

**MINUTES OF THE BOARD OF TRUSTEES OF  
STATE INSTITUTIONS OF HIGHER LEARNING  
December 18, 2014**

**BE IT REMEMBERED**, That the Mississippi Board of Trustees of State Institutions of Higher Learning of the State of Mississippi met in a regular session at the Board Office in Jackson, Mississippi, at 9:00 a.m., and pursuant to notice in writing mailed by certified letter with return receipt requested on November 26, 2013, to each and every member of said Board, said date being at least five days prior to this December 18, 2014 meeting. At the above-named place there were present the following members to wit: Mr. H. Ed Blakeslee, Mrs. Karen L. Cummins, Dr. Ford Dye, Mr. Shane Hooper, Mr. Bob Owens, Mr. Hal Parker, Mr. Aubrey B. Patterson, Mr. Alan Perry, Ms. Christine Pickering, Ms. Robin J. Robinson, Dr. Douglas Rouse, and Mr. C.D. Smith (by phone). The meeting was called to order and opened with prayer by Mr. Aubrey Patterson, President.

**APPROVAL OF THE MINUTES**

On motion by Trustee Blakeslee, seconded by Trustee Dye, with Trustee Smith participating by phone, all Trustees legally present and participating voted unanimously to approve the Minutes of the Board meeting held on November 20, 2014.

**CONSENT AGENDA**

On motion by Trustee Pickering, seconded by Trustee Hooper, with Trustee Smith participating by phone, all Trustees legally present and participating voted unanimously to approve the following Consent Agenda.

**FINANCE**

1. **MSU** – Approved the request to modify the purchase agreement with Cray, Inc. At the September 2013 Board meeting, MSU received approval to purchase the Cray CS300-LC Cluster Supercomputer system, related software and support services for a cost of \$1,578,239 (Phase I). In March 2014, the Board approved MSU's request to purchase expansion equipment and support services for the Cray CS300-LC Cluster Supercomputer system (Phase II). The current modification will replace Cray's Advanced Cluster Engine (ACE) management software suite with Bright Computing Cluster Manager Software suite. The software is used for integrating the hardware and software into the system. This is a one-time exchange of software components. There is no cost associated with this modification. The current agreement is funded by overhead recovery and other designated funds. The modification does not require review and/or approval by the Attorney General's Office.

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**REAL ESTATE**

2. **UM** – Approved the request to increase the budget for **IHL 207-384, Vaught-Hemingway Stadium – West Skybox Renovation**, from \$3,500,000 to \$4,800,000, an increase of \$1,300,000. The project is currently in the design phase. This is the second budget escalation request made for this project by the university. The budget increase is needed in order to allow for a more accurate cost estimate for the project based on the completion of construction documents. The scope of the project is mostly to the interior of the west stand known as the West Skyboxes at Vaught Hemingway Stadium. A major goal of the project is improving life-safety in the building. Some of the interior seat supports are wooden and the stand lacks a sprinkler system. Over twenty (20) years of use, the interiors have become worn, faded, and are due for renovation. The existing seats and the wooden structural supports will be removed from each of the forty-eight (48) suites, along with the exterior sliding windows, ceilings, and furniture. The university intends to replace these items in all 48 suites. The interior structural supports for the new seats will be non-combustible and an automatic sprinkler system will be added. The public areas will receive new paint and carpet. Funds are available from Self-Generated Intercollegiate Athletic Revenues (\$4,800,000).
3. **USM** – Approved the request to delete a house (Building #874) located at 3603 Morningside Drive in Hattiesburg from inventory. The house has been vacant for over 12 months and is in a state of disrepair. The approval letter has been received from the Mississippi Department of Archives and History. All legal documentation will be kept on file in the IHL Office of Real Estate and Facilities.
4. **USM** – Approved the request to delete Buildings #236, #237, and #238 (McMillan Properties) from inventory. The properties are referred to as the McMillan properties A, B, and C. The university purchased the properties in August of 2014. They have remained vacant since that time and are in poor condition and do not warrant a reinvestment to rehabilitate them. The lots will be cleared and utilized for future expansion. Property A (Building #236) is a house located at 204 North 35th Avenue. Property B (Building #237) is a house located at 206 North 35th Avenue. Property C (Building #238) is an efficiency apartment located at 208 North 35th Avenue. The approval letter has been received from the Mississippi Department of Archives and History. All legal documentation will be kept on file in the IHL Office of Real Estate and Facilities.
5. **USM** – Approved the request to delete Tower Modules B, E, and F from inventory. The modules consist of 3 trailers located at 2709 West 4th Street, next to the water tower in Hattiesburg. The modules are Buildings #127, #130, and #131 on inventory. These units are in a state of disrepair. Once the modules are demolished and removed from inventory the vacant lots will serve as future expansion for the university. The approval letter has been received from the Mississippi Department of Archives and History. All legal documentation will be kept on file in the IHL Office of Real Estate and Facilities.

