The Board of Regents, Midwestern State University, met in regular session at the MSU Texas Flower Mound building, 100 Parker Square Road, Flower Mound, Texas at 10:00 a.m., Thursday, August 2, 2018.

Individuals in attendance were as follows.

Regents: Ms. Nancy Marks, Secretary and Chair Pro Tem
Mr. Warren Ayres
Dr. Lynwood Givens
Mr. Shawn Hessing
Dr. Shelley Sweatt
Ms. Leia De La Garza, Student Regent

University Administration: President Suzanne Shipley
Provost and Vice President James Johnston
Vice President Marilyn Fowlé
Vice President Fred Dietz
Vice President Keith Lamb
Vice President Anthony Vidmar
Director of Athletics Kyle Williams
General Counsel Barry Macha
Director of Internal Audits Leigh Kidwell
Controller Chris Stovall
Director of Budget and Management Valarie Maxwell
Director of MSU Texas-Flower Mound Randy Canivel
Director of Marketing and Public Information Julie Gaynor
Executive Assistant to the President Cindy Ashlock
PC/Network Lead Technician II Chris Thames
Director of Board and Government Relations Debbie Barrow

Governance Representatives: Dr. David Carlston, Faculty Senate Chairman
Ms. Dottie Westbrook, Staff Senate Chair
Ms. Ellie Gunderson, 2018-19 Student Government Association (SGA) President

Guest Presenter: Ms. Maria Robinson, Chief Investment Officer and Treasurer, Texas A&M University System

In accordance with a duly posted notice and there being a quorum present, Secretary Marks called the meeting to order at 10:00 a.m. in accordance with the Board of Regents By-Laws and Robert's Rules of Order. She noted that to move forward with the agenda, the Board needed to address item 18-120.
Election of Chairman Pro Tern

18-120. Regent Marks stated that following Chairman Sanchez’s resignation from the Board in May, Vice Chairman Crosnoe became Chairman of the Board of Regents. As a result, the Vice Chairman position was vacant. She noted that since Chairman Crosnoe was unable to attend this meeting, the Board’s first order of business was to elect a Chairman Pro Tern to preside over the meeting. The agenda referenced the Board By-laws and Robert’s Rules of Order, which explained the process.

Regent Hessing moved the election of Regent Marks as Chair Pro Tern for the August 2, 2018 meeting. Regent Ayres seconded the motion and it was approved.

Opening Comments and Introduction of Guests
Chair Pro Tem Marks acknowledged Mr. Randy Canivel, Director of MSU Texas-Flower Mound. She noted that Mr. Canivel had done an outstanding job getting everything up and running with the new building and new program offerings in Flower Mound. Mr. Canivel welcomed everyone to MSU Texas-Flower Mound. He stated that they Flower Mound team was delighted to host the Board meeting in the new building. He noted that it is a state-of-the-art facility and added that a great team of people worked to pull everything together.

President Shipley introduced Mr. Fred Dietz, MSU’s new Vice President for Enrollment Management. She noted that Mr. Dietz began work at MSU July 1, moving from Murray State University in Kentucky. Chair Pro Tem Marks welcomed Mr. Dietz to the MSU team.

Chair Pro Tem Marks extended a special welcome to new Student Regent Leia De La Garza. She shared that Ms. De La Garza is a senior criminal justice major from San Antonio, Texas. A very active student, she is president of Chi Omega sorority, works in the MSU Admissions Office, served as a Peer Mentor in a learning community last year, and has served for two years as the Student Senator for the Pre-Professional Club. Student Regent De La Garza commented that she was honored to be appointed Student Regent and looked forward to getting to know and working with the Board members and administration during the next year.

Ms. Gaynor introduced individuals attending the meeting.

Public Comment
Chair Pro Tem Marks noted that no one had signed up to provide public comment.

Reading and Approval of Minutes
18-121. The minutes of the May 11, 2018 Board of Regents meeting were approved as presented.

Flower Mound Building–Amendment to Lease
18-122. Chair Pro Tem Marks noted that this item would be discussed in Executive Session later in the meeting.

Investment Overview – Texas A&M University System (TAMUS) Update
18-123. Ms. Maria Robinson presented information regarding MSU’s cash and endowment funds held by the Texas A&M University System (TAMUS) (see Attachment 1). The presentation showed the investment objective for the cash concentration pool and
included information on performance and asset allocation. Ms. Robinson provided similar information regarding the MSU endowment funds held by TAMUS. She reported that both funds were performing favorably compared to the established benchmarks. Slide Seven included information on the market value of MSU’s endowment accounts as well as the Fiscal Year (FY) 18 and FY 19 estimated payouts to the university.

Dr. Fowlé commented that later in the meeting the Board would be asked to approve extending MSU’s contract with TAMUS for investment services. Regent Hessing asked if all of the returns shown in the presentation were net of fees paid. Ms. Robinson responded that they were.

There being no additional questions, Chair Pro Tem Marks thanked Ms. Robinson for providing this information and for the TAMUS work on behalf of MSU.

Modification of Midwestern State University Organization Chart
18-124. Chair Pro Tem Marks noted that the Board Book included a newly revised organization chart as well as an explanation of the changes made. President Shipley stated that as outlined in the Board Book the majority of the changes to the chart were due to the addition of the Vice President for Enrollment Management (VPEM) position and moving the several areas of responsibility under his purview. This addition also resulted in subsequent changes made by Vice President Lamb in the Student Affairs area. Finally, several changes were made in the area of Academic Affairs to reflect new leadership in the Honor’s Program and a change in the title of the Associate Vice President for Academic Affairs. Chair Pro Tem Marks stated that this item was presented as a point of information only.

Campus Construction Update
18-125. Chair Pro Tem Marks noted that construction project status reports were presented in the Board Book. Vice President Fowlé presented an update of current projects as shown in Attachment 2. This item was presented as information only and no action was necessary.

Facilities Complex Layout Review
18-126. Chair Pro Tem Marks reported that in May the Board authorized the administration to proceed with planning the move of the Facilities Workshops. She asked Dr. Fowlé to present the site plans and building layout. Dr. Fowlé presented information as shown in Attachment 3. She reported that the administration worked with BYSP Architects on the design and layout of the building. She reminded the Board that the facilities administrative offices would move into the west side of Bridwell Hall once the new Health Sciences and Human Services building was finished and occupied. Slide Two showed the placement of the Facilities Workshops building as well as the parking area for facilities vehicles. She noted that the main building would be placed just south of the old Police Station. The drawing included the new Lifelong Learning Center parking lot located to the east of the new facilities building. She stated that the remaining area would be fenced and added that the administration would work to keep as many trees as possible to help soften the edge of the campus and to keep the area attractive. She commented that the area to the south of the fence where Bridwell Courts was being razed would be turned into a student parking lot at some point, depending on funding.
Slide Three presented a closer look at the new building. Dr. Fowlé stated that there would be an open parking lot to the north of the building and that the administration had not yet determined the use of the parking lot. Chair Pro Tem Marks asked if the light colored area on the building shown in Slide Three was stucco. Dr. Fowlé responded that it would probably be stucco and metal, but noted that the building specifications had not been done since the project had not yet been bid. (NOTE: Following the meeting, Dr. Fowlé checked on the specifications and reported that stucco would not be used and that the new building would be metal.) Mr. Ayres asked about the height of the fence that would be placed around the exterior of this area. Dr. Fowlé responded that she was not certain, but that it would be similar to the fence around the new Hampstead parking lot. She added that it would likely be eight feet tall.

There being no additional questions, Chair Pro Tem Marks noted that this item was presented as a point of information only and no action was necessary.

**Moffett Library Renovation Project, Phase 2 Authorization Request**

18-127. Vice President Fowlé reviewed the information provided in the Board Book. She stated that the administration was requesting authorization to contract with the Construction Manager at Risk, M&F Litteken, for the second phase of the project, as long as the total project amount did not exceed $7,497,087. She added that this project would complete the remainder of the planned library renovation and upgrades.

Regent Hessing moved approval of this item as presented. Regent Ayres seconded the motion.

Regent Hessing asked if the Board had approved the $7.4 million as part of the Tuition Revenue Bond (TRB) funding the university received. Dr. Fowlé responded in the affirmative.

There being no further discussion, the motion was approved.

**Bridwell Hall Renovation Project Recommendation**

18-128. Chair Pro Tem Marks noted the administration’s recommendation was presented in each regent’s folder. Vice President Fowlé reviewed the information provided in the Board Book regarding the moves that would take place when the Gunn College moves out of Bridwell Hall and into the new building. She noted that the architect would design minor renovations to Bridwell Hall to meet the needs of its new occupants. She added that at the same time the firm would consider possible occupants and renovations needed for Ferguson Hall after the West College of Education vacates the building and moves to Bridwell Hall. She noted that the Ferguson Hall project would be recommended for approval at some point in the future, but that it was important to approve the architect at that time to help with future planning. She stated that the administration recommended approval of Harper-Perkins Architects as the architectural firm for the J. S. Bridwell Hall and Ferguson Hall Renovation Projects.

Regent Sweatt moved approval of this recommendation as presented. Regent Hessing seconded the motion and it was approved.
Landscaping and Parking Project Update

18-129. Vice President Fowlé reviewed the information provided in the Board Book. She referenced specifically the repairs needed to the tunnel as well as unexpected costs in the project that caused the total project cost to increase. She noted that although funds were available, Board approval was needed to increase the total project cost. She added that authorization was also needed to contract with Trinity Hughes for up to $2.3 million as presented.

Chair Pro Tem Marks stated that the administration was requesting authorization to contract with Trinity Hughes Construction for up to $2.3 million for this project and to limit the total project cost to $3.0 million. Regent Ayres moved approval of this item as presented. Regent Sweatt seconded the motion and it was approved.

