when others provide the service to the University, regardless of when cash is exchanged.

Assets included in the statements of net position are classified as current or noncurrent. Current assets consist primarily of cash and cash equivalents, operating investments and hospital patient accounts receivable. Current liabilities consist primarily of accounts payable, accrued liabilities and unrecognized revenue.

Net position represents the residual interest in the University's assets after liabilities are deducted and are classified into one of four categories as shown on the following illustration, as of the end of the current reporting period:



Net investment in capital assets represents the University's capital assets less accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted nonexpendable net position consists primarily of the University's permanent endowment funds. The corpus of these funds may not be expended and must remain with the University in perpetuity. Only the earnings from these funds may be expended. Restricted expendable net position is subject to externally imposed restrictions governing their use. The funds are restricted primarily for debt service, capital projects, student loans and scholarship purposes.

University of South Alabama

Management's Discussion and Analysis (continued)

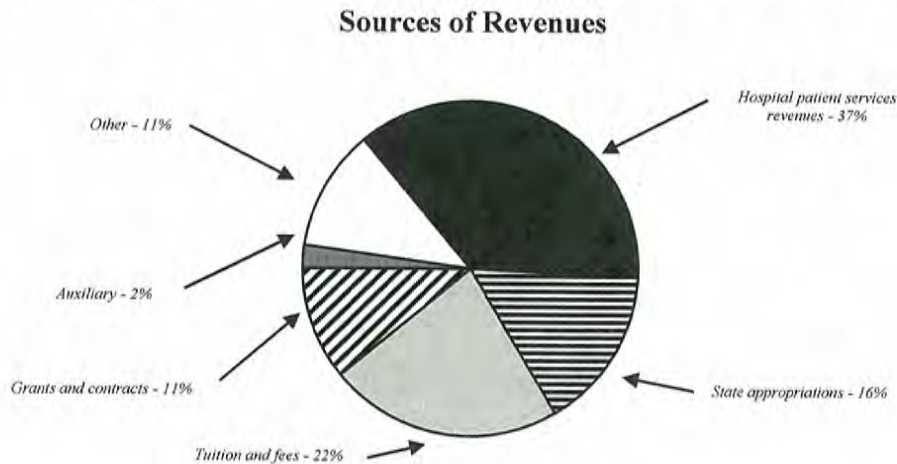
Although unrestricted net position is not subject to externally imposed stipulations, substantially all of the University's unrestricted net position has been designated for various academic and research programs and initiatives as well as capital projects.

Statements of Revenues, Expenses and Changes in Net Position

Changes in total University net position as presented on the statements of net position is based on the activity presented in the statements of revenues, expenses and changes in net position. The purpose of the statements is to present the revenues recognized by the University, both operating and nonoperating, and the expenses incurred by the University, operating and nonoperating, and any other revenues, expenses, gains and losses recognized or incurred by the University.

Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Nonoperating revenues are revenues received for which goods and services are not provided. GASB Statement No. 34 requires that state appropriations be classified as nonoperating.

Approximately one-half of the operating revenues of the University are hospital patient care revenues. The remainder consists primarily of tuition and fees, grants and contracts, auxiliary enterprise and other revenues. The following illustration presents the major sources of University revenues (operating, nonoperating and other) for the current period:

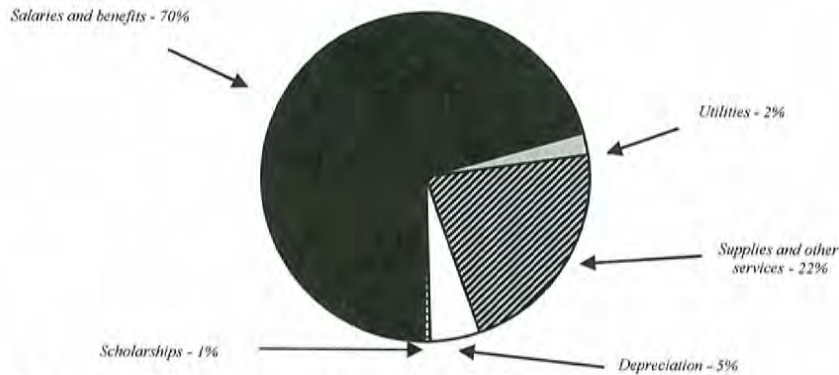


University of South Alabama

Management's Discussion and Analysis (continued)

University expenses are presented using natural expense classifications. Salaries and benefits represent the majority of the University's operating expenses. The following illustration presents the major University operating expenses, including the hospitals, using natural classification for the current period:

Operating Expenses by Natural Classification



Capital Assets and Debt Administration

During the current period, construction and construction planning continued on the Medical Professional Office Building and a major renovation of the Student Center. Additionally, several other smaller construction and renovation projects at the University and Hospitals remained ongoing during the current period. The construction of New Hall and the expansion of the USA Children's and Women's Hospital were essentially completed in fiscal 2013. In fiscal 2012, the renovation of the University Bookstore and the Campus Entrance Portals were placed into service.

In June 2013, the University issued the University Facilities Revenue Capital Improvement Bonds, Series 2013-A, 2013-B and 2013-C, with a face value of \$50,000,000. The net proceeds of these bonds will be used to fund the construction of a new professional medical office building as well as other construction and other capital projects on the main campus of the University.

In March 2014, the University issued the University Facilities Revenue Refunding Bond, Series 2014-A, with a face value of \$21,245,000. The net proceeds of this bond will be used to refund the University's Series 2004 bonds in April 2014.

University of South Alabama

Management's Discussion and Analysis (continued)

The University's bond credit rating is A1 as rated by Moody's Investors Services and A+ as rated by Standard and Poor's Rating Services. Neither rate has changed during 2013 or 2014.

In order to realize debt service savings currently from future debt refunding, in January 2008, the University entered into synthetic advance refundings of the outstanding Series 2004 and 2006 bonds. These transactions were effected through the sale of two swaptions by the University to a counterparty and resulted in an up-front payment to the University totaling \$9,328,000 in exchange for selling the counterparty the option to enter into interest rate swaps with respect to the Series 2004 and 2006 bonds. A portion of this payment is considered a borrowing and is included in the long-term debt of the University. The fair value component of the refunding associated with the swaps is considered an investment derivative and, as such, the change in the fair value component is reflected as a component of investment income.

In December 2013, the counterparty exercised its option to force the University to enter into a swap transaction. See Note 7 for a complete discussion of this transaction.

Economic Outlook

While enrollment and tuition have generally increased in recent years, state appropriations prior to 2006 were relatively flat. However, in the 2008, 2007 and 2006 fiscal years, the University experienced increases of 16%, 19% and 17%, respectively. These increases were unusually high. For the 2009 fiscal year, the University's original state appropriation decreased 12.8% or approximately \$17,882,000. Additionally, in December 2008 the Governor of Alabama announced proration of 9%, or approximately \$10,967,000; and in July 2009, the Governor announced additional proration of 2%, or approximately \$2,437,000. Therefore, the total decrease in the 2009 state appropriation was approximately \$31,286,000 to \$108,451,000, or 22.4% lower than in 2008.

A state appropriation in the amount of approximately \$99,947,000 was authorized and received for the year ended September 30, 2011. In February 2011, the Governor announced proration of 3%, or approximately \$2,999,000, that reduced the amount received to \$96,948,000.

A state appropriation in the amount of approximately \$105,639,000 was authorized and received for the year ended September 30, 2012.

University of South Alabama

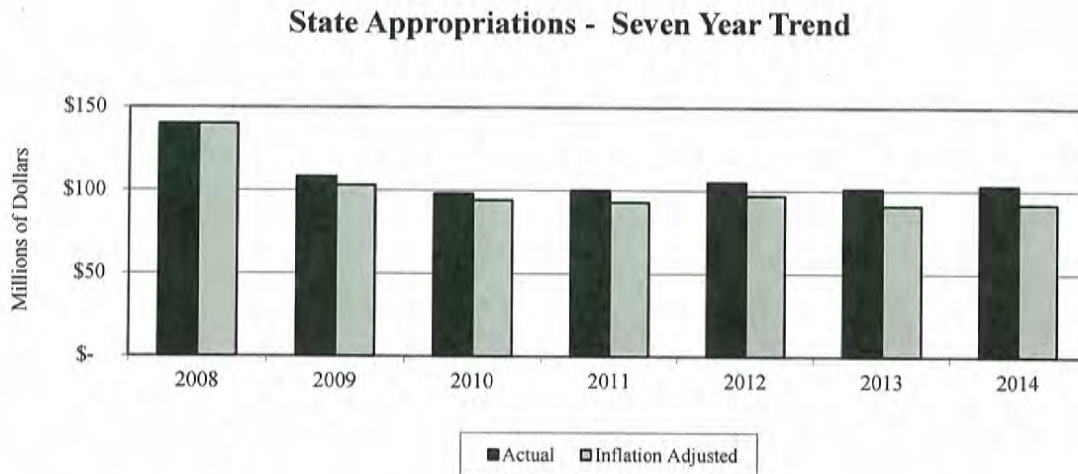
Management's Discussion and Analysis (continued)

A state appropriation in the amount of approximately \$102,585,000 was authorized and received for the year ended September 30, 2013.

A state appropriation in the amount of approximately \$102,696,000 has been authorized and is being received for the year ending September 30, 2014. While no announcement has been made, the University is aware that reductions in its 2014 appropriation are possible.

A state appropriation in the amount of approximately \$103,424,000 has been authorized for the year ending September 30, 2014. The University is aware that reductions in its 2014 appropriation are possible.

State appropriations (actual and adjusted for inflation) for the last seven years are illustrated below:



In addition to state appropriations, the University is subject to declines in general economic conditions in the United States and, specifically, the State of Alabama. Weakening of the economy could have a potential negative impact on the University's enrollment, extramural funding, endowment performance, and health care operations.

University of South Alabama

Management's Discussion and Analysis (continued)

Other than the issues presented above, University administration is not aware of any other currently known facts, decisions, or conditions that are expected to have a significant effect on the University's financial position or results of operations during fiscal year 2014 beyond those unknown variables having a global effect on virtually all types of business operations.

