The Board of Regents, Midwestern State University, met in regular session on the Midwestern State University campus in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 10:00 a.m., Friday, May 11, 2018.

Individuals in attendance were as follows.

Regents: Mr. Sam Sanchez, Chairman
Mr. R. Caven Crosnoe, Vice Chairman
Ms. Nancy Marks, Secretary
Mr. Warren Ayres
Dr. Lynwood Givens
Mr. Jeff Gregg
Mr. Shawn Hessing
Dr. Shelley Sweatt
Ms. Shayla Owens, Student Regent

University Administration: President Suzanne Shipley
Provost and Vice President James Johnston
Vice President Marilyn Fowlé
Vice President Keith Lamb
Vice President Anthony Vidmar
Associate Vice President Kyle Owen
Associate Vice President Matt Park
Director of Athletics Kyle Williams
General Counsel Barry Macha
Director of Internal Audits Leigh Kidwell
Controller Chris Stovall
Director of Marketing and Public Information Julie Gaynor
Executive Assistant to the President Cindy Ashlock
Director of Board and Government Relations Debbie Barrow

Governance Representatives: Dr. David Carlston, Faculty Senate Chairman
Mr. Newman Wong, Staff Senate Chairman
Ms. Maria Peña, 2017-18 Student Government Association (SGA) President
Ms. Ellie Gunderson, 2018-19 SGA President
Mr. Jacob Warren, 2017-18 SGA Observer

Guest Presenters: American National Bank
Mr. Jeff Schultz, Senior Vice President and CIO
Ms. Linda Wilson, Senior Vice President
Mr. Curt Knobloch, Trust Officer
In accordance with a duly posted notice and there being a quorum present, Chairman Sanchez called the meeting to order at 10:00 a.m. Ms. Gaynor introduced the guests.

Opening Comments and Introduction of Special Guests
Chairman Sanchez reported that Regent Burks was traveling out of the country and was unable to participate in the meeting. He acknowledged Student Regent Shayla Owens and mentioned this would be her last Board meeting as Student Regent. Chairman Sanchez thanked Ms. Owens for her service to the university and wished her well in the future.

Chairman Sanchez noted that faculty advisors and members of the MSU Model UN Team were in attendance. He asked Dr. Steve Garrison to report on the students’ recent accomplishments. Dr. Garrison reported that this was a historic year for MSU Model UN. The team received the Outstanding Delegation Award, which indicated that every team member excelled in every aspect of the competition. He added that three students won Outstanding Position Paper Awards and two students won Outstanding Delegate Awards. The student members (Savatore Capotosto, Georgia DuBose, Herbert McCullough IV, Dakota Tolleson, and Natalia Zamora) introduced themselves, talked about their experience with Model UN, and thanked the administration and Board of Regents for their support. Chairman Sanchez congratulated the students for their work and wished them well in the future.

Chairman Sanchez stated that while the Regents and administration were aware, he wanted to announce that this would be his final meeting as a member of the Board of Regents. He explained that he was relocating his practice to Florida and would no longer qualify to serve on the Board of Regents. He stated that he would resign his position on the Board the following Monday. He indicated that his eight years on the Board of Regents had been a phenomenal experience.

Public Comment
Chairman Sanchez noted that no one had signed up to provide public comment.

Reading and Approval of Minutes
18-82. The minutes of the February 8, 2018 Board of Regents committee meetings and the February 9, 2018 full Board meeting were approved as presented.
Investments with American National Bank (ANB) Update

18-83. Mr. Jeff Schultz, Ms. Linda Wilson, and Mr. Curt Knobloch from American National Bank presented information regarding the university’s endowment funds held by American National Bank. Ms. Wilson made opening comments, began the presentation (see Attachment 1), and discussed the bank’s long-standing relationship with MSU. Mr. Shultz then discussed the investment process and Mr. Knobloch reviewed the fixed income analysis. Mr. Schultz provided information on the equity portion of the investments, including the portfolio performance shown on Slide Eight. He reported that on April 1, 2017 the market value of the MSU endowment funds held by ANB was $8.8 million and one year later the market value had increased to $9.38 million. He stated that they were quite pleased with the performance. He thanked the Board for the opportunity to provide this update.

There being no questions, Chairman Sanchez thanked the group for providing this information and for their work on behalf of MSU.

Modification of Midwestern State University Organization Chart

18-84. Chairman Sanchez noted that the Board Book included a revised organization chart as well as an explanation of the changes that had been made. President Shipley reported that the changes indicated the institution’s focus on growth with the creation of a new Vice President for Enrollment Management (VPEM) position, and the reorganization of the offices that would report to this vice president. She added that as the administration began regularly interfacing with community colleges it became apparent that MSU was missing a leadership role in the area of outreach. She stated that Dr. Pam Morgan, Director of Continuing, Professional, and Distance Education, would move into a new Director of Academic Outreach and Distance Education position. She noted that some of the areas Dr. Morgan previously oversaw would be embedded within the Provost’s area. She added that these changes would equip the university to quickly and efficiently reach out to new populations of students in the coming years. Chairman Sanchez stated that this item was presented as a point of information only.

Chairman Sanchez explained that the chairs of the Board committees would present items that would normally fall under each committee for consideration and he would conduct necessary voting of action items by the full Board. He reminded members that this was a meeting of the full Board of Regents and that all Regents could make motions, provide seconds, and vote on all action items.