Detention Facility Agreement

18-130. General Counsel Macha noted that the Board Book included a proposed agreement with the City of Wichita Falls for consideration. This agreement related to a stormwater detention basin on the property owned by MSU and leased to the Wichita Falls Metropolitan YMCA. He reported that the YMCA is responsible for constructing and maintaining the detention basin.

Regent Hessing moved approval of the agreement as presented. Regent Ayres seconded the motion and it was approved.

Wichita Falls Museum of Art at Midwestern State University Advisory Board

18-131. Chair Pro Tem Marks noted that the Board Book contained the names of the two individuals recommended for reappointment to the Museum Advisory Board. Regent Sweatt moved approval of the reappointment of Mr. Bryant Medders and Mr. Greg Merkle as presented. Regent Hessing seconded the motion and it was approved.

Board Resolutions

18-132. Chair Pro Tem Marks noted that a resolution recognizing former Student Regent Shayla Owens for her service was presented in the Board Book. Regent Hessing moved approval of this resolution as presented. Regent Ayres seconded the motion and it was approved.

Faculty Report

18-133. Dr. David Carlston, Chairman of the Faculty Senate, presented information summarized below.

A. Dr. Carlston expressed appreciation to the Board of Regents for their review and approval of tenure and promotion for faculty in May. He noted that receiving tenure and being promoted were important steps for faculty. He added that the salary increase that comes with faculty promotion is also an important incentive for faculty to continue working toward the next higher rank.

B. He noted that in May Regent Givens asked him to respond to the idea of increased parking fees for faculty as there seemed to be some resistance to the idea. Dr. Carlston indicated that during the discussion of this topic in the spring some parking-
related issues were discussed such as concerns about the location of parking, the number of available parking spots, and the patrolling of reserved parking areas. He stated that the idea of allocating revenue from the increased fee to a parking garage was well received. However, during a discussion at the May Board meeting, it was mentioned that the parking garage would not be available for use by the faculty. He noted that the faculty’s position regarding parking was more a reflection of the timing of the discussion. He explained that the question was presented to the Faculty Senate a few weeks before spring finals. He mentioned that with the number of changes that took place last year, including changes in health insurance coverage and cost, reporting expectations regarding outside employment and limitations, Americans with Disabilities Act (ADA) accessibility and compliance changes, and new Information Technology policies, the faculty faced significant time and monetary burdens and April was not a good time to discuss increased parking fees. He reminded the Board of his presentation during the previous year about the growing percentage of faculty who are beginning to feel pinched with the expectations placed on them and the demands on their time. He stated that faculty typically work on nine-month contracts and they should be able to meet faculty expectations during that nine-month period. He noted that the mode of operation for most faculty is that they use the summer and winter breaks for their writing. He added that this was the advice he was given when he was a young faculty member. Dr. Carlston stated that he was excited about the planned comprehensive evaluation of faculty work/life/balance.

Regent Givens asked Dr. Carlston if faculty should not anticipate doing research on their own time during summer or winter breaks. Dr. Carlston responded that this was a matter that needed to be addressed. He added his opinion that if the bar for continued employment was set at a level that is unattainable during the contracted time, it would be a problem.

Regent Givens thanked Dr. Carlston for his comments.

Staff Report
18-134. Ms. Dottie Westbrook, Chair of the MSU Staff Senate, reported that former Staff Senate Chairman Newman Wong resigned from the university during the summer to take a position at another university and she became Chair. She noted that she had worked at MSU for 17 years, nine years in the Registrar’s Office, and the last eight years in student advising. She stated that she currently serves as the Academic Counselor for the Prothro-Yeager College of Humanities and Social Sciences. Ms. Westbrook reported that the Spring Semester “You Make a Difference Award” winners were Adam Chavez in the Webmaster’s Office, Mark De La Garza in the Information Technology Department, and David Strickland in Facilities Services. She added that the Staff Senate did not meet in the summer and would hold their first meeting for the fall in two weeks. She noted that Staff Senate officers for the coming year would be elected at that time.

Regent Givens thanked Ms. Westbrook for her report and service.
Student Government Report
18-135. Ms. Ellie Gunderson, MSU Student Government Association (SGA) President, reported that during the summer she participated in MSU's Spain study abroad program. She indicated that it was an amazing experience to be immersed in the culture and learn the language through immersion. She stated that all of the students participating felt it was the experience of a lifetime.

Ms. Gunderson noted that while the Student Senate does not meet during the summer, the officers had been business planning for the coming year. She reported that the SGA plans to have a booth at Stampede Week to promote SGA to incoming students. She stated that the President's Picnic for students would be on the first day of school on the Sikes House Lawn. She added that a new culture festival was scheduled for October.

Regent Givens thanked Ms. Gunderson for her report and indicated that the Board of Regents is very interested in the opinions of the students. He also thanked President Shipley for her efforts in getting students involved.

Athletics Report
18-136. Regents Givens noted that Director of Athletics Kyle Williams' report was shown in the Board Book. He noted that Mr. Williams was available to answer questions related to the report and would present an update on fall sports. Mr. Williams reported that men's head soccer coach, Doug Elder, announced his retirement after 18 years at MSU. Mr. Williams added that Assistant Coach Michael Meacham would move to Interim Head Coach. He noted that the annual Welcome Back Dinner would be held August 19 with guest speaker Ed "Too Tall" Jones.

Regent Givens thanked Mr. Williams for his report.

Enrollment Reports – Summer 2018
18-137. Regent Givens noted that the 15th class day for Summer II was August 1 and the Summer Enrollment Reports were provided in each regent's folder (see Attachment 4). Vice President Dietz stated that the summer report was very good and noted that a lot of credit should go to Vice Presidents Johnston and Lamb for their efforts. He noted Summer I headcount was approximately 3.5% ahead of the 2017 numbers and was ahead 4.7% in semester credit hours (SCH). Enrollment in Summer II was even better with a 10.5% increase in headcount and a 13% increase in SCH. He stated that in looking to the fall semester, enrollment and SCH was about the same as in 2017 at this same time. He added that enrollment of new freshmen was ahead by about 4% and new transfer student numbers were up as well. He stated that the Flower Mound site was helping with the fall enrollment figures.

Regent Givens noted the increase in online-only enrollments. He asked that the administration present a report at a future meeting about what the university is doing or plans to do to enhance online offerings. He stated that expanding online education was something he had encouraged and noted this was an area with potential for huge growth. He added that it was also an area that was expensive to do well.
There being no further discussion, Regent Givens stated that the item was presented as a point of information only and no action was necessary.

August 2018 Graduating Class

18-138. Regent Givens reported that the administration recommended approval of the candidates for August graduation as presented. He noted that 253 students were on the list, compared to 221 in 2017. Regent Givens moved approval of the list of candidates. Regent Sweatt seconded the motion and it was approved.

Code of Student Conduct Sexual Misconduct Procedures

18-139. Vice President Lamb noted that the Board Book contained recommended changes to the Code of Student Conduct Sexual Misconduct Procedures. He reported that this policy change was the result of a Title IX Compliance Audit that was performed by D. Stafford and Associates last year. One of the audit recommendations was that the institution should create a Title IX, or Sexual Misconduct, Handbook. Dr. Lamb reported that several items would be used to create the Handbook and this policy was the first item recommended for approval that would be included. He indicated that the document was developed using a template from D. Stafford and Associates, with changes made to fit Midwestern State University. He stated that the administration was comfortable that the document followed Office of Civil Rights (OCR) and U. S. Department of Education (DOE) guidelines.

Dr. Lamb noted the four main changes made from the previous procedures to the proposed document as follows.

A. The new procedures move MSU to a single decision-maker model, as recommended by the OCR, rather than a committee model that was previously used.

B. The appeals process is changed and streamlined.

C. Remediation and information resolution options are now included in the appeals process.

D. The document now outlines how the university will investigate issues related to sexual misconduct and how those findings will be presented.

Regent Givens asked if General Counsel Macha had been involved in the development of this document. Mr. Macha stated that he was aware of the work on these procedures, that he had reviewed the proposed document, and gave his endorsement.

Regent Givens moved approval of this item as presented. Regent Hessing seconded the motion and it was approved.

Recess

The Board recessed at 10:55 a.m. and reconvened at 11:40 a.m.
Summaries of Financial Support
18-140. Regent Ayres highlighted some of the gifts received since the last meeting of the Board of Regents as shown below, and commended the support the university receives from foundations, the community, alumni, and friends.

A. The McCoy School of Engineering received $250,000 from the Wichita Falls Area Community Foundation Phil and Aurora Bolin donor-advised funds. These funds are part of a challenge match to purchase equipment and other items to provide for student education in the field of engineering.

B. Mr. Gerald A. Lynch donated $55,000 to the Prothro-Yeager College of Humanities and Social Sciences to establish the DeAnna Fergeson Lynch Scholarship for the English Department.

C. The Wichita Falls Museum of Art at MSU received $41,000 from Mr. and Mrs. T. Bryant Medders III. The funds were donated to cover costs and fees related to an exhibit of works this fall from the collection of Cheech Marin.

D. Mr. and Mrs. Andrew L. Wellsfry contributed $10,000 to the Geosciences Department to establish the Borders Scholarship in honor of Del and Mona Borders. A matching gift of $10,000 was received from EnCap Investments L.P.

E. Mr. Chuck White with First Bank donated $10,000 to the Mustangs Athletic Club for Football operations and $7,500 for their 2018-2019 Corporate Sponsorship.

