

**BOARD OF REGENTS
BAYLOR UNIVERSITY
July 21, 2017**

The Board of Regents of Baylor University met in Waco, Texas.

Regents Present:

Joel T. Allison, Chair
Daniel H. Chapman, Vice Chair
Jerry K. Clements, Vice Chair
Mark Hurd, Vice Chair

Miles Jay Allison
Robert "Bob" E. Beauchamp
Linda Brian
Kenneth "Ken" Q. Carlile
Jennifer Walker Elrod
Wayne Fisher
Shelley Giglio
James Cary Gray
David H. Harper
Larry P. Heard
Milton Hixson
Dan Hord, III
Mark Hurd
Neal Jeffrey
Mark E. Lovvorn
Jill Manning
Melissa Purdy Mines
Alicia D.H. Monroe
Ronald D. Murff
Randolph "Randy" L. Pullin
Jeff D. Reeter
William K. Robbins, Jr.
C. Clifton Robinson
Mark Rountree
William "Bill" S. Simon
Kim Stevens
Julie Hermansen Turner
Dennis R. Wiles
Ronald L. Wilson

Honoris Causa Regents Present:

William Brett Beene
William L. Cassara
Andrea L. Dixon

Dusty Sanderson
Hannah Vecseri
Gaynor I. Yancey

Others Present: Dr. Linda A. Livingstone, President
Christopher W. Holmes, General Counsel and Corporate Secretary
Staff, Baylor University

A quorum being present, Chair Allison called the regular meeting of the Board of Regents to order in the Baylor Research and Innovation Collaborative, Waco, Texas, on Friday, July 21, 2017, at 8:00 a.m. Chair Allison began the meeting by introducing Mr. James Chang, Chemistry Doctoral student, who led the devotional.

CONSENT AGENDA

Chair Allison asked for approval of the minutes of the May 12, 2017 Board Meeting. The minutes were approved. He then called for the adoption of the corporation's Signature Authorization Resolution (attached hereto as Exhibit A). The Resolution was approved.

PRESIDENT'S REPORT

Dr. Livingstone provided a re-cap of her first six weeks as President of Baylor University. She reported that she has met with a variety of constituents and continues to work toward her goal of meeting with each Regent. The President shared that she has been involved in new student orientation sessions. President Livingstone reported that she and her administration have been reviewing *Pro Futurus*, the University's five-year plan, and while much has been accomplished on the plan, there are still some areas for additional improvement. She is having conversations with her leadership team about how to implement the next phase of *Pro Futurus*. The goal is to establish Baylor as a "Tier One" institution, so most of the work in the coming year will focus on becoming more strategic, especially in the academic area. The President announced that her overall plan is to present a draft of the Strategic Plan in 2018 and to present the final strategic plan along with a campaign plan.

Dr. Michael McLendon shared with the Board an overview of his roll-out plan for how to build the strategic plan. His plan is to identify specific goals and objectives and establish metrics to measure the University's success.

Mr. Jason Cook presented his communication and marketing plan which includes working campus-wide to talk about strategic themes. He also talked about a reintroduction campaign that his department is working on designed to reinforce the value of the Baylor brand.

EXECUTIVE COMMITTEE REPORT

Chair Allison reported to the Board that he had been engaged in numerous conversations regarding the importance of confidentiality and transparency. Mr. Allison also outlined suggested ground rules and norms of behavior for board members, three key focuses of the Baylor Board of Regents for 2017-18, suggested non-negotiables, and review the ten Core Convictions of Baylor University.

ITEMS FOR BOARD DISCUSSION AND FORMAL ACTION

Mr. Harper, on behalf of the Academic and Student Affairs Committee, moved for the adoption of the following resolution, which passed:

RESOLVED that upon the recommendation of the Academic Affairs Committee, the Board of Regents of Baylor University hereby approves the creation of a five-year BSEd/MS program in All-Level Physical Education and Sport Pedagogy, as found at Tab C of the Meeting Workbook (and attached hereto as Exhibit B).

Mr. Harper, on behalf of the Academic and Student Affairs Committee, moved for the adoption of the following resolution, which passed:

RESOLVED that upon the recommendation of the Academic Affairs Committee, the Board of Regents of Baylor University hereby approves the creation of an Executive LLM in Litigation Management, as found at Tab D of the Meeting Workbook (and attached hereto as Exhibit C).

Mr. Heard, on behalf of the Finance and Facilities Committee, moved for the adoption of the following resolution, which passed:

RESOLVED that upon the recommendation of the Finance and Facilities Committee, the Board of Regents of Baylor University hereby approves the tuition and fees rates for 2018-2019 fiscal year, as found at Tab E of the Meeting Workbook (and attached hereto as Exhibit D).

Mr. Heard, on behalf of the Finance and Facilities Committee, moved for the adoption of the following resolution, which passed:

RESOLVED that upon the recommendation of the Finance and Facilities Committee, the Board of Regents of Baylor University hereby approves the 2016-2017 Fiscal Year Transfers, as found at Tab F of the Meeting Workbook (and attached hereto as Exhibit E).