Strategic Plan Update

18-85. Chairman Sanchez noted that the work of the Strategic Planning Committee had continued and information on the progress was provided in the Board Book. Provost Johnston reported that the Board previously received reports on the work of the committee with the plan approved by the Board in August 2017. He stated that during the last year the plan had been prioritized and that he was working with Dr. Fowlé to put budgets with some of the items and to document the university’s progress on the plan thus far. He indicated that progress had been made on a number of items such as the summer bridge program. He reported that the first summer bridge programs would be offered in the summer of 2018. He added that the former Academic Support Center was reorganized into a Tutoring and Academic Support Programs (TASP), which was
included as an action item in the Strategic. He stated that work would continue to
organize and prioritize the items and determine the cost of high priority items.

Campus Construction Update
18-86. Chairman Sanchez noted that project status reports were presented in the Board Book.
Associate Vice President Kyle Owen then presented an update of current projects as
shown in Attachment 2.

Capital Expenditure Plan (MP I) Report - FY 2019-2023
18-87. Chairman Sanchez stated that each year the Texas Higher Education Coordinating Board
(THECB) requests an update of the university’s five-year plan for new construction, land
acquisition, information resource projects, and major repair and renovation projects. He
indicated that a copy of the proposed MP I report was included in the Board Book.
Associate Vice President Owen noted that this report was a listing of any project the
university might pursue during the next five years. He stated that these projects had not
been funded, but were projects that could possibly be pursued in the future.

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

Health Sciences and Human Services Landscaping and Parking Project Approval Request
18-88. Associate Vice President Owen reviewed the information provided in the Board Book
related to this project. He noted that the bids were received the week before the meeting
and the administration was ready to proceed with the project. He stated that the
administration was requesting authorization to contract for this landscaping project at a
cost not to exceed $1.4 million. Mr. Owen added that this was less than the budgeted
amount.

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

Financing of Facilities Complex
18-89. Chairman Sanchez reported that in February the Board authorized the administration to
move forward with planning the move of Facilities Services to the north side of campus
and to begin the design process. He added that since that time the administration had
developed an interim revised plan. Vice President Fowlé reviewed the information
provided in the Board Book. She added that when she presented information to the
Board in February on the university’s financial ratios she noted the university’s level of
debt. She stated that she looked at many options to determine how to limit the issuance of
debt by the university. She noted that with the purchase of #6 Eureka Circle and the move
of the University Police Department into that facility, it became apparent that there were
less costly options that could be considered. As presented in the Board Book, with the
relocation of the Police Department, the Facilities Administration could be moved into
Bridwell Hall with the renovation paid by the Tuition Revenue Bond (TRB) funding. In
this scenario, a new building would not be needed for Facilities Administration, saving
the university approximately $3 million. Dr. Fowlé added that Facilities Workshops and
Storage would still require a new building on the original Bridwell Courts location.
Approximately $2.4 million in Higher Education Assistance Funds (HEAF) would be
needed for this new building. She added that if HEAF could be saved during the next several years the building could be built with cash. She noted that with this plan, work on the Daniel Building would be delayed for a few years. The administration requested authorization to proceed with the plan as presented, according to the draft timeline presented in the Board Book unless pledges or funding currently anticipated to span four years became available sooner. Dr. Fowlé added that the goal was to complete the renovation of the Daniel Building in time for the university’s 100 year anniversary.

Dr. Fowlé was asked how long this plan would delay the work on the Daniel Building. She responded that the delay would be one-half year to one year since the work on Daniel could not begin until Facilities Administration moved to Bridwell Hall upon the completion of the new building for the Gunn College of Health Sciences and Human Services. President Shipley noted that Dr. Fowlé was present when the proposal was made to the foundations regarding this project. She indicated that donors were aware that just as pledges could extend over several years, the project included many moving parts and would not be done right away. She stated that upon approval of this item she would meet with the donors and review the new timeline. She added her appreciation to Dr. Fowlé’s ability to find the best option for university projects.

Regent Hessing stated that the information in the Board Book showed savings with this revised plan of more than $9 million ($6 million in interest, $.5 million in bond issuance costs, and $3 million that would not be needed for a new Facilities Administration building). He moved approval of this item as presented. Regent Ayres seconded the motion and it was approved.

Legislative Appropriations Request (LAR)

18-90. Chairman Sanchez stated that MSU’s legislative request for fiscal years 2020 and 2021 would be prepared during the next several months with the majority of the request driven by historical enrollment and financial information. He noted that exceptional item requests included in the LAR required support from the Board of Regents. President Shipley reported that when the last LAR was submitted in 2016, the Board approved the exceptional item funding request for the Flower Mound facility. The administration recommended including a similar request in the upcoming LAR submission. President Shipley noted that since the university had not had to pay for the facility until recently the need for the requested support overlapped with another legislative session.

Regent Gregg moved the Board authorize the administration to develop an exceptional item funding request for the Academic Expansion and Partnership Program as presented. Regent Marks seconded the motion and it was approved.

Holiday Schedules for Staff Employees – 2018-2019

18-91. Chairman Sanchez noted that the item in the Board Book explained how the holiday schedules are developed and included the proposed schedules for the following year. Regent Crosnoe moved approval of the schedules as presented. Regent Marks seconded the motion and it was approved.
Faculty Report
18-92. Dr. David Carlston, Chairman of the Faculty Senate, presented information summarized below.

A. Dr. Carlston expressed appreciation to the Board of Regents and President Shipley for their response regarding sexual misconduct on campus. He reported that the Faculty Senate expressed concern through a resolution and Dr. Shipley formed a panel to review the university’s response to sexual misconduct allegations. He added that the work of the panel continues. He expressed appreciation to Regent Crosnoe and Regent Marks for their participation in the initial meetings of the panel. He stated that their attendance and participation showed that the Board took considerable interest in the safety and interests of MSU students, faculty, and staff.