University of South Alabama

Statements of Net Position

March 31, 2014 and 2013

(In thousands)

	2014	2013
Assets		
Current assets		
Cash and cash equivalents	\$ 113,407	\$ 108,956
Investments, at fair value	145,752	101,674
Net patient service receivables	32,309	27,665
Accounts receivable, affiliates	21,368	26,312
Accounts receivable, other	32,866	26,956
Notes receivable, net	6,695	3,991
Prepaid expenses, inventories and other	9,632	14,044
Total current assets	362,029	309,598
Noncurrent assets		
Restricted cash and cash equivalents	86,218	48,505
Restricted investments	27,532	-
Investments, at fair value	483	773
Accounts receivable	4,279	4,636
Notes receivable, net	4,630	8,116
Other noncurrent assets	27,266	32,351
Capital assets (net of accumulated depreciation)	572,234	554,373
Total noncurrent assets	722,642	648,754
Deferred outflows	9,138	-
Total assets and deferred outflows	1,093,809	958,352
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	66,834	52,077
Unrecognized revenue	41,083	44,200
Deposits	2,403	2,040
Current portion of long-term debt	55,762	9,882
Total current liabilities	166,082	108,199
Noncurrent liabilities		
Long-term debt	380,836	343,541
Other long-term liabilities	40,580	47,505
Total noncurrent liabilities	421,416	391,046
Total liabilities	587,498	499,245
Net position		
Net investment in capital assets	225,413	232,596
Restricted, nonexpendable		
Scholarships	16,865	15,273
Other	21,445	20,067
Restricted, expendable		
Scholarships	14,492	9,013
Other	46,451	41,162
Unrestricted	181,645	140,996
Total net position	\$ 506,311	\$ 459,107

See accompanying notes to basic financial statements.

University of South Alabama

Statements of Revenues, Expenses and Changes in Net Position

Six Months Ended March 31, 2013 and 2014

(In thousands)

	2014	2013
Revenues		
Operating revenues		
Tuition and fees (net of scholarship allowances)	\$ 57,179	\$ 55,354
Patient services and other (net of contractual allowances and bad debt expense)	124,180	121,547
Federal grants and contracts	8,860	8,189
State grants and contracts	3,397	2,589
Private grants and contracts	26,007	25,634
Auxiliary enterprises (net of scholarship allowances)	9,638	8,768
Other operating revenues	15,227	17,756
Total operating revenues	244,488	239,837
Expenses		
Operating expenses		
Salaries and benefits	210,619	203,928
Supplies and other services	71,757	71,270
Scholarships and fellowships	3,543	3,084
Utilities	7,436	7,003
Depreciation and amortization	14,815	15,600
Total operating expenses	308,170	300,885
Operating loss	(63,682)	(61,048)
Nonoperating revenues (expenses)		
State appropriations	51,348	50,693
Investment income and gains (losses) on investments	7,328	3,823
Interest on indebtedness	(6,685)	(6,583)
Other nonoperating revenues	17,483	16,839
Other nonoperating expenses	(80)	(4,793)
Net nonoperating revenues	69,394	59,979
Income before other revenues, expenses, gains or losses	5,712	(1,069)
Capital appropriations	1,709	84
Capital gifts and grants	456	4,807
Additions to endowment	5,444	1,775
Increase in net position	13,321	5,597
Net position		
Beginning of period	492,990	453,510
End of period	\$ 506,311	\$ 459,107

See accompanying notes to basic financial statements.

University of South Alabama

Statements of Revenues, Expenses and Changes in Net Position

Six Months Ended March 31, 2013 and 2014

(In thousands)

<i>SNA-SRECNA NA</i>	-	-
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University of South Alabama

Statement of Cash Flows

Six Months Ended March 31, 2014 and 2013

(in thousands)

	2014	2013
Cash flows from operating activities:		
Receipts related to tuition and fees	\$ 43,763	\$ 42,398
Receipts from and on behalf of patients and third-party payers	143,009	128,807
Receipts from grants and contracts	34,975	36,037
Receipts related to auxiliary enterprises	8,454	7,824
Payments to suppliers and vendors	(77,836)	(92,268)
Payments to employees and related benefits	(215,841)	(205,349)
Payments for scholarships and fellowships	(3,543)	(3,084)
Other operating receipts	7,393	32,564
Net cash used in operating activities	(59,626)	(53,071)
Cash flows from noncapital financing activities:		
State appropriations	34,232	33,810
Endowment gifts	5,444	1,775
Agency funds received	447	530
Agency funds disbursed	(302)	(822)
Student loan program receipts	58,319	55,256
Student loan program disbursements	(58,270)	(55,508)
Other nonoperating revenues	15,372	21,606
Other nonoperating expenses	(80)	(4,793)
Net cash provided by noncapital financing activities	55,162	51,854
Cash flows from capital and related financing activities:		
Proceeds from issuance of capital debt	41,245	-
Capital gifts and grants	532	5,764
Purchases of capital assets	(15,845)	(35,215)
Proceeds from sale of capital assets	3,698	3,556
Principal payments on capital debt	(6,345)	(6,235)
Interest payments on capital debt	(7,691)	(7,103)
Net cash provided by (used in) capital and related financing activities	15,594	(39,233)
Cash flows from investing activities:		
Interest and dividends on investments	2,997	1,856
Proceeds from sales of investments	6,971	11,450
Purchases of investments	(42,596)	(18,750)
Net cash provided by (used in) investing activities	(32,628)	(5,444)
Net decrease in cash and cash equivalents	(21,498)	(45,894)
Cash and cash equivalents (unrestricted and restricted):		
Beginning of year	221,123	203,355
End of period	\$ 199,625	\$ 157,461

University of South Alabama

Statement of Cash Flows

Six Months Ended March 31, 2014 and 2013

(in thousands)

	<u>2014</u>	<u>2013</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (63,682)	\$ (61,048)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	14,815	15,600
Changes in operating assets and liabilities, net:		
Student receivables	3,560	3,031
Net patient service receivables	(3,256)	(15,265)
Grants and contracts receivables	(2,553)	(79)
Other receivables	(18,769)	16,338
Prepaid expenses, inventories, and other	864	(1,210)
Accounts payable and accrued liabilities	16,688	(3,054)
Unrecognized revenue	(7,293)	(7,384)
Net cash used in operating activities	<u>\$ (59,626)</u>	<u>\$ (53,071)</u>

See accompanying notes to basic financial statements.

University of South Alabama
Notes to Financial Statements
March 31, 2014

1. Summary of Significant Accounting Policies

Reporting Entity

The accompanying basic financial statements present the financial position and activities of the University of South Alabama (the University), which is a component unit of the State of Alabama.

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, consists of the primary government and all of its component units. Component units are legally separate organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial statements to be misleading or incomplete. Accordingly, at year-end, the basic financial statements include the accounts of the University, as the primary government, and the accounts of the following entities as component units.

During 2013, the University adopted GASB Statement No. 61, the Financial Reporting Entity: Omnibus, which amends GASB Statements No. 14 and No. 39, and provides criteria for determining whether criteria organization should be reported as component units based on the nature and significance of their relationship with the primary government. Such criteria include the appointment of a voting majority of the board of the organization, the ability to impose the will of the primary government on the organization and the financial benefits/burden between the primary government and the potential component unit. The statement also clarifies reporting and disclosure requirements for those organizations. Based on these criteria, the University reports the University of South Alabama Foundation (USA Foundation), the University of South Alabama Health Services Foundation (USAHSF), and the USA Research and Technology Corporation (the Corporation) as discretely presented component units in its annual financial statements. For quarterly reporting purposes, discretely presented component unit financial statements are not presented.

The University is also affiliated with the South Alabama Medical Science Foundation. This entity is not considered a component unit of the University under the provisions of GASB Statement Nos. 14, 39 and 61.

GASB Statement No. 61 requires the University, as the primary government, to include in its basic financial statements, as a blended component unit, organizations that, even though they are legally separate entities, meet certain requirements as defined by GASB Statement No. 61. Based on these criteria, the University reports the Professional Liability Trust Fund, the General Liability Trust Fund and the USA HealthCare Management, LLC as blended component units. For quarterly reporting purposes, only the USA HealthCare Management, LLC is presented as a blended component unit.

University of South Alabama
Notes to Financial Statements
March 31, 2014

Professional Liability and General Liability Trust Funds

The medical malpractice liability of the University is maintained and managed in a separate professional liability trust fund (the PLTF) in which the University, USAHSF, and USA HealthCare Management, LLC are the only participants. In accordance with the bylaws of the trust fund, the president of the University is responsible for appointing members of the trust fund policy committee. Additionally, the general liability of the University is maintained and managed in a general liability trust fund (the GLTF) for which the University is responsible, as defined by GASB Statement No. 14. The PLTF and GLTF are separate legal entities which are governed by the University Board of Trustees through the University president.

USA HealthCare Management, LLC

In June 2010, the University's Board of Trustees approved the formation of USA HealthCare Management, LLC (the LLC). The University is the sole member of the LLC, which was organized for the purpose of managing and operating on behalf of and as agent for, substantially all of the health care enterprises of the University.

University of South Alabama Foundation

The USA Foundation is a not-for-profit corporation that was organized for the purpose of promoting education, scientific research and charitable purposes, and to assist in developing and advancing the University in furthering, improving and expanding its properties, services, facilities, and activities. Because of the significance of the relationship between the University and the USA Foundation, the USA Foundation is considered a component unit of the University. The Board of Directors of the USA Foundation is not appointed or controlled by the University. The University receives distributions from the USA Foundation primarily for scholarship, faculty and other support. The USA Foundation presents its financial statements in accordance with standards issued by the Financial Accounting Standards Board (FASB). The USA Foundation has a June 30 fiscal year end which differs from the University's September 30 fiscal year end.

University of South Alabama Health Services Foundation

The USAHSF is a not-for-profit corporation that exists to provide a group medical practice for physicians who are faculty members of the University and to further medical education and research at the University. Because of the significance of the relationship between the University and USAHSF, USAHSF is considered a component unit of the University. The USAHSF reimburses the University for salaries, certain administrative expenses, Dean's clinical assessment and other support services. The USAHSF presents its financial statements in accordance with standards issued by the FASB.

USA Research and Technology Corporation

The Corporation is a not-for-profit corporation that exists for the purpose of furthering the educational and scientific mission of the University by developing, attracting, and

University of South Alabama
Notes to Financial Statements
March 31, 2014

retaining technology and research industries in Alabama that will provide professional and career opportunities to the University's students and faculty. Because of the relationship between the University and the Corporation, the Corporation is considered a component unit of the University. The Corporation presents its financial statements in accordance with the GASB.

In September 2010, the Corporation caused the formation of NovALtech, LLC (NovALtech). NovALtech is a single-member limited liability company that exists for the purpose of engaging in scientific research and development activities and facilitating the transfer and utilization of technology, patents, processes, copyrights, formulae and other know-how. The activities of NovALtech are included in the financial statements of the Corporation.

Measurement Focus and Basis of Accounting

For financial reporting purposes, the University is considered a special purpose governmental agency engaged only in business-type activities, as defined by GASB Statement No. 34. Accordingly, the University's basic financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

The University prepares its basic financial statements in accordance with U. S. generally accepted accounting principles, as prescribed by the GASB, including all applicable effective statements of the GASB and all statements of the FASB issued through November 30, 1989 that do not conflict with GASB pronouncements. The University has elected not to apply the provisions of any pronouncements of the FASB issued after November 30, 1989.