Vice President Vidmar highlighted the first, third, and last reports shown in the Board Book. He noted that the first report was the Comprehensive Campaign Comparison of New Gifts and Commitments. He reported that through June 30, 2018, $38,909,668 had been either pledged or given to the campaign. He noted that this represented reaching 77.8% of the goal in less than two years of a seven-year campaign. The third report showed the Monthly Comparison of New Gifts and Commitments. The goal for the current year was $7 million, an increase from $5.5 million in the last fiscal year. Mr. Vidmar reported that FY 18 was already the university’s largest fundraising year in the university’s history with $32,116,996, with time remaining in the fiscal year for additional gifts and commitments. This total represents 458% of the yearly goal of $7 million. He added that the previous year high of $23.8 million was in FY 14. The final report showed Legacy Society gifts. Mr. Vidmar stated that Planned Giving was part of the development of a sustainable model of external funding. He added that Assistant Vice President for Gift Planning & Development Rhonda McClung had worked to develop the Legacy Society as shown in the report.

Mr. Vidmar commented that new reports would be presented to the Board in November, to include information on growth in the number of donors. He mentioned that the campaign had set a goal of increasing the number of donors by 5% each year when compared to a three-year average.
Financial Reports
18-141. The administration recommended the April, May, and June 2018 Financial Reports for acceptance. Regent Ayres made a motion to accept the reports as presented. Regent Hessing seconded the motion and it was approved.

Investment Report
18-142. The administration recommended the third quarter FY 2018 investment report for acceptance. Regent Ayres made a motion to accept the report as presented. Regent Givens seconded the motion and it was approved.

Investment Contract with Texas A&M University System (TAMUS)
18-143. Vice President Fowlé noted that the university’s five-year contract with TAMUS was ending and the administration was seeking Board approval to extend the contract for another five years. She reported that it had been a very good arrangement for the university. Regent Ayres asked if the administration received bids from other institutions for these services. Dr. Fowlé responded that when the first contract was initiated all of the university systems were contacted. The Texas A&M University System, the Texas Tech University System, and the University of North Texas System expressed interest at that time, and TAMUS was selected.

Regent Ayres moved approval of the renewal of the investment contract as presented. Regent Sweatt seconded the motion and it was approved.

Investment Policy Review
18-144. Regent Ayres stated that in accordance with the Texas Public Funds Investment Act, the administration reviewed the university’s two investment policies and determined that no changes were necessary at this time. He noted that the current policies were presented in the Board Book and the administration recommended approval of these policies without change. Regent Ayres moved approval of the policies as presented. Regent Hessing seconded the motion and it was approved.

Approval of Brokers/Dealers, Investment Vehicles, and Asset Holding Accounts
18-145. The administration recommended approval of the list of brokers/dealers, investment vehicles, and asset holding accounts presented in the Board Book. Regent Ayres moved approval of this item as presented. Regent Givens seconded the motion and it was approved.

University Accounts/Signature Authorizations
18-146. Each year the Board of Regents approves individuals authorized to sign on university bank accounts, purchase and sell investment instruments, perform normal banking transactions, and sign retirement documents. Regent Ayres moved approval of this item as presented. Regent Hessing seconded the motion and it was approved.

FY 2017-2018 Items $50,000 & Under Approved per Board Authorization
18-147. The administration recommended ratification of the two budget changes presented in the Board Book. Regent Ayres made a motion to ratify these changes as presented. Regent Sweatt seconded the motion and it was approved.
Salary/Title/Position Changes in FY 18 Budget

18-148. The reports of personnel changes in April through June 2018 were presented in the Board Book for information only, and the list of salary and position changes was presented for ratification. Regent Ayres moved the Board ratify the changes as presented. Regent Sweatt seconded the motion and it was approved.

Tuition and Fee Charges for Distance and Online Programs

18-149. President Shipley stated that the Board previously authorized the administration to have flexibility in contracting with corporations, hospitals, and school districts to provide coursework for student cohorts in specific programs. She noted that the administration was requesting authorization for additional flexibility in determining the fee structure of Flower Mound programs for individual students. She reported that as prospective students had spoken to Flower Mound advisors about offerings, it had become clear that certain fees (i.e., Athletics Fee, Student Center Fee, and others) charged of distance education students at MSU were not the distance education charges the students were accustomed to seeing at other institutions. President Shipley noted that there was a complex interplay between fees charged in Flower Mound and fees already in place in Wichita Falls. She added that with the budget set for FY 2019 it would be difficult to make immediate changes. She stated that the administration was seeking flexibility in setting fees for the distance education courses. She assured the Board that a report would be made at each meeting on any changes made.

Board members discussed distance education issues at great length. During the discussion, it was noted that students enrolling in an online class in Wichita Falls continue to have access to areas such as Athletics or the Student Center, while students enrolled in Flower Mound do not. When asked if distance education students in Wichita Falls were charged the same as distance education students in Flower Mound, President Shipley responded that they were not and that the fees for Flower Mound were just being developed. She noted that the administration needed time to study the matter, adding that the plan was to align the pricing. She commented that part of the issue was whether to provide discounts through scholarships or price. She added that discounting through scholarships affects students' financial aid.

Provost Johnston presented the following information on how the Texas Higher Education Coordinating Board (THECB) defines distance education.

A. A course is considered distance if at least 50% of the course time the faculty and students are in different places.

B. A course is hybrid if faculty and students are in different places 51-84% of the time.

C. A course is 100% online if faculty and students are in different places 85% of the time.

He noted that certain online programs offered at MSU require three or four face-to-face meetings between students and faculty during the semester. He added that faculty still want touchpoint opportunities with students even in a course that is 85% online. He stated that the Flower Mound site provided an opportunity to attract working
professionals in the area because it allows students to sit down with a faculty member or sit through a face-to-face class without having to drive to Wichita Falls. Dr. Johnston noted that the administration and faculty were also working toward offering a face-to-face course in Flower Mound in cooperation with community college partners.

Regents asked a number of questions regarding course production and delivery, faculty workload related to distance education, and the quality of online offerings. Dr. Johnston responded that many online courses provide asynchronous videos that students can watch on demand, as well as websites, narrated PowerPoints, or other material that is incorporated in the lesson. He reported that the majority of online courses were produced in Wichita Falls, but classrooms were available in Flower Mound that can be used to broadcast. He stated that one of the MBA courses would enroll students in Wichita Falls and Flower Mound and the faculty member would teach face-to-face classes in both locations during the semester.

Dr. Johnston noted that the university uses D2L (Desire2Learn) as its Learning Management System. He reported that all of MSU’s online courses are structured through this system, and most of the university’s face to face classes also use D2L as a class supplement. Dr. Johnston stated that he was mindful of the time required of faculty teaching online courses. He added that he had previously taught a full load of classes online and it became one-on-one instruction for 150 students. Faculty who teach online are responsible for answering questions and communicating with each student. He added that during the next year a task force would review faculty workload, with tenure and promotion folded into the discussion.

Dr. Johnston reported that an outside entity, Quality Matters (QM), provides a rubric for reviewing online courses. They also provide a certifying program that evaluates courses based on the rubric and best practices. He noted that MSU has faculty who have gone through the QM certification and the university also has an online training program for faculty through QM. He added that the university does not have a formal certification for faculty to teach online. Dr. Johnston noted that he had asked the MSU instructional designer to design a one-on-one course for new faculty that would include teaching online, advising, and other specific challenges new faculty face. He stated that this course should be ready for the upcoming academic year.

Regent Givens noted his earlier suggestion that at a future meeting the administration provide a review of the current online offerings at MSU, the investments that are being made, plans for growth in that area, and the anticipated cost of expansion.

Regents Ayres moved the Board authorize the administration to modify pricing structures for distance and online programs as presented. Regent Givens seconded the motion and it was approved.

Operating Budget for Fiscal Year 2019
18-150. Regents Ayres stated that the administration recommended approval of the FY 19 Operating Budget as presented. He noted that the Board had an opportunity to review the proposed budget as well as the Budget Highlights and other budget information included in the Board Book. President Shipley commended Dr. Fowlé and her staff for their work
on the budget. She stated that she and Dr. Fowlé formed a Budget Oversight Committee (BOC) two years ago and the process brought faculty, staff, and students to the table to help the administration make budget decisions. She reported that the BOC met and deliberated over several months and their recommendations were used in the development of the proposed budget.

Vice President Fowlé presented a PowerPoint outlining the FY 2019 Operating Budget (see Attachment 5). She noted that the proposed budget totaled $120 million, up from $117 million in FY 2018. Slides Three through Six of the presentation showed budgeted sources and uses of funds in the budget. She noted the increase in Educational & General (E&G) funds was the result of increased interest income through investments with TAMUS. Restricted Funds increased owing to PELL grant increases for students. Dr. Fowlé noted that faculty and staff costs increased due to pay raises given this year and the addition of new positions. Funding for Graduate Assistants & Scholarships also increased because of PELL grant and scholarship increases. She pointed out that Fringe Benefits costs did not increase much for FY 19. Regent Ayres asked how long the increase of $500,000 on master leases for the furniture/equipment for Mass Communication and Flower Mound would last. Dr. Fowlé responded that master leases were generally for five or six years, depending on the life of the asset.

Slide Seven showed the proposed HEAF allocations for FY 19. She reminded the Board that HEAF dollars could be used only for capital needs and library books. She noted that HEAF would be used in FY 19 and FY 20 to build the Facilities Shops building, which would result in funding for Information Technology and Facilities Maintenance being reduced from the previous year’s allocation. She stated that while university needs would be met, funds would not be available to invest in new projects until the building was paid for in two years. She noted that the HEAF budget included funds held in reserve to meet campus needs during the year. She added that the BOC would review funding requests to and recommend priorities to the administration.