B. He mentioned the discussion in February regarding the Faculty Satisfaction Survey results and the concerns expressed regarding faculty being at risk of experiencing burnout. He reported that President Shipley and Provost Johnston met with the Faculty Senate and discussed the importance of this concern. He stated that the Faculty Senate and administration would address many issues in the next year related to this topic, including faculty workload, work/life balance, compensation, load demands, and other areas. He added that work would begin during the summer to develop a plan to address these concerns in the next year.

C. He reported that he was re-elected as Chairman of the Faculty Senate for the coming year. He mentioned that Dr. Chuck Bultena would no longer serve as Faculty Senate Treasurer, a position he had held for a number of years. Dr. Carlston expressed his appreciation to Dr. Bultena for his work.

D. Dr. Carlston mentioned that the response from faculty to the creation of a new Vice President for Enrollment Management position and a new Title IX Coordinator position had been one of excitement as well as some concern. He indicated that the faculty are excited with the potential for growth as well as greater student support. He added, however, that he would be remiss if he did not mention that there are growing concerns about increasing the budget for university administration. He asked the administration and Board to keep that in mind as they discuss potential new university positions.

E. He noted that Dr. Laura Fidelie, 2017-2018 Faculty Award winner, would join the meeting later in the afternoon to present her report.

Regent Givens thanked Dr. Carlston for his candid comments and congratulated him on his re-election.

Staff Report
18-93. Mr. Newman Wong, Chairman of the MSU Staff Senate, reported that the Staff Senate had continued to be very active including being involved in shared governance opportunities such as the Title IX Review Panel. He noted that his term on the Senate would end in August and a new chair would visit with the Board in the fall. Regent Givens thanked Mr. Wong for his service.
Student Government Report
18-94. Ms. Maria Peña, outgoing MSU Student Government Association (SGA) President, reported that this would be her last Board meeting and that she would graduate from MSU the following day. She reported that she planned to attend graduate school majoring in higher education administration. She stated that she was very grateful for the opportunities she’d had at MSU and that it was an honor to serve the institution. She introduced the incoming SGA President Ellie Gunderson. Ms. Gunderson stated that she is a political science major and a women’s gender studies minor. She played volleyball at MSU for three years, and indicated that she looked forward to working with the Board in her new capacity.

Regent Givens thanked Ms. Pena for her service and wished her well in the future. He thanked Ms. Gunderson for her comments and indicated the Board looked forward to working with her and the other new officers in the coming year.

Athletics Report
18-95. Director of Athletics Kyle Williams stated he was available to answer any questions related to the report shown in the Board Book. He added that the tennis and golf teams just finished with the NCAA Regionals. Men’s golf finished in eighth place and women’s golf finished in sixth place with neither team moving on in the competition. He added that Ms. Emily Brennan, a freshman golfer from England, placed third in the regional tournament and would advance to the NCAA National Tournament in Houston. The tennis teams advanced to the Elite Eight. The women’s team lost in the first round and the men’s team lost the following day. Mr. Williams then also reviewed information from his report regarding the Student Athletics Banquet, the Maroon & Gold Game, the Robert Grays’ Endowment, the work of Mustangs 360, the alcohol and drug education program for student-athletes, and the Lone Star Conference. He added that the Athletics Department provided stoles for the graduating student-athletes to wear at graduation. He also reported on open coaching positions in volleyball, women’s soccer, and strength and conditioning.

Dallas-Fort Worth (DFW) Expansion Update
18-96. Vice President Lamb’s update was presented in the Board Book and he provided additional information. Dr. Lamb stated that the most notable accomplishment was that the building was complete and staff had moved into the facility. He announced that the grand opening of the facility was scheduled for June 6 at 10:30 a.m. He added that additional information would be forwarded to Board members soon. Dr. Lamb reported that enrollment for the summer was looking good and the semester credit hours for the year had already exceeded the amount budgeted.

Regent Ayres asked about the enrollment goal for Flower Mound in the current year. Dr. Lamb responded that the budget was built with an annual goal of 2,200 semester credit hours (SCH). He reported that enrollment had produced 2,477 SCH thus far, and that students were still registering for summer classes.

May 2018 Graduating Class
18-97. Regent Givens reported that the administration recommended approval of the candidates for May graduation as presented. He noted that 734 students were on the list, compared
to 699 in 2017. Regent Givens moved approval of the list of candidates. Regent Marks seconded the motion and it was approved.

Addition of Academic Degree Concentration and Minors to Existing Degree Programs
18-98. Regent Givens stated that the administration recommended the addition of an academic concentration and three minors as outlined in the Board Book. Provost Johnston reported that the proposed concentration in Agribusiness and the three interdisciplinary minors offered in the McCoy College of Science, Mathematics and Engineering would extend the career profile and marketability of a number of degrees. He added that the minors would be offered within the university’s existing resources.

Regent Givens moved approval of these academic additions as presented. Regent Sweatt seconded the motion and it was approved.

Housing and Dining Service Rates
18-99. Regent Givens stated that the administration’s recommended housing and dining rates for 2018-2019 and comparison charts were presented in the Board Book. Vice President Lamb reviewed the information provided regarding changes that had been made in MSU housing since 2013. He stated that since that time a great deal of progress had been made.

Dr. Lamb referred to the proposed rates for FY 19 and explained that the rates were annual rates. He stated that the largest recommended increase was approximately three percent for McCullough-Trigg Hall. He added that the meal plan recommendations were similarly less than three percent. He noted that the Platinum Unlimited is the highest level of dining plan, allowing students to eat in dining services as many times as they would like every day. He stated that this plan is the best value offered. He explained that the Gold 200 is a new plan proposed for FY 19. It is a 200 meal block plan which would provide 200 meals in the fall and 200 meals in the spring.

