

**ALABAMA COMMUNITY COLLEGE SYSTEM BOARD OF TRUSTEES  
MINUTES OF THE MEETING HELD ON  
WEDNESDAY, NOVEMBER 9, 2016, 10:01 A.M.**

The Alabama Community College System Board of Trustees (also referred to herein as the Board) held a meeting at 10:01 a.m. on Wednesday, November 9, 2016, in the Board Room of the Alabama Community College System building in Montgomery, Alabama. The meeting was called in accordance with Act No. 2015-125.

**PRESIDING: MR. AL THOMPSON  
VICE PRESIDENT**

The meeting was called to order by Mr. Thompson. The Pledge of Allegiance followed the invocation by Dr. Vicki Karolewics, President of Wallace State Community College.

On roll call, the following Board members were present:

Mr. Al Thompson  
Mr. Ron Fantroy  
Mrs. Susan Foy  
Mr. Frank Caldwell  
Mrs. Crystal Brown (by phone)  
Mr. Milton Davis  
Mr. Chuck Smith  
Mrs. Mary Scott Hunter (by phone)

Also present was Mr. Jimmy H. Baker, Acting Chancellor of the Alabama Community College System. Absent were Mr. Blake McAnally and Governor Robert Bentley.

**APPROVAL OF AGENDA**

On motion by Mr. Davis, second by Mr. Caldwell, the agenda was approved unanimously without discussion as presented.

**APPROVAL OF MINUTES**

On a motion by Mr. Smith, second by Mrs. Foy, the Board voted unanimously to adopt the Minutes of the October 12, 2016 meeting as presented without discussion.

**SECTION VI  
PUBLIC COMMENT**

There were no individuals registered to speak during the Public Comment portion of the meeting.

**SECTION VII  
(EXECUTIVE, LEGAL AND PUBLIC INFORMATION)**

**ADOPTED**

**FAULKNER STATE COMMUNITY COLLEGE  
AUTHORIZING RESOLUTION**

Mr. Thompson asked Mr. Preston Bolt to speak to the Board about the two bond issues. Mr. Bolt said that he was the Bond Counsel for both of the bond issues that are before the Board today. He said these are the first issues that have been publicly sold, that is, that were not placed privately with a bank since this Board was formed and the first financing since 2012 that has been done in this manner. Because of various issues that were raised and the uses of the funds, the issues you

have approved, and the State Board before you approved, since 2012 have largely been placed with banks that are shorter in term and had good interest rates. This is the first time that we have longer term bonds that require that we go to the public market. That in mind, I asked to address the Board concerning the fact that these are securities and you are selling these in the public market and that this Board is responsible for the sale. The SEC (Securities and Exchange Commission) is very concerned with these kind of securities and very concern that the disclosure about them be adequate. We spend a lot of time with the colleges, the Board, your financial advisor PFM and the underwriters who are hired to do this to make sure that information that is presented is complete and accurate. But ultimately they will be looking to the Board to say that the information is adequate. That is what we have you say as part of the documentation for signing as a part of each issue. The primary protection for that is a prospectus called the Official Statement. It essentially describes the college, the Board, it describes the finances of the College, the revenues that secures the debt which as you know are limited to tuition and fee revenues of certain types and it describes the tax status of the bonds and other various kinds of things that are important to investors. You are entitled to rely on us as experts, on your financial advisors as experts and on your staff to help you prepare, but if you have any questions or if you ever have reason to believe that some of the information concerning any of those things might be inaccurate you should ask me. It is incumbent on you under Security laws, I want you to understand that the Board does have some indemnity as far as the SEC is concerned. They have gone after public officials in the past in very egregious circumstances, in certain cases like self-dealing and other things that have nothing to do with any of these issues. But because it is a serious thing with them, it is a serious thing with us and I want to make everyone aware of it. I am always happy to answer any questions about any of the issues we are working on. I know that Phil Dotts and his group at PFM and the underwriters that are working on it would be glad to provide information. I wanted to put it out there to you and offer to answer questions at this point or later if you ever had any.

Mr. Smith asked, if the Board approves this, when is the execution date? Mr. Bolt said the Faulkner State issue is scheduled to close on November 16 and the Jefferson State issue is scheduled to close on November 17. Usually they will close within two weeks after the Board's approval. Mr. Smith asked if we have the ability down the road to renegotiate the rate. Mr. Bolt said you have the ability to refinance. The rules are a little different for each issue. In the case of Faulkner, you can do an advance refinance at any time, if the rates justify that. He said you have the right to refinance after 10 years. You can refund the outstanding bonds and replace them with new bonds.

On motion by Mr. Davis, second by Mr. Fantroy, the Board unanimously approved the Authorizing Resolution which sets forth details regarding the previously approved issuance of approximately \$6,750,000 limited obligation Alabama Community College System revenue bonds, Series 2016 for the benefit of Faulkner State Community College. Fiscal Consideration: \$6,085,000 – Revenue Bonds – Estimated annual debt service is \$470,026 for a 20-year bond issue.

**JEFFERSON STATE COMMUNITY COLLEGE  
BOND REFUNDING**

On motion by Mr. Smith, second by Mr. Davis, the Board unanimously authorized the issuance of its approximately \$14,755,000 Jefferson State Community College Revenue Refunding Bonds, Series 2016 for the purpose of refunding the State Board of Education's Jefferson State Community College Revenue Bonds, Series 2007. The Board further authorized other details of the said Series 2016 Bonds be set forth in the attached resolution. Fiscal consideration: \$2,443,176 – Approximate savings on the refunding (net present value)

**SECTION VIII  
(ACADEMIC AND STUDENT AFFAIRS, ADULT EDUCATION, FACILITIES, FISCAL,  
INFORMATION TECHNOLOGY, AND WORKFORCE DEVELOPMENT)**

**ADOPTED**

**WALLACE STATE COMMUNITY COLLEGE**  
**RENEWAL OF LEASE AGREEMENT – ALABAMA DEPARTMENT OF**  
**AGRICULTURE AND INDUSTRIES**

On motion by Mr. Caldwell, second by Mrs. Foy, the Board unanimously authorized the President of Wallace State Community College, to enter into a five-year lease agreement beginning October 1, 2016, with the Alabama Department of Agriculture and Industries. Fiscal consideration: Lease will generate approximately \$240,000

**ALABAMA COMMUNITY COLLEGE SYSTEM**  
**GENERAL LIABILITY INSURANCE**

Mr. Thompson asked Mr. O'Brien to speak to the Board regarding the other liability insurance. Mr. O'Brien said that we were tasked to review and solicit quotes for Cyber liability insurance coverage. He said that we have done so and are prepared to offer at the Work Session a summary of the proposed coverage along with its cost. He has an Executive Summary to provide to the Board this afternoon that summarized the proposed coverage along with the policy limits.

On motion by Mr. Davis, second by Mrs. Brown, the Board unanimously authorized and directed each college and Alabama Technology Network (ATN) to purchase general liability insurance coverage under a policy recommended by the Acting Chancellor for the coverage period November 15, 2016, and ending November 15, 2017. The Board further recommended that the annual premium be apportioned among the colleges and ATN as determined by the Acting Chancellor. Fiscal consideration: \$152,711 (Current Unrestricted Fund)

**SECTION IX**  
**PERSONNEL**

Chancellor Baker introduced Mr. Boone Kinard, Special Assistant to the Chancellor for Governmental Affairs, and Mrs. Barbara Anne Spears, Assistant Chief Academic and Student Affairs Officer to the Board. Mr. Thompson said that on behalf of the Board they are glad to have you and look forward to working with you in the days ahead.

**SECTION X**  
**(CHANCELLOR'S REPORT)**

Mr. Baker said that he wanted to make a very brief report on a number of issues that are ongoing in the System office and System. He asked Dr. Russ Rothamer to give the report.

Dr. Rothamer stated that the Trustees would find the System-wide Initiatives Update in the back of their books. These initiatives are made up of work teams of presidents, individuals from the college staff, as well as System employees as resource. We think it is very important to have that kind of wide range input into a lot of these key initiatives that not only affect what happens in the System but truly across the state to make our System stronger. He said the first one are the Policies. The 200 Series Policies are the local college administration policies. You will discuss these at the Work Session. The next policies that have concerned the colleges are the 600, 700, and 800 series. The 600 Series are the Postsecondary Faculty Credentials which has a team working on them. The 700 Series deals with the Instructional policies. They have been put together and have been submitted to the presidents, the Instructional Officers Association and colleges for their feedback. The 800 Series team has reviewed all policies related to student services and will distribute them shortly to the presidents and colleges for input. Hopefully we will have these to you and your committees soon for your review.

The next is the Presidential Search. We have a committee working on putting together the time line and a flow chart. By the next Board meeting, you will have a complete flow chart of how we plan to look at the presidential searches. In particular, the one coming up for Shelton State. We

are looking for the online comment portal for that to be open from November 21 through December 2. This is a tentative timeline. The committee is working on finalizing this and we will give you that report. We wanted to give you what we were thinking so that you could provide feedback. We are looking at the application process opening on December 7. According to Policy and Procedure, it needs to be open for the process has to be filled by 120 days. We have to put in the other steps to this. As I mentioned, by December 8 we will have the flow chart for you on how this will progress. January 3 the application process will close. In the April Board meeting, if all goes as planned, you will have an opportunity to approve the next president. We will get more information to you as we go. Mr. Baker stated that it is our intention to not have two searches going as far as posting and receiving applications at the same time. However we can't wait until the complete process occurs. So we plan to look at Bishop State to follow up on this as soon as we can after the application time has closed on the first announcement. We will be working overtime on that process. We have a lot to do to fill the vacancies that need to be filled.

Dr. Rothamer spoke on the Presidential Evaluation process. He said that there were six presidents along with some resource staff from the System Office evaluating the current process used for presidential evaluation. They will be making recommendations on how we can do that process better and be more supportive of our presidents and those institutions.

We have talked about considerably about the Strategic Plan. We have six goals that we have discussed. Many of the things you see on this Initiative sheet are from the Strategic Plan and some of those key projects and indicators. We are also working on developing a comprehensive marketing and communication plan through government and external affairs area.

Another piece is professional development. Chancellor Baker has talked about how this is important not only for System staff but for the colleges and all of our employees that serve our students. One of the events I want to highlight is the Alabama Community College Association (ACCA) Conference on November 20 through 22. There will be approximately 800 administrators, faculty and support staff attending. We hope you will join us at the Chancellor's Awards Breakfast on November 22 at 8:30 a.m.

We recognize how important professional development is. The ACCA Executive Committee has put together a series of webinars that are very promising. We reached out across the state and have held five different webinars since August. There were nearly 700 registrants and attendees. This has been a wonderful opportunity.

Moving on to the Compliance Division which is another initiative that you have discussed. It is in it sub-stages of being put together. Dr. Nakia Robinson has given presentations to the Board about College Readiness and her Developmental Education Task Force. We are happy to report that the pilot with Southern Regional Education Board (SREB) and high schools partnerships is moving forward. We have seen some positive results in communications with secondary schools. We know how important that is as we continue to work at supporting open access and college readiness.

On Industry Credentialing, our CTE staff and Kristi Bain have previously given a presentation to you during one of the Work Sessions and wanted to share with you the continued work with that. She has visited and worked with twelve colleges thus far and eight additional are scheduled. It is going exceedingly well. The colleges have been very receptive. Kristi and the whole team are doing a wonderful job in supporting those colleges in aligning our certifications with the national recognized credentials.

On the Longitudinal Data System, Mr. Davis, who is on the Advisory Committee, along with Chancellor Baker and we have 4 additional staff members within the System that are on the Implementation Committee. That work is just getting started. The first meeting was on November 3<sup>rd</sup> and the next meeting will be on December 7<sup>th</sup>.

Another key highlight that I want to share with you is at 2:00 p.m. today a Memorandum of Understanding (MOU) press event that we will be hosting on State-wide Reverse Transfer. Dr.

Rothamer said he wanted to thank the colleges and the staff. This has been a process long in coming in terms of a lot of people put in a lot of significant work. This will have wonderful value to our students in terms of increased credentials. Mr. Baker asked Dr. Rothamer to explain why this is significant. Dr. Rothamer said that if a student that happens to leave our two-year institution and transfers to a four-year institution prior to completing their associate's degree, the reverse transfer allows and sets up a formal process where we will proactively look to see if the student has earned enough credit at the four-year institution that could then be transferred back to the two-year institution so that we can award the student an earned credential, primarily for an associate's degree. There are states that also look at offering certificates and other opportunities. The National Director from the National Student Clearing House that will share student success stories and how important that has been to other states in increasing the number of credentials that have been earned but have not been awarded. We are looking forward to formalizing that process in the State of Alabama.

Mr. Baker said he had an interesting discussion yesterday with a constitutional officer of the State who made the comment that in his evaluation it was obvious that the best solution for the State of Alabama to move forward and solve a lot of our problems was to improve and enhance what we are doing at the community college level. The point being that people are comfortable with themselves and their opportunities to make a living, they just really do a better job as citizens. Mr. Baker said he appreciated the comment. Then he added, but, Jimmy, you have got to find a way to make sure the Community College System is ready. Mr. Baker said he made the comment at the last meeting that 'Education is certainly headed to an environment where it is more personal for the student, more detail for the financial, and data driven.' We find ourselves not in the best position that we should be relative to our environment as far as data across the board. I am no expert in that world and we have no choice but to become experts. I have made the decision to move forward with a program, CampusWorks, to do an assessment across the board including internal. Because we can't provide leadership unless we are capable of doing what we should do. To look across the System as a whole and evaluate where we are relative to the world of technology. While we think it is important today. It is going to get more and more. We have to get up to speed. We have a lot of work to do. I appreciate all the support that I am going to get in that process and CampusWorks is going to get as they work with you and come to you, and talk to you about what do we need, what do we have in the way of assets, what don't we have, and how effective we are in what we are doing. I decided that I needed an independent third party who wasn't trying to market some software but who wanted to come in and help the System. I talked to colleges and trustees of colleges across the country from where CampusWorks had been in their environment. I feel comfortable that they can come to work with us over a period of time, not talking about a long period. My experience has generally been if it takes two years, it will take three. We can probably do everything we need to do in a much shorter period of time, probably do it just as effectively.

Dr. Rothamer shared that he has worked with Liz Murphy and CampusWorks for a number of years at another institution. He said that he was looking forward to the assessment and recommendations. Dr. Rothamer introduced Liz Murphy, CEO of CampusWorks.

Ms. Murphy explained CampusWorks' process – System Office and College Information Technology assessment, Information Technology skills analysis, college listening sessions, organizational assessment, and business performance optimization roadmap. She said that the assessment process had started and is scheduled to close in January. Our ultimate goal for you is to lower operating costs and increase services. She asked for everyone's patience, thoughtfulness as you go through the process.

President Branch shared his concern that they have already in just the past year completed a similar assessment for the consolidation.

Chancellor Baker said this is going to be a tough deal. I want everyone to remember this. You may have a great school. I believe a lot of you do but you are not as good as you can be if we have a System that is collectively headed in the same direction and using all of our resources for the benefit of the System, you can have a better school. We can only get there with your help and support. I am counting on you.

Mr. Thompson thanked Chancellor Baker for the update on the System-wide initiatives. He thanked Ms. Murphy for her presentation. He mentioned that the Work Session will be held at 1:30 p.m. due to a press conference being held at 1:00 p.m. in the first floor break room of the building. He said that a luncheon with our colleagues in K-12 will be held next month.

Chancellor Baker asked if he could express his appreciation to the Board. He said that we have been doing a lot of things the last few weeks. He said Board committees had been working hard. If we bother you sometimes, let us know. The communication process is a good experience. Mr. Smith thanked Chancellor Baker for giving his permission to bother him. Mr. Thompson thank him and the Trustees for their hard work.

**SECTION XI**  
**(DATE AND LOCATION OF NEXT MEETING)**

The next Board meeting will be held in Montgomery at 10:00 a.m. on Wednesday, December 14, 2016, in the Board Room of the Alabama Community College System building in Montgomery, Alabama. A work session will follow at 1:00 p.m. in the Presidents Conference Room.

**ADJOURNMENT**

On a motion by Mr. Davis, second by Mr. Smith, the Board meeting was adjourned at 11:02 a.m.

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Vice President

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Acting Chancellor