Slide Eight outlined the major investments that were made in the proposed budget to include additional grant funding for students, faculty and staff salary and benefit increases, increased funding for DFW operations, and increased funding in the areas of marketing and compliance. Employee increases were shown on Slide Nine and estimated MSU Reserves fund balances at the end of FY 19 were shown on Slide Ten. Dr. Fowlé noted that Auxiliary Funds Reserve showed a negative balance as a result of funding needed to complete Legacy Hall. She added that the payment of the United Market Street multi-year pledge would help cover the deficit. She commented that Plant Funds were also shown to be negative owing to the recent purchase of the Eureka Circle property and construction of a parking lot. She noted that the money would be returned to Plant Funds and the negative balance would be cleared next year.

Regent Ayres thanked Dr. Fowlé for her presentation and work on the budget. He also thanked her for conducting the informative budget workshop.

Regents discussed the funding needed for students to attend MSU and, in particular, whether a contingency plan was needed in the event PELL grants were reduced or no longer provided. Vice President Lamb reported that MSU students generally receive $5
million in scholarships and $10 million in PELL grants, and borrow approximately $30 million in direct loans. President Shipley commented that it had been reported that the Secretary of Education wanted to reduce PELL funding in the future. She added that MSU was very fortunate with the gifts and grants received from foundations and individuals to assist students. Vice President Dietz commented that PELL students would need other grant or scholarship opportunities since PELL is free money to students and many of the recipients would likely be reluctant to move to loans.

The administration was asked to determine the percentage of tuition and fees that is paid from PELL grants, other grants, scholarships, and loans, and to consider options for a contingency plan in the event PELL funding ended.

Regent Ayres asked if anyone wanted to discuss salaries of specific employees in closed session. Hearing none, he moved approval of the FY 19 operating budget as presented. Regent Hessing seconded the motion and it was approved.

Dr. Fowlé thanked Ms. Maxwell for her work in putting the budget together. She added that Ms. Maxwell works nights and weekends with her staff to prepare the budget, and prepared the Legislative Appropriations Request (LAR) during the same period.

Lunch Recess
Chair Pro Tem Marks announced that the Board would recess for lunch at 12:00 p.m. The Board of Regents meeting reconvened at 12:50 p.m.

Compliance Update
18-151. The Compliance Update prepared by Controller Stovall was included in the Board Book as a point of information only and there was no discussion.

Audit Update
18-152. An update on audit activities prepared by the Director of Internal Audits was presented in the Board Book for information only. Regent Hessing asked Ms. Kidwell to provide additional information. Ms. Kidwell reported that during the Board’s discussion of Policy 4.151, Web Accessibility, in May, questions were raised regarding the anticipated costs to implement this policy. She reported that the university has a three-year commitment with a service provider to give each website editor the tools to monitor his or her web page and ensure accessibility, as well as provide a tool to the Webmaster’s Office to oversee the entire website. The cost of this service for three years is $46,800. The cost of the website audit was $5,400, bringing the total known cost as the current time to $52,200. Ms. Kidwell added that the estimated human cost of university employees’ time to convert, verify, and maintain compliance during the next twelve months was $28,000, based on an average hourly salary. She noted that since these employees are paid for a full day’s work by the university, this would be the cost of additional effort and not an additional monetary cost.

Ms. Kidwell reported that costs were being analyzed to address three additional areas. These areas include the need to create accessible PDF forms and closed captioning of videos, ensure accessible social media, and provide closed captioning for live streamed and broadcast meetings and events, such as the Board of Regents meetings. She added

...
that athletics would also be required to have closed-captioning for live-streamed sports events. She noted that the cost to address these three areas could be substantial. She stated that a three-to-five-year commitment would be needed to ensure the website and electronics were accessible. She added that another requirement was that all office communications, e-mails, official university communications, and newsletters must be accessible. She stated that various workgroups were working on these issues and the administration would know more about the cost at a later date. Ms. Kidwell was asked if there was a date by which the university must comply with these requirements. She responded that there was a January 2018 deadline, and added that she did not believe any institution had met the deadline.

The administration was asked to hire a consulting firm to direct the university's actions to ensure the university is following the law but not doing more than required to meet the legal requirements. It was noted that hiring a consultant could be a large expense, but it was important to ensure the university had a proper plan.

Ms. Kidwell was asked if the Sexual Misconduct Procedures approved earlier in the meeting satisfied the Title IX audit requirements. She responded that it satisfied one of the requirements. She added that similar policy changes were also required for faculty and staff policies and work on those policy changes would continue in FY 19.

Benefits Proportionality by Fund Audit Report
18-153. Ms. Kidwell stated that the report was included in the Board Book and noted that this was a statutorily required audit. She stated that the audit covered FY 15, FY 16, and FY 17. She thanked Dr. Fowlé and Mr. Stovall and his staff for working with her on this audit. She noted that it was a good report and that the reports were done well, timely, and correctly. She added that there would always be opportunities to enhance internal controls and to make things more efficient and effective. Regent Hessing moved the Board accept the report as presented. Regent Sweatt seconded the motion and it was approved.

Fiscal Year 2019 Audit Plan
18-154. The proposed audit plan was presented in the Board Book. Ms. Kidwell reported that the Texas Internal Auditing Act requires an annual audit plan to be developed and presented to the Board for approval. She stated that her office had a full staff again and that the new auditor began August 1. Ms. Kidwell noted that 10% of the available hours were allocated and available to assist the Board, the President, and management with special requests, special investigations, and any other projects that would add value to the audit services. She commented that a significant amount of her time each year was spent following up on the implementation of prior audit recommendations and she added more hours to the plan for FY 19 to reflect this time commitment. Ms. Kidwell reported that she had been asked to serve as a Peer Reviewer for Texas Woman's University in the fall.

Regent Hessing noted that when Ms. Kidwell was hired, she faced a backlog of tasks that needed attention. He asked if she felt caught up. Ms. Kidwell responded that she did. Regent Hessing congratulated her on being asked to serve as a Peer Reviewer and noted this was a high compliment.
Regent Hessing moved the Board approve the FY 19 Audit Plan as presented. Regent Ayres seconded the motion and it was approved.

University Leadership Report
18-155. President Shipley presented information related to the university’s Legislative Appropriations Request (LAR). She reported that the preparation of the LAR requires a great deal of effort by Dr. Fowlé, Ms. Maxwell, Mr. Stovall, and the budget staff. She noted that she prepares the Administrator’s Statement which provides an overall look at the university’s legislative request. She stated that a copy of the Administrator’s Statement was distributed to the Board of Regents for their review before the meeting (see Attachment 6). President Shipley noted that in 2016 the Board of Regents authorized the administration to seek funding from the legislature to support the new Flower Mound facility. Unfortunately, the request for funding was not approved. She reported that she and Ms. Barrow had continued to talk about the request at every meeting with legislators during the interim. She indicated that this might be a better session to request this funding. The request is again for a total of $2 million in the biennium to fund the investment MSU made in the Flower Mound facility without receiving formula funding. She explained that formula funding lags for a couple of years after students are enrolled in courses.

President Shipley stated that when the administration began preparing the LAR, it was not known that a majority of Texas universities would ask for new Tuition Revenue Bond (TRB) funding in the 2019 session. Given that information, the administration prepared a TRB request for campus infrastructure upgrades totaling $10 million. She outlined the specific items included in the TRB request as follows.

A. The Central Plant facility needs to be increased in size, and two boilers must be added to accommodate the needs of the campus.

B. A city sewer line that runs under university building must be relocated. The line is showing signs of aging and breakage, and the university is responsible for any repairs required or moving the line.

C. The university’s 60-year-old utility tunnels are deteriorating, and 3,000 linear feet are in very poor condition and much need of repair.

D. Sikes Lake needs to be dredged as it is creating an unhealthy and unsightly environment. The state previously provided funds for this purpose when the Lake was last dredged in 2000.

President Shipley stated that she did not expect an easy session. She added that she and Ms. Barrow would be in Austin quite a bit in the spring presenting MSU’s funding requests. She added that there is good teamwork and partnerships with the other university presidents. The common themes that will be mentioned by all public institutions of higher education include continued formula funding, funding relief for the cost of the Hazlewood Act, and additional funding for TEXAS grants.
She encouraged the Board members to read the Administrator’s Statement to give them a sense of the tone she was trying to set at MSU, including the focus on growth and how the university is seeking growth through its outreach and partnerships with community colleges.

Regent Givens asked if there was a long-term solution to the silting problem of Sikes Lake. President Shipley responded that it is something that would need to be done every 15-20 years. Vice President Fowlé stated that stormwater feeds into the Lake with all types of debris. She added that a dam was built between the two sections of the Lake so that the silt would build up only in the small section on the north. Regent Givens asked if there might be an engineering solution that could extend the need for dredging to 40 years rather than 20 years. President Shipley commented that the university could possibly work with the City of Wichita Falls on how the stormwater runs into Sikes Lake. Regent Marks asked if the university had received assistance from the City in the past. Dr. Fowlé responded that when the state provided funding in 2000, the university also received funds from the 4B Board. She added that if the Lake were dredged deeper, it would extend the time between dredging, but it would also cost more money.

Board of Regents Meeting Dates – 2018-2019
18-156. Chair Pro Tem Marks noted that the Board of Regents By-Laws require that the Board of Regents meet four times each fiscal year in November, February, May, and August and that the meeting dates be approved in the last meeting of the fiscal year. She stated that after the one-day meeting in May, Board members unanimously supported a one-day August meeting. She explained that since the meeting dates for FY 19 needed to be approved, the Regents needed to determine whether the meetings would be held on one day or two days and if a one-day meeting was preferred, whether the meetings would be held on Thursday or Friday. President Shipley suggested that the Board try the one-day meeting format for the coming year. She added that she would recommend a Thursday meeting with dinner the night before. She stated that she was open to anything, but that this was her suggestion based on information she had received from Regents.