Dr. Lamb referred to the comparison tables shown in the Board Book. He noted that the rates shown were MSU’s proposed 2019 rates compared to the 2018 rates at other institutions. He stated that the other schools would likely change their rates for next year as well which would positively affect MSU’s ranking. He added that the comparisons showed MSU to be in a good position when compared to other institutions.

Regent Sweatt commented that in reviewing the proposed rates, it looked as if the university currently offered only two resident meal plans and that two were being added. She asked if this was correct. Associate Vice President Park responded that the university currently offers three plans, and would like to phase out one of the plans and add two new plans. He reported that the current Block 250 plan is underutilized and will be replaced by the new Gold 200 and Bronze 75 plans. Regent Sweatt asked what percentage of MSU’s residential students selects the unlimited plan. Mr. Park responded that approximately 30-40% choose the unlimited plan.

Regent Marks asked if students could use their dining card off campus. Mr. Park responded that the card can only be used on campus. He added that while MSU has a Chick-fil-A on campus, it is a corporate plan and the card cannot be used at the local, off-
campus Chick-fil-A. President Shipley indicated that it would be interesting to ask Chartwells if such an exchange program might be possible for students.

Regent Sweatt asked if a student on the unlimited plan had the choice of going to the dining hall or Chick-fil-A for a meal. Mr. Park responded that there are certain limitations to the meal exchange/trade program. He explained that students can use one meal exchange per day at any retail location on campus. The standard dining facilities are Mesquite Café and Maverick’s Corner. A student with an unlimited plan can go into those dining facilities at any time and have something as small as a cookie or as large as a full buffet meal. He added that when a student goes into a retail location they use one dining swipe and receive a pre-determined combo meal. Regent Sweatt asked what percentage of students uses the retail opportunities. Mr. Park responded that he did not have that information. Regent Marks stated that she had seen students at other institutions receive a discount at eating establishments in the local community. Dr. Lamb responded that different vendors had offered discounts to students throughout the years, but nothing large scale had ever been developed. He stated that it was something that could be considered. Mr. Park added that they had looked at the possibility of offering a discount card program if vendors and partners in the community would offer discounts to MSU students.

Regent Owens asked about the occupancy in housing. Dr. Lamb responded that housing occupancy was at 88% in the fall of 2017 and it was anticipated that the rate would be greater than 90% in the fall of 2018. He added that spring occupancy generally drops by approximately 10%.

Regent Givens asked whether the university makes money or loses money through the housing and dining services program. Dr. Lamb responded that the housing budget pays for itself. He added that the housing operation also pays an administrative fee to the university for services provided. Dr. Fowlé added that auxiliaries pay the university for services such as accounting, budget, payroll, purchasing, human resources, and all of the other back of the office services. Regent Givens stated his concern that the recommendations were market driven and indicated he would like to have information showing the related costs of food and personnel. He explained that the cost information would give him a better understanding of whether the increases were justified or if they possibly need to increase more.

Regent Sweatt asked how many students spend their meal plans down to zero at the end of the semester. Mr. Park responded that the unused meals from the fall semester carry into the spring semester. Additionally, students can change plans between the fall and spring semester if they have too many or too few meals remaining. He stated that students tend to be fairly close with their meals at the end of the year.

Regent Givens moved approval of the housing and dining service rates as presented. Regent Hessing seconded the motion and it was approved.

Faculty Emeritus Status
18-100. Regent Givens stated that while this item would be discussed in closed session, he wanted to mention that individuals recommended for emeritus status must be reviewed
and approved by the University Tenure and Promotion Committee. He added that Provost Johnston would present recommendations in closed session later in the day.

Faculty Promotions and Tenure
18-101 & 102. Regent Givens noted that these two items would also be discussed in closed session later in the meeting. He asked Provost Johnston to present general information regarding faculty promotion and tenure. Dr. Johnston reported that policies approved in 2008 and 2014 continue to be used. He stated that the tenure and promotion process for an individual hired on tenure track is generally five years. Faculty submit an annual report each year evaluating their teaching, scholarship, and service. Individuals applying for promotion or tenure must submit a portfolio that includes the three areas of teaching, scholarship and service, each weighted equally, with evidence to support their documents. The levels of review are department chair, college tenure and promotion committee, academic dean, University Tenure and Promotion Committee, the provost, the provost’s consultation with the president, and final approval by the Board of Regents.

Recess
The Board recessed at 11:29 a.m. and reconvened at 11:37 a.m.

Summaries of Financial Support and Comprehensive Campaign Update
18-103. Regent Gregg 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 MSU Foundation received two annuity payments for the McAda Graduate School from the Estate of Dr. Billie McAda totaling more than $550,000.

B. The Fain College of Fine Arts and Prothro-Yeager College of Humanities and Social Sciences received a three-year pledge totaling $250,000 to fund the Jane Spears Carnes Faculty Fellowship for Creative Endeavors over the next ten years.

C. The Museum of Art at MSU received $50,000 from Dr. and Mrs. Robert Rugeley, to assist with the salary funding for the Curator of Education.

D. The MSU Small Business Development Center received three gifts for annual operations: the Big Brothers Big Sisters Lone Star organization contributed $40,000 and Martha Fain and the Bryant Edwards Foundation donated $30,000 each.

Vice President Vidmar announced that the Boundless Opportunities Campaign had achieved 100% involvement by the MSU Board of Regents with gifts and pledges exceeding $230,000. He expressed appreciation to the Board members for their generosity and thanked Regent Hessing for his leadership.