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**LEGAL**

6. **ASU, JSU, MSU, MVSU, UM and USM** – Approved the request for Alcorn State University, Jackson State University, Mississippi State University, Mississippi Valley State University, University of Mississippi and University of Southern Mississippi to contract with Littler Mendelson, P.C., to represent them in a lawsuit filed against the NCAA and Division I member schools by Samantha Sackos, on her own behalf and on behalf of similarly situated persons, in the United States District Court for the Southern District of Indiana. The complaint alleges that the NCAA and Division I colleges and universities conspired to violate the Fair Labor Standards Act by failing to pay student athletes minimum wage under the FLSA. Littler Mendelson, P.C., was retained to represent the NCAA and the defendant Division I institutions that choose to participate in a joint defense. The NCAA has agreed to bear the attorneys' fees, costs and expenses associated with Littler Mendelson's representation of the NCAA and any jointly defended colleges and universities through the initial motions practice, including filing a motion to dismiss. Any defendant institutions wanting to continue with the joint representation thereafter will negotiate with the NCAA regarding defense cost sharing. The lead attorney at the Littler Mendelson firm will be Lee Schreter. The firm specializes in labor law matters and is located at 3344 Peachtree Road, NE, Suite 1500, Atlanta, GA 30326. The Attorney General has approved this request.

**7. PERSONNEL REPORT**

**EMPLOYMENT**

**Alcorn State University**

- Ivory Lyles; Interim Dean, School of Agriculture, Research, Extension and Applied Sciences; salary of \$140,000 per annum, pro rata; E&G and other funds; effective November 1, 2014

**CHANGE OF STATUS**

**Alcorn State University**

- Barry Bequette; from Dean and Professor, School of Agriculture, Research, Extension and Applied Sciences; salary of \$141,471 per annum, pro rata; E&G and other funds; to Interim Dean of Graduate Studies and Professor of Horticulture; salary of \$138,471 prorated; E&G and other funds; effective November 1, 2014

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**TENURE**

**Mississippi Valley State University**

- Dr. Tadesse Mengistu; Associate Professor of Economics, Department of Business (Nine month contract)

**SABBATICAL**

**Jackson State University**

- Jeton McClinton, Associate Professor of Educational Leadership, College of Education and Human Development, from salary of \$54,108 per annum, pro rata; E&G Funds; to no salary change; effective January 1, 2015 to May 5, 2015; professional development

**EMERITUS STATUS**

**University of Southern Mississippi**

- Charlotte Brunner; Professor Emeritus of Marine Science; effective December 1, 2014

**FINANCE AGENDA**

Presented by Trustee Alan Perry, Chair

On motion by Trustee Pickering, seconded by Trustee Hooper, with Trustee Smith participating by phone, all Trustees legally present and participating voted unanimously to approve agenda item #1 as submitted on the Finance Agenda. On motion by Trustee Blakeslee, seconded by Trustee Dye, with Trustee Smith participating by phone, all Trustees legally present and participating voted unanimously to approve agenda item #2. On motion by Trustee Parker, seconded by Trustee Blakeslee, with Trustee Smith participating by phone, all Trustees legally present and participating voted unanimously to approve agenda item #3. On motion by Trustee Perry, seconded by Trustee Rouse, with Trustee Smith participating by phone, all Trustees legally present and participating voted unanimously to move agenda items #4- #7 to the Executive Session agenda.

1. **System** – Approved the tuition rates for resident and non-resident students for Delta State University, Mississippi State University for Women and Mississippi Valley State University effective with the fall 2016 academic term. This information was first presented to the Board at the November 2014 meeting. **(See Exhibit 1.)**
2. **System** – Approved the three-year room and board rate increases at all institutions effective with the fall 2016 academic term. This information was presented to the Board at the November 2014 meeting. Retroactive approval was given for FY 2015 room rates at Delta State University at the November 2014 meeting. **(Exhibit 2.)**

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3. **JSU** – Approved the request to initiate the bond process to purchase real property adjacent to its main campus which includes a ten building apartment complex known as The Palisades from REDUS Mississippi, LLC for \$9,200,000, contingent upon funding through the JSU Educational Building Corporation (EBC). The Board also approved Butler Snow LLP as Bond Counsel and Morgan Stanley & Co., LLC as Lead Underwriter. Comer Capital Group is the financial advisor. JSU is currently leasing the Palisades apartment building to provide part of its student housing. The current one year lease term terminates on August 31, 2015. The balance of the \$10 million bond issue will be used for bond issue costs and improvements to the Palisades. The long-term bonds will be issued with maturities up to 30 years. JSU will issue up to a maximum of \$10 million par value in fixed rate bonds. Based on the Financial Advisor's report dated November 25, 2014, the proposed debt amortization will have an average annual debt payment of \$540,000 at a true interest cost of 3.36%. Debt payments will be derived from operations of the residential housing facility. Bond counsel has been approved by the Attorney General's Office.
4. **UMMC** – Request approval of an agreement with Power Wellness Management, LLC (Power Wellness) for the provision of management services at six (6) health/wellness facilities in the Jackson metro area as medically integrated health centers. The term of the contract is for five (5) years with a five (5) year renewal option. The monthly base management fee is \$12,000 (\$144,000 annually). The five year total for the initial term is \$720,000. If UMMC elects to renew for an additional five-year term, the total base management fees will be \$1,440,000 for the ten-year term. The contract also provides for an additional incentive fee which is calculated as 12% of the Monthly Net Operating Income (defined as Gross Revenues less Operating Expenses excluding management fees, debt service, depreciation, and capital replacements) depending on the success of the centers. UMMC has estimated that the incentive fees will total \$2,102,473 over a ten-year term. A breakdown of the costs is included in the bound *December 18, 2014 Board Working File*. The total costs will not exceed \$3,542,473. Funds are available from operations. Pending receipt from UMMC that Power Wellness Management has become authorized to do business in Mississippi, the Attorney General's Office will approve this item. Board staff recommendation is pending. **(THIS ITEM WAS MOVED TO THE EXECUTIVE SESSION AGENDA.)**
5. **UMMC** – Request approval to enter into a purchase/sale and gift agreement with Courthouse, Inc. (Courthouse) and John L. Black, Jr. (JLB). This contract will allow UMMC to purchase four (4) racquet and fitness centers from Courthouse. All four (4) facilities are located in the greater Jackson area, as follows: Brandon, MS; Byram, MS; Flowood MS; and Jackson, MS (North Jackson area). A related item for the management of the facilities by Power Wellness Management, LLC is shown in item #4 above. Additionally, the Courthouse has two other locations (Madison and downtown Jackson); however, those operations are in leased space. Requests related to the leased space are shown in items #6 and #7 below. Acquiring the racquet and fitness centers is a first step toward building a medically integrated health and wellness program. A program such as this would provide an avenue for UMMC healthcare providers to