Regent Sweatt stated her concern that she did not want to limit the quality of the Board discussions based upon the time allotted. She noted that the Board wanted to do its due diligence on major issues. Regent Hessing commented that he could only think of a few times when the discussion had to be carried over from Thursday to Friday. He added that by starting earlier in the day on Thursday and not having dinner that evening, it would give the Board the opportunity to have a full discussion of items before leaving for the night. He indicated that he would be in favor of starting the meeting at 9:00 a.m. to ensure adequate time for discussion. Ms. Barrow noted that the Open Meetings Act allows a meeting to be continued the next day if for some reason the Board could not complete its discussion on Thursday. President Shipley added that if the administration anticipated an agenda so large that a day and one-half might be needed, the Board could be notified before the meeting and the schedule could be modified for that meeting.

Regent Hessing moved that during FY 19 the Board of Regents meet on Thursday’s for quarterly meetings, with the dates as shown in the Board Book, and that the administration determine the logistics for the meetings. Regent Sweatt seconded the motion and it was approved.
Election of Board Officers for FY 2019 and FY 2020

18-157. Chair Pro Tem Marks reported that a special Nominating Committee was appointed in May to make recommendations for Board officers to serve during the next two fiscal years. The Nominating Committee was made up of Regent Hessing, Regent Burks, and Regent Sweatt, with Regent Hessing serving as Chair. Regent Hessing reported that the Nominating Committee met and on behalf of the Committee he recommended approval of the following slate of officers to begin service September 1, 2018.

R. Caven Crosnoe  Chairman
Nancy Marks        Vice Chair
Tiffany Burks      Secretary
Shelley Sweatt     Executive Committee Member-at-Large

Regent Ayres seconded the motion and it was approved.

Executive Session

Chair Pro Tem Marks announced that the Board of Regents would go into Executive Session to discuss Items 18-122 (Real Property), 18-158A (Consultation with Attorney), 18-158B (Real Property, to include an amendment to YMCA Lease), and 18-158C (Gift or Donation, to include a gift-related naming) as allowed by Texas Government Code Sections 551.071, 072, and 073. The Executive Session began at 1:22 p.m. Regents Marks, Ayres, Hessing, Sweatt, Givens, and De La Garza, President Shipley, Mr. Macha, and Ms. Barrow remained for the entire discussion. Vice President Vidmar participated only in the discussion of Item 18-158C. The Executive Session concluded at 1:53 p.m.

Open Meeting

The open meeting resumed at 1:57 p.m.

Real Property

18-122. Regent Hessing moved that the Board of Regents authorize the President to work with the Chairman of the Board of Regents to approve the First Amendment to Lease and Exhibit D with Parker Assets I, LLC for the lease of real property located at 100 Parker Square, Flower Mound, Texas 75028. Regent Ayres seconded the motion and it was approved.

Real Property

18-158B. Regent Givens moved that the Board of Regents authorize the President to work with the Chairman of the Board of Regents to approve an Amendment to Ground Lease Regarding Real Property Owned by the University and Leased to the Family YMCA and the Detention Facility Agreement with the City of Wichita Falls. Regent Hessing seconded the motion and it was approved.

Gifts and Donations

18-158C. Regent Ayres moved approval of the following naming:

Naming the “Bryant Edwards Building” in honor of the Bryant Edwards Foundation’s generous pledge of $1,000,000. The gift will be used to underwrite a portion of the cost of acquiring and renovating the newly acquired property at #6 Eureka Circle and the
demolition of the previous MSU police administration building. The #6 Eureka Circle property recently became the home of MSU’s police department. Should there be changes to the use of the facility in the future, the Board may change the name to reflect such changes in use. Subject to the terms of the gift agreement, the naming will last in perpetuity.

Regent Sweatt seconded the motion and it was approved.

Closing Comments
Chair Pro Tem Marks noted that this could be Regent Givens last Board meeting and asked if he would like to make any comments. Regent Givens commented that he had served on the MSU Board of Regents for ten years and that he greatly appreciated his time on the Board. He stated that some good changes had been made and he was happy to have played a part in that. He indicated that he would like to continue to be a part of the MSU community in the future. He added that the great growth is possible and that he was excited to see where the university is going. Board of Regents members thanked Regent Givens for his service.

Adjournment
There being no further business, the meeting was adjourned at 2:03 p.m.

I, Nancy Marks, the fully appointed and qualified Secretary of the Midwestern State University Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the minutes of the Midwestern State University Board of Regents meeting August 2, 2018.

Nancy Marks, Secretary
Midwestern State University
Board of Regents

ATTACHMENTS:
1. Texas A&M University System Investment Presentation
2. Campus Construction Update
3. Facilities Complex Layout Overview
4. Enrollment Report – Summer 2018
5. Operating Budget FY 19 Presentation
6. MSU Legislative Appropriations Request Administrator’s Statement
Midwestern State University
Investment Overview

August 2, 2018

Cash Concentration Pool

Investment Objective
Invest the funds in a manner as to achieve a reasonable balance of growing corpus and meeting the operating needs of the system, while maintaining the system's objective of the safety and preservation of capital.

Performance Periods Ended June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>1-YR</th>
<th>5-YR</th>
<th>10-YR</th>
<th>15-YR</th>
<th>Since Inception</th>
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</thead>
<tbody>
<tr>
<td>Long Term Cash Concentration Pool</td>
<td>6.9%</td>
<td>6.3%</td>
<td>5.5%</td>
<td>5.9%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Long Term Balanced Index</td>
<td>5.9%</td>
<td>5.8%</td>
<td>4.6%</td>
<td>5.9%</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

The Texas A&M University System

Cash Concentration Pool

Investment Objective
Invest the funds in a manner as to achieve a reasonable balance of growing corpus and meeting the operating needs of the system, while maintaining the system's objective of the safety and preservation of capital.

Performance Periods Ended June 30, 2018

<table>
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<td>5.8%</td>
<td>4.6%</td>
<td>5.9%</td>
<td>6.3%</td>
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</tbody>
</table>
The Texas A&M University System

Long-Term Cash Concentration Pool
Asset Allocation

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Long-Term CCP Target Allocation</th>
<th>6/30/2018 Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity Portfolio</td>
<td>10.9%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>23.9%</td>
<td>22.5%</td>
</tr>
<tr>
<td>Domestic Equity</td>
<td>21.7%</td>
<td>22.7%</td>
</tr>
<tr>
<td>International Equity</td>
<td>21.7%</td>
<td>21.8%</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>21.7%</td>
<td>22.1%</td>
</tr>
</tbody>
</table>

Net Investment Transfers: $21,000,000
Net Earnings Added Back*: $3,956,640
Book Value as of June 30, 2018: $24,956,640

Unrealized Appreciation: $2,577,122
Market Value as of June 30, 2018: $27,533,762

* Interest, dividends and realized gains, less fees
The Texas A&M University System

System Endowment Fund

Investment Objectives

Provide a continuing and dependable cash payout, stable and preferably growing in real terms.

Cause the total value of the fund to appreciate, over time, exclusive of growth derived from donations.

Performance Periods Ended June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>1-YR</th>
<th>5-YR</th>
<th>10-YR</th>
<th>15-YR</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Endowment Fund</td>
<td>9.9%</td>
<td>8.2%</td>
<td>6.0%</td>
<td>7.6%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Balanced Index</td>
<td>7.6%</td>
<td>7.2%</td>
<td>5.2%</td>
<td>6.7%</td>
<td>7.8%</td>
</tr>
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</table>

The Texas A&M University System

System Endowment Fund

Asset Allocation

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>6/30/2018 Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income</td>
<td>15.0%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Domestic Equity</td>
<td>20.0%</td>
<td>19.9%</td>
</tr>
<tr>
<td>International Equity</td>
<td>20.0%</td>
<td>18.8%</td>
</tr>
<tr>
<td>Real Assets*</td>
<td>15.0%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>15.0%</td>
<td>16.2%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>15.0%</td>
<td>20.5%</td>
</tr>
<tr>
<td>Money Market</td>
<td>0.0%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

*Real Assets includes timber, real estate, and energy investments.
System Endowment Fund
Midwestern State Endowment Accounts
May 31, 2018

Investment Transfers $12,128,428
Market Value $12,880,576
Units 1,938,596
FY 2018 Payout (estimated) $571,206
FY 2019 Payout (estimated) $594,094

The quarterly payout is calculated on an annual basis and is the average of the quarterly market value for the 20 fiscal quarters ending the previous February, multiplied by 5.0% and divided by 4.
### Investment Pool Comparison

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Long-Term CCP Target Allocation</th>
<th>SEF Target Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity Portfolio</td>
<td>10.9%</td>
<td>-</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>23.9%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Domestic Equity</td>
<td>21.7%</td>
<td>20.0%</td>
</tr>
<tr>
<td>International Equity</td>
<td>21.7%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>21.7%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>-</td>
<td>15.0%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>-</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

**Long-Term CCP Objectives:**
- Grow reserves
- Meet operating needs
- Preserve capital

**SEF Objectives:**
- Dependable payout
- Increase fund value
Construction Update Status

August 2, 2018

by
Dr. Marilyn Fowle
Tunnel Issues: Repairs in Progress

July 19, 2018

TAS/ADA & Fire Marshal Upgrades Project:

Bolin Stairwell

Fain Fine Arts Stairwell and Elevator
Moffett Renovation, Phase 1:

July 19, 2018

Moffett Renovation, Phase 2
April 3, 2017

July 19, 2018
Facilities Shops
Building Update

August 2, 2018

by
Dr. Marilyn Fowle

Site Plan: Looking Southeast
## Enrollment Reports

### Summer I 2018

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>New First-time Freshmen</td>
<td>6</td>
<td>0</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Freshmen</td>
<td>68</td>
<td>34</td>
<td>88</td>
<td>46</td>
</tr>
<tr>
<td>Sophomores</td>
<td>213</td>
<td>106</td>
<td>244</td>
<td>130</td>
</tr>
<tr>
<td>Juniors</td>
<td>458</td>
<td>235</td>
<td>442</td>
<td>249</td>
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<tr>
<td>Seniors</td>
<td>841</td>
<td>345</td>
<td>899</td>
<td>422</td>
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<tr>
<td>Post-Baccalaureate</td>
<td>54</td>
<td>43</td>
<td>55</td>
<td>51</td>
</tr>
<tr>
<td>Graduate Degree-Seeking</td>
<td>410</td>
<td>339</td>
<td>382</td>
<td>330</td>
</tr>
<tr>
<td><strong>Total Headcount</strong></td>
<td>2,050</td>
<td>1,102</td>
<td>2,120</td>
<td>1229</td>
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<tr>
<td><strong>Semester Credit Hours</strong></td>
<td>9,594</td>
<td>4,886</td>
<td>10,043</td>
<td>5,530</td>
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### Summer II 2018

<table>
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<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>New First-time Freshmen</td>
<td>2</td>
<td>0</td>
<td>22</td>
<td>1</td>
</tr>
<tr>
<td>Freshmen</td>
<td>45</td>
<td>14</td>
<td>55</td>
<td>18</td>
</tr>
<tr>
<td>Sophomores</td>
<td>159</td>
<td>44</td>
<td>175</td>
<td>74</td>
</tr>
<tr>
<td>Juniors</td>
<td>278</td>
<td>91</td>
<td>311</td>
<td>145</td>
</tr>
<tr>
<td>Seniors</td>
<td>581</td>
<td>212</td>
<td>624</td>
<td>301</td>
</tr>
<tr>
<td>Post-Baccalaureate</td>
<td>15</td>
<td>6</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Graduate Degree-Seeking</td>
<td>200</td>
<td>135</td>
<td>218</td>
<td>164</td>
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<tr>
<td><strong>Total Headcount</strong></td>
<td>1,280</td>
<td>502</td>
<td>1,414</td>
<td>707</td>
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<tr>
<td><strong>Semester Credit Hours</strong></td>
<td>5,234</td>
<td>1,733</td>
<td>5,920</td>
<td>2,624</td>
</tr>
</tbody>
</table>
Total proposed budget, including our DFW operations, is $120,710,924

Assuming a 6,050 fall enrollment on main campus and 182 fall enrollment in DFW Flower Mound

Flower Mound initiative is projected to have $1.5M in revenue with an estimated $1.9M in expenses

Significant investment in faculty and staff – salaries and benefits make up almost one-half of the proposed budget

Debt service payments increase almost $500,000 for furniture/equipment leases for Mass Communication and Flower Mound
Budgeted Sources of Funds in $Millions

FY 19 Budgeted Sources of Funds

- State Appropriations
- Tuition and Fees
- Auxiliaries
- Bus Svcs/Other
- Restricted Funds

Gen Revenue, Tuition and Fees, Auxiliaries, HEAF, Other E&G, Restricted
Budgeted Uses of Funds in $Millions

- FY10
- FY11
- FY12
- FY13
- FY14
- FY15
- FY16
- FY17
- FY18
- FY19

FY 19 Budgeted Uses of Funds

- Salaries and Wages
- Benefits
- GA/Fin Aid/Scholarships
- Operations and Capital
- Utilities
- Debt Service
### HEAF Allocation

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Facilities Shops complex</td>
<td>$1,050,000</td>
</tr>
<tr>
<td>Debt service</td>
<td>1,617,107</td>
</tr>
<tr>
<td>Information technology</td>
<td>599,364</td>
</tr>
<tr>
<td>Library materials</td>
<td>550,000</td>
</tr>
<tr>
<td>Academic equipment</td>
<td>410,000</td>
</tr>
<tr>
<td>Facilities maintenance</td>
<td>405,000</td>
</tr>
<tr>
<td>General university/reserve</td>
<td>429,941</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5,061,412</strong></td>
</tr>
</tbody>
</table>

### FY 2019 Investments

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Scholarships – almost all from grants and pass-through funds</td>
<td>$1,626,282</td>
</tr>
<tr>
<td>Faculty and staff compensation including benefit increase</td>
<td>1,347,917</td>
</tr>
<tr>
<td>Increase for DFW operations</td>
<td>641,129</td>
</tr>
<tr>
<td>DFW and Mass Comm furniture/equipment lease payments</td>
<td>499,009</td>
</tr>
<tr>
<td>Marketing expansion (2 FTE + additional advertising)</td>
<td>100,000</td>
</tr>
<tr>
<td>Compliance (2 FTE + software, services, etc.)</td>
<td>150,000</td>
</tr>
</tbody>
</table>
FTE Increases – 3*

<table>
<thead>
<tr>
<th>Position Description</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty – Dillard College of Business – Agribusiness position – Donor Funds</td>
<td>1.00</td>
</tr>
<tr>
<td>Legal Assistant to General Counsel (balance of half a year)</td>
<td>0.50</td>
</tr>
<tr>
<td>Clery Compliance/Police Officer (half a year)</td>
<td>0.50</td>
</tr>
<tr>
<td>Digital Media Specialist - DFW</td>
<td>1.00</td>
</tr>
<tr>
<td>Public Relations Coordinator</td>
<td>1.00</td>
</tr>
<tr>
<td>Graduate Admissions Evaluator</td>
<td>1.00</td>
</tr>
<tr>
<td>Information Technology Programmer Analyst</td>
<td>1.00</td>
</tr>
<tr>
<td>Various positions reclassified/eliminated</td>
<td>(3.00)</td>
</tr>
<tr>
<td><strong>FTE at September 1, 2018</strong></td>
<td>710.71</td>
</tr>
</tbody>
</table>

*Does not include VP for Enrollment Management or Title IX Director added in the summer of 2018.

Analysis of MSU Reserves

Estimated fund balances at August 31, 2019

- **State Appropriated Funds** $357,402
- **Designated Funds** (incl. tuition, fees, operational budgets, museum, athletics, library, scholarships, wellness center, etc.) $16,181,639
- **Auxiliary Funds** (housing, food service, etc.) $-997,740
- **Gifts/Grants/Federal Support** $3,411,479
- **Plant Funds** (Renewal and Replacement) $-100,145

**Total All Funds** $18,852,635
Midwestern State University (MSU Texas)  
Administrator’s Statement  
86th Legislative Session

Midwestern State University has entered a time of unprecedented change. In order to respond to the vibrant growth and anticipated demographic shifts facing the state of Texas, our university is refocusing on aggressive outreach to students from previously untargeted populations. As part of our public mandate to serve our region, we have begun to redefine ourselves to provide a model of cooperative education. Through the creation of seamless partnerships and shared presence with the community colleges of North Texas we aim to meet students where they are, not where we want them to be. By sharing space and missions with our partners, North Central Texas College and Weatherford College, we are intent upon offering working adults and place-bound students of all ages the access desired to an affordable four-year degree. We have extended our “brand” to the designation of MSU Texas in order to reflect the broader outreach we are undertaking. We are now offering completion degree programs either online or in hybrid format in education, business, and health sciences, as well as the Bachelor of Applied Arts and Sciences degree. These are the fields requested by our partners, who aspire to prepare students at every stage in their professional lives for high-earning careers. By thus strengthening our neighboring communities in north-central Texas, the predominantly rural communities between Wichita Falls and the Dallas/Fort Worth (DFW) Metroplex, as well as the growing suburban populations between DFW and Wichita Falls will be better equipped to attain a four-year degree with maximum efficiency and minimum expense.

Our goal as MSU Texas is to increase enrollment of community college transfer students, working adults, and graduate students. Offering our well-respected approach of individually-tailored education to a population that otherwise would not be able to access it will benefit both the population and employers of the region. Largely due to the planned outreach, using Flower Mound as our hub, we are projecting five years of growth, aiming to add 2,000 new students by 2025, growing by approximately four percent per year.

Aligned with our enhanced outreach to community college students is our established reputation as a destination residential university. The Wichita Falls
campus of MSU Texas will provide a stable base from which to extend our educational delivery through community site campuses in our North Texas region. The predominantly undergraduate population enrolled at Midwestern State University’s Wichita Falls campus can expect courses to be rigorous and challenging, class sizes to be small with individualized attention, and donor support to provide generous scholarship opportunities. Students know that their hard work in undergraduate research, internships, clinical training, and leadership activities will result in earning credentials that position them to attain leadership positions in their chosen careers. In fact, salaries of our recent graduates place MSU in the top ten among Texas universities by graduates’ earnings as reported by the website Best Value Schools. This ranking identified schools based on graduation rate, net price, acceptance rate, and 20-year net return on investment (ROI); MSU was noted for its 20-year ROI of $300,000. MSU blends strong preparation in writing, speaking, numerical literacy, and critical thinking, with in-depth mastery of competitive fields.

MSU Texas transforms the liberal arts education of the past by responding to the needs of public university students. As the only member of the Council of Public Liberal Arts Colleges (COPLAC) in the state of Texas, we provide our students a broad-based interdisciplinary education that serves as the foundation for critical thinking and the concomitant adaptability and flexibility essential in a rapidly evolving economic environment. Employers increasingly recognize the value of interdisciplinary approaches in the arts and sciences foundation for all programs, including professional venues such as health sciences, engineering, business, and education. The education provided by MSU Texas affords employers a workforce of critical thinkers that can adapt and thrive in rapidly changing conditions.

The increasing diversity of the Texas population will interface effectively with a liberal arts approach, although it has not been typically available to low-socioeconomic and underrepresented populations. Skills such as critically assessing situations, understanding and participating in our global environment, evaluating business and industry through multiple lenses, and having the ability to adapt quickly to the changing economy will provide a competitive advantage traditionally not afforded to these students. We believe these benefits of
interdisciplinary study, more likely to be found in private than public institutions, are critical to the economic future of the state of Texas.

We aspire to bring higher education opportunities to a wide range of demographic groups. Our solid track record of working with underrepresented populations suggests we will be successful. Our student body is 47% first generation and, since 2005, MSU has increased African American enrollment by 264% and Hispanic enrollment by 121%. These numbers are the result of the intensive attention of dedicated professors, 83% of whom possess the terminal degree, all of whom are committed to each student’s success. They are also due to our emphasis on affordability. MSU ranks 19th out of 38 state-supported institutions in the cost of tuition and fees. Our current six-year graduation rate is 53.7%, our average student debt (using the Common Data Set) is $25,550, and our most recent reported student loan default rate is 6.9%. The latter is well below state (10.4%) and national (11.5%) averages, and suggests MSU promotes responsible financial behavior and prepares its students for employment in fields and at wages that allow for repayment of loans. This combination of affordability and quality yield value to our students as they achieve success through completion and enter the workforce prepared to contribute to the Texas economy.

In addition to the growth we anticipate with our community college partnerships and expansion efforts, a number of changes have occurred that will affect our institution.

1. The Priddy Foundation Scholars program, a new partnership between MSU and The Priddy Foundation, is now awarding forty full cost-of-attendance scholarships to first-generation students for four years. In addition to the scholarship covering full tuition, fees, books, housing, and dining, it includes one summer term of study abroad. This scholarship is available to our most vulnerable students: first-generation students with a combined family income of between $50,000 and $120,000. These are students from families that do not easily qualify for grants, yet generally do not have the resources to pay for their children’s college education without incurring significant debt. Knowing debt is an inhibitor to enrollment and persistence of first-generation college students and knowing the importance of this demographic
to the future of Texas, The Priddy Foundation has effectively removed the cost barrier for those in the program. Special programming and oversight are offered to recipients of this scholarship, with data collected to measure students’ learning. It is our belief that first-generation students with significant support and mentoring, absent the financial challenges of attending college, will exhibit significant improvement in factors important to learning. The evidence gained from this cohort will be important for all universities crafting similar interventions for first-generation students.

2. In order to improve access and affordability for an increasingly diverse student population, MSU Texas has new articulation agreements with Collin College and various campuses of the Dallas County Community College District. Additionally, we are a partner school of the Dallas County Community College District Foundation’s “Dallas County Promise,” which is an effort to ensure college access to students of Dallas County, especially low-income and underrepresented populations. In Wichita Falls, we take pride in our work with Vernon College, the Wichita Falls Independent School District, and the Zavala Hispanic Initiative to provide a summer program to low-income middle-grade students in Wichita Falls. This program creates a culture of high expectations and utilizes a curriculum of academic and non-academic (life skills) to encourage a goal of college attendance. Notably, this program prepares participating students to enroll in pre-AP and AP courses, which is a significant predictor of college attendance. The first cohort of this program is in their senior year of high school. Summer 2018 saw 90 participants in the program.

3. In an effort to decrease administrative costs, a reorganization of the President’s Cabinet resulted in $170,000 in savings in 2016, which we have now applied to form a Division of Enrollment Management. The university’s administrative cost in FY18 was 8.1%, down from 9.1% in FY16.

4. Growing our student population from the DFW Metroplex has necessitated additional student housing. Legacy Hall, our newest residence hall, which opened in 2016, increased MSU’s residential capacity by some 33%. University housing plays a significant role in increasing retention and
academic success for our student body. Legacy Hall, while large in scale with 500 beds, is made up of 16 unique learning communities with 31 beds each. This building was designed to facilitate engagement between and among students, faculty, and staff. With the addition of Legacy Hall, we can house 42% of MSU’s full-time undergraduate students in university housing. Because more of MSU’s students are predicted to come from urban areas, housing demands are expected to increase. We anticipate that additional housing will likely be needed within the next five years.

5. Building on our reputation of delivering broad-based interdisciplinary education that cultivates the desired 21st-century job skills, MSU Texas has created and introduced a series of signature minors. These minors are intended to be applicable to a range of degrees offered by our institution and add to the relevance and marketability of our graduates. These minors will be offered beginning in the fall of 2018 and include fields such as Non-Profit Management, Cybersecurity, High-Performance Computing, and Entrepreneurship. Work is also in progress to incorporate high impact educational practices on a larger scale. These are practices recognized to have a profound, positive effect on students’ learning experiences. Of particular focus are our first-year experience program, study abroad, undergraduate research, and service learning. We currently use all of these high impact practices with great success and are now working to expand these opportunities to all MSU Texas students.

6. As a result of the greatly appreciated Tuition Revenue Bond (TRB) funding approved in 2015 to construct additional space for the Gunn College of Health Sciences and Human Services, the university will finish construction of the Gunn College’s new building in Wichita Falls in the summer of 2019. When the Gunn College moves from its current building, Bridwell Hall, the West College of Education will move into Bridwell Hall’s renovated space, providing Education with much-needed classrooms and advising space. Ferguson Hall, which will be vacated when the West College moves, will be converted into student-centered offices, such as Counseling and Career Services. The TRB funds also are being used to renovate and update the Moffett Library as an information commons/student success center with
more technology and additional group study rooms. Lastly, the TRB funds allowed the university to complete long-needed renovations that address fire safety and accessibility in numerous older academic buildings on campus. We are very grateful for the improvements to our campus and programs that this TRB support has provided.

The most significant external factor that continues to affect not just Midwestern State University but all institutions of higher education is the increasing costs of compliance with federal and state mandates. Examples of new costs over the last two years are listed below.

1. Title IX – In response to additional controls surrounding sexual misconduct as required by the Clery Act, the Violence Against Women Act (VAWA), and related state statutes passed during the 85th Legislative Session, MSU will expend an additional $120,000 annually for a full-time Title IX Director and office, additional training, and consulting services.

2. Clery Act – For accurate reporting of crimes and sexual assault response, MSU will expend an additional $73,000 annually for a Clery Compliance Officer and required training.

3. Section 504 of The Rehabilitation Act of 1973 (Section 504), Title II of Americans with Disabilities Act, Texas Administrative Code for Accessibility Standards for Institutions of Higher Education – Institutions of higher education are required to provide educational opportunities and benefits to disabled students that are equal to those provided to non-disabled students. MSU will expend an additional $69,000 annually to address web accessibility standards. As mentioned above, MSU also used $4.5 million in TRB funds to renovate facilities to meet accessibility and safety standards.

4. Senate Bill 20, 84th Legislative Session and Senate Bill 533, 85th Legislative Session – Implementing new purchasing and contracting requirements resulted in MSU using the time of one-half of a full-time equivalent employee to ensure compliance.
5. Information Security Control Standards – Federal and state statutes for cybersecurity have required MSU to expend a minimum of $150,000 annually for a new Chief Information Security Officer, training, and risk assessments. In addition, more than $2.1 million will have been spent on hardware and software to mitigate risk in this area.

6. Institutional Compliance and Ethics Program – Monitoring of compliance has required approximately 10% of MSU’s executives’ time, resulting in an annual cost of $125-150,000 in lost wages.

While these requirements are all defensible, nonetheless they are unfunded mandates that continue to drive up the cost of higher education.

Over the last 18 years, MSU has received funding for only two special items from the state, Institutional Enhancement and the Small Business Development Center (SBDC). Institutional Enhancement funds for the university were cut by 30% during the last legislative session, more than $700,000 a year, reducing funding from $2,346,997 to $1,637,899. These funds are spent entirely on faculty salaries and therefore had to be replenished by the university’s local funds. The Small Business Development Center is a federal program designed to spur economic and business activity of our 11-county region. The state match funding for the SBDC also took a 30% cut during the last session, reducing this special item by $51,000 from $149,313 to $98,210. Because MSU received 30% reductions in its only two special items, the state provided hold harmless funding of $181,383 in each year of the biennium. While we recognize the financial pressures on the legislature, during the last session MSU received one of the largest percentage reductions of all higher education institutions, with an overall reduction in General Revenue (outside of debt service funding) of 9.8%, or $1,660,000 annually.

We seek to grow enrollment not only to better serve our educational mission to the state’s taxpayers, but also to be able to grow our financial base so as not to solely rely on state funding for support. The following are Midwestern State University’s Exceptional Item Requests for the 2020-2021 biennium, which meet these goals of expanding our educational mission and growing our financial base.
1. **Academic Expansion and Outreach**

Midwestern State University requests funding of $1 million in each year of the biennium to aid in our investment in the academic expansion and outreach efforts in Flower Mound. We have leased a newly constructed educational facility adjacent to the current North Central Texas College (NCTC) location in Flower Mound, with the facility opening in May 2018. MSU’s capital expenses for start-up funding, in addition to the facility lease and build-out, included $450,000 for furniture/fixtures and $550,000 for technology. Without formula funding the first two years of start-up, the project will run deficits of approximately $1 million each year. MSU requests financial support to cover the costs of the leased facility.

These initial, primarily capital, investments are bolstering our partnership with NCTC that includes a cost-sharing framework. NCTC provides operational support, including services such as the library, police, and other student services. Classes are scheduled in the late afternoons, evenings, and on weekends for the convenience of working adults. Courses are offered in interactive television, online, and hybrid formats combining face-to-face and online delivery. Program cohorts may also be established for area businesses that have employee degree completion needs.

This exceptional item funding would offset the lapse in formula funding and provide support during these critical early years. In the years 2020 and 2021, formula funding will become available to cover more of the ongoing programmatic and facility costs. MSU Texas committed to deficit funding in order to provide this missing option for one of the largest metropolitan areas in Texas, hoping that a one-time appropriation of $1 million in each year of the biennium for this initiative would allow MSU to move to profitability more rapidly. Our exceptional item request of $2 million, while not permanent funding, would significantly affect Midwestern State University’s future by replacing our working capital investment for additional expansion projects in the future and enhance our ability to serve our current student populations.
2. Infrastructure Upgrades - Tuition Revenue Bond (TRB) Funding Request

Midwestern State University requests $10 million in funding over the next biennium for Infrastructure Upgrades. Many of the university’s infrastructure and utility support facilities were built 60 or more years ago. While the university has regularly repaired and upgraded the facilities on a systematic basis, several of the items necessary are beyond the funding currently available to the institution.

The infrastructure upgrades needing attention are outlined below.

A. The university’s Central Plant is running at capacity with the recent addition of two large campus structures: Legacy Hall, a new residence hall (2017) and the new TRB-funded building for the Gunn College of Health Science and Human Services (expected opening 2019). The current system has no redundancy or capacity for additional facilities with these two additions. The Central Plant building needs to be expanded by approximately 5,000 square feet and two additional boilers installed. The cost for this expansion and equipment is $3 million.

B. The utility tunnels on campus are almost 60 years old and are beginning to deteriorate. As part of the new TRB-funded Health Sciences and Human Services building, a walkway/fire drive will be built over one of the tunnels. Because of its poor condition, the tunnel will not support the drive. The cost to repair and strengthen 380 linear feet of tunnel at $1,050 per linear foot was added to the cost of the new building, resulting in $400,000 in new costs for this project. The university has 6,300 linear feet of tunnel, of which 3,000 linear feet are in the same poor condition. The cost to repair the tunnels is estimated at $3.15 million.

C. A main city 24” sewer line runs under the Central Plant building, a parking lot, and one of the campus’ academic buildings. The line was placed in the late 1950’s, and in 1967 and 1978 the university built the Central Plant and an academic building on top of the line.
This sewer line is showing signs of aging and breakage. Because the university erected buildings over the sewer line, the university is responsible for any repairs required and/or to move the line. In order to prevent a major sewer line break and shutdown to the neighborhood adjacent to the campus, the university requests funds to permanently move this 2000’ sewer line to a more accessible location. The cost to move the line is estimated to be $1 million.

D. Sikes Lake is a 21.5-acre storm water retention lake on the Midwestern State University campus in Wichita Falls. The area around the lake is used for numerous university and community events and activities to include fun runs, concerts, and celebrations. The lake has silted up to the point of creating multiple acre “islands,” made up of trash, muck, and duck/geese droppings, and creating an unhealthy and unsightly environment. Because the lake is so shallow and the silt is like quicksand, the university staff cannot clear out or even clean up these “islands” of muck. In 2000, the lake was dredged at the cost of approximately $2 million with the Texas Legislature appropriating funds for this project. Dredging is required a minimum of every 20 years, depending on rainfall. The current cost to dredge the lake is $2.85 million.

State funding to support the operation of our institution is high on our list of funding priorities. We have outlined below particular areas that are important to the university’s overall funding needs.

1. Base Funding – Our highest priority is additional funding for the formulas. Formula funding ensures that Texas public institutions of higher education can provide high-quality teaching and support services for our growing student populations to prepare them for the workforce. We also welcome dialog on the issue of outcomes-based funding during the session.

2. Student Financial Aid – We appreciate the additional funding provided for TEXAS grants during the 84th legislative session and support any opportunity to provide more aid for our students. In FY17, more than 67% of
MSU Texas students qualified for state, federal, and local grants and scholarships, and the numbers continue to increase. TEXAS grants are an important component in aiding low-socioeconomic students in their pursuit of higher education.

3. Hazlewood Exemption – Some relief was provided during the last two legislative sessions for the Hazlewood program; however, this continues to be a growing cost to our institution. The continued absorption of these waivers without additional state funding is unsustainable. In FY 17 the program cost MSU Texas an estimated $1.73 million and the amount rose to $1.95 million in FY 18, an increase of almost 13% in a single year. We respectfully request the state consider fully, or more adequately funding the Hazlewood Waiver program for institutions of higher education in Texas.

4. Higher Education Group Health Insurance – We request funding to cover increases in employee and retiree health care costs that are beyond our control. Additional state funding to offset these rising costs would assist us in not passing annually increasing operational expenses on to our students.

We have been asked to discuss how MSU would address a 10% general revenue base reduction in funding and how such a reduction would affect our institution. The university has previously reduced or delayed the hiring of administrative, faculty, and staff positions, as well as reduced funding for maintenance, operations, travel, and deferred maintenance projects. An additional 10% reduction in non-formula appropriations may require Midwestern State University to make faculty and staff reductions as well as examine the need to reduce academic offerings. Programs and a myriad of student services would also be limited. It would become more difficult for students to graduate on time as academic support services and the range of courses offered would diminish. Since tuition increases would likely be required to offset this decrease in state support, most significantly affected would be those for whom college is the biggest financial challenge. These first-generation, economically disadvantaged students make up a growing percentage of the citizens who will shape our state’s future. It is not possible, nor is it desirable, that the students of MSU Texas bear the burden of balancing the university’s
budget through higher tuition or face the significant reduction in the quality of education additional appropriations reductions would create.

In response to the request to describe our institution’s practice regarding background checks, MSU’s Department of Human Resources obtains background checks on all employees using the Texas Department of Public Safety and Risk Aware as allowed by Texas Education Code Section 51.215 and Texas Government Code Section 411.094.

In conclusion, I extend my thanks to the Midwestern State University Board of Regents, the faculty, the staff, and the benefactors who have been involved in the development of MSU Texas. Together we are seeking new challenges and advancing into new territories to meet the needs of a rapidly changing student population.

Additionally, I thank the state of Texas for the underlying support that provides a high-quality education for the students of Texas through Midwestern State University.

Suzanne Shipley, Ph.D.
President
The Board of Regents, Midwestern State University, met in special session on the Midwestern State University campus in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 2:00 p.m., Friday, September 14, 2018.

Individuals in attendance were as follows.

Regents:  
Mr. Caven Crosnoe, Chairman (via teleconference)  
Mr. Warren Ayres (via teleconference)  
Ms. Tiffany Burks (via teleconference)  
Dr. Lynwood Givens (via teleconference)  
Mr. Jeff Gregg (via teleconference)  
Mr. Shawn Hessing (via teleconference)  
Ms. Nancy Marks  
Ms. Karen Liu Pang (via teleconference)  
Dr. Shelley Sweatt  
Ms. Leia De La Garza, Student Regent

University Administration:  
President Suzanne Shipley  
Vice President Anthony Vidmar  
General Counsel Barry Macha  
Director of Internal Audits Leigh Kidwell  
Marketing and Public Information Assistant Kathy Floyd  
Executive Assistant to the President Cindy Ashlock  
Director of Board and Government Relations Debbie Barrow

Media Representatives:  
Mr. Nick Quallich, KFDX-TV III  
Ms. Chloe Phillips, The Wichitan

In accordance with a duly posted notice and there being a quorum present, Chairman Crosnoe called the meeting to order at 2:00 p.m.

Opening Comments  
Chairman Crosnoe welcomed new Regent Karen Liu Pang to service on the MSU Board of Regents. He noted that Regent Pang was recently appointed to the Board by Governor Abbott to replace Sam Sanchez. He thanked Regent Pang for her participation in this special meeting. He indicated that the Board members looked forward to meeting her in person in November. Regent Pang thanked the Board for the warm welcome.

Public Comment  
Chairman Crosnoe confirmed with Ms. Barrow that no one had signed up to provide public comment.
Executive Session
Chairman Crosnoe announced that the Board of Regents would go into Executive Session to
discuss Item 19-1 (Purchase Offer for a Mineral Acquisition Located in Reeves County, Texas) as
allowed by Texas Government Code Section 551.072. The Executive Session began at 2:05 p.m.
All of the regents, President Shipley, Mr. Macha, and Ms. Barrow remained for the discussion.
Regent Gregg left the meeting at 2:15 p.m. owing to a schedule conflict. The Executive Session
concluded at 2:20 p.m.

Open Meeting
The open meeting resumed at 2:22 p.m.

Purchase Offer for a Mineral Acquisition Located in Reeves County, Texas
19-1. Regent Sweatt moved that the Board of Regents authorize the President to work with the
Chairman of the Board of Regents to approve the Rain Oil & Gas, LP purchase offer for
the acquisition of all of Midwestern State University’s mineral interests located in
Sections 45, 47, 48, 61, and 63 of Block 4, H&GN Ry. Co. Survey in Reeves County,
Texas. Regent Ayres seconded the motion and it was approved.

Closing Comments
Chairman Crosnoe thanked the Board members for their participation in this special meeting. He
noted that the next regular meeting of the Board would be held Thursday, November 8, 2018.

Adjournment
There being no further business, the meeting was adjourned at 2:25 p.m.

I, Tiffany Burks, the fully appointed and qualified Secretary of the Midwestern State
University Board of Regents, hereby certify that the above and foregoing is a true and correct
copy of the minutes of the Midwestern State University Board of Regents meeting September
14, 2018.

Tiffany Burks, Secretary
Midwestern State University
Board of Regents