Mr. Vidmar highlighted two of the quantitative reports that were included in the Board Book. He noted that the overall goal for new gifts and commitments in the seven-year campaign was $50 million. He reported that the total raised through March 31, 2018, was $36,190,568, representing 72.38% of the goal in 22.62% of the time expended in the campaign. He added that the FY 18 report of new gifts and commitments showed a
record-setting total at the end of March 2018 of $29,397,896. The previous yearly high of $23.8 million was in FY 14.

President Shipley stated that in the next years of the campaign there would be more emphasis on who is giving rather than what is being given. She noted that while some of the largest gifts for the campaign may have been received, the next goal of the campaign is to engage as many alumni and potential donors as possible in the campaign. She reported that the faculty-staff campaign would be kicked off in the fall. She added that she and Mr. Vidmar would continue to travel to meet potential donors about potential gifts. She stated that deans and Mr. Vidmar's staff would also help with future principle gifts. President Shipley mentioned that additional corporate giving is needed to support academic equipment and technology. She reported that alumni would be the focus as the campaign draws to a close, and the campaign would end with a great centennial celebration.

Regent Sweatt asked Mr. Vidmar to provide examples of gifts in kind. Mr. Vidmar responded that the largest gift in kind received was for software in the geosciences. He added that other gifts in kind were for meals, advertising, lodging, equipment, and other such items.

Financial Reports
18-104. The administration recommended the January, February, and March 2018 Financial Reports for acceptance. Regent Gregg made a motion to accept the reports as presented. Regent Ayres seconded the motion and it was approved.

Investment Report
18-105. The administration recommended the second quarter FY 2018 investment report for acceptance. Regent Gregg made a motion to accept the report as presented. Regent Ayres seconded the motion and it was approved.

Public Funds Investment Act Compliance
18-106. The administration requested Board approval of the Public Funds Investment Act training received by Vice President Fowlé and Comptroller Stovall. There being no questions, Regent Gregg made a motion to approve the training as presented. Regent Crosnec seconded the motion and it was approved.

Salary/Title/Position Changes in FY 18 Budget
18-107. Regent Gregg noted that the reports of personnel changes in January through March 2018 were presented in the Board Book for information only and the list of salary changes was presented for ratification. There being no questions, Regent Gregg made a motion to ratify these changes as presented. Regent Ayres seconded the motion and it was approved.

Instructional Enhancement Fee – Fain College of Fine Arts
18-108. Vice President Fowlé stated that the administration recommended that the Fain College of Fine Arts Instructional Enhancement Fee be increased from $15 per semester credit hour (SCH) to $20 per SCH. This increase would cover the cost of maintenance.
agreements on new equipment in the television studio as well as the new pianos that had been purchased.

Regent Hessing asked if this fee was charged only to students in the Fain College of Fine Arts. Dr. Fowlé responded that any student taking a class in the Fain College would be charged this fee. Regent Gregg moved approval of this item as presented. Regent Ayres seconded the motion and it was approved.

**Motor Vehicle Registration Fee**

18-109. Vice President Lamb reviewed the information provided in the Board Book related to the plan to increase parking by $20 each year until the fee is sufficient to support the construction and operation of one or more parking garages on campus. Vice President Lamb was asked how the proposed fee compared to similar fees charged at other public universities in Texas. Dr. Lamb indicated that he would gather the information for the Board.

Regent Marks asked if the administration had considered increasing the vehicle registration fee for faculty and staff. Dr. Lamb responded that conversations were held with the Faculty Senate and Staff Senate but there wasn’t the desire to move forward. Regent Ayres asked when the fee would produce enough revenue to afford a parking structure. Vice President Fowlé responded that with a fee of $150 the university could build a double deck parking structure. She added that a fee of $150 would not be enough for a multi-level parking structure unless enrollment grew substantially. Regent Ayres asked if the fee paid for parking improvements on campus. Dr. Fowlé responded that the current fee was used to pay off the West Campus Annex parking lot. She added that by the time the fee reaches $150 the lot will be paid for and the revenue would be available for whatever the Board determined.

Regent Givens stated concern that the faculty did not lead the way and share in this kind of cost. Ms. Owens asked if a new parking structure would be for students only or if faculty and staff would use it as well. Dr. Lamb responded that the general thinking was that it would be for students only because it would be farther away from the academic buildings than is current employee parking. Regent Crosnoe asked Dr. Lamb to explain the different types of parking spaces on campus. Dr. Lamb responded that the three parking zones are Reserved (faculty and staff), Residential, and Commuter. President Shipley asked Dr. Fowlé and Dr. Lamb to provide information at the next Board meeting regarding the true cost of paving, marking, and policing parking for faculty and staff. She indicated this would help the administration and Board know whether there is an inflationary issue that needs to be addressed to ensure that student fees are not subsiding faculty and staff parking.

Regent Gregg moved that the Motor Vehicle Registration Fee for students be increased as presented. Regent Hessing seconded the motion and it was approved.

**Lunch Recess**

Chairman Sanchez announced that the Board would recess for lunch at 11:50 a.m. The Board of Regents meeting reconvened at 1:00 p.m.
Announcement
Chairman Sanchez stated that since the Board meeting had moved along so quickly, Dr. Laura Fidelie would not be able to arrive on campus in time for her presentation at this meeting. He indicated that she would make her presentation in August.