Mr. Heard, on behalf of the Finance and Facilities Committee, moved for the adoption of the following resolution, which passed:

RESOLVED that upon the recommendation of the Finance and Facilities Committee, the Board of Regents of Baylor University hereby approves the payment of \$2M to the Baylor College of Medicine as approved in the June 23, 2013 affiliation agreement, as found at Tab G of the Meeting Workbook (and attached hereto as Exhibit F).

Mr. Heard, on behalf of the Finance and Facilities Committee, moved for the adoption of the following resolution, which passed:

RESOLVED that upon the recommendation of the Finance and Facilities Committee, the Board of Regents of Baylor University hereby approves the revision of the current debt policy, as found at Tab H of the Meeting Workbook (and attached hereto as Exhibit G).

INFORMATION ITEMS

1) Academic and Student Affairs Committee Report: Mr. David Harper, Chair

Mr. Harper shared with the Board that the Committee heard reports from Dean Brad Toben from the Law School, Dean Gary Mortenson from the School of Music, and Dr. Ann McGlashan who is chair of the Faculty Senate. Ms. Michelle Berry brought an update on the Texas Hunger Initiative and Ms. Jennifer Carron presented the freshman class academic profile. The Committee also discussed their Committee goals for the 2017-2018 academic year.

2) Advancement and Development Committee Report: Mr. Jeff Reeter, Chair

Mr. Reeter shared with the Board progress being made on a potential capital campaign for the University.

3) Audit Committee Report: Mr. Mark Rountree, Chair

Mr. Rountree reported that Grant Thornton has completed its preliminary work on the annual external audit. The review of the final draft of the audit reports with the Committee is tentatively scheduled for September 28th. He shared with the Board that the University has hired Presidium to evaluate the Minors on Campus program. Mr. Rountree reported that Mr. Rob Carter is continuing his work with multiple University offices documentation and implementation of the 105 recommendations. He also gave an overview of the results from the 2017 EthicsPoint evaluation report.

4) Compliance and Regulatory Affairs Committee Report: Mr. Dan Hord, Chair

Mr. Hord reported that the Committee had discussions regarding their committee charter, goals, and the Compliance Office plan. Reports had been received from Doug Welch and Kristen Tucker. Ms. Shelly Deats gave a Clery report regarding statistical reports and training efforts currently under way. Dr. Wes Null shared an update with the Committee on SACSCOC. The Committee also heard an Athletics Compliance Report from Mr. Mack Rhoades and Mr. Chad Jackson. Ms. Gina Smith also gave a status report to the Committee on the 105 recommendations.

5) Finance and Facilities Committee Report: Mr. Larry Heard, Chair

Mr. Heard reported to the Board that Dr. Reagan Ramsower gave the Committee an overview of the University's finances and facilities. Mr. Brian Webb reported on the current state of

the endowment, and Ms. Jennifer Carron shared an update on the current enrollment projections for the fall semester. Ms. Susan Anz and Mr. Brian Denman gave a financial update to the Committee which included financial highlights, a summary of the year-end financial statement, and the May 2017 gift update. Mr. Brian Nicholson gave an update on capital projects.

6) Nominating, Governance, and Regent Leadership Committee Report: Mr. Cary Gray, Chair

Mr. Gray reported to the Board that the new Regent orientation went well. He announced that a Regent Selection Task Force is being appointed to broaden the effort to identify and confirm a wide-ranging set of individuals as candidates for future Regent positions. He also reported that each of the new Board committees was given a committee charge to review during their meetings and those charges will be finalized by the Nominating, Governance, and Regent Leadership Committee prior to the October meeting. The Board Professional position was discussed by the Committee, and the plan is to post the job soon. The Committee also discussed Board attendance requirements.

7) Student Life Committee Report: Judge Jennifer Elrod, Chair

Judge Elrod reported that the new Student Government leaders spoke to the Committee about their plans for the upcoming academic year. They also emphasized the fact that they feel that a new student union building is needed to encourage and increase student involvement on campus. Mr. Burt Burleson gave a report on the work that is being done in regard to spiritual formation and character development. Dr. Liz Palacios spoke to the Committee about how she is working to re-envision the student leadership education. Dr. Jeff Doyle and Mr. Matt Burchett shared with the Committee new programming they will begin implementing in the fall targeted at drawing students back to campus on nights and weekends. Mr. Mack Rhoades talked to the Committee about an initiative the Athletic Department is working on that focuses on student-athlete development.

8) University Leadership and Compensation Committee Report: Mr. Bob Beauchamp, Chair

Mr. Beauchamp gave his report during Executive Session.

Chair Allison asked that all guests leave the room, and at that time the Board went into Executive Session.

There being no further business, Chair Allison adjourned the meeting at 11:50 a.m.



Marsha J. Duckworth, Assistant Secretary