Use of Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities, revenues and expenses, as well as disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to these programs could change by a material amount in the near term.

Cash and Cash Equivalents

Cash and cash equivalents are defined as petty cash, demand accounts and any short-term investments that take on the character of cash. These investments generally, but not always, have maturities of less than three months and include repurchase agreements and money market accounts.

University of South Alabama
Notes to Financial Statements
March 31, 2014

Investments and Investment Income

Investments are recorded at fair value. Investments received by gift are recorded at fair value at the date of receipt. Changes in the fair value of investments are reported in investment income.

Derivatives

In fiscal 2010, the University adopted the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. GASB 53 establishes a framework for accounting and financial reporting related to derivative instruments, requiring the fair value of the derivatives to be recognized in the basic financial statements

The University has an interest rate swaption which were entered into in January 2008. As a result of entering into the swaptions, the University received up-front payments. Swaptions are considered hybrid instruments which are required to be bifurcated into the fair value of the derivative and a piece that reflects a borrowing for financial statement purposes, which will accrete interest over time. The University determined that as of the current period, the swaptions were not hedging derivative instruments. Therefore, the swaptions are required to be recorded as investment derivatives, with the change in fair value flowing through the statements of revenues, expenses, and changes in net assets.

Accounts Receivable

Accounts receivable primarily result from net patient service revenue. Accounts receivable from affiliates primarily represent amounts due from USAHSF for salaries, and certain administrative and other support services. Accounts receivable – other includes amounts due from students, the federal government, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories

The University's inventories primarily consist of bookstore inventories and medical supplies and pharmaceuticals. Bookstore inventories are valued at the lower of cost (moving average basis) or market. Medical supplies and pharmaceuticals are stated at the lower of cost (first-in, first-out basis) or market.

Capital Assets

Capital assets are recorded at cost, if purchased, or at fair value at date of donation. Depreciation is provided over the useful life of each class of depreciable asset using the straight-line method. Major renewals and renovations are capitalized. Costs for repairs and maintenance are expensed when incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and the gain or loss, if any, is included in nonoperating revenues (expenses) in the statements of revenues, expenses, and changes in net assets.

University of South Alabama
Notes to Financial Statements
March 31, 2014

All capital assets other than land are depreciated using the following asset lives:

Buildings, infrastructure and certain building components	40 to 100 years
Fixed equipment	10 to 20 years
Land improvements	8 to 20 years
Library materials	10 years
Other equipment	4 to 15 years

Certain buildings are componentized for depreciation purposes.

Interest costs for certain assets constructed are capitalized as a component of the cost of acquiring those assets.

Unrecognized Revenue

Student tuition, fees, and dormitory rentals are deferred and recognized over the applicable portion of each school term.

Operating lease rental payments related to the University's lease of USA Knollwood Hospital to the Infirmary Health System, Inc. are deferred and recognized as revenue over the term of the lease using the straight-line method. This lease was terminated in July 2013. As such no amounts remain in unrecognized revenue at December 31, 2013 related to this transaction.

Classifications of Net Position

The University's net position is classified as follows:

Net investment in capital assets represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets; such debt is excluded from the calculation of *net investment in capital assets*.

Restricted, nonexpendable net position consists of endowment and similar type funds which donors or other outside sources have stipulated, as a condition of the gift instrument, the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted, expendable net position includes resources that the University is legally or contractually obligated to spend in accordance with restrictions imposed by external parties.

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, net patient service revenue, sales and services of educational activities and auxiliary enterprises. Auxiliary enterprises are substantially self-supporting activities that provide services for students, faculty, and staff. While unrestricted net assets may be

University of South Alabama
Notes to Financial Statements
March 31, 2014

designated for specific purposes by action of management or the Board of Trustees, they are available for use at the discretion of the governing board, to meet current expenses for any purpose. Substantially all unrestricted net assets are designated for academic and research programs and initiatives, and capital programs.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University addresses each situation on a case-by-case basis prior to determining the resources to be used to satisfy the obligation.

Scholarship Allowances and Student Financial Aid

Student tuition and fees, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state, or nongovernmental programs are recorded as either operating or nonoperating revenues in the University's basic financial statements based on their classification as either an exchange or nonexchange transaction. To the extent that revenues from such programs are used to satisfy tuition and fees and certain other student charges, the University has recorded a scholarship discount and allowance.

Donor Restricted Endowments

The University is subject to the "Uniform Prudent Management of Institutional Funds Act (UPMIFA)" of the Code of Alabama. This law allows the University, unless otherwise restricted by the donor, to spend net appreciation, realized and unrealized, on the endowment. The law also allows the University to appropriate for expenditure or accumulate to an endowment fund such amount as the University determines to be prudent for the purposes for which the endowment was established. The University's endowment spending policy provides that 5% of the three-year invested net asset moving average value (inclusive of net realized and unrealized gains and losses), as measured at September 30, is available annually for spending. The University's policy is to retain the endowment net interest and dividend income and net realized and unrealized appreciation with the endowment after distributions allowed by the spending policy have been made. These amounts, unless otherwise directed by the donor, are included in restricted, expendable net assets.

Classification of Revenues

The University has classified its revenues as either operating or nonoperating revenues.

Operating revenues include activities that have the characteristics of exchange transactions such as student tuition and fees, net of scholarship discounts and allowances; sales and services of auxiliary enterprises, net of scholarship allowances; most federal, state, and local grants and contracts; and net patient service revenue.

University of South Alabama
Notes to Financial Statements
March 31, 2014

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources such as state appropriations, investment income, and gifts.

Gifts and Pledges

Pledges of financial support from organizations and individuals representing an unconditional promise to give are recognized in the basic financial statements once all eligibility requirements, including time requirements, have been met. In the absence of such a promise, revenue is recognized when the gift is received. Endowment pledges generally do not meet eligibility requirements, as defined by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* and are not recorded as assets until the related gift has been received. Unconditional promises that are expected to be collected in future years are recorded at the present value of the estimated future cash flows.

Grants and Contracts

The University has been awarded grants and contracts for which funds have not been received or expenditures made for the purpose specified in the award. These awards have not been reflected in the basic financial statements, but represent commitments of sponsors to provide funds for specific research or training projects. For grants that have allowable cost provisions, the revenue will be recognized as the related expenditures are made. For grants with work completion requirements, the revenue is recognized as the work is completed. For grants without either of the above requirements, the revenue is recognized as it is received.

Net Patient Service Revenue

Net patient service revenue is reported at estimated net realizable amounts due from patients, third-party payers and others for healthcare services rendered, including estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such amounts are adjusted in future periods, as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

Recently Adopted Accounting Pronouncements

In 2013, the University adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. GASB Statement No. 61 amends GASB Statements No. 14 and 39 and modifies certain requirements for inclusion of component units in the financial reporting entity. GASB Statement No. 61 requires that for organizations that previously were included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Statement No. 61 also established criteria to require inclusion based on other additional factors, such as organization board appointment, financial benefit or

University of South Alabama
Notes to Financial Statements
March 31, 2014

burden and operational management of the organization. The adoption of this statement had no financial reporting entity impact on the University's component units; however it did require additional disclosures for blended component units.

In 2013, the University also adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended September 30, 2014. Retroactive application of the standard was required for all prior periods presented.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. GASB Statement No. 65 establishes accounting and reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reports as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The University had historically deferred certain debt financing costs related to its bond issues and was amortizing those costs over the term of the related bond issue. GASB Statement No. 65 requires that debt issuance costs, except any portion related to prepaid insurance costs, be recognized as an expense in the period incurred.

Compensated Absences

The University accrues annual leave for employees as incurred at rates based upon length of service and job classification.

Change in Accounting Principle

The University adopted the provisions of GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, and GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. Statements 63 and 65 require that certain items previously reported as deferred inflows and outflows of resources now be reported as current period inflows and outflows. Retroactive application of the standards is required for all prior periods presented.

The University generally incurs issuance costs in connection with the issuance of its bond indebtedness. As prescribed by the prevailing accounting standards at the time of issue, these charges were deferred and amortized over the life of each bond issue. Statement 65 requires that, with the exception of bond insurance costs, these charges be treated in outflows of resources (period costs) in the year in which they are incurred.

The adoption of the provisions of statements 63 and 65 reduced the University's beginning net position at October 1, 2011 by \$1,774,000.

University of South Alabama
Notes to Financial Statements
March 31, 2014

Reclassifications

Certain amounts in the 2013 basic financial statements have been reclassified to conform to 2014 classification.

2. Income Taxes

The University is classified as both a governmental entity under the laws of the State of Alabama and as a tax-exempt entity under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). Consistent with that designation, no provision for income taxes has been made in the accompanying basic financial statements.

3. Cash

Pursuant to the Security for Alabama Funds Enhancement Act, funds on deposit may be placed in an institution designated as a qualified public depository (QPD) by the State of Alabama. QPD institutions pledge securities to a statewide collateral pool administered by the State Treasurer's office. Such financial institutions contribute to this collateral pool in amounts proportionate to the total amount of public fund deposits at their respective institutions. The securities are held at the Federal Reserve Bank and are designated for the State of Alabama. Additional collateral was not required for University funds on deposit with QPD institutions. At September 30, 2013, the net public deposits subject to collateral requirements for all institutions participating in the pool totaled approximately \$9,778,000,000.

4. Investments

The investments of the University are invested pursuant to the University of South Alabama "Nonendowment Cash Pool Investment Policy," the "Endowment Fund Investment Policy," and the "Derivatives Policy" (collectively referred to as the University Investment Policies) as adopted by the Board of Trustees. The purpose of the nonendowment cash pool investment policy is to provide guidelines by which pooled funds not otherwise needed to meet daily operational cash flows can be invested to earn a maximum return, yet still maintain sufficient liquidity to meet fluctuations in the inflows and outflows of University operational funds. Further, endowment fund investment policies exist to provide earnings to fund specific projects of the endowment fund, while preserving principal. The University Investment Policies require that management apply the "prudent person" standard in the context of managing its investment portfolio.

University of South Alabama
Notes to Financial Statements
March 31, 2014

Certain investments, primarily related to the University's endowment assets, are pooled. The University uses this pool to manage its investments and distribute investment income to individual endowment funds.

Credit Risk and Concentration of Credit Risk

The University Investment Policies limit investment in corporate bonds to securities with a minimum "A" rating, at the time of purchase, by both Moody's and Standard and Poor's. Investments in corporate paper are limited to issuers with a minimum quality rating of P-1 by Moody's, A-1 by Standard and Poor's or F-1 by Fitch.

Additionally, the University Investment Policies require that not more than 10% of the cash, cash equivalents and investments of the University be invested in the obligations of a single private corporation and not more than 35% of the cash, cash equivalents and investments of the University be invested in the obligations of a single government agency.

Interest Rate Risk

The University's Investment Policies do not specifically address the length to maturity on investments which the University must follow; however, they do require that the maturity range of investments be consistent with the liquidity requirements of the University.

5. Derivative Transactions – Synthetic Advance Refunding

In January 2008, the University entered into synthetic advance refundings of the outstanding Series 2004 and 2006 bonds with a counterparty. The transactions were effected through the sale of two swaptions by the University to the counterparty. The transactions resulted in an up-front payment to the University totaling \$9,328,000 in exchange for selling the counterparty the option to enter into an interest rate swap with respect to the Series 2004 and 2006 bonds in 2014 and 2016, respectively.

Objective of the derivative transaction

The objective of this transaction is to realize debt service savings currently from future debt refunding and create an economic benefit to the University.

Terms

A summary of the transactions is as follow:

University of South Alabama
Notes to Financial Statements
March 31, 2014

Issue	Date of Issue	Option Expiration Date	Effective Date of Swap	Termination Date	Payment Amount
Series 2004 bonds	2-Jan-08	16-Dec-13	15-Mar-14	15-Mar-24	\$ 1,988,000
Series 2006 bonds	2-Jan-08	1-Sep-16	1-Dec-16	1-Dec-36	7,340,000

In December 2013, Wells Fargo exercised its option related to the Series 2004 swaption. As a result, the University was forced to enter into an interest rate swap. Additionally a payment of \$803,000, reported as other non-operating revenue in the statements of revenues, expenses and changes in net position, was received from Wells Fargo to cover the cost of refinancing the 2004 bonds. See Note 7 for a complete discussion of this transaction.

If the counterparty exercises its option in 2016, the University would, at the counterparty's option, be forced into an underlying swap. If the option is exercised, the University would begin to make payments on the notional amount, currently \$100,000,000 for the 2006 bonds, of the underlying swap contract. Simultaneously, the University would call outstanding 2006 bonds and issue variable rate demand notes (VRDNs) in their place. Under the swap contract, the University would pay a fixed rate of 5.0% on the 2006 bonds to the counterparty and would receive payments based on 68% of the one-month LIBOR index. Alternatively, although it is not anticipated that this option would be to the University advantage, the University could, at its option, cash settle the swap and retain its right to refund the 2006 bonds.

If the interest rate environment is such that the counterparty chooses to not exercise its option, the swaption would be cancelled and the University would have no further obligation under this agreement.

Financial statement presentation

A swaption is considered a hybrid instrument and as such the payment by the counterparty to the University must be bifurcated into two components, a borrowing component and an embedded derivative component, and each component treated separately. The embedded derivative value of the swaption represents the fair value resulting from the fact that the fixed rate stated in the swaption is greater than the at-the-market rate. The initial value of the borrowing is the difference between the upfront payment and the fair value of the embedded derivative and represents the time value to the counterparty for holding the option, or the probability weighted, discounted values of a range of future possible outcomes. The value of the derivative and borrowings at the date of execution of this transaction are as follows:

University of South Alabama
Notes to Financial Statements
March 31, 2014

	<u>2004 Bonds</u>	<u>2006 Bonds</u>
Embedded derivatives	\$ 918,000	3,343,000
Borrowings	<u>1,070,000</u>	<u>3,997,000</u>
	<u>\$ 1,988,000</u>	<u>7,340,000</u>

The values of the borrowings are included in long-term debt on the University's statements of net assets. Interest is being accreted, and added to the borrowings through the expiration date of the option.

The fair values of the embedded investment derivatives are reported as investment assets if the derivatives are assets or other noncurrent liabilities, depending of the fair values of the derivatives. The change in the fair market values of the derivatives is reported as a component of investment income in the statements of revenues, expenses and changes in net assets.

Risks associated with this transaction

Certain risks are inherent to derivative transactions.

Interest rate risk. Interest rate risk, as a result of rising short-term interest rates causing higher interest rate payments, is effectively hedged by the University's fixed rate bonds. If the counterparty exercises its options, the underlying swaps are expected to effectively hedge the potentially higher payments on VRDNs as well. The University is also subject to interest rate risk as a result of changes in long-term interest rates, which may cause the value of fixed rate bonds or interest rate derivatives to change. If long-term interest rates fall subsequent to the execution of this transaction, the value of the swaptions will change, with negative consequences for the University.

Market access risk. This transaction assumes that VRDNs will be issued as a replacement of the 2004 and 2006 bonds. If the University is unable to issue variable rate bonds after the counterparty exercises its right under the swaptions, the University would still be required to begin making periodic payments on the swaps, even though there are no related bonds. Alternatively, the University could choose to liquidate the swaps, which may create a substantial cash outlay.

Basis risk. If the counterparty exercises its option, there is a risk that the floating payments received under the swaps will not fully offset the variable rate payments due on the assumed VRDNs.

Credit risk. Although the underlying swap exposes the University to credit risk should the swap be executed, the swaption itself does not expose the University to credit risk. If the option is exercised on one or both issues, the University would begin to make payments on the appropriate notional amount of the underlying swap contract. In that situation, if the fair value of the swap is positive, the University would be exposed to credit risk on the swap in the amount of its fair value. As of the current date, the swap

University of South Alabama
Notes to Financial Statements
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counterparty was rated Aa3 by Moody's investors Services and AA by Standard and Poor's Rating Services.

Termination risk. The University may be required to terminate the swaptions or swaps under certain circumstances, such as credit downgrades or other events specified in the contracts. In the event that a position needs to be terminated, the University may owe a substantial amount of money to terminate the contracts. As of the current date, no events of termination have occurred.

6. Bonds Payable

Bonds payable consisted of the following at the end of the current period:

University Tuition Revenue Bonds, Series 1999 Capital Appreciation, 4.7% to 5.25%, payable November 2011 through November 2018

University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, 2.00% to 5.00%, payable through March 2024

University Tuition Revenue Refunding and Capital Improvement bonds, Series 2006, 5.00%, payable through June 2037

University Facilities Revenue Capital Improvement Bonds, Series 2008, 3.00% to 5.00%, payable through August 2038.

University Facilities Revenue Capital Improvement Bond, Series 2010, 3.81%, payable through August 2030.

University Facilities Revenue Capital Improvement Bond, Series 2012-A, 2.92%, payable through August 2032.

University Facilities Revenue Capital Improvement Bond, Series 2012-B, 2.14%, payable through February 2018.

University Facilities Revenue Capital Improvement Bond, Series 2013-A, 2.83% payable through August 2033.

University Facilities Revenue Capital Improvement Bond, Series 2013-B, 2.83% payable through August 2033.

University Facilities Revenue Capital Improvement Bond, Series 2013-C, 2.78% payable through August 2025

University Facilities Revenue Refunding Bond, Series 2014-A, 68% of one-month LIBOR rate plus .73%, payable through March 2024

University of South Alabama
Notes to Financial Statements
March 31, 2014

Borrowing arising from swaption, Series 2004 Bonds

Borrowing arising from swaption, Series 2006 Bonds

Substantially all student tuition and fee revenues secure University bonds. Additionally, security for Series 2008 bonds include Children's and Women's Hospital revenues in amounts not exceeding \$10,000,000. Series 1999 Current Interest Bonds began maturing November 2002, and Series 1999 Capital Appreciation Bonds began maturing November 2011. Series 1999 Bonds are not redeemable prior to maturity. Series 2004 Bonds began maturing in March 2005 and are redeemable beginning in March 2014. Series 2006 Bonds begin maturing in December 2024 and are redeemable beginning in December 2016. Series 2008 Bonds began maturing in August 2009 and are redeemable beginning September 2018. Series 2010 bonds began maturing in August 2011 and are redeemable beginning in February 2020. The 2012-A and 2012-B bonds began maturing in August 2013. The 2012-A Bond is redeemable beginning in August 2021. The 2012-B Bond is redeemable beginning in January 2015. The 2013-A, 2013-B and 2013-C Bonds begin maturing in August 2014 and are redeemable beginning in June 2023

In January 2008, the University entered into synthetic advance refundings of the outstanding Series 2004 and 2006 bonds. This transaction was effected through the sale of two swaptions by the University to a counterparty. The proceeds from each sale, totaling \$9,328,000, consist of two components, a time value and an intrinsic value. The intrinsic value of the payment is considered a borrowing and is included in long-term debt. As a result of this transaction, the counterparty has the option to force the University to enter into swap arrangements with respect to its Series 2004 and 2006 bonds at their respective redemption dates. See footnote five for a complete description of this transaction.

The University is subject to restrictive covenants related to certain note and bonds payable. As of the end of the current period, management believes the University was in compliance with such financial covenants.

7. Derivative Transaction - Interest Rate Swap

The University is a party to a derivative with Wells Fargo Bank, N. A. (Wells Fargo), the counterparty. As more fully described in Note 5, in December 2013, Wells Fargo exercised its option with respect to the synthetic advance refunding of the Series 2004 bonds to enter into an interest rate swap agreement with the University with an effective date of March 15, 2014. The resulting derivative is a "receive-variable, pay-fixed" interest rate swap. As part of the overall plan of the synthetic refunding of the 2004 bonds, the University refunded those bonds in April 2014 with proceeds from the 2014-A bonds.

University of South Alabama
Notes to Financial Statements
March 31, 2014

Objective of the transaction. As noted the interest rate swap was the result of the original January 2008 synthetic advance refunding of the Series 2004 bonds. The object of that transaction was to realize debt service savings currently from future debt refunding and create an economic benefit to the University.

The swap will terminate in March 2024, when the 2014 bond matures. The notional amount of the swap will at all times match the outstanding principal amount of the bond. Under the swap, the University pays the counterparty a fixed semi-annual payment based on an annual rate of 4.9753% and receives on a monthly basis a variable payment of 68% of the one-month London Interbank Offered Rate (LIBOR) plus .25%. Conversely, the Series 2014-A bond bears interest on a monthly basis at .68% of the one-month LIBOR rate plus .73%.

Fair value. The interest rate swap had a negative fair value of approximately \$(9,138,000) at March 31, 2014.

The changes in fair value are reported as a deferred outflow on the statements of net position since the interest rate swap is a hedging derivative instrument.

The fair value of the interest rate swap was estimated using the zero-coupon method. This method calculated the future net settlement payments required by the swap, assuming the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement.