Conflict of Interest Disclosure and Compliance with Ethics Commission Filing Requirements
18-110. Regent Hessing reported that each year regents other than the student regent are asked to confirm in writing that they have received notification of state and university ethics policies and have filed a Personal Financial Statement with the Texas Ethics Commission as required by state law. Board members were asked to sign the acknowledgment form provided and to return it to Mrs. Barrow. Regent Hessing asked if any Regent wished to disclose any new potential conflicts of interest in accordance with Policy 2.25, Ethics Policy for the Board of Regents. No disclosures were made.

Compliance Update
18-111. The Compliance Update was included in the Board Book as a point of information only and there was no discussion.

Audit Update
18-112. An update on audit activities was presented in the Board Book for information only and there was no discussion. Ms. Kidwell reported that she successfully met all of the requirements to be a Certified Internal Auditor. The Board congratulated Ms. Kidwell on this important accomplishment. She added that the auditor in her office, Ms. Debbie Vaughn, recently gave notice that she would be moving out of state. Ms. Kidwell stated that Ms. Vaughn would work through the end of June and reported that she would soon begin the search for a new auditor.

Petty Cash and Change Fund Audit Report
18-113. Ms. Kidwell stated that overall the university has opportunities to enhance internal controls surrounding cash. Regent Hessing moved the Board accept the report as presented. Regent Crosnoe seconded the motion and it was approved.

Texas Higher Education Coordinating Board (THECB) Facilities Audit
18-114. Ms. Kidwell reported that this audit was a collaboration between the THECB and internal audit. The report spanned seven fiscal years and, based on the procedures, it was concluded that MSU complied. Regent Hessing moved the Board accept this report as presented. Regent Givens seconded the motion and it was approved.

Independent Validation (Peer Review)
18-115. Ms. Kidwell indicated that this represented the independent validation of her self-assessment. The peer reviewers also looked at several audit projects. The review concluded that the audit function conformed with the standards required of internal audits. Regent Hessing moved the Board accept this report as presented. Regent Ayres seconded the motion and it was approved.

MSU Policies and Procedures Manual Changes
18-116. Regent Hessing noted that three policies were rewritten or modified and recommended for approval, and one policy was recommended for deletion.
A. Policy 3.340, Americans with Disabilities Act – Mr. Macha reported that this policy was rewritten to comply with federal and state laws and regulations. He noted that committees had been formed to ensure MSU compliance.

B. Policy 4.134 (Donations, Gifts, and Endowments) and Deletion of Policy 4.164 (Solicitation of Funds) – Vice President Vidmar stated that these changes would clarify administrative roles, responsibilities, and procedures, and ensure compliance with applicable federal and state laws and regulations. He noted that as a result of the new wording in Policy 4.134, Policy 4.164 (Solicitation of Funds) would no longer be necessary and was recommended for deletion.

Regent Ayres asked if the wording on page five of the policy, the second paragraph under Cash and Publicly Traded, Marketable Securities, affected gifts to the MSU Foundation, Inc. Mr. Vidmar indicated that it did not.

C. Policy 4.151 (Web Accessibility) – Mr. Macha noted that this policy was rewritten to ensure that all web applications and web pages on the MSU website meet applicable federal and state laws and regulations. He added that this policy was vetted throughout the campus.

Regent Givens asked about the cost of fully implementing this policy. Ms. Kidwell responded that a compliance audit would begin the following week and the report would be available in June. She added that the cost of the audit was $5,400. President Shipley added that the policy was required by federal mandate and the university must have the policy. Regent Givens expressed concern with approving a policy change without knowing if it is required, what the cost of implementation would be, and what implementation timeline the university must meet. He added his concern that the cost of implementation could be in the millions of dollars.

Ms. Kidwell stated that once the audit results are known the administration would have additional information regarding implementation costs. Regent Givens asked if there was any reason this policy action could not be delayed until the August meeting. Mr. Macha responded that the university must have a plan in place by August 13, 2018. He added that the plan includes an approved policy and a corrective action plan. Ms. Kidwell added that in last year’s budget a website Content Management System was purchased to give the university the tools to ensure web pages are compliant with the regulations. The university also purchased another service for $11,000 to give the institution the ability to self-monitor and correct web pages as needed.

Regent Givens asked if the administration knew when the university would need to be in compliance with the policy if it were approved. Ms. Kidwell responded that the timeline that was vetted with the faculty and staff required full compliance in 2020. Regent Givens asked if this date was acceptable to the federal government. Ms. Kidwell responded that it was.
Regent Hessing indicated that he thought it was important to approve the policy but that it was important for the Board to receive a report on the estimated cost of implementation at the August meeting. Chairman Sanchez commented that this was the type of thing for which each Board member had personal liability. He added that once a Board becomes aware that there is an issue and a required policy the Board must do its due diligence and make sure the policy is in place.

President Shipley stated that the university was operating under an Office of Civil Rights (OCR) review agreement and an expanded timeline. She asked Mr. Macha if this policy was part of the OCR agreement and he responded in the affirmative. She stated that cost estimate information would be provided in August and the administration would work to ensure that policies brought to the Board in the future would include any financial or cost estimates. Regent Ayres added that it was unlikely the administration or Board would know the exact cost of this policy for several years.

Regent Hessing moved approval of the policy changes presented in Items A & B above. Regent Ayres seconded the motion and it was approved.

Regent Hessing moved approval of the policy change presented in Item C above. Regent Crosnoe seconded the motion and it was approved with Regent Givens voting no.

University Leadership Report

18-117. President Shipley presented information related to her participation in the following meetings and programs.

A. Texas Higher Education Coordinating Board (THECB) Presentation – President Shipley reported that she was invited to the THECB April Board meeting to discuss the MSU Strategic Plan and the 60x30TX Higher Education Plan. She noted that the key goal of the 60x30TX plan is to have 60% of Texans ages 25-34 to have a certificate or degree by 2030. She added that MSU’s plan overlapped nicely with the state’s plan.