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include physical activity management as a vital part of our patients' transitional care management. Courthouse will provide the following, under the agreement:

- a. The real property, together with all improvements thereon and appurtenances thereto;
- b. The customer lists, equipment, accessories and any and all other personal properties located on or used in connection with the real property;
- c. All goodwill, names associated with the business, including but not limited to "The Courthouse", all bank accounts, contracts, warranties used in or necessary for the operation of the business, and all other intangible assets associated with the business;
- d. Cooperation regarding the name change on such bank accounts as are necessary for the operation of the business; and
- e. All funds, cash, assets, securities owned by the business, and prepaid membership dues shall be transferred to purchaser at the closing contemplated herein.

JLB will provide for the following, under the agreement:

- a. An initial cash gift in an amount not less than \$4,800,000 (for no value received and with donative intent) to supplement the out-of-pocket expense to be paid by UMMC for the purchase; and
- b. A donation to UMMC in the amount of \$500,000 each year for the next ten (10) years for a total donation of \$5,000,000.

UMMC will also assume two revenue contracts currently held by the Courthouse.

- a. Mississippi Cheerleading Academy, Inc. (Jack Cory Boyd) - UMMC will assume the revenue lease agreement that the Courthouse currently has with Mississippi Cheerleading Academy, Inc. and Jack Cory Boyd. The space leased is approximately 18,600 square feet at the Lakeland Drive location. The agreement is for a five-year term beginning August 1, 2014 and ending July 31, 2019. There is a five year automatic renewal provision unless either party provides written notice at least 90 days prior to the expiration of the initial term of the intent not to renew. The leased premises are used for operation of a cheerleading and gymnastics instruction program. Lease payments will be made to UMMC in the amount of \$6,425 per month (\$77,100 annually).
- b. Gracie South, LLC - UMMC will assume the revenue lease agreement that the Courthouse currently has with Gracie South, LLC. The space leased is approximately 1,600 square feet at the Northeast Jackson location. The agreement is a month-to-month agreement which commenced April 1, 2014 and can be terminated with 120 days' notice. The leased space is used for the operation of a martial arts instruction program. Lease payments will be made to UMMC in the amount of twenty-five percent (25%) of the monthly gross revenue from the operation of the business on the leased premises. The most recent monthly payment from the tenant to the Courthouse was in the amount of \$1,900. The annual total rental for the prior year was \$14,230.88.

The approximate term of the agreement is ten (10) years to begin on or about January 1, 2015, and continue through January 1, 2023. Closing will be by December 31, 2014. The purchase

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price to be paid out-of-pocket by UMMC for the four (4) facilities is \$4,500,000. The average appraised value of the four (4) properties is \$10,545,000, as of September 16, 2014. The Courthouse sales price is approximately \$9,259,786. The amount provided as an initial cash gift to UMMC is approximately \$4,800,000. UMMC's out-of-pocket expense is \$4,500,000. The agreement will be funded through general funds. The Attorney General's office has reviewed this contract and recommends this agreement for approval provided that the Board makes a finding upon the Minutes that the acquisition of The Courthouse facilities is needful or proper for the operation and mission of UMMC and is necessary or desirable for UMMC's educational purpose. **(THIS ITEM WAS MOVED TO THE EXECUTIVE SESSION AGENDA.)**

6. **UMMC** – Request approval of a lease amendment, assignment and consent agreement with Madison Station Properties, LLC for approximately 18,000 square feet of space for the current site of Madison Courthouse Fitness Center at 1022 Highway 51, Madison, Mississippi. As seen in item #5 above, UMMC proposes to acquire six Courthouse Fitness Center facilities. As part of the proposed acquisition approval of the lease for the Madison County location is needed. The current lease is with Madison Station Properties LLC from December 31, 2007 to December 31, 2017 in the amount of \$30,000 per month. The new term of the agreement will be for 2 years beginning January 1, 2015 through December 31, 2017. The total contract amount is \$30,000 per month for a total of \$720,000 over the two year period. Funds are available from operations. The Attorney General's Office has reviewed and approved this contract. **(THIS ITEM WAS MOVED TO THE EXECUTIVE SESSION AGENDA.)**
7. **UMMC** – Request preliminary approval of a lease with Hertz Jackson Three, LLC for approximately 10,000 square feet of space for the downtown Courthouse Fitness Center at 100 East Capitol Street, Jackson, Mississippi. This agreement includes prepayment of monthly rent throughout the life of the agreement. At this time, UMMC has not received confirmation from the landlord that the lease, in its current form, has been approved by Hertz Jackson Three, LLC for execution. Nevertheless, UMMC is submitting this for preliminary approval pending potential changes in the lease provisions, as part of the larger Courthouse project. The landlord has confirmed that the lease rate is firm and will not change. The term shall be a period of one (1) year commencing on January 1, 2015 and terminating on December 31, 2015. The contract amount is \$1,000 per month (\$12,000 annually) for a total cost for the one-year term of \$12,000. The contract requires UMMC to prepay monthly rent. Funds are available from operations. The Attorney General's Office recommends the lease agreement provided the terms are not modified by the parties prior to execution. Should the terms be revised, the lease agreement should be resubmitted for approval to the IHL Board or Commissioner. **(THIS ITEM WAS MOVED TO THE EXECUTIVE SESSION AGENDA.)**

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**LEGAL AGENDA**

Presented by Trustee Doug Rouse, Chair

On motion by Trustee Rouse, seconded by Trustee Pickering, with Trustee Smith participating by phone, all Trustees legally present and participating voted unanimously to move agenda item #1 to the executive Session Agenda.

1. **System** – Request approval to settle Tort Claim No. 65-2704-1. **(THIS ITEM WAS MOVED TO THE EXECUTIVE SESSION AGENDA.)**

**INFORMATION AGENDA**

Presented by Commissioner Hank M. Bounds

**FINANCE**

1. **JSU** – This is an information item regarding plans by Jackson State University (JSU) to present to the Board at the January 2015 meeting requests for (A) approval to initiate the bond process to refund all or a portion of the JSU Educational Building Corporation (EBC) Series 2006-A Campus Facilities Project Bonds (“2006 Bonds”), (B) approval to initiate the bond process to refund/remarket all or a portion of the JSU Educational Building Corporation Series 2007 Campus Facilities Project Bonds (“2007 Bonds”), (C) approval to initiate the bond process to partially refund the JSU Educational Building Corporation Series 2010-A-1 Revenue Bonds (“2010 Bonds”), (D) approval and acceptance of the project’s financial advisor’s report, (E) approval of the associated resolution, and (F) approval of the following professionals: Co-Bond Counsel –Baker, Donelson, PC & Bettie A. Mallet, PLLC (pending approval by the Attorney General’s Office) and Underwriters - Morgan Stanley & Co., LLC and Wells Fargo & Company. The final maturity of the fixed-rate refunding bonds will be no longer than 3/1/2031 (the final maturity of the 2006A Bonds). The SIFMA Index Bonds may be issued with a final maturity or mandatory tender date of up to 8 years from the time of issuance. JSU will issue up to a maximum of \$62 million par value of bonds. (A) The proposed refunding bonds will generate Net Present Value Savings of at least 3%. (B) The proposed refunding/remarketing of the 2007 Bonds will be at a variable-rate but with a fixed cost of no more than 125 basis points added to the variable-rate SIFMA index. (C) The proposed refunding bonds will generate Net Present Value Savings of at least 3%. Debt payments will be serviced by revenue from various sources. Following the Board’s approval of the project initiation, JSU shall return to the Board at a subsequent meeting and present a resolution for Board approval granting permission for issuing bonds or other forms of debt obligations for the specific project and for approval of the following documents: the lease, the ground lease, the preliminary official statement (if required for the type of debt issued), the trust indenture, the continuing disclosure agreement (if required for the type of debt to be issued) and the bond purchase agreement or dealer agreement, as applicable. The



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university will request in January 2015 that the Board waive the requirement that the financial advisor's report and the professionals be presented for Board approval at one meeting and that the bond resolution be presented for Board approval at a subsequent meeting. JSU plans to seek Board approval of all required approvals at the January 2015 meeting. JSU is presenting this item to the Board as information only for the December 2014 Board meeting.

2. **UMMC** – In November 2014, the Board of Trustees approved a Consignment and Purchase agreement between UMMC and Edwards Lifesciences, LLC, a sole source vendor. The agreements set pricing and consignment terms for transcatheter aortic valves and related accessories. At that time, the products were considered sole source per criteria set by the Mississippi Department of Finance and Administration. UMMC has since learned that Edwards recently contracted with Novation, UMMC's primary group purchasing organization (GPO), and that the products will now be available through GPO. UMMC has revised its information regarding the contractor selection process to reflect the fact that Edwards is now an approved vendor contracted with Novation.

**LEGAL**

3. **System** – The Board received a report of the payment of legal fees to outside counsel. (**See Exhibit 3.**)
4. **System** – Approval to request an opinion by the Attorney General regarding Educational Building Corporations' continuing disclosure obligations. (**See Exhibit 4.**)
5. **System** – Trustee Dr. Douglas Rouse, as Board Legal Committee Chair, has approved on behalf of the Board IHL's request to contract with Bradley, Arant, Boult and Cummings LLP as outside counsel to assist with contract procurement procedures and internal controls. The blended hourly rate for work performed by attorney Wayne Drinkwater or by one of his associates will be \$215 per hour. The total amount payable under the contract will not exceed \$32,250.00. The term of the contract will be or one year. IHL approval was granted contingent upon approval by the Attorney General's Office.

**ADMINISTRATION/POLICY**

6. **System** – The following items have been approved by the Commissioner on behalf of the Board and are available for inspection at the Board Office.
  - a. **MSU** - In accordance with Board Policy 707.01 Land, Property, and Service Contracts, "The Commissioner is authorized and empowered to approve non-oil, gas and mineral leases in an amount equal to or less than \$100,000." On December 1, 2014, the Commissioner approved the request by Mississippi State University on behalf of the Mississippi Agriculture and Forestry Experiment Station (MAFES) to enter into a lease agreement with BJ Farms, Inc. (Lessee). The agreement is for the lease of approximately 117 acres of land in Monroe County, MS. The land will be used for row crop production. The primary lease term will commence on or about January 1, 2015 and run through

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December 31, 2015. Upon mutual agreement of the parties, the lease may be renewed for an additional one year period. Lessor will pay \$6,115 for the one year term. The Executive Office legal staff have reviewed and approved the contract documents.

- b. **MSU** - In accordance with Board Policy 707.01 Land, Property, and Service Contracts, "The Commissioner is authorized and empowered to approve non-oil, gas and mineral leases in an amount equal to or less than \$100,000." On December 5, 2014, the Commissioner approved the request from Mississippi State University on behalf of its Center for Safety and Health ("MSU") to extend its multi-year lease with Houndstooth Commercial Properties, LLC ("Lessor"). This agreement is for approximately 2,400 square feet of space in Brandon, Mississippi to be used as administrative and/or consultation work by designated Occupational and Safety and Health consultants. As background, the Commissioner approved the original multi-year lease in January 2013 for a two (2) year term, February 1, 2013 through January 31, 2015 for a total cost of \$67,200. The MSU Center for Safety and Health is the U.S. Department of Labor, OSHA designated Consultation Program for Mississippi. The Center's purpose is to provide assistance to the employers or managers of small and medium size high-hazard businesses in Mississippi by helping them become compliant with OSHA regulations. The new lease term will run for a two (2) year period, February 1, 2015 through January 31, 2017. The rent paid by MSU will increase by \$100 per month from the previous lease term. MSU will now pay \$2,900 per month for the lease of the space. The total cost for the lease term is \$69,600. In addition to rent costs, MSU will be responsible for utilities, telephone, and internet service. This agreement is funded by the 21(d) On-Site OSHA Consultation Grant Program. The Commissioner also approved the request to prepay the monthly rental fee of \$2,900 that is associated with this lease in accordance with Board Policy 707.03 Approval for Prepayment for Goods or Services which authorizes the Commissioner to approve prepayment of goods or services not yet received. The Assistant Commissioner for Legal Affairs and the Executive Office legal staff have reviewed and approved the contract documents.

**ANNOUNCEMENT**

- President Patterson announced the next meeting will be January 22, 2015 in Jackson.

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**REPORT OF THE JOINT MEETING OF THE  
FINANCE AND REAL ESTATE COMMITTEES**

Thursday, November 20, 2014

Following the adjournment of the November Board meeting, the Finance and Real Estate Committees held a joint meeting met to discuss budget priorities, issues and accomplishments of the university as presented by Alcorn State University staff members. The following Finance Committee members attended the meeting: Mr. Alan Perry (Chair), and Dr. Doug Rouse. The following Finance Committee members were absent: Mr. Ed Blakeslee, Ms. Karen Cummins, Ms. Christy Pickering and Ms. Robin Robinson. (Note: Mr. Blakeslee attended the Academic Affairs Committee meeting.) The following Real Estate Committee members attended the meeting: Mr. C.D. Smith (Chair), Mr. Bob Owens and Mr. Hal Parker. The following Real Estate Committee members were absent: Ms. Karen Cummins and Ms. Christy Pickering.

**ACADEMIC AFFAIRS  
COMMITTEE REPORT**

Thursday, November 20, 2014

Following the adjournment of the November Board meeting, the Academic Affairs Committee met to discuss the academic priorities, challenges, and accomplishments of the university as presented by Alcorn State University staff members. The following Committee members attended the meeting: Dr. Ford Dye (Chair), Mr. Ed Blakeslee, and Mr. Shane Hooper. Committee members Ms. Robin Robinson and Mr. C.D. Smith were absent. (Note: Mr. C.D. Smith attended the joint meeting of the Finance and Real Estate Committees.)

**EXECUTIVE SESSION**

On motion by Trustee Perry, seconded by Trustee Hooper, with Trustee Dye absent and not voting and with Trustee Smith participating by phone, all Trustees legally present and participating voted unanimously to close the meeting to determine whether or not is should declare an Executive Session. On motion by Trustee Perry, seconded by Trustee Hooper, with Trustee Smith absent and not voting, all Trustees legally present and participating voted unanimously **to go into Executive Session** for the reasons reported to the public and stated in these minutes, as follows:

Discussion of one state university litigation matter;

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Discussion of three state university personnel matters;  
Discussion of potential real estate transactions at one public university.

**During Executive Session, the following matters were discussed and/or voted upon:**

On motion by Trustee Perry, seconded by Trustee Rouse, with Trustee Smith participating by phone, all Trustees legally present and participating voted unanimously to approve the settlement of Tort Claim No. 65-2704-1 styled as *Delandus Henderson vs. JSU, et al.*, as recommended by counsel.

On motion by Trustee Pickering, seconded by Trustee Robinson, with Trustee Smith participating by phone, all Trustees legally present and participating voted unanimously to deny the request for a board review of the denial of tenure for Dr. Michael Wigginton, Jr. at the University of Mississippi.

The Board discussed the following items which were moved from the Regular Finance Agenda above.  
**No action was taken.**

5. **UMMC** – Request approval to enter into a purchase/sale and gift agreement with Courthouse, Inc. and John L. Black, Jr. This contract will allow UMMC to purchase four (4) racquet and fitness centers from Courthouse.
6. **UMMC** – Request approval of a lease amendment, assignment and consent agreement with Madison Station Properties, LLC for approximately 18,000 square feet of space for the current site of Madison Courthouse Fitness Center at 1022 Highway 51, Madison, Mississippi.
7. **UMMC** – Request preliminary approval of a lease with Hertz Jackson Three, LLC for approximately 10,000 square feet of space for the downtown Courthouse Fitness Center at 100 East Capitol Street, Jackson, Mississippi.

The Board discussed three personnel matters at two state universities. **No action was taken.**

**On motion by Trustee Perry, seconded by Trustee Hooper, with Trustees Cummins, Pickering, Robinson and Smith absent and not voting, all Trustees legally present and participating voted unanimously to return to Open Session.**

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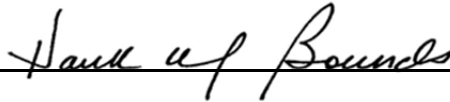
**ADJOURNMENT**

There being no further business to come before the Board, on motion by Trustee Rouse, seconded by Trustee Dye, with Trustees Cummins, Pickering, Robinson, and Smith absent and not voting, all Trustees legally present and participating voted unanimously to adjourn the meeting.



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President, Board of Trustees of State Institutions of Higher Learning



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Commissioner, Board of Trustees of State Institutions of Higher Learning

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**EXHIBITS**

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|-----------|---|
| Exhibit 1 | Tuition rate increases for resident and non-resident students at Delta State University, Mississippi University for Women and Mississippi Valley State University effective with the fall 2016 academic term. |
| Exhibit 2 | Room and board rate increases for all institutions effective for fiscal years 2016 through 2018.  |
| Exhibit 3 | Report of the payment of legal fees to outside counsel.   |
| Exhibit 4 | Request for Attorney General Opinion regarding Educational Building Corporations' continuing disclosure obligations.  |

# EXHIBIT 1



## Resident Tuition Fiscal Year 2016

Institution	FY 2015	FY 2016		
		FY 2016	\$ Change	% Change
ASU	\$ 6,200	\$ 6,386	\$ 186	3.0%
DSU	6,012	6,012	\$ -	0.0%
JSU	6,602	6,866	\$ 264	4.0%
MSU (1)	7,040	7,392	\$ 352	5.0%
MUW (1)	5,540	5,681	\$ 141	2.5%
MVSU	5,916	5,916	\$ -	0.0%
UM (1)	6,996	7,344	\$ 348	5.0%
USM	6,980	7,224	\$ 244	3.5%
Average	\$ 6,411	\$ 6,603	\$ 192	3.0%

(1) An additional capital fee of \$100 is charged

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# EXHIBIT 1



## Non-Resident Tuition Fiscal Year 2016

Institution	FY 2015	FY 2016		
		FY 2016	\$ Change	% Change
ASU (2)	\$ 15,433			
DSU				
JSU	16,174	16,821	\$ 647	4.0%
MSU (1)	18,378	20,032	\$ 1,654	9.0%
MUW (1)	15,260	15,747	\$ 487	3.2%
MVSU				
UM (1)	19,044	20,574	\$ 1,530	8.0%
USM	15,550	16,094	\$ 544	3.5%
Average	\$ 16,640	\$ 17,854	\$ 1,214	7.3%

- (1) An additional capital fee of \$100 is charged
- (2) ASU is requesting that all non-resident fees be waived.

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# EXHIBIT 2



## Average Double-Occupancy Room Rates Fiscal Years 2016, 2017, & 2018

		FY 2016			FY 2017			FY 2018		
Inst.	FY 2015	FY 2016	\$ Change	% Change	FY 2017	\$ Change	% Change	FY 2018	\$ Change	% Change
ASU	\$ 5,265	\$ 5,475	\$ 210	4.0%	\$ 5,685	\$ 210	3.8%	\$ 5,922	\$ 237	4.2%
DSU*	3,938	4,114	\$ 176	4.5%	4,314	\$ 200	4.9%	4,414	\$ 100	2.3%
JSU	4,824	5,187	\$ 363	7.5%	5,337	\$ 150	2.9%	5,444	\$ 107	2.0%
MSU	5,429	5,646	\$ 217	4.0%	5,872	\$ 226	4.0%	6,107	\$ 235	4.0%
MUW	3,751	3,882	\$ 131	3.5%	4,018	\$ 136	3.5%	4,159	\$ 141	3.5%
MVSU	4,153	4,153	\$ -	0.0%	4,153	\$ -	0.0%	4,153	\$ -	0.0%
UM	4,936	5,203	\$ 267	5.4%	5,399	\$ 196	3.8%	5,561	\$ 162	3.0%
USM	4,959	4,985	\$ 26	0.5%	5,135	\$ 150	3.0%	5,289	\$ 154	3.0%
Average	\$ 4,657	\$ 4,831	\$ 174	3.7%	\$ 4,989	\$ 159	3.3%	\$ 5,131	\$ 142	2.8%

\* Retroactive rate approved

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# EXHIBIT 2



## Average Annual Board Rates Fiscal Years 2016, 2017, & 2018

		FY 2016			FY 2017			FY 2018		
Inst.	FY 2015	FY 2016	\$ Change	% Change	FY 2017	\$ Change	% Change	FY 2018	\$ Change	% Change
ASU	\$ 2,748	\$ 2,858	\$ 110	4.0%	\$ 2,972	\$ 114	4.0%	\$ 3,091	\$ 119	4.0%
DSU	1,126	1,164	\$ 38	3.4%	1,210	\$ 46	4.0%	1,254	\$ 44	3.6%
JSU	3,051	3,173	\$ 122	4.0%	3,300	\$ 127	4.0%	3,432	\$ 132	4.0%
MSU	2,363	2,578	\$ 215	9.1%	2,733	\$ 155	6.0%	2,870	\$ 137	5.0%
MUW	2,718	2,800	\$ 82	3.0%	2,884	\$ 84	3.0%	2,971	\$ 87	3.0%
MVSU	3,241	3,241	\$ -	0.0%	3,241	\$ -	0.0%	3,241	\$ -	0.0%
UM	2,339	2,419	\$ 80	3.4%	2,564	\$ 145	6.0%	2,718	\$ 154	6.0%
USM	2,539	2,772	\$ 233	9.2%	2,945	\$ 173	6.2%	3,133	\$ 188	6.4%
Average	\$ 2,516	\$ 2,626	\$ 110	4.4%	\$ 2,731	\$ 106	4.0%	\$ 2,839	\$ 108	3.9%

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# EXHIBIT 3

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## **SYSTEM - REPORT OF PAYMENTS TO OUTSIDE COUNSEL**

### **Legal fees approved for payment to outside counsel in relation to litigation and other matters:**

Payment of legal fees for professional services rendered by Ware/Gasparian (statements dated 3/1/14, 6/1/14, 6/1/14, 10/1/14 and 10/1/14) from the funds of the University of Mississippi. (These statements, in the amounts of \$4,000.00, \$1,500.00, \$46.11, \$6,000.00 and \$1,500.00, respectively, represent services and expenses in connection with immigration/labor certifications.)

**TOTAL DUE.....\$ 13,046.11**

Payment of legal fees for professional services rendered by Butler, Snow, O'Mara, Stevens & Cannada (statement dated 10/20/14) from the funds of the University of Southern Mississippi. (This statement, in the amount of \$1,626.75, represents services and expenses in connection with legal advice and litigation matters.)

**TOTAL DUE.....\$ 1,626.75**

### **Legal fees approved for payment to outside counsel in relation to patent and other matters:**

Payment of legal fees for professional services rendered by Butler, Snow, O'Mara, Stevens & Cannada (statements dated 5/29/14, 9/30/14, 9/30/14, 10/13/14 and 10/13/14) from the funds of the University of Mississippi. (These statements represent services and expenses in connection with the following patents: "Animal Model of Anxiety and Depression" - \$168.00; "Complexes and Compounds for Light Emitting Applications" - \$336.00; "Cache Mapping Technology Matter" - \$2,568.00; "Cache Mapping Technology Matter" - \$432.00 and "Stuttering Inhibition Device Patent" - \$720.00, respectively.)

**TOTAL DUE.....\$ 4,224.00**

Payment of legal fees for professional services rendered by HersHKovitz & Associates (statements dated 9/30/14) from the funds of the University of Mississippi. (These statements represent services and expenses in connection with the following patents: "Compositions for Prevention/Prophylactic Treatment of Poison Ivy Dermatitis" - \$200.00 and "Compositions Containing Delta-9-THC-Amino Acid Esters" - \$11,200.00.)

**TOTAL DUE.....\$ 11,400.00**

Payment of legal fees for professional services rendered by Stites & Harbison (statements dated 9/19/14) from the funds of the University of Mississippi. (These statements represent services and expenses in connection with the following patents: "Indolizine-Based Donors as Organic Sensitizer Components for Dye-Sensitized Solar Cells" - \$92.42; "Stabilized Formulation of

# EXHIBIT 3

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Triamcinolone Acetonide” - \$407.94 and “Methods for Detecting Vibration and Sound Signatures of Human Footsteps” - \$288.00.)

**TOTAL DUE.....\$ 788.36**

Payment of legal fees for professional services rendered by Butler, Snow, O’Mara, Stevens & Cannada (statement dated 10/20/14) from the funds of the University of Southern Mississippi. (This statement represents services and expenses in connection with the following patent: “Trademark Application for the Centennial Anniversary” - \$852.00.)

**TOTAL DUE.....\$ 852.00**

# EXHIBIT 4

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## **SYSTEM – REQUEST FOR AN OPINION BY THE ATTORNEY GENERAL**

Pursuant to IHL Board Policy 1103, the IHL Board Legal Committee Chair granted permission to request an opinion by the Attorney General regarding EBC continuing disclosure requirements to the Securities and Exchange Commission, as reflected in the letter set out below. Board Policy 1103 requires that all such requests approved by the Legal Committee Chair be reported to the full Board as an information item at its next meeting.

Honorable Jim Hood  
Mississippi Attorney General  
Carroll Gartin Justice Building  
450 High Street  
Jackson, Mississippi 39201

Re: Advice Regarding Educational Building Corporations' Continuing Disclosure Obligations

Dear Attorney General Hood:

I write on behalf of our client, the Board of Trustees of State Institutions of Higher Learning (IHL), to request an advice letter regarding IHL's affiliated educational building corporations' obligations under federally-mandated continuing disclosure agreements.

The educational building corporations, which are authorized by Miss. Code Ann. § 37-101-61, are IHL's vehicles for issuing bonds for university capital projects. Under 15 U.S.C. § 78c(a)(29) (Section 3(a)(29) of the Exchange Act), such bonds are exempt from registration and disclosure requirements. The Securities and Exchange Commission, however, has promulgated Rule 15c2-12, which prohibits any underwriter from purchasing or selling such bonds unless the issuer has committed to providing continuing disclosure regarding the security and issuer, including information about its financial condition and operating data. Rule 15c2-12 also generally requires that any final official statement prepared in connection with a primary offering of such bonds contain a description of any instances in the previous five years in which the issuer failed to comply, in all material respects, with any previous commitment to provide such continuing disclosure. In other words, the SEC indirectly regulates state governmental institutions, such as IHL's educational building corporations, by requiring continuing disclosure agreements between underwriters and governmental issuers.

Earlier this year, the SEC instituted the Municipalities Continuing Disclosure Cooperation Initiative. Through this Initiative, the SEC announced that it believed many state government issuers were in violation of Rule 15c2-12 and had misrepresented their past compliance with their continuing disclosure obligations. The SEC instituted a self-reporting period for underwriters and for issuers who may have made materially inaccurate statements in a final official statement regarding prior compliance with continuing disclosure obligations. In exchange for self-reporting, the SEC is willing to settle any potential enforcement actions arising out of the inaccurate disclosures on terms favorable to the underwriters and issuers. For underwriters, the period for self-reporting ended on September 10, 2014; for issuers, that period ends on December 1, 2014.

# EXHIBIT 4

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An underwriter reported two educational building corporations for failing to meet the deadlines provided in each educational building corporation's continuing disclosure agreement for submitting annual financial information to SEC-designated private repositories. The continuing disclosure agreements in both instances provided that the Issuer (the educational building corporation) would "not later than the Submission Date, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement." "Submission Date" is a defined term meaning "the date on which the Annual Report is submitted to the Repositories pursuant to Section 3 of this Disclosure Agreement, which shall be a date not later than 12 months after the end of [the educational building corporation's] fiscal year."

Both educational building corporations designated Dissemination Agents for submitting the disclosures to the repositories. Both Dissemination Agents avow that they submitted the required disclosures on the Submission Date. The Repositories, however, reported to the underwriter that the disclosures were not received until after the Submission Date. The issue of whether the educational building corporations violated their duties under the continuing disclosure agreements turns on the interpretation of the contractual language regarding the deadline for disclosures. In sum, the question is whether the Submission Date is the date the Dissemination Agent sent the disclosures or the date the Repositories received the disclosures.

These continuing disclosure agreements are merely contracts between the underwriter and the educational building corporations, and the proper interpretation of a contract is a question of state law. *See Massengil v. Guardian Management Co.*, 19 F.3d 196 (5th Cir. 1994). Under Mississippi law, contracts are interpreted according to the plain meaning of the contract language. *See I.P. Timberlands Operating Co.*, 762 So. 2d 96, 104 (Miss. 1998). Miss. Code Ann § 1-3-65 embodies the general principle of contraction that words and phrases are used according to their common and ordinary acceptance and meaning. "Submit" is defined as "to give (a document, proposal, piece of writing, etc.) to someone so that it can be considered or approved." <http://www.merriam-webster.com/dictionary/submit>. Had the parties intended to make the Submission Date the date of receipt, they could have easily stated so. Because they did not, the Submission Date should be considered the date the disclosures were sent.

Mississippi's administrative laws support this interpretation. Under Miss. Admin. Code § 1-14-6.19(14), Investment Advisors are required to keep records of the dates each written statement and each amendment or revision is *sent* to any client or prospective client, not the date the records are *received*. *See also* Miss. Admin. Code § 1-14-6.19(22)(h) and 23(f). Likewise, the Mississippi Development Authority calculates the submission dates for loan closing documents from the date the documents are *sent*. Miss. Admin. Code §§ 6-1:4:6; 6-1:7.4. In the litigation context, the Mississippi Rules of Civil Procedure recognize that service of a pleading is "complete upon mailing." Miss. R. Civ. P. 5(b)(1). Accordingly, interpreting the Submission Date as the date of sending is the most reasonable interpretation, because only this interpretation acknowledges that the issuer has no control over when the Repositories record information as received. The issuer can only control when the required disclosures are sent. Here, the educational building corporations met their continuing disclosure obligations by sending the required information by the Submission Date.

# EXHIBIT 4

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The SEC has stated that “The Commission ordinarily does not make determinations regarding state law issues but, when required to do so because state law necessarily informs its findings under the Exchange Act, it relies on the conclusions of experts or other authorities....” *Standard Inv. Chartered, Inc. v. National Ass'n of Securities Dealers, Inc.*, 560 F.3d 118, 122 - 123 (2d Cir. 2009). Accordingly, the Board of Trustees of State Institutions of Higher Learning asks that the Attorney General render an advice letter confirming that “Submission Date” as used in the relevant continuing disclosure agreements means the date on which the required disclosures were required to be sent, not the date on which the required disclosures were received by the Repositories.

Sincerely,

JONES WALKER LLP

Keith Parsons

cc Dr. Hank Bounds