



TUSKEGEE UNIVERSITY

BOARD OF TRUSTEES

Dear Tuskegee University Community,

“Tuskegee University is an inextricable part of American History. This legacy and future are entrusted to each of us. Together is how we will secure its greatest ‘now’ and greatest ‘future’.”

-John Page, Chairman
Tuskegee University Board of Trustees

We have but one mission: to educate and graduate leaders who will contribute to the betterment of our communities, society, and global neighborhoods in line with our commitment to improve the human condition.

In an effort to improve our communications with parents, students, potential students, faculty, staff, alumni and stakeholders, Tuskegee University (“TU”) will regularly publish information on Tuskegee University Board of Trustees (“Board”) meetings and other considerations and decisions the University is undertaking.

In this letter, we will provide information on the University Board structure; a listing of Board meeting dates and locations; and provide continuous updates on areas of importance, including but not limited to: the Southern Association of College and Schools Commission on Colleges (“SACSCOC”) warning, the budget, endowment, alumni affairs, and right-sizing of the University faculty and staff forces.

Board of Trustees

The Tuskegee University Board of Trustees serves as the governing and fiduciary body for Tuskegee University.

Chief among our roles is to ensure the mission, teaching, service and research of the University are well supported and that our students complete their education and are employable. As such, the Board is responsible for such tasks as: creating policies, setting the mission and purpose, strategic planning, reviewing programs, and relating campus to community and community to campus. The Board’s administrative responsibilities include providing oversight of the University through the President. Equally important is our role in fundraising, as well as engaging our alumni, parent, and student communities.

Currently, the Board is composed of 17 self-perpetuating members, including 5 members appointed by the Governor of Alabama (“State Trustees”), all of whom have full voting rights. In addition, the President of the University, the Alabama Superintendent of Education, a Faculty Trustee, and a Student Trustee all serve as non-voting members of the Board. Aside from the State Trustees and non-voting members, Board trustees serve a three-year term of office.

The Chairman of the Board serves as the Board’s spokesperson and no individual trustee may take any action on behalf of the Board without prior express authority.

Current board members, seven of whom are TU alumni, are all respected and accomplished individuals, representing diverse professions and areas of expertise. Moving forward, the Board is committed to ensuring potential Board members are selected based on the needs of the University and their ability to provide meaningful leadership in addressing those needs. In addition, all trustees are expected to provide financial support the University.

To learn about the members of the Tuskegee University Board of Trustees, please visit the Board website.

Board Meetings

Meetings of the Board are held on the campus, as well as at offsite locations. Currently, the Board convenes for its Annual Meeting in March, and holds Regular meetings in the Summer, Fall, and Winter.

Dates for the FY2017 Board meetings are listed below.

October 1, 2016—Tuskegee University, Tuskegee, Alabama
January 12-14, 2017—Seattle, Washington
March 16-18, 2017—Tuskegee University, Tuskegee, Alabama
June 2017—Tuskegee University, Tuskegee, Alabama

During all offsite meetings, the Board schedules meetings with donors, potential donors, and alumni. We recognize that the TU brand and its reach extends beyond the state of Alabama and the Board uses offsite meetings as an opportunity to deepen and broaden our relationships across the country.

As a Board and Administration, we have begun the process to study and change our current structure to better achieve our mission and carry out our Strategic Plan.

We have made a commitment to reduce our expenditures and allocate more resources where it makes sense for effective instruction. The Strategic Plan, unanimously adopted by the Board, speaks to this effort as Efficient Use and Management of Resources.

Tuition Increase

During the September 2016 meeting, the Board focused on enhancing the structure required to continue to succeed and accelerate our achieved success. Among the actions taken, the Board approved a 3.5% increase on tuition, fees, and room & board rates for all undergraduate and graduate students, with the exception of the College of Veterinary Medicine. This represents the first tuition increase in three years.

The increase will be effective for the 2017-2018 academic year (July 2017-June 2018) and will add approximately \$1,000 to the annual cost of attendance for the average undergraduate student residing in on-campus housing. This increase will help the University keep pace with increasing costs to enhance student life and meet the costs of TU's operational expenses.

SACSCOC

Tuskegee University is and remains fully accredited. The University can confer degrees at all the levels of its degree programs, both undergraduate and graduate level, including doctoral, professional, master's and bachelor's degrees.

The SACSCOC five (5) year monitoring review is part of a peer review process. For TU the period of review covered 2008-2013. TU welcomes the review and guidance afforded by the process.

In June 2015, following the initial March 2014 submittal and subsequent referral report provided in April 2015, TU was placed on warning for a number of reasons including Core Requirement 2.2 concerning University governance. We are pleased to report that Core Requirement 2.2 has been fully addressed and removed. In July 2016, SACSCOC continued its warning but removed four items that were satisfactorily addressed by TU. Currently there are four remaining items to be addressed by TU in a Monitoring Report to be submitted by April 2017.

The standards still being addressed are:

- ▶ *CS 3.3.1.1 – Institutional effectiveness: Educational Programs*
- ▶ *CS 3.10.1 – Financial Stability*
- ▶ *CS 3.10.2 – Financial Aid Audits*
- ▶ *FR 4.7 – Title IV Program Responsibilities*

Institutional Effectiveness

Based on our recent submission, SACSCOC found TU was not fully compliant with Core Requirement 3.3.1.1: institutional effectiveness, educational programs. TU's ability to implement, assess, measure, review and adjust its programs' effectiveness is the focus here. TU initially reported results from one program, which was not sufficient to make an appropriate determination of compliance. Supplemental data submitted by TU demonstrated the need for improvement and use of data with respect to measuring student learning outcomes ("SLO") as well as formally using results to improve programs.

TU does formally measure SLO and provided additional data to SACSCOC with the first monitoring report. Sufficient time, however, had not elapsed to demonstrate a full measurement cycle was completed. TU fully expects to successfully address this item upon submission and review of the second monitoring report in April 2017, which will contain data demonstrating how TU evaluates, assesses its programs, measures SLO and makes necessary adjustments.

Financial Stability

This standard will be discussed in our Monitoring Report. Our Composite Financial Index (CFI) score suggests the need for structural changes. We have not raised tuition for approximately three years nor have we significantly reduced payroll and/or other expenses. Our goal is to stay within our existing budget, even when our enrollment is flat and/or declining. We must now, without delay, look forward and make sensible and objective reductions in a manner allowing TU to operate under a balanced budget.

To address these matters, the Board has enacted several policies that will strengthen financial accountability. First, we adopted a policy requiring Board oversight for expenditures exceeding \$250,000. Second, we will review the budget more frequently at key stages throughout the fiscal year and adjust as needed, in addition to strengthening our enrollment and fundraising.

Financial Aid Audits

TU has always performed financial aid audits and has fully complied with its obligations to the U.S. Department of Education. With respect to the SACSCOC submittal, the Financial Aid Audits were performed but not submitted to SACS. These audits account for two of the items remaining in the warning.

Our next report to SACS will, among other things, demonstrate what we have done to address the actual concerns and avoid them in the future.

Dr. Tamara Floyd Smith, Assistant Provost and Dr. Charlotte Morris, Interim Dean, College of Business, and a complement of TU staff and professionals will address each item and oversee the submittal of the report for peer review. TU has also engaged third-party support who are well acquainted with the SACSCOC review process and format for submittals. TU leadership, including the Chairman and First-Vice Chairman of the Board, met with SACSCOC in August 2016 and reviewed in detail each remaining item. The meeting was very helpful and SACSCOC was extremely supportive of TU. We have every confidence that the remaining items will be satisfied and removed following the April 2017 submittal.

Online Master's Degree Status

SACSCOC did not approve the distance education prospectus that was submitted by Tuskegee University in April 2016. There are two concerns cited. First, credit hour definition. Second, student learning outcomes. Typically, only the items of concern would

need to be addressed for the prospectus to be approved. However, because the University is on a public sanction, SACSCOC requires resubmission of the entire prospectus. Despite the fact that the prospectus was not approved, the University remains in compliance with SACSCOC because approval is only required prior to offering 50% or more of the first fully online degree. Currently, we are below that level with our online degree programs.

A revised prospectus was submitted in September 2016 with emphasis placed on the two items of concern from the original prospectus. To address the shortcomings identified in the first prospectus, the Tuskegee University credit hour policy was modified to explicitly reference the distance learning course modality and the corresponding credit hour equivalent. Second, in consultation with an external SACSCOC institutional effectiveness expert, the student learning outcomes for the two online programs were modified to comply with the recommendations from SACSCOC.

TU Budget

TU's annual operating budget is approximately \$128 Million.

Beginning in FY2017 and continuing for three years thereafter, TU will continue to implement prudent cost saving and cost reduction measures related to payroll, vendor contracts, hiring review, program review, and a number of other measures to enhance financial stewardship and compliance while delivering the best instruction possible.

TU Endowment

TU's endowment is approximately \$115 Million.

Our renewed commitment and focus is to grow the endowment through annual giving, new relationships, and our planned capital campaign which is currently undergoing a feasibility study to ensure success. Increased and sustained annual giving will be key to growing TU's endowment.

Earnings from the endowment are used to support TU's mission and for over \$20 Million in scholarship and institutional aid.

TU Staffing Levels (Structure)

Over the last few years, University leadership has taken a critical look at the entirety of its workforce in relation to its academic mission, enrollment and ability to compete for talent. While we recognize that reducing a workforce under any circumstances is both difficult and is never perfect, TU's leadership has made the tough decision to undertake sizing initiatives while preserving the academic mission and integrity. These measures will be implemented overtime to achieve financial stability and provide a platform for long term managed growth.

Tuskegee National Alumni Association (TNAA)

The Board and TU recognize TNAA as the official voice of the alumni. TNAA provides alumni with a workable framework to receive information and participate in TU affairs in an organized and effective manner.

Notwithstanding this position, TU leadership welcomes hearing from alumni and commits that alumni concerns will always be heard, considered and addressed respectfully and responsibly.

Comprehensive Board Actions

The below actions represent a substantive portion of the actions taken by the Board of Trustees at its Fall Meeting on October 1, 2016.

Board Actions **Fall 2016 Meeting**

1. Received and reviewed the President and Staff's Report on the University progress toward completing the remaining action items for the University's current SACS warning.
2. Approved the creation of a Bachelor of Science degree in Health Science.
3. Approved a 3.5% increase on tuition, fees, and room and board for all undergraduate and graduate students. This increase will not apply to students in the College of Veterinary Medicine.
4. Approved adjustments to the FY 2016-2017 budget.
5. Approved the renewal of an IT contract geared toward providing quality network capabilities for the campus.
6. Adopted a resolution authorizing the Chairman of the Board to name members of the University Board of Advisors, a non-governing body geared toward providing support to the University.
7. Re-elected Trustees Bernard Anderson, Norma Clayton, and Felker Ward to another three-year term of office.
8. Elected Dr. Irving McConnell, CEO of the McConnell Group and a two-time graduate of Tuskegee University, as a new member of the Board of Trustees. Dr. McConnell will serve a three-year term of office.
9. Trustee Erick Harris was selected to serve as Second Vice Chairman of the Board of Trustees.
10. Seated both the Faculty Trustee and Student Trustee. Kimberly Baylor Bivins, Assistant Professor in the School of Architecture and Construction Science, serves as the Faculty Trustee by virtue of her holding the office of Faculty Senate Chair. Serving as the Student Trustee is Jordan Kurtz, a junior political science major from Birmingham, Alabama. Trustee Kurtz was elected by the student body to serve as the University's first Student Trustee. Both the Faculty Trustee and Student Trustee serve as non-voting members of the Board of Trustees.
11. Approved the President's hires for a new Vice President for Human Resources and a General Counsel & Vice President for External Affairs.

Lastly, I wish you all a very happy Homecoming. I also wish to congratulate the classes of 1981, 1986, 1991, 1996, 2001, 2006, and 2011. Special recognition to the Class of 1991, which celebrates their 25th Reunion this year. As we enjoy the Homecoming festivities, let us all continue to celebrate the bonds that tie us together—a love for Mother Tuskegee.

I hope that this communication has been helpful to you. As always, we thank you for your continued interest, support and advocacy on behalf of our beloved Tuskegee University.

Yours Truly,

John E. Page, Chairman
Tuskegee University Board of Trustees