President Shipley noted that one of the positive outcomes of the meeting was that the Board and staff of the THECB learned about MSU Texas. The presentation gave the THECB Board members an opportunity to learn more about non-system regional institutions that are smaller in size, lack complexity, and are manageable with the simplicity of oversight. During the presentation she explained how the MSU Strategic Plan was overlaid with the case for the campaign and gave them the example of the Priddy Scholars program. The THECB Board members were enthusiastic about this program and could see that an institution the size of MSU with large donor support can make a tremendous difference in students’ lives. The THECB asked that they receive follow up information with outcomes from the program when available. The THECB Commissioner also encouraged MSU to consider offering competency-based education and that the administration was looking into the options available.
The second area the THECB was interested in was MSU’s relationship with community colleges, and particularly MSU’s partnership plan. She shared MSU’s plan to partner on community college campuses when possible, and also through articulation agreements so that students have a seamless experience from community college to university. President Shipley stated that she received questions and comments from the Board members and that she encouraged them to visit MSU Texas.

B. Air Force War College National Security Forum – President Shipley reported that she returned from the forum late the night before. She noted that she was asked to attend as the civilian liaison with the Air Force in Wichita Falls. She stated that the forum was attended by people from throughout the United States. She noted that they heard from high-level speakers including the Secretary of the Air Force and the Vice Chair of the Joint Chiefs. She reported that her biggest takeaway was learning about the United States military’s new emphasis on alliances with as many countries as possible. She added that stronger coalitions are being forged between the branches of the armed forces. She stated that this supports interdisciplinary thinking and the multifactorial way of considering answers to questions, which is what the MSU faculty are teaching students. She added that this underscored the importance of what MSU does through teaching English to Euro-NATO Joint Jet Pilot Training Program (ENJJPT) pilots. She stated that attending the forum was a good learning experience and was worth the investment of time.

Nominating Committee for Board Officers for FY 2019 and FY 2020
18-118. Chairman Sanchez reported that the by-laws require the election of a Chair, Vice Chair, Secretary, and Member-at-Large of the Executive Committee in August of even-numbered years. He asked Regent Hessing, Regent Sweatt, and Regent Burks to serve on this committee with Regent Hessing serving as chair.

Executive Session
Chairman Sanchez announced that the Board of Regents would go into Executive Session to discuss Items 18-119A (Consultation with Attorney), 18-119B (Real Property), 18-119C (Gift or Donation – to include a gift-related naming), 18-119D (Personnel Matters – to include Faculty Emeritus, Tenure, and Promotion, as well as annual performance review of the President and Director of Internal Audits), and 18-119E (Deliberations Regarding Security Audits) as allowed by Texas Government Code Sections 551.071, 072, 073, 074, and 076. The Executive Session began at 1:34 p.m. Regents Sanchez, Gregg, Hessing, Crosnoe, Marks, Sweatt, Givens, and Owens remained for the entire discussion. Regent Ayres remained for the entire session except for the discussion of Item 18-119C. President Shipley remained for the entire session except for part of the discussion related to her performance assessment. Mr. Macha and Mrs. Barrow remained for the session except for the performance review discussion. Vice President Vidmar participated only in the discussion of Gift or Donation and Provost Johnston participated only in the discussion of faculty emeritus, promotion, and tenure. The Executive Session concluded at 4:02 p.m.

Open Meeting
The open meeting resumed at 4:02 p.m.
Emeritus Status
18-100. Regent Givens recommended the following individuals be granted emeritus status upon their retirement from MSU.

- Ms. Martha Crump – Assistant Professor of Dental Hygiene – 24 years
- Dr. Fredric Davis – Associate Professor of Dental Hygiene – 28 years
- Ms. Mary Jo Distel – Assistant Professor of Nursing – 21 years
- Dr. Rebecca Dodge – Associate Professor of Geosciences – 10 years
- Dr. Everett Kindig – Professor of History – 47 years
- Dr. Emily LaBeff – Professor of Sociology – 40 years
- Dr. Stuart McClintock – Associate Professor of Foreign Languages – 19 years
- Mr. Gary Morrison – Associate Professor of Radiologic Sciences – 30 years
- Dr. Yoshi Fukasawa (Posthumous) – Professor of Economics – 40 years

Regent Marks seconded the motion and it was approved.

Faculty Promotions and Tenure
18-101 & 102. Regent Givens recommended approval of the following.

Granting Tenure to the Following Individuals:
Satyanarayana Ayinagadda, Ph.D. Social Work
Eric Koger, M.F.A. Theatre
Attapol Kuanliang, Ph.D. Criminal Justice

Granting Tenure and Promotion From the Rank of Assistant Professor to Associate Professor to the Following Individuals:
Kym Acuna, Ed.D. Curriculum and Learning
Angela Cartwright, Ph.D. Curriculum and Learning
Yu Guo, Ph.D. Engineering
Niyati Kataria, Ph.D. Management
Emily Reeves, Ph.D. Curriculum and Learning
Whitney Snow, Ph.D. History

Granting Promotion from Assistant Professor to Associate Professor to the Following Individual:
Phillip Blacklock, Ed.D. Curriculum and Learning

Granting Promotion from Associate Professor to Professor to the Following Individuals:
Guy Bernard, Ph.D. Mathematics
Martin Camacho, D.M.A. Music
Steve Hilton, M.F.A. Art
Jeff Hood, Ph.D. Mathematics
Terry Patton, Ph.D. Accounting
Kathleen Williamson, Ph.D. Nursing

Regent Hessing seconded the motion and it was approved.
Naming Recommendation
18-119C. Regent Marks moved that Room 324 in the Dillard Business Administration Building be named “The Warren Ayres Family Computer Lab” in honor of benefactors and Midwestern State University alumni, Warren and Pam Ayres. Mr. and Mrs. Ayres’ recent gifts made possible the updating of this room into a fully functioning computer lab for the Dillard College of Business Administration. Regent Sweatt seconded the motion and it was approved.