Interest rate risk. As the LIBOR decreases, the net payment on the swap increases. This, however, is mitigated by the fact that a decline in the LIBOR rate will also result in a decrease of the University's interest payment on the Series 2014-A bonds. The University's exposure is limited to .48% if the notional amount, the difference in the payment from the counter party and the interest payment on the 2014-A bonds

Credit risk. As of March 31, 2014, the University was not exposed to credit risk on the interest rate swap because it had a negative fair value. However, if interest rates change and the fair value of the derivative become positive, the University would have a gross exposure to credit risk in the amount of the derivatives' fair value. The counterpart was rated Aa3 by Moody's Investor Services and AA- by Standard & Poor's Ratings Services as of September 30, 2013.

Termination risk. The University may be required to terminate the swap based on certain standard default and termination events, such as failure to make payments, breach of agreement, and bankruptcy. As of the current date, no events of termination have occurred.

Derivative payments and hedged debt. As interest rates fluctuate, variable rate debt interest and net derivative payments will fluctuate. Using interest rates as of the current

University of South Alabama
Notes to Financial Statements
March 31, 2014

date and assuming those current interest rates remain the same in the future; debt service requirements, including swap payments, by fiscal year are as follows (in thousands):

	Variable rate loan		Interest rate swap, net	Total
	Principal	Interest		
2014	\$ -	175	951	1,126
2015	470	400	1,837	2,707
2016	490	643	1,568	2,701
2017	615	916	1,265	2,796
2018	640	1,088	1,059	2,787
2019-2023	30,575	4,406	2,914	37,895
2024	8,455	150	82	8,687
	\$ 41,245	7,778	9,676	58,699

8. Net Patient Service Revenue

The Hospitals have agreements with governmental and other third-party payers that provide for reimbursement at amounts different from their established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Hospitals' billings at established rates for services and amounts reimbursed by third-party payers.

A summary of the basis of reimbursement with major-third party payers follows:

Medicare – Substantially all acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. Additionally, the Hospitals are reimbursed for both direct and indirect medical education costs (as defined), principally based on per-resident prospective payment amounts and certain adjustments to prospective rate-per-discharge operating reimbursement payments. The Hospitals generally are reimbursed for certain retroactively settled items at tentative rates, with final settlement determined after submission of annual cost reports by the Hospitals and audits by the Medicare fiscal intermediary. The cost report for the USA Medical Center has been audited and settled through 2008. The Medical Center cost report has, however, been reopened related to disproportionate share issues affecting all PPS acute care hospitals nation-wide. The cost report for USA Children's and Women's Hospital has been audited and settled through 2009. Revenue from the Medicare program accounted for approximately 14% and 13% of the Hospitals' net patient service revenue for the year ended June 30, 2012 and 2011, respectively.

University of South Alabama
Notes to Financial Statements
March 31, 2014

Blue Cross – Inpatient services rendered to Blue Cross subscribers are paid at a prospectively determined per diem rate. Outpatient services are reimbursed under a cost reimbursement methodology. For outpatient services, the Hospitals are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospitals and audits thereof by Blue Cross. The Hospital's Blue Cross cost reports have been audited through 2010 and settled for all fiscal years through 2009. Revenue from the Blue Cross program accounted for approximately 17% and 18% of the Hospitals' net patient service revenue for the years ended June 30, 2012 and 2011, respectively.

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are reimbursed at all-inclusive prospectively determined per diem rates. Outpatient services are reimbursed based on an established fee schedule.

The Hospitals qualify as Medicaid essential providers and, therefore, also receive supplemental payments based on formulas established by the Alabama Medicaid Agency. There can be no assurance that the Hospitals will continue to qualify for future participation in this program or that the program will not ultimately be discontinued or materially modified.

Revenue from the Medicaid program accounted for approximately 25% and 29% of the Hospital's net patient service revenue for the years ended June 30, 2012 and 2011.

Other – The Hospitals have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The bases for payments to the Hospitals under these agreements include discounts from established charges and prospectively determined daily and case rates.

9. Hospital Lease

The University and Infirmity Health System, Inc. (the Infirmity) entered into a Lease Agreement (the Lease) in which the University agreed to lease certain land, buildings and equipment used in connection with the operation of its USA Knollwood Hospital campus to the Infirmity. The original lease was effective through March 2056 with an automatic renewal, for an additional forty-nine years, through March 2105; and may be canceled by the Infirmity after the initial fifty-year term. The lease provided for its termination, at the option of the Infirmity, in the event that a change in any law, statute, rule, or a regulation of any governmental or other regulatory body was deemed by the Infirmity as significant, as defined by the lease. The hospital was operating as Mobile Infirmity West.

In October 2012, officials of the Infirmity publicly announced the closing of the Mobile Infirmity West effective October 31, 2012.

University of South Alabama
Notes to Financial Statements
March 31, 2014

As a result of the closing of the hospital, in May 2013, the University's Board of Trustees determined that it was in the best interest of the University to sell Knollwood Hospitals, all related furniture and equipment, adjacent medical office buildings, and land. As such, the Board approved a resolution authorizing University management to seek proposals for the sale of Knollwood and proceed with negotiations with potential buyers. Subsequent to a public advertisement and negotiation period, the University and Infirmary entered into a Purchase and Sale Agreement (the Agreement), dated June 3, 2013. The Agreement called for the sale of all land, building, furniture and equipment at Knollwood to the Infirmary. Following a period of due diligence, the transaction was closed on July 19, 2013.

10. Employee Benefits

Retirement and Pension Plans

Employees of the University are covered by two pension plans: a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement System of the State of Alabama (TRS), and a defined contribution pension plan.

Permanent employees of the University participate in TRS, a public retirement system created by an act of the State Legislature, with benefit provisions established by the Code of Alabama. Responsibility for general administration and operation of the TRS is vested in the Board of Control (currently 14 members). Benefits fully vest after 10 years of full-time, permanent employment. Vested employees may retire with full benefits at age 60 or after 25 years of service. Participating retirees may elect the maximum benefit, or may choose among four other monthly benefit options. Under the maximum benefit, participants are allowed 2.0125% of their average final salary (average of three highest years of annual compensation during the last ten years of service) for each year of service. The TRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Retirement Systems of Alabama, P.O. Box 302150, Montgomery, Alabama 36130-2150, or by calling (334) 832-4140.

All employees covered by this retirement plan must contribute 7.5% of their eligible earnings to TRS. An actuary employed by the TRS Board of Control establishes the employer-matching amount annually.

The defined contribution pension plan covers certain academic and administrative employees employed prior to October 1, 2009, and participation by eligible employees is optional. Under this plan, administered by Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF), contributions by eligible employees are matched equally by the University up to a maximum of 3% of current annual pay.

University of South Alabama
Notes to Financial Statements
March 31, 2014

Employees of the LLC may, at their option, participate in a defined contribution plan. Under this plan, eligible employees may make contributions to the plan which are matched, dollar-for-dollar, by the LLC up to 5% of compensation.

Compensated Absences

Regular University employees accumulate vacation and sick leave and hospital and clinical employees accumulate paid time off. These are subject to maximum limitations, at varying rates depending upon their employee classification and length of service. Upon termination of employment, employees are paid all unused accrued vacation and paid time off at their regular rate of pay up to a maximum of two times their annual accumulation rate. No accrual is recognized for sick leave benefits since no terminal cash benefit is available to employees for accumulated sick leave.

Other Postretirement Employee Benefits

In September 2003, the State of Alabama Legislature passed legislation that requires all colleges and universities to fund the healthcare premiums of its participating retirees. In prior years, such costs have been paid by the State. Beginning in October 2003, the University has been assessed a monthly premium by the Public Education Employees' Health Insurance Plan (PEEHIP) based on the number of retirees in the system and an actuarially determined premium.

11. Risk Management

The University, USAHSF and the LLC participate in the professional liability trust fund and the University, LLC, RTC, HSF and SAMSF participate in the general liability trust fund. Both funds are administered by an independent trustee. These trust funds are revocable and use contributions by the University, USAHSF and the LLC, together with earnings thereon, to pay liabilities arising from the performance of its employees, trustees and other individuals acting on behalf of the University. If the trust funds are ever terminated, appropriate provision for payment of related claims will be made and any remaining balance will be distributed to the University, USAHSF and the LLC in proportion to contributions made.

Claims and expenses are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Those losses include an estimate of claims that have been incurred but not reported and the future costs of handling claims. These liabilities are generally based on actuarial valuations and are reported at their present value.

The University and HCM participate in a self-insured health plan, administered by an unaffiliated entity. Contributions by the University and the LLC and their employees, together with earnings thereon, are used to pay liabilities arising from healthcare claims.

University of South Alabama
Notes to Financial Statements
March 31, 2014

It is the opinion of University administration that plan assets are sufficient to meet future plan obligations.

12. Other Related Party

The South Alabama Medical Science Foundation (SAMSF) is a not-for-profit corporation that exists for the purpose of promoting education and research at the University. SAMSF reimburses the University for certain administrative expenses and other related support services.

13. Commitments and Contingencies

Grants and Contracts

The University had been awarded certain amounts in grants and contracts for which resources had not been received and for which reimbursable expenditures had not been made for the purposes specified. These awards, which represent commitments of sponsors to provide funds for research or training projects, have not been reflected in the accompanying basic financial statements as the eligibility requirements of the award have not been met. Advances include amounts received from grant and contract sponsors which have not been earned under the terms of the agreements and, therefore, have not yet been included in revenues in the accompanying basic financial statements. Federal awards are subject to audit by Federal agencies. The University's management believes any adjustment from such audits will not be material.

Letter of Credit

In connection with the Hospitals' participation in the State of Alabama Medicaid Program, the University has established a \$77,000 irrevocable standby letter of credit with Wells Fargo Bank. The Alabama Medicaid Agency is the beneficiary of this letter of credit. No funds are currently advanced under this letter.

Litigation

Various claims have been filed against the University alleging discriminatory employment practices and other matters. University administration and legal counsel are of the opinion the resolution of these matters will not have a material effect on the financial position or the statement of revenues, expenses, and changes in net assets of the University.

Rent Supplement Agreement

The University has entered into two irrevocable rent supplement agreements with the Corporation and a financial institution. These agreements require that, in the event the Corporation fails to maintain a debt service coverage ratio of one to one with respect to all of its outstanding indebtedness, the University will pay to the Corporation any and all

University of South Alabama
Notes to Financial Statements
March 31, 2014

rent amounts necessary to cause the Corporation's net operating income to be equal to the Corporation's annual debt service obligations. As of the end of the current period, no amounts were payable pursuant to these agreements.

State Bond Issue

The State of Alabama has made allocations to the University from bonds issued in prior years. Pursuant to the allocations, funds are available to the University for certain future construction costs. The allocations have been reflected as revenue in the accompanying financial statements to the extent they have been incurred and approved by the State.

14. Significant New Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 changes accounting and financial reporting for entities participating in certain pension plans and will be effective for the year ending September 30, 2015. In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposal of government operations and will be effective for the year ending September 30, 2015. In November 2013, the GASB issued Statement No. 71, *Pension Transition for contributions Made Subsequent to the Measurement Date*. GASB Statement No. 71 is was issued as an amendment of GASB Statement No. 68 with an objective of addressing an issue regarding application of the transition provisions of Statement No. 68 relating to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 71 will be effective for the year ending September 30, 2015.

The effect of the implementation of GASB Statements Nos. 68, 69 and 71 on the University has not been determined.

UNIVERSITY OF SOUTH ALABAMA
BANKING RESOLUTION

BE IT RESOLVED that the President and either the Vice President for Financial Affairs or the Treasurer of the University are authorized to:

1. Open and close bank, brokerage, custody, safekeeping, or other accounts in the name of the University.
2. Sell, transfer, and endorse for sale or transfer any and all securities on behalf of the University.
3. Buy securities for the account of the University.
4. Order the transfer or delivery of securities on the University to any other person.
5. Pledge collateral, securities, or other property in the name of the University and to make withdrawals, substitutions, and exchanges in connection therewith.
6. Exercise any other rights related to securities, including signing for all releases, powers of attorney, and/or other documents in connection with securities of the University.
7. Designate individuals authorized to sign checks, drafts, notes, acceptances, and other orders for the payment of money or the withdrawal of funds for the account of the University.
8. Designate individuals authorized to endorse, negotiate, receive, or authorize the payment of the proceeds of any instruments or orders for the payment of money to the University.
9. Designate individuals authorized to make telephone transfer of funds of the University and the manner in which such funds can be transferred.
10. Issue any other instructions for the conduct of any accounts in the name of the University.

BE IT FURTHER RESOLVED that this resolution supersedes any resolutions dated as of a date prior to the date of this resolution and relating to the University's banking activities and,

BE IT FINALLY RESOLVED that the secretary of this University's Board of Trustees is authorized to certify, under the corporate seal of the corporation, a copy of these resolutions and the names and specimen signatures of the persons authorized to act on behalf of the University.

Tony G. Waldrop
University President

Stephen H. Simmons
Vice President for Financial Affairs

Robert K. Davis
University Treasurer

The undersigned Secretary of the Board of Trustees of the University of South Alabama hereby certifies that the above is a true and correct copy of a resolution of the Board of Trustees duly adopted on the _____ day of _____, 2014.

James H. Shumock
Secretary, University of South Alabama
Board of Trustees

STATE OF ALABAMA
COUNTY OF MOBILE

Subscribed and sworn to before me this _____ day of _____, 2014.

My Commission Expires _____, _____



UNIVERSITY OF SOUTH ALABAMA
University Attorney
AD 140

—
MEMORANDUM

TO: President Tony G. Waldrop

FROM: Jean Walker Tucker

A handwritten signature in blue ink, appearing to read 'JWT', is written over the name 'Jean Walker Tucker'.

SUBJECT: Banking Resolution

DATE: May 9, 2014

The University of South Alabama Board of Trustees vested authority in three officers of the University regarding several transactional endeavors. Because of changes in office holders, the attached Resolution is submitted for your approval and recommendation to the Board of Trustees vesting the authority outlined therein in the President, the Vice President for Financial Affairs, and the University Treasurer as those offices are currently occupied.

RESOLUTION
SALE OF REAL PROPERTY

WHEREAS, the University of South Alabama owns real property in Mobile, Alabama, consisting of fifty-seven parcels located in the southwest corner of the Hillsdale subdivision, and

WHEREAS, the University has been the beneficiary of three donations of residential lots located in Mobile and Baldwin counties, which donations were intended to provide funds for various endowments, and

WHEREAS, the University has been the beneficiary of three donations of timberland totaling 1,080 acres located in Barbour County, Alabama, which donations were intended to provide funds for an endowment in creative writing, and

WHEREAS, the University has determined that using the property in its current form is not beneficial to the University and has deemed it economically justified and in the best interest of the state and the University of South Alabama to sell the Hillsdale lots and the other three residential lots through a listing with one or more duly licensed real estate brokers and the timberland through the sealed-bid process and utilize the proceeds of the sales to further the mission of the University,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama authorizes the University President and the Vice President for Financial Affairs to place the property on the market through the process outlined in the *Policy and Procedure by Which The University of South Alabama Would Sell or Lease Real Property or Interest Owned by the University of South Alabama*, as approved by this Board on March 9, 2006.

Declaration of Best Interest

To: University of South Alabama Board of Trustees

From: Tony G. Waldrop, Ph.D., President

Re: Use of Real Estate Broker in Sale of Land

Date: June 5, 2014

The University of South Alabama (USA) owns fifty-seven parcels of land located in the southwest corner of the Hillsdale subdivision of the City of Mobile, adjacent to the main campus, but in excess of the needs of the University. The parcels are all residential lots. Rental houses are located on four lots, while fifty-three lots have no house or other structure. Interspersed in a checkerboard pattern among the USA-owned parcels are approximately eighty privately-owned parcels. The University also owns three other residential lots in Mobile and Baldwin counties which were the result of donations to the University. Given the residential nature of the parcels and their various locations, I believe it to be in the best interest of the University of South Alabama to sell the land [and any improvements thereon] and use the proceeds to further the mission of the University. Also, given the parcels and their locations, I approve the placement of the land with one or more duly licensed real estate brokers as economically justified and in the best interest of the State of Alabama and the University in order to achieve the most economically advantageous and expeditious sale possible. The University's intention is to select the real estate broker through the process of requesting proposals. I would, therefore, recommend that should the Board agree to the sale of this land, that the Board ratify my approval, as the agent of the Board, of this method of sale.

Further, as an item of information, the University will also request approval from the Board to sell through the sealed bid process 1,080 acres of timberland located in Barbour County, Alabama.



REC'D
OFFICE OF THE PRESIDENT

MAY 14 2014

UNIVERSITY OF SOUTH ALABAMA
Vice President for Financial Affairs
AD 170

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

TO: President Tony G. Waldrop

FROM: Stephen H. Simmons *Stephen H. Simmons*

SUBJECT: Agenda Item for June 6, 2014, Board of Trustees Meeting – Sale of Real Property

DATE: May 14, 2014

Attached is a resolution for consideration by the Board of Trustees of the University of South Alabama concerning the sale of 68 parcels of land owned by the University.

- Fifty-seven of these parcels are residential lots located in the Hillsdale subdivision in Mobile County, in an area adjacent to other property owned by and adjacent to the University.
- Three parcels are other residential lots located in Mobile and Baldwin counties.
- Eight parcels are timberland totaling 1,080 acres located in Barbour County, Alabama.

The Hillsdale parcels include four with rental houses and 53 with no houses or other structures. Interspersed in a checkerboard pattern among the USA-owned parcels in Hillsdale are approximately 80 privately-owned parcels. Our intention is to sell the residential lots through one or more real estate brokers selected through the process of requesting proposals and the timberland through the sealed-bid process.

With your approval, this item, in the form of the attached resolution, will be presented to the Board of Trustees for its approval. Further, I recommend the adoption of the resolution by the Board of Trustees.

SHS/cbm

Attachment

RESOLUTION

**ACQUISITION OF PROPERTY OWNED BY THE
BOARD OF WATER AND SEWER COMMISSIONERS OF THE CITY OF MOBILE
D/B/A MOBILE AREA WATER AND SEWER SYSTEM (MAWSS)**

WHEREAS, the Board of Water and Sewer Commissioners of the City of Mobile d/b/a Mobile Area Water and Sewer System (MAWSS) has offered to sell to the University its property located on Catherine and Cox streets, and

WHEREAS, this MAWSS property is contiguous to the University of South Alabama Children's & Women's Hospital, and

WHEREAS, this property includes office space that could be used to relocate University hospital employees from the Spring Hill Avenue Campus, and

WHEREAS, the University of South Alabama Children's & Women's Hospital has a pressing need for additional parking spaces this property could provide, and

WHEREAS, the University's Hospital Administration has stated a desire for the University to pursue the possible purchase of this property,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama authorizes the Vice President for Financial Affairs to issue purchase agreement(s) for the acquisition of the MAWSS property located on Catherine and Cox streets for a total purchase price of \$3,548,760.00 plus any closing and inspection costs, and

BE IT FURTHER RESOLVED, after a thorough inspection of the MAWSS property to confirm its functional operability, the Vice President for Financial Affairs is authorized to proceed to close this property purchase.



REC'D
OFFICE OF THE PRESIDENT

JUN 02 2014

UNIVERSITY OF SOUTH ALABAMA
Vice President for Financial Affairs
AD 170

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

TO: President Tony G. Waldrop

FROM: Stephen H. Simmons *Stephen H. Simmons*

SUBJECT: Mobile Area Water and Sewer System (MAWSS) Property

DATE: May 30, 2014

I request approval to present a Board Resolution at the June 2014 meeting. This Resolution would grant approval for the University to proceed to close the purchase of property on Catherine and Cox streets currently owned by MAWSS. Pending USA Board approval, the University has offered, and MAWSS has accepted, an offer of \$3,548,760 for this property. As of this date, the final purchase agreement has not been finalized. MAWSS has provided a current appraisal of \$3,975,000 for the property.

Upon completion of a purchase agreement(s), USA will inspect the property for matters involving the environment, construction, and systems as well as compliance with applicable laws and regulations affecting our use of the property. To facilitate these inspections, MAWSS will disclose to USA all known issues adversely affecting the property or its use. Purchase of the property is contingent on University satisfaction with inspection findings. After the closing(s), MAWSS will be permitted to continue to use the Cox Street facility for a period of three months and the Catherine Street facility until June 30, 2015. During that time MAWSS will not pay rent but will pay all operating costs. This use by MAWSS is reflected in a reduction of the purchase price, if both parties agree to an extension of these dates, appropriate rent will be paid by MAWSS.

SHS/cbm

RESOLUTION

UNIVERSITY INFRASTRUCTURE STUDY

WHEREAS, the University of South Alabama has existed for 51 years, and

WHEREAS, much of the University's facilities infrastructure is 25 years old or older,
and

WHEREAS, components of the University's infrastructure are failing or in need of a
plan for improvement,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of
South Alabama grants its approval for the Vice President for Financial Affairs to proceed with a
study and prioritized plan to address the campus infrastructure issues.



REC'D
OFFICE OF THE PRESIDENT

MAY 07 2014

UNIVERSITY OF SOUTH ALABAMA
Vice President for Financial Affairs
AD 170

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

TO: President Tony G. Waldrop

FROM: Stephen H. Simmons *Stephen H. Simmons*

SUBJECT: University Infrastructure Study

DATE: May 5, 2014

Approved.
Tony G. Waldrop
5-7-14

I request approval to proceed with a long-term University infrastructure study as described in the attached memorandum from the Director of Facilities Management. This long-term Master Plan for infrastructure repair and maintenance will allow us to develop a 10- to 15-year financial plan. The cost of this study will be approximately \$520,000.

SHS/cbm

Attachment



MEMORANDUM
FACILITIES MANAGEMENT

TO: Stephen H. Simmons
FROM: Randy Moon *Randy Moon*
RE: University Infrastructure
DATE: May 1, 2014

As the University has aged, so has its systems and infrastructure. These aging systems and infrastructure, from a facilities management perspective, are the greatest challenge the University faces. Most utility infrastructure systems are designed with an average life expectancy of 25 to 40 years. Due to continuing aging of campus infrastructure systems, Facilities Management is requesting a comprehensive study for the development of a Utility System Master Plan. This study will analyze the following systems:

- Hot water distribution
- Chilled water distribution
- Electrical distribution
- Natural gas
- Storm water
- Sanitary sewer
- Domestic water
- Data/telecommunications
- Roof

The end product of this study will be a Master Plan that will provide an appropriate process for the repair of all failing and aging systems. The study will also allow for the development of a financial plan to support these infrastructure projects. Due to the state of the present infrastructure systems, this process will require an aggressive approach to replace the failed systems and at the same time plan for the long-term aging of the systems.

The goals of the study are:

- A planned and prioritized process for the replacement of failing systems
- Capacity analysis to determine capability for increased demand
- Analysis of redundancy and reliability
- A planned process for growth and demand on systems
- The projected cost analysis to be used for the development of financial planning

Facilities Management proposes that we proceed with a study of the above-mentioned infrastructure systems and develop a prioritized plan to address the campus infrastructure issues at a cost range of \$520,000. In order to proceed with this study I ask permission to engage the appropriate engineering companies to conduct the study and develop the University's Utility Master Plan.

RM/cbm

Report on the

University of South Alabama

Mobile, Alabama

October 1, 2011 through September 30, 2012

Filed: March 21, 2014



Department of
Examiners of Public Accounts

50 North Ripley Street, Room 3201
P.O. Box 302251
Montgomery, Alabama 36130-2251
Website: www.examiners.alabama.gov

Ronald L. Jones, Chief Examiner



State of Alabama
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Examiners of Public Accounts

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Ronald L. Jones
Chief Examiner

Honorable Ronald L. Jones
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Sir:

Under the authority of the *Code of Alabama 1975*, Section 41-5-21, we submit this report on the results of the examination of the University of South Alabama, Mobile, Alabama, for the period October 1, 2011 through September 30, 2012.

Respectfully submitted,

Sworn to and subscribed before me this
the 3rd day of March, 2014.

Sherry Hooks
SHERRY HOOKS
Notary Public, AL. State at Large
My Comm. Expires Jan. 17, 2016

Hilario O. Lim
Examiner of Public Accounts

Sworn to and subscribed before me this
the 3rd day of March, 2014.

Lacey C. Wilson
Notary Public
NOTARY PUBLIC STATE OF ALABAMA AT-LARGE
MY COMMISSION EXPIRES OCT 7, 2017
BONDED NOTARY PUBLIC UNDERWRITERS

JoNesia S. Turner
Examiner of Public Accounts

Sworn to and subscribed before me this
the 3rd day of March, 2014.

Sherry Hooks
SHERRY HOOKS
Notary Public, AL. State at Large
My Comm. Expires Jan. 17, 2016

Phillip J. Walker
Examiner of Public Accounts

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Department of
Examiners of Public Accounts

SUMMARY

**University of South Alabama
October 1, 2011 through September 30, 2012**

The University of South Alabama (the "University") is a public institution of higher learning and awards baccalaureate, masters, doctor of philosophy and doctor of medicine degrees. The University offers studies in ten colleges: Allied Health Professions, Arts and Sciences, Business, Education, Engineering, Medicine, Nursing, Computer and Information Sciences, Continuing Education and Special Programs, and Graduate School. A joint pharmacy program between the University and Auburn University has also been established. The University owns and operates the University of South Alabama Medical Center, University of South Alabama Children's and Women's Hospital, and University of South Alabama Mitchell Cancer Institute. Additional information on the history of the University is included in the Comments section of this report.

The firm of KPMG, LLP conducted the financial audit of the University for the fiscal year ended September 30, 2012.

This report presents the results of an examination of the University and a review of compliance by the University with applicable laws and regulations of the State of Alabama in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5-14.

The following instance of noncompliance with state laws and regulations and other matters was found during the audit as shown on the Schedule of State Compliance and Other Findings and is summarized below.

- ◆ 2012-01 Bid specifications on two projects included fixed priced allowances for specified areas of work. All contractors bidding on the project were required to include these prices in their bids. This does not appear to comply with the *Code of Alabama 1975*, Section 39-2-2.

The following officials/employees were invited to an exit conference to discuss the findings and recommendations appearing in the report: Dr. John W. Smith, Acting President; Stephen Simmons, Vice-President for Financial Affairs; Scott Weldon, Assistant Vice-President for Financial Affairs; Kelly Peters, Controller. The following individuals attended the exit conference: Stephen Simmons, Vice-President for Financial Affairs; Scott Weldon, Assistant Vice-President for Financial Affairs; Kelly Peters, Controller; Ben Tipton, Executive Director of Internal Audit. Representing the Department of Examiners of Public Accounts were Hal Bradsher, Audit Manager; Hilario Lim, Examiner-in-Charge; and Phillippe Walker, Examiner.



Department of
Examiners of Public Accounts

COMMENTS

**University of South Alabama
October 1, 2011 through September 30, 2012**

The University of South Alabama (the "University") was created in May 1963 by act of the Alabama Legislature. The Board of Trustees held their first meeting in October 1963. In April 1964 the University moved from 154 St. Louis Street to its present location at 307 University Boulevard. The first classes began June 1964. In 1968, the University was admitted membership in the Southern Association of Colleges and Schools. The University established a medical school in 1969, which was supported by the Alabama Legislature. Mobile General Hospital was transferred to the University in 1970 and was later renamed University of South Alabama Medical Center. The University's first doctoral program was established in 1978. The University of South Alabama Children's and Women's Hospital was established in 1983. The University established a branch in Baldwin County in 1984. Relocation of the Providence Hospital in 1987 led to the acquisition of the former Providence Hospital, now known as the University of South Alabama Springhill Avenue Campus. The University acquired Doctors Hospital and Knollwood Park Hospital in 1990. The former Doctors Hospital currently houses the University of South Alabama Children's and Women's Hospital. In 2002, the University of South Alabama Cancer Research Institute was established. In 2005, the University and Infirmity Health System announced a strategic health care alliance to enhance health care in the region and provide innovative cancer treatment and research through the University of South Alabama Cancer Research Institute. As part of this alliance, the University agreed to acquire 6.7 acres from Infirmity Health System as a site for a new Cancer Research facility. In 2006, the University of South Alabama Cancer Research Institute became the University of South Alabama Mitchell Cancer Institute and in late fiscal year 2008, the Institute moved into a new facility on the property formerly owned by the Infirmity Health System and contiguous with the Mobile Infirmity and University of South Alabama Children's and Women's Hospital. In 2006, the Infirmity Health System leased the former Knollwood Park Hospital from the University.

*Schedule of State Compliance
and Other Findings*

Schedule of State Compliance and Other Findings
For the Year Ended September 30, 2012

Ref. No.	Finding/Noncompliance
2012-01	<p><u>Finding:</u> The <i>Code of Alabama 1975</i>, Section 39-2-2, requires awarding authorities to advertise for sealed bids before entering into any contract for a public works project involving an amount in excess of fifty thousand dollars (\$50,000).</p> <p>Bid specifications for a Specialized Laboratory Building required contractors to include a fixed price amount in their bids for five areas of work that were undecided at the time of the bid. The Specialized Laboratory Building project was awarded to a General Contractor for \$11,741,000.00 which included \$420,000 for the five specified areas of work. For example, the specifications required that \$130,000.00 be included for security and access control, although details for this area of the contract were still undecided at the time of the bid.</p> <p>Bid specifications for the Delta Dorms Phase II project required contractors to include a fixed price amount in their bids for four areas of work that were undecided at the time of the bid. The Delta Dorms Phase II project was awarded to a General Contractor for \$14,190,000.00 which included \$335,000 for the four specified areas of work. For example, the specifications required that \$175,000.00 be included for structured cabling, although details for this area of the contract were still undecided at the time of the bid.</p> <p>Since these specified items were contemplated when the plans and specifications were prepared, failure to subject them to competitive bids appeared to not be in compliance with the <i>Code of Alabama 1975</i>, Section 39-2-2.</p> <p><u>Recommendation:</u> The University should develop controls to ensure compliance with the <i>Code of Alabama 1975</i>, Section 39-2-2.</p>

Additional Information

Board Members and Officials
October 1, 2011 through September 30, 2012

Board Members		Term Expires
Hon. Robert Bentley, Governor	President, Ex-Officio	
Hon. Tommy R. Bice, Ed.D., State Superintendent of Education (Effective January 2012)	Member, Ex-Officio	
Hon. Larry E. Craven, J.D., Interim State Superintendent of Education (Until December 2011)	Member, Ex-Officio	
Hon. James A. Yance	Chair Pro Tempore	2021
Hon. Steven P. Furr, M.D.	Vice-Chair	2017
Hon. Bettye R. Maye	Secretary	2017
Hon. J. Cecil Gardner	Member	2013
Hon. Samuel L. Jones	Member	2013
Hon. Christie D. Miree	Member	2013
Hon. Bryant Mixon	Member	2013
Hon. Kenneth O. Simon	Member	2013
Hon. John M. Peek	Member	2017
Hon. Steven H. Stokes, M.D.	Member	2017
Hon. Larry D. Striplin, Jr.	Member	Deceased
Hon. Scott A. Charlton, M.D.	Member	2021

Board Members and Officials
October 1, 2011 through September 30, 2012

Board Members		Term Expires
Hon. E. Thomas Corcoran	Member	2021
Hon. Arlene Mitchell	Member	2021
Hon. James H. Shumock	Member	2021
 <u>Officials</u>		
Mr. V. Gordon Moulton	President	Deceased
Mr. M. Wayne Davis	Vice-President for Financial Affairs	
Mr. William Bush	Assistant Vice-President for Hospital Financial Affairs	

RESOLUTION

JAGUAR ATHLETIC FUND DIRECTORS

WHEREAS, pursuant to the Amended Bylaws of the Jaguar Athletic Fund, Inc. (“USAJAF”), the Board of the Trustees of the University of South Alabama (“University”) shall approve the USAJAF slate of Officers and Directors, and

WHEREAS, the University and USAJAF have a history of interaction and cooperation that has served the interests of the University, and

WHEREAS, the Board of Directors of the USAJAF is authorized to nominate Directors consistent with the aforesaid bylaws for consideration and approval by the Board of Trustees of the University, and

WHEREAS, the Nominating Committee of the USAJAF Board of Directors has nominated the following persons for consideration and approval by the Board of Trustees of the University for four (4) year terms beginning June 2014, and these persons have agreed to serve in this capacity if approved,

Mr. John J. Basset
Ms. Shelly Holden, Ed.D.
Mr. C. Wesley Hinkle, Jr.
Mr. Robert A. Marks
Dr. Amy M. Morris
Mr. Alex Pastore
Mr. James H. Shumock
Mr. C. L. Walters

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama does hereby approve the aforementioned individuals as members of the Board of Directors of the USAJAF for the terms noted.



SOUTH ALABAMA
JAGUARS

REC'D
OFFICE OF THE PRESIDENT


MAY 23 2014

Department of Athletics

UNIVERSITY OF SOUTH ALABAMA

May 19, 2014

TO: Dr. Tony Waldrop
University President

FROM: Joel Erdmann, Ph.D. 
Director of Athletics

SUBJECT: University of South Alabama Board of Trustees Meeting
Jaguar Athletic Fund, Inc. (JAF) Resolution for Consideration

This is to request the attached Resolution be presented to the USA Board of Trustees for consideration at its next meeting on June 6, 2014.

Pursuant to Article V, Section 2 of the Jaguar Athletic Fund, Inc. Bylaws, the intent of the Resolution is for the USA Board of Trustees to approve a new At-Large Board member and extend the terms of seven (7) current Board members.

JWE/els

Attachment

Graduation • Citizenship • Championships

University of South Alabama • 6001 USA Drive South • Suite 35 • Mobile, Alabama 36688
Office: (251) 460-7121 • Fax: (251) 460-6505



OTHER

RESOLUTION

COMMENDATION OF DR. JOHN W. SMITH

WHEREAS, Dr. John W. Smith arrived at the University of South Alabama in 2008 as Vice President for Student Affairs, quickly earning the respect of administrators, faculty, staff and students, and

WHEREAS, Dr. Smith has been a key agent for enhancing student life on campus, including the renovation of the USA Bookstore, Food Court and Student Center; the construction of a centrally located dining facility; and the construction of the Stokes and New residence halls, along with the renovation of others, and,

WHEREAS, Dr. Smith has created strong relationships with USA partners that have resulted in creating positive residential and dining experiences for students and helped build community, and

WHEREAS, Dr. Smith's counsel was highly respected and sought after during the administration of University President V. Gordon Moulton, who appointed Dr. Smith as Special Assistant to the President in 2010, and

WHEREAS, Dr. Smith continued to serve as Vice President during that time, handling duties of both positions with honor, proficiency and aplomb, and

WHEREAS, in February 2013, the Board of Trustees appointed Dr. Smith as Acting President of the University of South Alabama, a reflection of its faith and trust in Dr. Smith to lead the University during a time of uncertainty and transition, and

WHEREAS, Dr. Smith, with integrity and focus, guided the University during this critical period, during which USA's 50th Anniversary was celebrated and the process for reaffirmation of the University's accreditation was achieved, and

WHEREAS, Dr. Smith and his wife, Jeanne, have represented the University with poise and selfless generosity, particularly following the death of President Moulton, and

WHEREAS, Dr. Smith continues his dedicated service to the University of South Alabama as Special Assistant to the President and Vice President for Student Affairs,

THEREFORE, BE IT RESOLVED that the Board of Trustees expresses its heartfelt appreciation to Dr. John W. Smith for his leadership, counsel and continued support of USA's mission of teaching, research, public service and health care.

RESOLUTION

COMMENDATION OF MR. M. WAYNE DAVIS

WHEREAS, Mr. M. Wayne Davis served in many official capacities at the University of South Alabama since his employment on April 25, 1978, including Controller; Associate Vice President for Finance & Controller; Treasurer & Controller; Vice President for Financial Affairs; and Executive Assistant to the President, and

WHEREAS, during Mr. Davis's 36-year tenure with the University, student enrollment grew from 7,084 to 15,311, and

WHEREAS, during Mr. Davis's career the University budget increased from \$62 million to \$700 million, and

WHEREAS, Mr. Davis has contributed his time and expertise to serving as a board member for the University of South Alabama Health Services Foundation, the USA Federal Credit Union, and the USA Research and Technology Corporation, and

WHEREAS, Mr. Davis played a major role in creating the original plan for the implementation of a football program at the University, and

WHEREAS, Mr. Davis worked tirelessly to establish the Jaguar Challenge Golf Tournament, now in its eleventh year, which raises over \$100,000 annually for the USA Athletics Department, and

WHEREAS, Mr. Davis possesses a transcendent financial mind, an uncanny ability to inveigle others with great equanimity, a mystical talent for keeping his weight at a certain level and implausible luck both on and off the golf course,

THEREFORE BE IT RESOLVED that the University of South Alabama Board of Trustees expresses its sincere appreciation to Mr. M. Wayne Davis for his many contributions to the University of South Alabama and offers its best wishes upon his retirement from the Institution he served so well.

RESOLUTION
COMMENDATION OF MRS. CHRISTIE D. MIREE

WHEREAS, Mrs. Christie D. Miree was appointed to the Board of Trustees of the University of South Alabama in 2001, and

WHEREAS, during her tenure as a member of the Board, Mrs. Miree played a key role through her service on the Budget and Finance/Audit Committee and the Academic and Student Affairs Committee, for which she served as Chair since 2004, and

WHEREAS, Mrs. Miree has been instrumental to the success of several significant development initiatives, including service on the 50th Anniversary Alumni Annual Fund Leadership Council, and has provided generous financial support for USA's 50th Anniversary Annual Fund and to create the Christie D. Miree National Alumni Association Employee Service Awards Endowment Fund, contributions for which she, as a 1993 graduate of the University, was honored by the USA National Alumni Association with a Distinguished Alumni Award in 2011, and

WHEREAS, Mrs. Miree has served the University with distinction, graciously contributing her time, energy, wisdom and guidance to the growth and development of higher education in the state of Alabama and region, and to the students, alumni, faculty and administration of the University of South Alabama,

NOW, THEREFORE, BE IT RESOLVED that the University of South Alabama Board of Trustees expresses its deep appreciation and gratitude to Mrs. Christie D. Miree for her devotion, service and commitment to advancing the interests of the Institution and its constituencies.

RESOLUTION
COMMENDATION OF MR. J. CECIL GARDNER

WHEREAS, Mr. J. Cecil Gardner was appointed to the Board of Trustees of the University of South Alabama in 2001, and

WHEREAS, during his tenure as a member of the Board, Mr. Gardner played a key role on numerous important committees, including the Executive Committee, the Academic and Student Affairs Committee, the Long-Range Planning Committee, the Budget and Finance/Audit Committee and the Development, Endowment and Investments Committee, and

WHEREAS, Mr. Gardner has been instrumental to the success of several significant development initiatives, including service on the Campaign USA Leadership Team and the 50th Anniversary Business Leadership Circle, and has provided generous financial support for the University's Bell Tower Campaign and to Celebrate Hope benefiting the Mitchell Cancer Institute, and

WHEREAS, Mr. Gardner has served the University with distinction, graciously contributing his time, energy, wisdom and guidance to the growth and development of higher education in the state of Alabama and region, and to the students, alumni, faculty and administration of the University of South Alabama,

NOW, THEREFORE, BE IT RESOLVED that the University of South Alabama Board of Trustees expresses its deep appreciation and gratitude to Mr. J. Cecil Gardner for his devotion, service and commitment to advancing the interests of the Institution and its constituencies.

RESOLUTION
COMMENDATION OF MR. SAMUEL L. JONES

WHEREAS, the Honorable Samuel L. Jones was appointed to the Board of Trustees of the University of South Alabama in 2001, and

WHEREAS, during his tenure as a member of the Board, first as a Mobile County Commissioner and later as Mayor of Mobile, Mr. Jones played a key role on numerous important committees, including the Executive Committee, the Budget and Finance/Audit Committee, the Health Affairs Committee, and the Long-Range Planning Committee, for which he served as Chair since 2008, and

WHEREAS, Mr. Jones has provided generous financial support to the University and has been instrumental to the success of several significant development initiatives, including service on the Campaign USA Leadership Team, the 50th Anniversary Business Leadership Circle and the Mitchell-Moulton Scholarship Initiative Committee, and

WHEREAS, Mr. Jones received a USA Distinguished Service Award in 2008 and addressed graduates as the 2009 Fall Commencement Speaker, and

WHEREAS, Mr. Jones has served the University with distinction, graciously contributing his time, energy, wisdom and guidance to the growth and development of higher education in the state of Alabama and region, and to the students, alumni, faculty and administration of the University of South Alabama,

NOW, THEREFORE, BE IT RESOLVED that the University of South Alabama Board of Trustees expresses its deep appreciation and gratitude to the Honorable Samuel L. Jones for his devotion, service and commitment to advancing the interests of the Institution and its constituencies.

RESOLUTION

RECOGNITION OF MR. ABRAHAM A. MITCHELL AS HONORARY TRUSTEE

WHEREAS, Mr. Abraham A. Mitchell has been a tireless advocate for the University of South Alabama, and

WHEREAS, Mr. Mitchell has focused his philanthropy on the University of South Alabama, giving generously and encouraging others to do the same, and

WHEREAS, Mr. Mitchell's commitment of \$50 million in 2013 greatly enhanced the Mitchell College of Business and provided a transformational expansion of educational opportunities for USA students in all disciplines through the endowment of the Mitchell-Moulton Scholarship Initiative, and

WHEREAS, Mr. Mitchell contributed the funds necessary to purchase and renovate a presidential residence for the University, giving the Institution a suitable place to receive guests and house its president, and

WHEREAS, the total amount of giving by the Mitchell family exceeds \$93 million, touching all aspects of the University, and

WHEREAS, Mr. Mitchell has given not only of his resources, but also has provided vast quantities of his time and talent to the University, and

WHEREAS, Mr. Mitchell, offering trusted and wise counsel, has been an invaluable resource to the University's Board of Trustees and leadership, and

WHEREAS, the Board has the discretion to recognize as an honorary trustee any individual who has demonstrated sustained and extraordinary commitment to the mission of the University, and

WHEREAS, such a designation is reserved for rare occasions,

THEREFORE, BE IT RESOLVED that the University of South Alabama Board of Trustees is deeply appreciative of Mr. Abraham A. Mitchell, who has served the University with distinction and whose counsel and advice is particularly valued by the Board, and

BE IT FURTHER RESOLVED that the University of South Alabama Board of Trustees hereby recognizes Mr. Mitchell as an honorary trustee.