University President’s Annual Performance/Compensation and Contract Review
18-119D. Regent Hessing moved that the term of President Shipley’s contract be extended by one additional year through 2021. Regent Sweatt seconded the motion and it was approved.

Closing Comments
Chairman Sanchez stated that it had been his sincere pleasure to work with the members of the MSU Board of Regents. He added that he truly appreciated their friendship.

Adjournment
There being no further business, the meeting was adjourned at 4:07 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 May 11, 2018.

[Signature]
Nancy Marks, Secretary
Midwestern State University
Board of Regents

ATTACHMENTS:
1. American National Bank Presentation
2. Campus Construction Update
In our internship program, we typically bring a graduating senior on as an intern, who is interested in commercial banking and wealth management.
INVESTMENT PROCESS

Portfolio Management Process

Summary:
- Disciplined investment process for identifying and investing in positions
- Technical & Fundamental analysis applied for sell decisions
- Close monitoring of asset allocation

- Relatively concentrated equity portfolio (between 50-60 positions)
- Focus on individual issues; Funds & ETF's for special market situations

- Benchmark weights are considered; however, certain sectors will fluctuate between overweight and underweight due to market conditions

- Total Return Focus
  - Capital Appreciation
  - Dividend Income
  - Bond Interest

INVESTMENT OBJECTIVE

Asset Allocation as March 31, 2018

<table>
<thead>
<tr>
<th>Investment Objective: Growth with Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target Allocation:</td>
</tr>
<tr>
<td>65% of funds invested in Equities</td>
</tr>
<tr>
<td>32% of funds invested in Fixed Income Securities</td>
</tr>
<tr>
<td>3% of funds held in Cash Equivalents</td>
</tr>
</tbody>
</table>

Targets are bound within a range of 10% of each allocation
**FIXED INCOME ANALYSIS**

**S&P Rating by Percentage**
- 14%
- 15%
- 15%
- 48%

**Fixed Income Characteristics**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>MSU</th>
<th>S&amp;P</th>
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<tbody>
<tr>
<td>Avg. Convexity</td>
<td>33.37</td>
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<tr>
<td>Avg. Coupon Rate</td>
<td>4.13%</td>
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<tr>
<td>Avg. Macaulay Duration</td>
<td>4.77</td>
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<tr>
<td>Avg. Modified Duration</td>
<td>4.61</td>
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<tr>
<td>Avg. Yield to Maturity</td>
<td>3.43%</td>
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</tr>
<tr>
<td>Avg. Current Yield</td>
<td>4.05%</td>
<td></td>
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</table>

**Impact of Rising Interest Rates**

**Interest Rate Shock:**
*The Impact of an Increase in Interest Rates by 0.25%*

- Market Value as of 3/31/2018: $2,761,068
- Market Value Change: -1.13%
- Approx. Market Value: $2,729,604

**PORTFOLIO ANALYSIS**

**Equity Holdings Attributes as of March 31, 2018**

<table>
<thead>
<tr>
<th>Attribute</th>
<th>MSU</th>
<th>S&amp;P</th>
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<tbody>
<tr>
<td>Price/Cash Flow (P/CF)</td>
<td>11.08</td>
<td>13.85</td>
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<tr>
<td>Price/Earnings (P/E)</td>
<td>19.30x</td>
<td>20.80x</td>
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<tr>
<td>Price/Book (P/B)</td>
<td>2.65</td>
<td>3.16</td>
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<tr>
<td>Return on Assets (ROA)</td>
<td>3.91%</td>
<td>2.94%</td>
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<tr>
<td>Return on Equity (ROE)</td>
<td>14.79%</td>
<td>13.67%</td>
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<table>
<thead>
<tr>
<th>Attribute</th>
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<tbody>
<tr>
<td>Dividend Yield (%)</td>
<td>1.79%</td>
<td>2.00%</td>
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<tr>
<td>Average Market Cap ($bil)</td>
<td>$191</td>
<td>$198</td>
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<tr>
<td>Sharpe Ratio</td>
<td>1.00</td>
<td>1.30</td>
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<tr>
<td>Beta</td>
<td>1.02</td>
<td>1.00</td>
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<tr>
<td>Std. Deviation (Annualized)</td>
<td>7.10%</td>
<td>6.60%</td>
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PORTFOLIO PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>Last Month</th>
<th>Fiscal YTD</th>
<th>Last 12 Months</th>
<th>Report Period</th>
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<tbody>
<tr>
<td>MSU Endowment Fund</td>
<td>-1.9%</td>
<td>-0.5%</td>
<td>10.1%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Class Blended Benchmark</td>
<td>-1.1%</td>
<td>-0.4%</td>
<td>9.8%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

Portfolio & Class Blended Benchmark Cumulative and Annual Return

Data as of 03/30/17

FUTURE DIRECTION

Summary

- Continue emphasis for limiting downside exposure
- Monitor interest income to offset current low rate environment
- Maintain growth of capital as primary emphasis
- Focus on yield in fixed income holdings
- Maintain emphasis on high quality assets
- Sustain vigilance on the portfolio
Construction Update Status

May 11, 2018

by

Kyle Owen

Health Sciences & Human Services Building: